





# INTEROFFICE MEMO

*Gary Grief, Executive Director*

*LaDonna Castañuela, Charitable Bingo Operations Director*

**To:** Robert G. Rivera, Chairman  
Cindy Fields, Commissioner  
Mark A. Franz, Commissioner  
Erik C. Saenz, Commissioner  
Jamey Steen, Commissioner

**From:** Kathy Pyka, Controller *KP*

**Date:** December 3, 2021

**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 2022 transferred as of November 10, 2021
- II. Agency Budget Status

## Transfers to the State

Total accrued basis revenue transfers to the State for the two-month period ending October 31, 2021, amounted to \$270.2 million. Of the total amount transferred to the State from sales, \$267.1 million was transferred to the Foundation School Fund and \$3.1 million was transferred to the Texas Veterans Commission. The amount transferred to the Foundation School Fund from sales represents a 10.9% increase, or \$26.3 million, over the total amount transferred in fiscal year 2021. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$27.95 billion.

## Agency Budget Status

The year-end FY 2021 Method of Financing budget summary as of October 31, 2021 is attached for your information. The Commission's Lottery Account budget for FY 2021 was \$333.03 million. Of this amount 89.0% was expended and encumbered through the end of the fiscal year. The Bingo Operations budget, funded by General Revenue, was \$2.21 million with 75.7% expended and encumbered through the end of the fiscal year.

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



Texas Lottery Commission  
Annual Budget Report By Strategy  
Fiscal Year 2021  
From 9/1/2020 Through 10/31/2021  
(In Millions)

Fund 5025 - Lottery Dedicated Account							
Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered	
1.1.1	Lottery Operations	\$ 10.57	\$ 9.35	\$ 0.09	\$ 1.13	89.3%	
1.1.2	Lottery Field Operations	3.11	2.95	0.01	0.14	95.4%	
1.1.3	Marketing and Promotion	6.16	4.78	0.71	0.67	89.2%	
1.1.4	Security	5.55	4.75	0.15	0.66	88.2%	
1.1.5	Central Administration	13.10	12.44	0.04	0.61	95.3%	
1.1.6	Lottery Operator Contract	168.41	139.02	-	29.39	82.5%	
1.1.7	Scratch Ticket Production Contract	74.26	59.71	14.15	0.40	99.5%	
1.1.8	Mass Media Advertising Contract	17.78	16.68	1.06	0.04	99.8%	
1.1.9	Drawing and Broadcast Contract	2.16	2.13	0.01	0.02	99.3%	
1.1.10	Retailer Bonus	2.01	2.01	-	-	100.0%	
1.1.11	Retailer Commissions	29.93	26.25	-	3.68	87.7%	
Total Fund 5025 - Lottery Dedicated Account		\$ 333.03	\$ 280.07	\$ 16.22	\$ 36.74	89.0%	
Reconciliation to General Appropriations Act:							
	Article IX, Section 8.02, Third Party Reimbursements	(0.48)					
	Rider 10, Lottery Operator Contract (2020-21 GAA)	(44.06)					
	Rider 11, Appn of Increased Revenues (2020-21 GAA)	(37.65)					
	Rider 2, Capital Budget (2020-21 GAA)	(0.45)					
	Article IX, Section 17.03, PR Cont-Health Ins (2020-21 GAA)	0.21					
	Article IX, Section 17.06, PR Cont - Retire (2020-21 GAA)	0.10					
	Unbudgeted Appropriation Authority	0.79					
Total Fund 5025, General Appropriations Act		\$ 251.49					

Fund 0001 - General Revenue							
Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered	
2.1.1	Bingo Licensing	\$ 0.49	\$ 0.44	\$ -	\$ 0.05	89.4%	
2.1.2	Bingo Education and Development	0.09	0.07	-	0.02	75.6%	
2.1.3	Bingo Law Compliance Field Oper.	1.41	1.02	-	0.39	72.0%	
2.1.4	Bingo Prize Fee Collection & Acct.	0.22	0.15	-	0.07	69.2%	
Total Fund 0001 - General Revenue		\$ 2.21	\$ 1.67	\$ -	\$ 0.54	75.7%	
Reconciliation to General Appropriations Act:							
	Article IX, Section 17.03, PR Cont-Health Ins (2020-21 GAA)	0.02					
	Article IX, Section 17.06, PR Cont - Retire (2020-21 GAA)	0.01					
	Unbudgeted Appropriation Authority	0.31					
Total Fund 0001, General Appropriations Act		\$ 2.55					

Totals may not sum due to rounding.

**TEXAS LOTTERY COMMISSION**  
**FY 2021 METHOD OF FINANCING SUMMARY**  
**From 9/1/2020 Through 10/31/2021**

**LOTTERY-FUND 5025**

<b>FY 2021 Original Appropriation</b>	<b>\$</b>	<b>251,488,529</b>
Add: Article IX, Section 8.02, Third Party Reimbursements		483,987
Rider 11, Appn of Increased Revenues (2020-21 GAA)		37,652,452
Rider 10, Lottery Operator Contract (2020-21 GAA)		44,055,137
Rider 2, Capital Budget (2020-21 GAA)		453,784
Less: Unbudgeted Appropriation Authority		(790,844)
Article IX, Section 17.03, PR Cont-Health Ins (2020-21 GAA)		(206,935)
Article IX, Section 17.06, PR Cont - Retire (2020-21 GAA)		(103,467)
<b>FY 2021 Adjusted Appropriation</b>	<b>\$</b>	<b>333,032,643</b>
YTD Expenditures/Encumbrances		(296,294,305)
<b>Remaining Budget</b>	<b>\$</b>	<b>36,738,338</b>
% of Total Budget Expended/Encumbered		89.0%

