



INTEROFFICE MEMO

Gary Grief, Executive Director

Alfonso D. Royal III, Charitable Bingo Operations Director

To: J. Winston Krause, Chairman
Carmen Arrieta-Candelaria, Commissioner
Peggy A. Heeg, Commissioner
Doug Lowe, Commissioner
Robert Rivera, Commissioner

From: Kathy Pyka, Controller *KP*

Date: March 24, 2017

Re: Transfers to the State and the Agency's Budget Status

The following documents are provided for your information:

- I. Transfers to the Foundation School Fund, Texas Veterans Commission, and the allocation of unclaimed prizes for fiscal year 2017 transferred as of February 28, 2017
- II. Agency Budget Status

Transfers to the State

Total accrued basis revenue transfers to the State for the six month period ending February 28, 2017 amounted to \$570.8 million. Of the total amount transferred to the State from sales, \$526.8 million was transferred to the Foundation School Fund; \$9.7 million was transferred to the Texas Veterans Commission with the remaining balance of \$34.3 million transferred from unclaimed prizes. The amount transferred to the Foundation School Fund from sales represents a 14.3% decrease, or \$87.6 million, under the total amount transferred in fiscal year 2016. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$20.2 billion.

Agency Budget Status

The FY 2017 Method of Financing budget summary as of February 28, 2017 is attached for your information. The Commission's Lottery Account budget for FY 2017 is \$234.2 million. Of this amount 81.4% was expended and encumbered through the end of the second quarter. The Bingo Operations budget, funded by General Revenue, is \$15.4 million with 59.8% expended and encumbered through the end of the second quarter.

Please feel free to contact me at 512-344-5410 if you need additional information or have any questions.

Texas Lottery Commission						
Fiscal Year Detail of Accrued Revenue Transfers and Allocations to the State of Texas						
As of March 9, 2017						
Fiscal Year	Foundation School Fund	Texas Veteran's Commission	General Revenue	Multi- categorical Teaching Hospital Account	Other Beneficiaries*	Total Accrued Revenue Transfers
FY 1992	\$	\$	\$ 249,978,109	\$	\$	249,978,109
FY 1993			656,844,512			656,844,512
FY 1994			927,684,072			927,684,072
FY 1995			1,015,037,492			1,015,037,492
FY 1996			1,098,323,023			1,098,323,023
FY 1997	174,237,106		1,008,543,523			1,182,780,629
FY 1998	1,097,795,590					1,097,795,590
FY 1999	953,370,758					953,370,758
FY 2000	827,328,229			35,517,171		862,845,399
FY 2001	825,059,846			4,482,829	34,456,232	863,998,907
FY 2002	859,263,426			40,000,000	29,618,383	928,881,809
FY 2003	882,094,795				66,993,269	949,088,064
FY 2004	1,009,447,487		19,465,000	10,782,342	11,334,095	1,051,028,924
FY 2005	1,009,538,729		22,880,577	9,217,658	28,665,905	1,070,302,869
FY 2006	1,036,110,469		44,222,589	10,000,000		1,090,333,058
FY 2007	1,034,072,617		48,947,388	10,000,000		1,093,020,005
FY 2008	980,744,256		44,134,747	10,000,000		1,034,879,002
FY 2009	999,421,562		52,732,496	10,000,000		1,062,154,058
FY 2010	989,139,753	7,353,334	56,591,791	10,000,000		1,063,084,879
FY 2011	961,885,417	8,648,112	43,249,367	10,000,000		1,023,782,895
FY 2012	1,099,034,712	5,306,574	45,431,754	5,750,000		1,155,523,040
FY 2013	1,148,515,795	6,178,158	53,657,834	5,750,000		1,214,101,786
FY 2014	1,203,771,931	11,539,037		5,411,953		1,220,722,920
FY 2015	1,225,175,057	13,128,754		4,397,812		1,242,701,623
FY 2016	1,372,719,992	14,680,974		4,904,883		1,392,305,849
FY 2017**	555,347,414	10,546,615		4,904,882		570,798,910
Cumulative Transfers	\$ 20,244,074,939	\$ 77,381,557	\$ 5,387,724,273	\$ 191,119,530	\$ 171,067,884	\$ 26,071,368,183

