



INTEROFFICE MEMO

Gary Grief, Executive Director Michael P. Farrell, 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: July 30, 2018

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 2018 transferred as of July 9, 2018
- II. Agency Budget Status

Transfers to the State

Total accrued basis revenue transfers to the State for the ten-month period ending June 30, 2018 amounted to \$1.17 billion. Of the total amount transferred to the State from sales, \$1.1 billion was transferred to the Foundation School Fund; \$13.6 million was transferred to the Texas Veterans Commission with the remaining \$47.3 million transferred from unclaimed prizes. The amount transferred to the Foundation School Fund from sales represents a 12.5% increase, or \$123.1 million, over the total amount transferred in fiscal year 2017. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$22.2 billion.

Agency Budget Status

The FY 2018 Method of Financing budget summary as of May 31, 2018 is attached for your information. The Commission's Lottery Account budget for FY 2018 is \$230.8 million. Of this amount 87.3% was expended and encumbered through the end of the third quarter. The Bingo Operations budget, funded by the Bingo Administration Fund, was \$17.0 million with 13.2% expended and encumbered through the end of the third 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 July 9, 2018						
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	1,312,856,719	16,206,348		4,904,882		1,333,967,949
FY 2018**	1,152,000,711	16,252,609		439,444		1,168,692,764
Cumulative Transfers	\$ 22,153,584,954	\$ 99,293,900	\$ 5,387,724,273	\$ 191,558,974	\$ 171,067,884	\$ 28,003,229,985

*Includes HHSC Graduate Medical Education and Tertiary Care

**As of May 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	1,319,917.57	-	84,661,138.37	27,717,751.60	
October-17	11/08/17	1,393,291.37	-	90,220,459.84	29,386,283.22	
November-17	12/11/17	1,131,089.59	12,990,116.45	109,717,669.25	30,341,654.39	
December-17	01/11/18	1,285,538.78	-	106,924,106.21	34,855,723.46	
January-18	02/07/18	1,952,780.82	-	111,358,885.62	34,840,108.45	
February-18	03/08/18	1,815,612.07	10,971,419.93	110,103,096.33	32,018,327.44	
March-18	04/09/18	1,387,022.22	-	124,187,641.30	38,921,770.83	
April-18	05/09/18	1,175,575.56	-	134,116,290.73	1,890,826.14	
May-18	06/11/18	1,272,070.55	23,385,405.05	160,299,905.76	-	
May-18	06/11/18	5,667,538.50 ^A	-	5,667,538.50	-	
June-18	07/09/18	130,557,380.85	878,650.93	131,436,031.78	-	
Total FY 2018	1,107,734,272.80	13,611,549.46	47,346,941.43	1,168,692,763.69	229,972,445.53	

FY 2018 Reserve for Administration 229,972,445.53

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	Total Accrued Revenue Transfers		
Transfer Period	Transfer Date					
November-17	12/12/17	1,656,911.80	439,444.00	12,990,116.45		
February-18	03/08/18	-	-	10,971,419.93		
May-18	06/11/18	984,147.93	-	23,385,405.05		
Total FY 2018	44,266,437.70	2,641,059.73	439,444.00	47,346,941.43		

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

^A FY2017 Unspent Administration

TEXAS LOTTERY COMMISSION
Unaudited Transfer Calculation for Fund 5025
For the Period May 31, 2018

