



INTEROFFICE MEMO

Gary Grief, Executive Director

Michael P. Farrell, Charitable Bingo Operations Director

To: J. Winston Krause, Chairman
Mark A. Franz, Commissioner
Robert Rivera, Commissioner
Erik C. Saenz, Commissioner

From: Kathy Pyka, Controller *KP*

Date: September 26, 2019

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 2019 transferred as of September 11, 2019

Transfers to the State

Total accrued basis revenue transfers to the State for the fiscal year ending August 31, 2019 amounted to \$1.637 billion. Of the total amount transferred to the State from sales, \$1.543 billion was transferred to the Foundation School Fund; \$18.4 million was transferred to the Texas Veterans Commission with the remaining \$75.1 million transferred from unclaimed prizes. The amount transferred to the Foundation School Fund from sales represents a 13.1% increase, or \$179.1 million, over the total amount transferred in fiscal year 2018. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$24.1 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 September 11, 2019						
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
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					862,845,399
FY 2001	825,059,846			35,517,171	34,456,232	863,998,907
FY 2002	859,263,426			4,482,829	29,618,383	928,881,809
FY 2003	882,094,795			40,000,000	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	1,431,907,289	18,127,925		439,444		1,450,474,658
FY 2019**	1,616,776,461	19,374,563		439,442		1,636,590,465
Cumulative Transfers	\$ 24,050,267,994	\$ 120,543,778	\$ 5,387,724,273	\$ 191,998,416	\$ 171,067,884	\$ 29,921,602,345

*Includes HHSC Graduate Medical Education and Tertiary Care

** As of August 2019 revenue transfer

Source: with the exception of FY2019, Audited Financial Statements

Texas Lottery Commission						
Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas						
FY 2019 Accrued Revenue Transfers Transfer Period	Transfer Date*	Foundation School Fund	Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
September-18	10/09/18	98,529,204.17	635,713.31	-	99,164,917.48	30,925,484.70
October-18	11/07/18	173,273,213.14	718,672.54	-	173,991,885.68	46,907,347.69
November-18	12/11/18	100,337,754.66	808,144.86	13,059,559.62	114,205,459.14	33,045,444.74
December-18	01/09/19	115,501,096.57	1,415,401.59	-	116,916,498.16	37,579,272.71
January-19	02/07/19	103,792,921.25	1,930,828.55	-	105,723,749.80	35,782,388.01
February-19	03/12/19	105,419,370.63	1,353,061.56	14,737,225.15	121,509,657.34	34,570,768.79
March-19	04/04/19	168,418,818.82	2,113,477.60	-	170,532,296.42	8,069,626.42
April-19	05/08/19	144,784,901.49	2,356,479.64	-	147,141,381.13	(73,000.06)
May-19	06/10/19	150,666,183.74	2,377,984.84	20,210,676.95	173,254,845.53	-
June-19	07/08/19	130,444,532.32	1,957,764.18	-	132,402,296.50	-
July-19	08/12/19	109,561,901.58	1,720,850.81	-	111,282,752.39	26,346,992.00
August-19	09/10/19	123,034,673.97	1,015,947.29	27,139,470.76	151,190,092.02	11,813,955.00
August-19	09/11/19	2,619,645.32	A		2,619,645.32	
August-19	09/11/19	16,654,988.53	B		16,654,988.53	
Total FY 2019		1,543,039,206.19	18,404,326.77	75,146,932.48	1,636,590,465.44	264,968,280.00

FY 2019 Reserve for Administration 264,968,280.00

Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas					
FY 2019 Accrued Revenue Transfers Transfer Period	Transfer Date	Foundation School Fund	Texas Veterans Commission	Multicategorical	
				Teaching Hospital Account	Total Accrued Revenue Transfers
November-18	12/11/18	12,620,072.62	45.00	439,442.00	13,059,559.62
February-19	03/12/19	14,146,263.17	590,961.98	-	14,737,225.15
May-19	06/10/19	20,004,900.99	205,775.96	-	20,210,676.95
August-19	09/09/19	26,966,017.91	173,452.85		27,139,470.76
Total FY 2019		73,737,254.69	970,235.79	439,442.00	75,146,932.48