*Includes HHSC Graduate Medical Education and Tertiary Care

**As of February 2017 revenue transfer

Source: with the exception of FY 2017, Audited Financial Statements

Texas Lottery Commission						
Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas						
FY 2017 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
Transfer Period	Transfer Date*					
September-16	10/11/16	82,502,876.92	1,935,383.23		84,438,260.15	25,773,674.89
October-16	11/04/16	82,849,990.73	1,905,842.10		84,755,832.83	27,257,608.46
November-16	12/07/16	88,495,811.53	1,940,960.08	13,419,252.75	103,856,024.36	27,951,437.33
December-16	01/05/17	85,883,917.56	1,701,838.13		87,585,755.69	29,691,248.83
January-17	02/08/17	91,066,352.53	1,029,691.81		92,096,044.34	28,617,465.38
February-17	03/09/17	96,036,044.32	1,181,591.73	20,849,356.98	118,066,993.03	29,126,026.02
Total FY 2017		526,834,993.59	9,695,307.08	34,268,609.73	570,798,910.40	168,417,460.91
FY 2017 Reserve for Administration						168,417,460.91

Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas				
FY 2017 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Multicategorical Teaching Hospital Account
Transfer Period	Transfer Date			Total Accrued Revenue Transfers
November-16	12/07/16	7,907,008.50	607,362.25	4,904,882.00
February-17	03/09/17	20,605,411.67	243,945.31	13,419,252.75
Total FY 2017		28,512,420.17	851,307.56	20,849,356.98
				34,268,609.73

* Current month transfers to Foundation School Fund and Texas Veterans Commission are due by 15th of each month.

TEXAS LOTTERY COMMISSION
Unaudited Transfer Calculation for Fund 5025
For the Period February 28, 2017

	February Final	Year-to-Date	
Sales Revenue			% Sales by Game
Scratch Tickets	319,356,939.00	1,882,679,967.00	78.25%
Lotto Texas	9,754,764.00	56,051,745.00	2.33%
Lotto Texas Extra	1,928,798.00	10,818,501.00	0.45%
Pick 3	20,049,708.50	123,370,335.50	5.13%
Pick 3- Sum It Up	386,274.00	2,347,091.00	0.10%
Cash Five	3,433,816.00	21,821,876.00	0.91%
Texas Two-Step	4,156,754.00	28,301,761.00	1.18%
Mega Millions	8,077,681.00	55,257,382.00	2.30%
Megaplier	2,279,003.00	14,996,539.00	0.62%
Daily 4	7,492,695.00	46,624,966.50	1.94%
Daily 4 - Sum It Up	425,210.50	2,524,672.00	0.10%
Powerball	31,320,368.00	122,274,163.00	5.08%
Power Play	4,064,593.00	16,936,326.00	0.70%
All or Nothing	2,243,728.00	14,322,868.00	0.60%
Texas Triple Chance	1,115,754.00	7,635,534.00	0.32%
Sub-total Sales Revenue	416,086,086.00	2,405,963,727.00	100.00%
Retailer Fees	30,270.00	161,030.00	
Total Sales Revenue	416,116,356.00	2,406,124,757.00	
Prize Expenses			Prize Expenses as % of Revenue
Scratch Tickets	222,421,073.54	1,314,489,638.89	69.82%
Lotto Texas	4,878,018.59	28,034,103.51	50.01%
Lotto Texas Extra	1,060,558.00	5,791,704.00	53.54%
Pick 3	8,629,460.00	61,171,860.00	49.58%
Pick 3- Sum It Up	159,360.00	1,031,881.00	43.96%
Cash Five	1,716,908.00	10,910,938.00	50.00%
Texas Two-Step	2,129,875.73	14,572,209.65	51.49%
Mega Millions	4,122,221.88	28,263,439.59	51.15%
Megaplier	1,139,514.00	7,515,491.00	50.11%
Daily 4	2,861,800.00	25,834,825.00	55.41%
Daily 4 - Sum It Up	174,851.00	2,614,114.00	103.54%
Powerball	15,879,874.00	60,798,630.00	49.72%
Power Play	2,051,996.50	8,417,905.50	49.70%
All or Nothing	1,034,790.00	7,437,336.00	51.93%
Texas Triple Chance	704,329.00	3,966,588.00	51.95%
Sub-total Prize Expenses	268,964,630.24	1,580,850,664.14	65.71%
Less:			
Unclaimed Prizes - Transferred in FY17	-	(13,419,252.75)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(20,336,359.15)	
Unclaimed Prizes - Current Month Accrual	(512,997.83)	(512,997.83)	
Sub-total Unclaimed Prizes	(512,997.83)	(34,268,609.73)	
Sub-total Prize Expenses as Adjusted for Unclaimed Prizes	268,451,632.41	1,546,582,054.41	64.28%
Retailer Commissions	20,808,063.69	120,326,331.28	5.00%
Total Expenses	289,259,696.10	1,666,908,385.69	
Amount Available to Transfer	126,856,659.90	739,216,371.31	