	May Final	Year-to-Date	
Sales Revenue			% Sales by Game
Scratch Tickets	\$ 384,471,941.75	\$ 3,312,440,213.50	78.49%
Lotto Texas	10,230,392.00	87,804,138.00	2.08%
Lotto Texas Extra	2,338,394.00	19,400,561.50	0.46%
Pick 3	22,330,005.50	192,445,794.00	4.56%
Pick 3- Sum It Up	433,084.50	3,830,443.00	0.09%
Cash Five	3,591,005.00	31,898,098.00	0.76%
Texas Two-Step	4,395,547.00	40,186,699.00	0.95%
Mega Millions	12,866,151.00	155,184,874.00	3.68%
Megaplier	2,142,606.00	25,274,807.00	0.60%
MM Just the Jackpot	87,264.00	1,232,256.00	0.03%
Daily 4	9,427,171.50	81,063,023.50	1.92%
Daily 4 - Sum It Up	492,178.00	4,356,797.50	0.10%
Powerball	20,246,727.00	203,579,095.00	4.82%
Power Play	3,155,574.00	30,295,781.00	0.72%
All or Nothing	2,511,124.00	21,894,879.00	0.52%
Texas Triple Chance	881,532.00	9,145,153.00	0.22%
Sub-total Sales Revenue	479,600,697.25	4,220,032,613.00	100.00%
Retailer Fees	33,865.00	297,377.50	
Total Sales Revenue	\$ 479,634,562.25	\$ 4,220,329,990.50	
Prize Expenses			Prize Expenses as % of Revenue
Scratch Tickets	271,352,449.69	2,329,733,365.32	70.33%
Lotto Texas	5,167,697.78	49,581,839.81	56.47%
Lotto Texas Extra	1,268,266.00	10,764,586.00	55.49%
Pick 3	11,023,080.00	95,210,990.00	49.47%
Pick 3- Sum It Up	171,281.00	1,725,516.00	45.05%
Cash Five	1,795,502.50	15,949,049.00	50.00%
Texas Two-Step	2,200,542.91	20,003,216.16	49.78%
Mega Millions	6,834,114.68	81,111,003.78	52.27%
Megaplier	1,084,707.00	12,775,770.00	50.55%
MM Just the Jackpot	44,916.02	614,531.96	49.87%
Daily 4	3,900,800.00	41,420,100.00	51.10%
Daily 4 - Sum It Up	228,226.00	1,743,301.00	40.01%
Powerball	10,268,249.00	101,829,832.00	50.02%
Power Play	1,597,234.50	15,156,325.50	50.03%
All or Nothing	1,285,474.00	12,815,860.00	58.53%
Texas Triple Chance	502,994.00	4,555,092.00	49.81%
Sub-total Prize Expenses	318,725,535.08	2,794,990,378.53	66.23%
Less:			
Unclaimed Prizes - Transferred in FY18	-	(23,961,536.38)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(13,604,822.34)	
Unclaimed Prizes - Current Month Accrual	(9,780,582.71)	(9,780,582.71)	
Sub-total Unclaimed Prizes	(9,780,582.71)	(47,346,941.43)	
Sub-total Prize Expenses as Adjusted for Unclaimed Prizes	\$ 308,944,952.37	\$ 2,747,643,437.10	65.10%
Retailer Commissions	23,994,526.46	211,124,914.46	5.00%
Total Expenses	\$ 332,939,478.83	\$ 2,958,768,351.56	
Amount Available to Transfer	\$ 146,695,083.42	\$ 1,261,561,638.94	

	May Final	Year-to-Date
Amount Available to Transfer	\$ 146,695,083.42	\$ 1,261,561,638.94
Less:		
Total AY18 Foundation School Fund Transfers to Date		(835,866,923.29)
Total AY18 Texas Veterans Commission Transfers to Date		(11,460,827.98)
Unclaimed Prizes - Transferred in FY18	-	(23,961,536.38)
Unclaimed Prizes - Prior Month(s) Accrual*	-	(13,604,822.34)
Unclaimed Prizes - Current Month Accrual	(9,780,582.71)	(9,780,582.71)
Sub-total Unclaimed Prizes	(9,780,582.71)	(47,346,941.43)
FY18 Administrative Expenses Allocation through 05/31/18	-	(229,972,445.53)
Current Month Amount Available to Transfer	\$ 136,914,500.71	\$ 136,914,500.71
Current Month Transfer to Texas Veterans Commission	1,272,070.55	1,272,070.55
Current Month Transfer to Foundation School Fund	135,642,430.16	135,642,430.16
Total Transferred for Current Month	\$ 136,914,500.71	\$ 136,914,500.71

