



INTEROFFICE MEMO

Gary Grief, Executive Director

Alfonso D. Royal III, Charitable Bingo Operations Director

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

From: Kathy Pyka, Controller *KP*

Date: March 29, 2018

Re: Transfers to the State

The following document is provided for your information:

- I. Transfers to the Foundation School Fund, Texas Veterans Commission, and the allocation of unclaimed prizes for fiscal year 2018 transferred as of March 8, 2018

Transfers to the State

Total accrued basis revenue transfers to the State for the six-month period ending February 28, 2018 amounted to \$613.0 million. Of the total amount transferred to the State from sales, \$580.1 million was transferred to the Foundation School Fund; \$8.9 million was transferred to the Texas Veterans Commission with the remaining \$24.0 million transferred from unclaimed prizes. The amount transferred to the Foundation School Fund from sales represents a 10.1% increase, or \$53.3 million, over the total amount transferred in fiscal year 2017. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$21.6 billion.

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 8, 2018						
Fiscal Year	Foundation School Fund	Texas Veteran's Commission	General Revenue	Multi- categorical		Total Accrued Revenue Transfers
				Teaching Hospital Account	Other Beneficiaries*	
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	7,553,334	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	1,312,856,719	16,206,348		4,904,882		1,333,967,949
FY 2018**	601,990,770	10,555,142		439,444		612,985,356
Cumulative Transfers	\$ 21,603,575,013	\$ 93,596,432	\$ 5,387,724,273	\$ 191,558,974	\$ 171,067,884	\$ 27,447,522,577

*Includes HHSC Graduate Medical Education and Tertiary Care

**As of February 2018 revenue transfer

Source: with the exception of FY2018, Audited Financial Statements

Texas Lottery Commission						
Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas						
FY 2018 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
Transfer Period	Transfer Date*					
September-17	10/09/17	83,341,221	1,319,918	-	84,661,138	27,717,752
October-17	11/08/17	88,827,168	1,393,291	-	90,220,460	29,386,283
November-17	12/11/17	95,596,463	1,131,090	12,990,116	109,717,669	30,341,654
December-17	01/11/18	105,638,567	1,285,539	-	106,924,106	34,855,723
January-18	02/07/18	109,406,105	1,952,781	-	111,358,886	34,840,108
February-18	03/08/18	97,316,064	1,815,612	10,971,420	110,103,096	32,018,327
Total FY 2018		580,125,589	8,898,230	23,961,536	612,985,356	189,159,849
FY 2018 Reserve for Administration						189,159,849

Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas				
FY 2018 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Multicategorical Teaching Hospital Account
Transfer Period	Transfer Date			Total Accrued Revenue Transfers
November-17	12/12/17	10,893,761	1,656,912	439,444
February-18	03/08/18	10,971,420	-	-
Total FY 2018		21,865,181	1,656,912	439,444
				23,961,536