	February Final	Year-to-Date
Amount Available to Transfer	126,856,659.90	739,216,371.31
Less:		
Total AY17 Foundation School Fund		
Transfers to Date		(430,798,949.27)
Total AY17 Texas Veterans Commission		
Transfers to Date		(8,513,715.35)
Unclaimed Prizes - Transferred in FY17	-	(13,419,252.75)
Unclaimed Prizes - Prior Month(s) Accrual*	-	(20,336,359.15)
Unclaimed Prizes - Current Month Accrual	(512,997.83)	(512,997.83)
Sub-total Unclaimed Prizes	(512,997.83)	(34,268,609.73)
FY17 Administrative Expenses Allocation through 2/28/17	(29,126,026.02)	(168,417,460.91)
Current Month Amount Available to Transfer	97,217,636.05	97,217,636.05
Current Month Transfer to Texas Veterans Commission	1,181,591.73	1,181,591.73
Current Month Transfer to Foundation School Fund	96,036,044.32	96,036,044.32
Total Transferred for Current Month	97,217,636.05	97,217,636.05

*Unclaimed Prizes are transferred on a quarterly basis

*Totals may not sum due to rounding.



Texas Lottery Commission Summary Financial Information

(Audited unless otherwise noted)

	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00
<u>SALES:</u>									
Total Sales	\$591,570,852	\$1,856,090,753	\$2,760,217,110	\$3,036,517,308	\$3,432,309,408	\$3,745,469,123	\$3,090,031,624	\$2,571,599,617	\$2,657,290,483
<u>EXPENSE:</u>									
Total Prize Expense	\$268,869,333	\$981,698,406	\$1,528,691,259	\$1,689,345,205	\$1,951,060,296	\$2,151,737,003	\$1,648,106,270	\$1,329,014,108	\$1,508,849,679
Prize Payout Percentage	45.5%	52.9%	55.4%	55.6%	56.8%	57.4%	53.3%	51.7%	56.8%
Commissions	\$29,578,543	\$92,815,046	\$138,011,596	\$151,845,090	\$171,719,838	\$187,394,765	\$154,581,140	\$128,827,796	\$133,000,980
Retailer Payments	-	\$4,282,752	\$6,107,225	\$6,942,860	\$5,429,790	\$6,019,956	\$5,596,251	\$4,482,957	\$4,390,015
Administrative Expenses	\$45,116,542	\$124,873,791	\$166,644,017	\$188,383,295	\$217,499,396	\$236,216,507	\$198,286,932	\$169,307,159	\$172,193,140
<u>UNCLAIMED PRIZES</u>									
Unclaimed Prizes Transferred to State	-	-	-	\$2,647,094	\$7,284,316	\$2,982,148	-	\$9,688,000	\$35,517,171
<u>ACCRUED TRANSFERS:</u>									
To Multicategorical Teaching Hospital Account	\$249,978,109	\$656,844,512	\$927,684,072	\$1,015,037,492	\$1,098,323,023	\$1,008,543,523	-	-	-
To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	\$35,517,171
To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	-
To Foundation School Fund	-	-	-	-	-	-	-	-	-
To Texas Veterans Commission	-	-	-	-	-	\$174,237,106	\$1,097,795,590	\$953,370,758	\$827,328,229
Total Accrued Transfers to State	\$249,978,109	\$656,844,512	\$927,684,072	\$1,015,037,492	\$1,098,323,023	\$1,182,780,629	\$1,097,795,590	\$953,370,758	\$862,845,400
<u>SALES:</u>									
Total Sales	\$2,825,298,062	\$2,966,262,259	\$3,130,692,602	\$3,487,924,570	\$3,662,462,838	\$3,774,685,562	\$3,774,178,802	\$3,671,477,953	\$3,720,113,711
<u>EXPENSE:</u>									
Total Prize Expense	\$1,643,183,197	\$1,715,355,958	\$1,845,198,257	\$2,068,643,667	\$2,228,000,419	\$2,310,561,488	\$2,315,304,967	\$2,281,125,261	\$2,299,752,567
Prize Payout Percentage	58.2%	57.8%	58.9%	59.3%	60.8%	61.2%	61.3%	62.1%	61.8%