*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	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	\$1,715,355,958	\$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	\$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	\$188,751,041	\$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	\$158,329,321	\$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	\$4,677,559,984			Cumulative Unaudited
<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	\$3,098,216,055			
Prize Payout Percentage	62.8%	63.2%	62.5%	63.1%	62.9%	64.2%	66.2%			
Commissions	\$209,816,328	\$218,892,925	\$219,540,166	\$226,667,064	\$253,512,424	\$253,928,168	\$234,014,662			
Retailer Payments	\$16,061,583	\$17,940,232	\$17,959,225	\$21,897,293	\$19,793,946	\$22,368,417	\$15,859,712			
Administrative Expenses	\$169,440,523	\$181,966,473	\$185,435,445	\$189,334,443	\$206,170,765	\$215,911,246	\$162,118,640			
<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	\$47,346,941			
<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			
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	\$1,152,000,711			
To Texas Veterans Commission	\$5,306,574	\$6,178,158	\$11,539,037	\$13,128,754	\$14,680,974	\$16,206,348	\$16,252,609			
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	\$1,168,692,764			

* Totals may not sum due to rounding.

Prepared by: Office of the Controller

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



Texas Lottery Commission
Annual Budget Report By Strategy
Fiscal Year 2018
From 9/1/2017 Through 05/31/18
(In Millions)

Fund 5025 - Lottery Dedicated Account						
Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/Encumbered
A.1.1	Lottery Operations	\$ 6.89	\$ 5.13	\$ 1.59	\$ 0.17	97.6%
A.1.2	Lottery Field Operations	2.95	2.08	0.74	0.13	95.5%
A.1.3	Marketing and Promotion	6.57	3.14	3.22	0.22	96.7%
A.1.4	Security	5.59	3.54	1.82	0.24	95.8%
A.1.5	Central Administration	12.18	8.18	3.24	0.76	93.7%
A.1.6	Lottery Operator Contract	109.28	84.27	22.24	2.77	97.5%
A.1.7	Instant Ticket Production Contract	31.96	13.84	7.69	10.42	67.4%
A.1.8	Mass Media Advertising Contract	24.63	12.29	10.09	2.26	90.8%
A.1.9	Drawing and Broadcast Contract	2.67	1.76	0.88	0.03	98.7%
A.1.10	Market Research Contract	0.01	-	-	0.01	0.0%
A.1.11	Retailer Bonus	3.36	0.82	-	2.54	24.5%
A.1.12	Retailer Commissions	24.73	15.00	-	9.73	60.7%
Total Fund 5025 - Lottery Dedicated Account		\$ 230.83	\$ 150.05	\$ 51.51	\$ 29.27	87.3%

Reconciliation to General Appropriations Act:

Article IX, Section 8.02, Third Party Reimbursements	(0.86)
Article IX, Section 14.01, Appropriation Transfers	0.12
Article IX, Section 17.03, PR Cont-Health Ins (2018-19 GAA)	0.20
Article IX, Section 17.06, PR Cont - Retire (2018-19 GAA)	0.10
Unbudgeted Appropriation Authority	0.18
Total Fund 5025, General Appropriations Act	\$ 230.57

Fund 5175 - Bingo Administration Fund						
Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/Encumbered
B.1.1	Bingo Licensing	\$ 0.71	\$ 0.48	\$ 0.21	\$ 0.01	98.2%
B.1.2	Bingo Education and Development	0.10	0.07	0.03	0.00	96.5%
B.1.3	Bingo Law Compliance Field Oper.	1.39	0.87	0.36	0.16	88.2%
B.1.4	Bingo Prize Fee Collection & Acct.	0.29	0.15	0.07	0.07	76.2%
B.1.4	Bingo Prize Fee Allocation	14.48	(0.00)	-	14.48	0.0%
Total Fund 5175 - Bingo Administration Fund		\$ 16.97	\$ 1.57	\$ 0.68	\$ 14.73	13.2%