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

A FY2018 Unspent Administration

B FY2019 Unspent Administration

TEXAS LOTTERY COMMISSION
Unaudited Transfer Calculation for Fund 5025
For the Period August 31, 2019

	August Final	Year-to-Date	
Sales Revenue			% Sales by Game
Scratch Tickets	\$ 382,945,924.00	\$ 4,845,586,519.00	77.51%
Lotto Texas	10,315,157.00	108,301,965.00	1.73%
Lotto Texas Extra	2,589,358.00	26,844,505.00	0.43%
Pick 3	20,466,680.50	248,491,607.50	3.97%
Pick 3- Sum It Up	-	3,278,563.50	0.05%
Pick 3 Fireball	1,508,632.00	7,304,256.50	0.12%
Cash Five	3,790,508.00	46,256,052.00	0.74%
Texas Two-Step	7,848,023.00	62,355,587.00	1.00%
Mega Millions	13,589,785.00	353,304,785.00	5.65%
Megaplier	2,368,819.00	52,678,334.00	0.84%
MM Just the Jackpot	55,821.00	1,556,744.00	0.02%
Daily 4	9,236,252.50	111,756,549.50	1.79%
Daily 4 - Sum It Up	-	4,072,163.50	0.07%
Daily 4 Fireball	1,157,830.50	5,300,462.50	0.08%
Powerball	15,132,452.00	296,256,956.00	4.74%
Power Play	2,603,181.00	46,296,117.00	0.74%
All or Nothing	2,834,564.00	31,837,484.00	0.51%
Sub-total Sales Revenue	476,442,987.50	6,251,478,651.00	100.00%
Retailer Fees	21,235.00	354,055.00	
Total Sales Revenue	\$ 476,464,222.50	\$ 6,251,832,706.00	
Prize Expenses			Prize Expenses as % of Revenue
Scratch Tickets	271,389,955.26	3,423,906,151.48	70.66%
Lotto Texas	5,158,481.73	54,259,478.15	50.10%
Lotto Texas Extra	1,333,720.00	14,526,358.00	54.11%
Pick 3	9,186,450.00	119,742,980.00	48.19%
Pick 3- Sum It Up	-	1,529,031.00	46.64%
Pick 3 Fireball	815,535.00	4,283,370.00	58.64%
Cash Five	1,891,178.00	23,038,999.80	49.81%
Texas Two-Step	3,870,303.36	31,787,250.78	50.98%
Mega Millions	6,941,840.97	182,978,543.39	51.79%
Megaplier	1,185,717.00	26,325,493.50	49.97%
MM Just the Jackpot	27,962.57	781,570.98	50.21%
Daily 4	3,582,125.00	53,212,850.00	47.61%
Daily 4 - Sum It Up	-	1,393,379.00	34.22%
Daily 4 Fireball	576,693.00	3,139,181.00	59.22%
Powerball	7,614,135.20	149,156,599.16	50.35%
Power Play	1,310,317.38	23,412,706.37	50.57%
All or Nothing	1,864,570.00	18,167,446.00	57.06%
Sub-total Prize Expenses	316,748,984.47	4,131,641,388.61	66.09%
Less:			
Unclaimed Prizes - Transferred in FY19	-	(48,007,461.72)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(20,874,340.67)	
Unclaimed Prizes - Current Month Accrual	(6,265,130.09)	(6,265,130.09)	
Sub-total Unclaimed Prizes	(6,265,130.09)	(75,146,932.48)	
Sub-total Prize Expenses as Adjusted for Unclaimed Prizes	\$ 310,483,854.38	\$ 4,056,494,456.13	64.88%
Retailer Commissions	23,850,661.77	313,054,138.28	5.01%
Total Expenses	\$ 334,334,516.15	\$ 4,369,548,594.41	
Amount Available to Transfer	\$ 142,129,706.35	\$ 1,882,284,111.59	