Commissions	\$141,299,672	\$148,359,044	\$156,554,911	\$174,413,287	\$183,176,006	\$188,818,621	\$188,751,041	\$183,771,055	\$186,145,362
Retailer Payments	\$5,048,075	\$4,172,483	\$3,606,784	\$2,143,103	\$4,286,558	\$2,804,521	\$4,423,161	\$1,953,223	\$1,926,785
Administrative Expenses	\$172,823,281	\$166,748,438	\$158,329,321	\$180,818,463	\$178,795,994	\$184,901,385	\$182,731,292	\$167,594,360	\$192,447,630
<u>UNCLAIMED PRIZES</u>									
Unclaimed Prizes Transferred to State	\$38,939,061	\$69,618,383	\$66,993,269	\$41,581,437	\$60,764,140	\$54,222,589	\$58,947,388	\$54,134,747	\$62,732,496
<u>ACCRUED TRANSFERS:</u>									
To Multicategorical Teaching Hospital Account	\$4,482,829	\$40,000,000	-	\$19,465,000	\$22,880,577	\$44,222,589	\$48,947,388	\$44,134,747	\$52,732,496
To Tertiary Care Facility Account	\$34,456,232	\$29,618,383	\$66,993,269	\$10,782,342	\$9,217,658	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	-
To Foundation School Fund	\$825,059,846	\$859,263,426	\$882,094,795	\$1,009,447,487	\$1,009,538,729	\$1,036,110,469	\$1,034,072,617	\$980,744,256	\$999,421,562
To Texas Veterans Commission	-	-	-	-	-	-	-	-	-
Total Accrued Transfers to State	\$863,998,907	\$928,881,809	\$949,088,064	\$1,051,028,924	\$1,070,302,869	\$1,090,333,058	\$1,093,020,005	\$1,034,879,002	\$1,062,154,058
<u>SALES:</u>									
Total Sales	\$3,738,369,487	\$3,811,270,135	\$4,190,815,913	\$4,376,286,456	\$4,384,597,063	\$4,529,700,425	\$5,067,517,923	\$2,405,963,727	\$87,258,713,764
<u>EXPENSE:</u>									
Total Prize Expense	\$2,300,182,561	\$2,387,243,785	\$2,632,624,266	\$2,767,359,068	\$2,741,184,820	\$2,858,319,409	\$3,186,430,316	\$1,580,850,664	\$52,218,692,428
Prize Payout Percentage	61.5%	62.6%	62.8%	63.2%	62.9%	63.1%	62.9%	59.8%	59.8%
Commissions	\$187,302,974	\$190,808,232	\$209,816,328	\$218,892,925	\$219,540,166	\$226,667,064	\$255,512,424	\$120,326,331	\$4,365,930,237
Retailer Payments	\$8,857,990	\$21,424,731	\$16,061,583	\$17,940,232	\$17,959,225	\$21,897,293	\$19,793,946	\$7,528,226	\$205,079,725
Administrative Expenses	\$185,283,677	\$184,320,962	\$169,440,523	\$181,966,473	\$185,435,445	\$189,334,443	\$206,170,765	\$85,501,417	\$4,491,164,650
<u>UNCLAIMED PRIZES</u>									
Unclaimed Prizes Transferred to State	\$66,591,791	\$53,775,634	\$51,743,502	\$59,870,140	\$78,324,661	\$76,225,020	\$83,552,791	\$34,268,610	\$1,070,404,388
<u>ACCRUED TRANSFERS:</u>									
To Multicategorical Teaching Hospital Account	\$56,591,791	\$43,249,367	\$45,431,754	\$53,657,834	-	-	-	-	\$5,387,724,274
To Tertiary Care Facility Account	\$10,000,000	\$10,000,000	\$5,750,000	\$5,750,000	\$5,411,953	\$4,397,812	\$4,904,883	\$4,904,882	\$191,119,530
To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	\$131,067,884
To Foundation School Fund	\$989,139,753	\$961,885,417	\$1,099,034,712	\$1,148,515,795	\$1,203,771,931	\$1,225,175,057	\$1,372,719,992	\$555,347,414 ⁽¹⁾	\$20,244,074,939
To Texas Veterans Commission	\$7,353,334	\$8,648,112	\$5,306,574	\$6,178,158	\$11,539,037	\$13,128,754	\$14,680,974	\$10,546,615 ⁽¹⁾	\$77,381,557
Total Accrued Transfers to State	\$1,063,084,879	\$1,023,782,895	\$1,155,523,040	\$1,214,101,786	\$1,220,722,920	\$1,242,701,623	\$1,392,305,849	\$570,798,910	\$26,071,368,184