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



Texas Lottery Commission Summary Financial Information

(Audited unless otherwise noted)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY00	FY01
<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	\$2,825,298,062
<u>EXPENSE:</u>										
Total Prize Expense	\$268,869,533	\$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	\$1,643,183,197
Prize Payout Percentage	45.5%	52.9%	55.4%	55.6%	56.8%	57.4%	53.3%	51.7%	56.8%	58.2%
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	\$141,299,672
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	\$5,048,075
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	\$172,823,281
<u>UNCLAIMED PRIZES:</u>										
Unclaimed Prizes Transferred to State	-	-	-	\$2,647,094	\$7,284,316	\$2,982,148	-	\$9,688,000	\$35,517,171	\$38,939,061
<u>ACCRUED TRANSFERS:</u>										
To General Revenue Fund	\$249,978,109	\$656,844,512	\$927,684,072	\$1,015,037,492	\$1,098,323,023	\$1,008,543,523	-	-	-	-
To Multicategorical Teaching Hospital Account	-	-	-	-	-	-	-	-	\$35,517,171	\$4,482,829
To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	-	\$34,456,232
To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	-	-
To Foundation School Fund	-	-	-	-	-	\$174,237,106	\$1,097,795,590	\$953,370,758	\$827,328,229	\$825,059,846
To Texas Veterans Commission	-	-	-	-	-	-	-	-	-	-
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	\$862,845,399	\$863,998,907
<u>SALES:</u>										
Total Sales	\$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	\$3,738,369,487	\$3,811,270,135
<u>EXPENSE:</u>										
Total Prize Expense	\$1,715,355,938	\$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	\$2,300,182,561	\$2,387,243,785
Prize Payout Percentage	57.8%	58.9%	59.3%	60.8%	61.2%	61.3%	62.1%	61.8%	61.5%	62.6%
Commissions	\$148,359,044	\$156,554,911	\$174,413,287	\$183,176,006	\$188,818,621	\$188,731,041	\$183,771,055	\$186,145,362	\$187,302,974	\$190,808,232
Retailer Payments	\$4,172,483	\$3,606,784	\$2,143,103	\$4,286,558	\$2,804,521	\$4,423,161	\$1,953,223	\$1,926,785	\$8,857,990	\$21,424,731
Administrative Expenses	\$166,748,438	\$158,529,321	\$180,818,463	\$178,795,994	\$184,901,385	\$182,731,292	\$167,594,360	\$192,447,630	\$185,283,677	\$184,320,962
<u>UNCLAIMED PRIZES:</u>										
Unclaimed Prizes Transferred to State	\$69,618,383	\$66,993,269	\$41,581,437	\$60,764,140	\$54,222,589	\$58,947,388	\$54,134,747	\$62,732,496	\$66,591,791	\$53,775,634
<u>ACCRUED TRANSFERS:</u>										
To General Revenue Fund	-	-	\$19,465,000	\$22,880,577	\$44,222,589	\$48,947,388	\$44,134,747	\$52,732,496	\$56,591,791	\$43,249,367
To Multicategorical Teaching Hospital Account	\$40,000,000	-	\$10,782,342	\$9,217,658	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
To Tertiary Care Facility Account	\$29,618,383	\$66,993,269	-	-	-	-	-	-	-	-
To HHSC Graduate Medical Program	-	-	\$11,334,095	\$28,665,905	-	-	-	-	-	-
To Foundation School Fund	\$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	\$989,139,753	\$961,885,417
To Texas Veterans Commission	-	-	-	-	-	-	-	-	\$7,353,334	\$8,648,112
Total Accrued Transfers to State	\$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	\$1,063,084,879	\$1,023,782,895
<u>SALES:</u>										
Total Sales	\$4,190,815,913	\$4,376,286,456	\$4,384,597,063	\$4,529,700,425	\$5,067,517,923	\$5,077,461,652	Unaudited \$2,702,283,351	Unaudited \$2,702,283,351	Unaudited \$2,702,283,351	Unaudited \$2,702,283,351
<u>EXPENSE:</u>										
Total Prize Expense	\$2,632,624,266	\$2,767,359,068	\$2,741,184,820	\$2,858,319,409	\$3,186,430,316	\$3,257,375,437	\$1,789,110,549	\$1,789,110,549	\$1,789,110,549	\$1,789,110,549
Prize Payout Percentage	62.8%	63.2%	62.9%	63.1%	62.9%	64.2%	66.2%	66.2%	66.2%	60.1%
Commissions	\$209,816,328	\$218,892,925	\$219,540,166	\$226,667,064	\$253,512,424	\$253,928,168	\$135,191,964	\$135,191,964	\$135,191,964	\$135,191,964
Retailer Payments	\$16,061,583	\$17,940,232	\$17,959,225	\$21,897,293	\$19,793,946	\$22,368,417	\$8,087,900	\$8,087,900	\$8,087,900	\$8,087,900
Administrative Expenses	\$169,440,523	\$181,966,473	\$185,435,445	\$189,334,443	\$206,170,765	\$215,911,246	\$85,377,937	\$85,377,937	\$85,377,937	\$85,377,937
<u>UNCLAIMED PRIZES:</u>										
Unclaimed Prizes Transferred to State	\$51,743,502	\$59,870,140	\$78,324,661	\$76,225,020	\$83,552,791	\$69,676,919	\$23,961,536	\$23,961,536	\$23,961,536	\$23,961,536
<u>ACCRUED TRANSFERS:</u>										
To General Revenue Fund	\$45,431,754	\$53,657,834	-	-	-	-	-	-	-	-
To Multicategorical Teaching Hospital Account	\$5,750,000	\$5,750,000	\$5,411,953	\$4,397,812	\$4,904,883	\$4,904,882	\$439,444	\$439,444	\$439,444	\$439,444
To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	-	-
To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	-	-
To Foundation School Fund	\$1,099,034,712	\$1,148,515,795	\$1,203,771,931	\$1,225,175,057	\$1,372,719,992	\$1,312,856,719	\$601,990,770 ⁽¹⁾	\$601,990,770 ⁽¹⁾	\$601,990,770 ⁽¹⁾	\$601,990,770 ⁽¹⁾
To Texas Veterans Commission	\$5,306,574	\$6,178,158	\$11,539,037	\$13,128,754	\$14,680,974	\$16,206,348	\$10,555,142 ⁽¹⁾	\$10,555,142 ⁽¹⁾	\$10,555,142 ⁽¹⁾	\$10,555,142 ⁽¹⁾
Total Accrued Transfers to State	\$1,155,523,040	\$1,214,101,786	\$1,220,722,920	\$1,242,701,623	\$1,392,305,849	\$1,333,967,949	\$612,985,356	\$612,985,356	\$612,985,356	\$612,985,356

* Totals may not sum due to rounding.