Reconciliation to General Appropriations Act:

Rider 8, Local Bingo Prize Fee (2018-19 GAA)	(14.48)
Article IX, Section 17.06, PR Cont - Retire (2018-19 GAA)	0.01
Article IX, Section 17.03, PR Cont-Health Ins (2018-19 GAA)	0.02
Article IX, Section 14.01 Appropriation Transfers	0.01
Unbudgeted Appropriation Authority	0.02
Total Fund 5175, General Appropriations Act	\$ 2.55

Totals may not sum due to rounding.

TEXAS LOTTERY COMMISSION
FY 2018 METHOD OF FINANCING SUMMARY
From 9/1/2017 Through 05/31/2018

LOTTERY-FUND 5025

FY 2018 Original Appropriation		\$ 230,568,190
Add:	Article IX, Section 8.02, Third Party Reimbursements	856,998
Less:	Unbudgeted Appropriation Authority	
	Article IX, Section 17.03, PR Cont-Health Ins (2018-19 GAA)	(175,732)
	Article IX, Section 17.06, PR Cont - Retire (2018-19 GAA)	(198,058)
	Article IX, Section 14.01, Appropriation Transfers	(99,029)
		(122,926)
FY 2018 Adjusted Appropriation		\$ 230,829,443
YTD Expenditures/Encumbrances		(201,554,535)
Remaining Budget		\$ 29,274,908
% of Total Budget Expended/Encumbered		87.3%

BINGO-FUND 5175

FY 2018 Original Appropriation		\$ 2,549,315
Add:	Rider 8, Local Bingo Prize Fee (2018-19 GAA)	14,480,500
Less:	Unbudgeted Appropriation Authority	
	Article IX, Section 17.03, PR Cont-Health Ins (2018-19 GAA)	(15,678)
	Article IX, Section 17.06, PR Cont - Retire (2018-19 GAA)	(22,026)
	Article IX, Section 14.01, Appropriation Transfers	(11,013)
		(9,599)
FY 2018 Adjusted Appropriation		\$ 16,971,499
YTD Expenditures/Encumbrances		(2,240,683)
Remaining Budget		\$ 14,730,816
% of Total Budget Expended/Encumbered		13.2%

Texas Lottery Commission
Encumbrance Budget Report - Annual Budget Report-Strategy
FY 2018
From 9/1/2017 Through 5/31/2018

Fund 5025 - Lottery Dedicated Account

Account Code	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
A.1.1	Lottery Operations	6,885,246.83	5,126,988.41	1,591,820.41	166,438.01	97.58%
A.1.2	Lottery Field Operations	2,948,613.13	2,080,253.48	735,453.68	132,905.97	95.49%
A.1.3	Marketing and Promotion	6,574,311.06	3,139,696.31	3,215,544.04	219,070.71	96.67%
A.1.4	Security	5,593,092.99	3,538,469.61	1,818,874.81	235,748.57	95.79%
A.1.5	Central Administration	12,184,861.17	8,179,508.92	3,243,365.91	761,986.34	93.75%
A.1.6	Lottery Operator Contract	109,284,032.00	84,272,863.29	22,243,876.19	2,767,292.52	97.47%
A.1.7	Instant Ticket Production Contract	31,956,547.17	13,839,491.69	7,694,328.71	10,422,726.77	67.38%
A.1.8	Mass Media Advertising Contracts	24,633,448.00	12,287,210.39	10,087,782.20	2,258,455.41	90.83%
A.1.9	Drawing and Broadcast Contract	2,668,828.00	1,756,785.28	878,392.72	33,650.00	98.74%
A.1.10	Market Research Contract	14,450.00	0.00	0.00	14,450.00	0.00%
A.1.11	Retailer Bonus	3,360,000.00	823,829.13	0.00	2,536,170.87	24.52%
A.1.12	Retailer Commissions	24,726,013.00	14,999,999.94	0.00	9,726,013.06	60.66%
Total 5025 - Texas Lottery Dedicated Account		<u>230,829,443.35</u>	<u>150,045,096.45</u>	<u>51,509,438.67</u>	<u>29,274,908.23</u>	<u>87.32%</u>