* Totals may not sum due to rounding.

(1) Includes transfers from sales and unclaimed prizes

*Through February, 2017



Texas Lottery Commission
Annual Budget Report By Strategy
Fiscal Year 2017
From 9/1/2016 Through 2/28/2017
(In Millions)

Fund 5025 - Lottery Dedicated Account							
Strategy	Strategy Title	Budget	Expenditures	YTD	YTD	Total Budget	% Expended/ Encumbered
A.1.1	Lottery Operations	\$ 7.32	\$ 3.72	\$ 3.32	\$ 0.28		96.2%
A.1.2	Lottery Field Operations	2.75	1.29	1.31	0.15		94.4%
A.1.3	Marketing and Promotion	7.10	3.02	3.09	0.98		86.2%
A.1.4	Security	5.49	2.36	2.78	0.35		93.6%
A.1.5	Central Administration	12.42	5.62	5.76	1.04		91.6%
A.1.6	Lottery Operator Contract	97.45	49.06	47.59	0.80		99.2%
A.1.7	Instant Ticket Production Contract	33.93	11.91	13.57	8.45		75.1%
A.1.8	Mass Media Advertising Contract	32.00	7.34	18.63	6.03		81.2%
A.1.9	Drawing and Broadcast Contract	2.64	1.10	1.54	0.00		99.9%
A.1.10	Market Research Contract	0.44	0.10	0.13	0.22		51.3%
A.1.11	Retailer Bonus	4.20	0.99	-	3.21		23.6%
A.1.12	Retailer Commissions	28.51	6.54	-	21.97		22.9%
Total Fund 5025 - Lottery Dedicated Account		\$ 234.23	\$ 93.05	\$ 97.70	\$ 43.48		81.4%
Reconciliation to General Appropriations Act:							
	Article IX, Section 8.02, Third Party Reimbursements	(0.46)					
	Article IX, Section 17.04, PR Cont-Health Ins (2016-17 GAA)	0.20					
	Article IX, Section 18.02, Salary Increase (2016-17 GAA)	(0.39)					
	Article IX, Section 17.08, Payroll Contribution (2016-17 GAA)	0.10					
	Rider 11, Appropriation of Increased Revenues	(9.93)					
	Rider 9b, Retailer Commissions	(6.46)					
	Unbudgeted Appropriation Authority	2.90					
Total Fund 5025, General Appropriations Act		\$ 220.20					
Fund 0001 - General Revenue Fund							
Strategy	Strategy Title	Budget	Expenditures	YTD	YTD	Total Budget	% Expended/ Encumbered
B.1.1	Bingo Licensing	\$ 0.71	\$ 0.32	\$ 0.34	\$ 0.05		93.6%
B.1.2	Bingo Education and Development	0.09	0.04	0.04	0.00		96.0%
B.1.3	Bingo Law Compliance Field Oper.	1.62	0.59	0.82	0.20		87.7%
B.1.4	Bingo Prize Fee Collection & Acct.	0.31	0.14	0.15	0.01		95.6%
B.1.4	Bingo Prize Fee Allocation	12.64	6.73	-	5.91		53.2%
Total Fund 0001 - General Revenue Fund		\$ 15.36	\$ 7.83	\$ 1.36	\$ 6.17		59.8%
Reconciliation to General Appropriations Act:							
	Rider 8, Local Bingo Prize Fee (2016-17 GAA)	(12.64)					
	Article IX, Section 17.04, PR Cont-Health Ins (2016-17 GAA)	0.02					
	Article IX, Section 18.02, Salary Increase (2016-17 GAA)	(0.04)					
	Article IX, Section 17.08, Payroll Contribution (2016-17 GAA)	0.01					
	Unbudgeted Appropriation Authority	0.05					
Total Fund 0001, General Appropriations Act		\$ 2.77					