Prepared by: Office of the Controller

(1) Includes transfers from sales and unclaimed prizes
*Through February, 2018

TEXAS LOTTERY COMMISSION
Unaudited Transfer Calculation for Fund 5025
For the Period February 28, 2018

	February Final	Year-to-Date	
Sales Revenue			% Sales by Game
Scratch Tickets	\$ 363,504,583	\$ 2,109,587,847	78.07%
Lotto Texas	8,640,739	56,368,885	2.09%
Lotto Texas Extra	1,937,250	12,254,301	0.45%
Pick 3	21,118,698	124,888,703	4.62%
Pick 3- Sum It Up	430,357	2,493,935	0.09%
Cash Five	3,331,450	21,111,175	0.78%
Texas Two-Step	5,160,790	25,685,415	0.95%
Mega Millions	15,117,589	95,660,987	3.54%
Megaplier	2,341,751	16,211,620	0.60%
MM Just the Jackpot	117,258	862,188	0.03%
Daily 4	8,522,071	53,129,190	1.97%
Daily 4 - Sum It Up	458,202	2,891,252	0.11%
Powerball	20,377,110	139,932,753	5.18%
Power Play	3,096,101	20,528,796	0.76%
All or Nothing	2,292,189	14,409,933	0.53%
Texas Triple Chance	958,540	6,266,572	0.23%
Sub-total Sales Revenue	457,404,678	2,702,283,551	100.00%
Retailer Fees	26,635	202,630	
Total Sales Revenue	\$ 457,431,313	\$ 2,702,486,181	
Prize Expenses			Prize Expenses as % of Revenue
Scratch Tickets	255,877,118	1,480,654,377	70.19%
Lotto Texas	4,321,705	33,784,579	59.93%
Lotto Texas Extra	1,069,906	6,881,594	56.16%
Pick 3	11,961,040	61,800,760	49.48%
Pick 3- Sum It Up	181,164	1,153,290	46.24%
Cash Five	1,665,725	10,555,588	50.00%
Texas Two-Step	2,528,564	12,808,751	49.87%
Mega Millions	7,840,252	50,057,241	52.33%
Megaplier	1,162,914	8,259,250	50.95%
MM Just the Jackpot	58,570	428,073	49.65%
Daily 4	3,201,900	29,784,700	56.06%
Daily 4 - Sum It Up	197,556	1,201,837	41.57%
Powerball	10,174,747	70,104,503	50.10%
Power Play	1,546,200	10,287,925	50.11%
All or Nothing	1,065,100	8,195,044	56.87%
Texas Triple Chance	539,710	3,153,038	50.32%
Sub-total Prize Expenses	303,392,171	1,789,110,549	66.21%
Less:			
Unclaimed Prizes - Transferred in FY18	-	(12,990,116)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(4,793,065)	
Unclaimed Prizes - Current Month Accrual	(6,178,355)	(6,178,355)	
Sub-total Unclaimed Prizes	(6,178,355)	(23,961,536)	
Sub-total Prize Expenses as Adjusted for Unclaimed Prizes	\$ 297,213,815	\$ 1,765,149,012	65.32%
Retailer Commissions	22,889,138	135,191,964	5.00%
Total Expenses	\$ 320,102,954	\$ 1,900,340,977	
Amount Available to Transfer	\$ 137,328,359	\$ 802,145,204	

	February Final	Year-to-Date
Amount Available to Transfer	\$ 137,328,359	\$ 802,145,204
Less:		
Total AY18 Foundation School Fund		
Transfers to Date		(482,809,525)
Total AY18 Texas Veterans Commission		
Transfers to Date		(7,082,618)
Unclaimed Prizes - Transferred in FY18	-	(12,990,116)
Unclaimed Prizes - Prior Month(s) Accrual*	-	(4,793,065)
Unclaimed Prizes - Current Month Accrual	(6,178,355)	(6,178,355)
Sub-total Unclaimed Prizes	(6,178,355)	(23,961,536)
FY18 Administrative Expenses Allocation through 02/28/18	(32,018,327)	(189,159,849)
Current Month Amount Available to Transfer	\$ 99,131,676	\$ 99,131,676
Current Month Transfer to Texas Veterans Commission	1,815,612	1,815,612
Current Month Transfer to Foundation School Fund	97,316,064	97,316,064
Total Transferred for Current Month	\$ 99,131,676	\$ 99,131,676

*Unclaimed Prizes are transferred on a quarterly basis

*Totals may not sum due to rounding.