	August Final	Year-to-Date	
Amount Available to Transfer	\$ 142,129,706.35	\$ 1,882,284,111.59	
Less:			
Total AY19 Foundation School Fund			
Transfers to Date		(1,400,729,898.37)	
Total AY19 Texas Veterans Commission			
Transfers to Date		(17,388,379.48)	
Unclaimed Prizes - Transferred in FY19	-	(48,007,461.72)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(20,874,340.67)	
Unclaimed Prizes - Current Month Accrual	(6,265,130.09)	(6,265,130.09)	
Sub-total Unclaimed Prizes	(6,265,130.09)	(75,146,932.48)	
FY19 Administrative Expenses Allocation through 8/31/19	(11,813,955.00)	(264,968,280.00)	
Current Month Amount Available to Transfer	\$ 124,050,621.26	\$ 124,050,621.26	
Current Month Transfer to Texas Veterans Commission	1,015,947.29	1,015,947.29	
Current Month Transfer to Foundation School Fund	123,034,673.97	123,034,673.97	
Total Transferred for Current Month	\$ 124,050,621.26	\$ 124,050,621.26	

*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
SALES:										
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
EXPENSE:										
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
UNCLAIMED PRIZES:										
Unclaimed Prizes Transferred to State	-	-	-	\$2,647,094	\$7,284,316	\$2,982,148	-	\$9,688,000	\$35,517,171	\$38,939,061
ACCRUED TRANSFERS:										
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
SALES:										
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
EXPENSE:										
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
UNCLAIMED PRIZES:										
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
ACCRUED TRANSFERS:										
To General Revenue Fund	\$40,000,000	-	\$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	\$29,618,383	-	\$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	-	\$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	-	-	-	-	-	-	-	-	-	-
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
SALES:										
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	\$5,626,846,887	\$6,251,478,651	-	Unaudited \$101,808,537,227
EXPENSE:										
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	\$3,666,102,586	\$4,056,494,456	\$61,617,814,242	60.5%
Prize Payout Percentage	62.8%	63.2%	62.5%	63.1%	62.9%	64.2%	65.2%	64.9%	64.9%	60.5%
Commissions	\$209,816,328	\$218,892,925	\$219,540,166	\$226,667,064	\$253,512,424	\$253,928,168	\$281,498,020	\$313,054,138	\$5,094,084,232	\$5,094,084,232
Retailer Payments	\$16,061,583	\$17,940,232	\$17,959,225	\$21,897,293	\$19,793,946	\$22,368,417	\$24,222,594	\$15,652,296	\$259,794,806	\$259,794,806
Administrative Expenses	\$169,440,523	\$181,966,473	\$183,433,445	\$189,334,443	\$206,170,765	\$215,911,246	\$209,354,896	\$215,924,462	\$5,046,853,837	\$5,046,853,837
UNCLAIMED PRIZES:										
Unclaimed Prizes Transferred to State	\$51,743,502	\$59,870,140	\$78,324,661	\$76,225,020	\$83,552,791	\$69,676,919	\$71,290,369	\$75,146,932	\$1,252,249,998	\$1,252,249,998
ACCRUED TRANSFERS:										
To General Revenue Fund	\$45,431,754	\$53,657,834	-	-	\$4,904,883	-	-	-	\$439,442	\$5,387,724,273
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	-	-	\$191,998,416
To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	-	\$131,067,884
To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	-	\$40,000,000
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	\$1,431,907,289	\$1,616,776,461	\$24,050,267,994	\$24,050,267,994
To Texas Veterans Commission	\$5,306,574	\$6,178,158	\$11,539,037	\$13,128,754	\$16,680,974	\$16,206,348	\$18,127,925	\$19,374,563	\$120,543,778	\$120,543,778
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	\$1,450,474,658	\$1,636,590,465	\$29,921,602,346	\$29,921,602,346

* Totals may not sum due to rounding.

(1) Includes transfers from sales and unclaimed prizes
*Through August 2019

Prepared by: Office of the Controller