Totals may not sum due to rounding.

TEXAS LOTTERY COMMISSION
FY 2017 METHOD OF FINANCING SUMMARY
From 9/1/2016 Through 2/28/17

LOTTERY-FUND 5025

FY 2017 Original Appropriation	\$ 220,196,185
Add: Article IX, Section 8.02, Third Party Reimbursements	457,472
Article IX, Section 18.02, Salary Increase (2016-17 GAA)	393,557
Rider 11, Appn of Increased Revenues	9,927,154
Rider 9b, Retailer Commissions	6,457,278
Less: Unbudgeted Appropriation Authority	(2,902,458)
Article IX, Section 17.04, PR Cont-Health Ins (2016-17 GAA)	(199,360)
Article IX, Section 17.08, Payroll Contribution (2016-17 GAA)	(99,680)

FY 2017 Adjusted Appropriation	\$ 234,230,148
YTD Expenditures/Encumbrances	(190,752,690)
Remaining Budget	\$ 43,477,458
% of Total Budget Expended/Encumbered	81.4%

BINGO-FUND 0001

FY 2017 Original Appropriation	\$ 2,772,945
Add: Rider 8, Local Bingo Prize Fee (2016-17 GAA)	12,635,500
Article IX, Section 18.02, Salary Increase (2016-17 GAA)	38,056
Less: Unbudgeted Appropriation Authority	(52,187)
Article IX, Section 17.04, PR Cont-Health Ins (2016-17 GAA)	(23,561)
Article IX, Section 17.08, Payroll Contribution (2016-17 GAA)	(11,781)
FY 2017 Adjusted Appropriation	\$ 15,358,972
YTD Expenditures/Encumbrances	(9,187,635)

Remaining Budget	\$ 6,171,337
% of Total Budget Expended/Encumbered	59.8%

Texas Lottery Commission
Quarterly Budget Report
Fiscal Year 2017
From 9/1/2016 Through 2/28/2017

Fund 0001 - General Revenue Fund

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	\$ 2,286,161	\$ 994,845	\$ 1,186,745	\$ 104,571	95.4%
6003	Longevity Pay	52,060	23,440	26,360	2,260	95.7%
6004	Merit Pool	31,800	-	-	31,800	0.0%
6005	Professional Fees & Services	217,814	47,434	133,490	36,890	83.1%
6015	Other Operating Costs	59,598	26,249	12,424	20,925	64.9%
6020	Travel	67,400	10,580	-	56,820	15.7%
6021	Out of State Travel	8,640	893	-	7,747	10.3%
6030	Grants	12,635,500	6,725,175	-	5,910,325	53.2%
Total Fund 0001 - General Revenue Fund		\$ 15,358,972	\$ 7,828,616	\$ 1,359,019	\$ 6,171,338	59.8%

Texas Lottery Commission
Quarterly Budget Report
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From 9/1/2016 Through 2/28/2017