Texas Lottery Commission
Encumbrance Budget Report - Annual Budget Report-Strategy
FY 2018
From 9/1/2017 Through 5/31/2018

5175 - Bingo Administration Fund

Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
B.1.1	Bingo Licensing	710,382.80	482,907.99	214,353.78	13,121.03	98.15%
B.1.2	Bingo Education and Development	96,010.83	66,396.11	26,274.78	3,339.94	96.52%
B.1.3	Bingo Law Compliance Field Oper	1,392,228.54	865,547.07	362,575.05	164,106.42	88.21%
B.1.4	Bingo Prize Fee Collection & Accting	292,377.10	150,747.45	72,093.14	69,536.51	76.22%
B.1.4	Bingo Prize Fee Allocation	14,480,500.00	(212.24)	0.00	14,480,712.24	0.00%
	Total Fund 5175 - Bingo Administration Fund	<u>16,971,499.27</u>	<u>1,565,386.38</u>	<u>675,296.75</u>	<u>14,730,816.14</u>	<u>13.20%</u>

Texas Lottery Commission
Quarterly Budget Report
Fiscal Year 2018
From 9/1/2017 Through 5/31/18

Fund 5025 - Lottery Dedicated Account

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	\$ 19,447,213	\$ 14,009,346	\$ 5,064,737	\$ 373,130	98.1%
6003	Longevity Pay	397,880	283,340	105,980	8,560	97.8%
6004	Merit Pool	81,676	-	-	81,676	0.0%
6005	Professional Fees & Services	6,077,088	3,513,774	2,467,905	95,409	98.4%
6006	Lottery Operator Contract	109,118,852	84,107,683	22,243,876	2,767,293	97.5%
6007	Advertising	24,639,448	12,287,210	10,087,782	2,264,455	90.8%
6008	Retailer Bonus	28,086,013	15,823,829	-	12,262,184	56.3%
6009	Printing and Reproduction	31,049,127	14,000,340	6,613,354	10,435,433	66.4%
6015	Other Operating Costs	11,375,326	5,825,187	4,903,504	646,635	94.3%
6020	Travel	314,520	159,023	-	155,497	50.6%
6021	Out of State Travel	110,000	35,363	-	74,638	32.1%
6071	Capital Expenditures	132,300	-	22,300	110,000	16.9%
Total Fund 5025 - Lottery Dedicated Account		\$ 230,829,443	\$ 150,045,096	\$ 51,509,439	\$ 29,274,908	87.3%

Texas Lottery Commission
Quarterly Budget Report
Fiscal Year 2018
From 9/1/2017 Through 5/31/18

Fund 5175 - Bingo Administration Fund

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	\$ 2,162,220	\$ 1,411,287	\$ 554,697	\$ 196,236	90.9%
6003	Longevity Pay	45,500	32,620	12,120	760	98.3%
6004	Merit Pool	22,861	-	-	22,861	0.0%
6005	Professional Fees & Services	148,579	63,622	84,957	-	100.0%
6015	Other Operating Costs	65,339	26,954	23,522	14,862	77.3%
6020	Travel	41,500	31,115	-	10,385	75.0%
6021	Out of State Travel	5,000	-	-	5,000	0.0%
6030	Grants	14,480,500	(212)	-	14,480,712	0.0%
Total Fund 5175 - Bingo Administration Fund		\$ 16,971,499	\$ 1,565,386	\$ 675,297	\$ 14,730,816	13.2%