Fund 5025 - Lottery Dedicated Account

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	\$ 19,595,598	\$ 9,352,739	\$ 9,925,574	\$ 317,285	98.4%
6003	Longevity Pay	419,840	196,360	213,200	10,280	97.6%
6004	Merit Pool	180,122	-	-	180,122	0.0%
6005	Professional Fees & Services	6,279,774	2,479,150	3,515,824	284,800	95.5%
6006	Lottery Operator Contract	97,687,027	49,298,488	47,592,523	796,017	99.2%
6007	Advertising	32,183,008	7,382,185	18,765,402	6,035,421	81.2%
6008	Retailer Bonus	32,705,398	7,528,226	-	25,177,172	23.0%
6009	Printing and Reproduction	28,783,729	12,001,009	8,321,579	8,461,141	70.6%
6015	Other Operating Costs	15,678,052	4,582,980	9,370,480	1,724,592	89.0%
6020	Travel	342,543	108,926	-	233,616	31.8%
6021	Out of State Travel	110,000	18,688	-	91,312	17.0%
6071	Capital Expenditures	265,058	99,358	-	165,700	37.5%
Total Fund 5025 - Lottery Dedicated Account		\$ 234,230,148	\$ 93,048,109	\$ 97,704,581	\$ 43,477,458	81.4%

Texas Lottery Commission
Encumbrance Budget Report - Annual Budget Report-Strategy
FY 2017
From 9/1/2016 Through 2/28/2017

0001 - General Revenue Fund

Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
B.1.1	Bingo Licensing	706,358.88	324,079.54	337,066.30	45,213.04	93.60%
B.1.2	Bingo Education and Development	89,515.98	41,264.18	44,694.18	3,557.62	96.03%
B.1.3	Bingo Law Compliance Field Oper	1,615,276.12	593,674.30	823,135.53	198,466.29	87.71%
B.1.4	Bingo Prize Fee Collection & Accting	312,321.49	144,422.80	154,122.78	13,775.91	95.59%
B.1.4	Bingo Prize Fee Allocation	12,635,500.00	6,725,175.11	0.00	5,910,324.89	53.22%
	Total Fund 0001 - General Revenue Fund	<u>15,358,972.47</u>	<u>7,828,615.93</u>	<u>1,359,018.79</u>	<u>6,171,337.75</u>	<u>59.82%</u>

Texas Lottery Commission
Encumbrance Budget Report - Annual Budget Report-Strategy
FY 2017
From 9/1/2016 Through 2/28/2017

Fund 5025 - Lottery Dedicated Account

Account Code	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
A.1.1	Lottery Operations	7,318,454.24	3,717,524.36	3,320,956.21	279,973.67	96.17%
A.1.2	Lottery Field Operations	2,753,378.28	1,290,613.10	1,309,105.40	153,659.78	94.42%
A.1.3	Marketing and Promotion	7,096,021.84	3,024,708.75	3,089,860.62	981,452.47	86.17%
A.1.4	Security	5,485,058.96	2,358,302.89	2,776,854.48	349,901.59	93.62%
A.1.5	Central Administration	12,418,908.75	5,618,225.98	5,759,615.96	1,041,066.81	91.62%
A.1.6	Lottery Operator Contract	97,448,281.00	49,059,741.27	47,592,522.98	796,016.75	99.18%
A.1.7	Instant Ticket Production Contract	33,927,153.65	11,910,206.64	13,566,141.77	8,450,805.24	75.09%
A.1.8	Mass Media Advertising Contracts	32,000,000.00	7,343,868.62	18,626,021.39	6,030,109.99	81.16%
A.1.9	Drawing and Broadcast Contract	2,635,178.00	1,095,990.80	1,537,187.20	2,000.00	99.92%
A.1.10	Market Research Contract	442,315.00	100,700.00	126,315.00	215,300.00	51.32%
A.1.11	Retailer Bonus	4,200,000.00	989,776.43	0.00	3,210,223.57	23.57%
A.1.12	Retailer Commissions	28,505,398.00	6,538,450.00	0.00	21,966,948.00	22.94%
Total 5025 - Texas Lottery Dedicated Account		<u>234,230,147.72</u>	<u>93,048,108.84</u>	<u>97,704,581.01</u>	<u>43,477,457.87</u>	<u>81.44%</u>