**BINGO-FUND 0001**

<b>FY 2021 Original Appropriation</b>	<b>\$</b>	<b>2,549,315</b>
Less: Unbudgeted Appropriation Authority		(308,367)
Article IX, Section 17.03, PR Cont-Health Ins (2020-21 GAA)		(19,672)
Article IX, Section 17.06, PR Cont - Retire (2020-21 GAA)		(9,836)
<b>FY 2021 Adjusted Appropriation</b>	<b>\$</b>	<b>2,211,441</b>
YTD Expenditures/Encumbrances		(1,674,677)
<b>Remaining Budget</b>	<b>\$</b>	<b>536,764</b>
% of Total Budget Expended/Encumbered		75.7%

Texas Lottery Commission  
Encumbrance Budget Report - Annual Budget Report-Strategy  
FY 2021  
From 9/1/2020 Through 10/31/2021

**Fund 5025 - Lottery Dedicated Account**

Account Code	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
1.1.1	Lottery Operations	10,569,660.66	9,346,883.55	91,006.45	1,131,770.66	89.3%
1.1.2	Lottery Field Operations	3,105,045.66	2,951,809.16	11,802.00	141,434.50	95.4%
1.1.3	Marketing and Promotion	6,155,813.21	4,777,241.87	712,066.40	666,504.94	89.2%
1.1.4	Security	5,552,084.08	4,745,703.29	148,627.35	657,753.44	88.2%
1.1.5	Central Administration	13,096,272.74	12,437,592.8	43,971.04	614,708.93	95.3%
1.1.6	Lottery Operator Contract	168,410,936.10	139,021,852.55	0.00	29,389,083.55	82.5%
1.1.7	Scratch Ticket Production Contract	74,261,807.49	59,713,673.85	14,147,846.46	400,287.18	99.5%
1.1.8	Mass Media Advertising Contracts	17,783,448.00	16,684,057.32	1,060,431.14	38,959.54	99.8%
1.1.9	Drawing and Broadcast Contract	2,155,500.00	2,134,499.92	5,240.00	15,760.08	99.3%
1.1.10	Retailer Bonus	2,010,000.00	2,010,000.00	0.00	0.00	100.0%
1.1.11	Retailer Commissions	29,932,075.00	26,249,999.72	0.00	3,682,075.28	87.7%
	Total 5025 - Texas Lottery Dedicated Account	<u>333,032,642.94</u>	<u>280,073,314.00</u>	<u>16,220,990.84</u>	<u>36,738,338.10</u>	<u>89.0%</u>

Texas Lottery Commission  
Encumbrance Budget Report - Annual Budget Report-Strategy  
FY 2021  
From 9/1/2020 Through 10/31/2021

**0001 - General Revenue**

Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
2.1.1	Bingo Licensing	486,739.16	435,076.75	0.00	51,662.41	89.4%
2.1.2	Bingo Education and Development	93,282.20	70,480.59	0.00	22,801.61	75.6%
2.1.3	Bingo Law Compliance Field Oper	1,408,985.35	1,015,132.48	0.00	393,852.87	72.0%
2.1.4	Bingo Prize Fee Collection & Accting	222,434.18	153,987.43	0.00	68,446.75	69.2%
	Total Fund 0001 - General Revenue Fund	<u>2,211,440.89</u>	<u>1,674,677.25</u>	<u>0.00</u>	<u>536,763.64</u>	<u>75.7%</u>

Texas Lottery Commission  
Encumbrance Budget - Quarterly Budget Report - Acct Code  
FY 2021  
From 9/1/2020 Through 10/31/2021

**Fund 5025 - Lottery Dedicated Account**

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	20,656,815.68	19,859,050.26	0.00	797,765.42	96.13%
6003	Longevity Pay	404,940.00	376,160.00	0.00	28,780.00	92.89%
6004	Merit Pool	19,687.45	0.00	0.00	19,687.45	0.00%
6005	Professional Fees & Services	5,529,714.12	5,043,158.11	96,317.31	390,238.70	92.94%
6006	Lottery Operator Contract	168,410,936.10	139,021,852.55	0.00	29,389,083.55	82.54%
6007	Advertising	17,784,448.00	16,684,057.32	1,060,431.14	39,959.54	99.77%
6008	Retailer Bonus	29,932,075.00	26,249,999.72	0.00	3,682,075.28	87.69%
6009	Printing and Reproduction	71,041,402.68	57,958,010.26	12,614,256.95	469,135.47	99.33%
6015	Other Operating Costs	16,970,915.83	13,278,516.61	2,338,992.44	1,353,406.78	92.02%
6020	Travel	280,891.00	99,467.41	0.00	181,423.59	35.41%
6021	Out of State Travel	110,000.00	3,099.68	0.00	106,900.32	2.81%
6071	Capital Expenditures	1,890,817.08	1,499,942.08	110,993.00	279,882.00	85.19%
	Total 5025 - Texas Lottery Dedicated Account	<u>333,032,642.94</u>	<u>280,073,314.00</u>	<u>16,220,990.84</u>	<u>36,738,338.10</u>	<u>88.97%</u>

Texas Lottery Commission  
Encumbrance Budget - Quarterly Budget Report - Acct Code  
FY 2021  
From 9/1/2020 Through 10/31/2021

**0001 - General Revenue**

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	1,965,899.68	1,513,766.80	0.00	452,132.88	77.00%
6003	Longevity Pay	35,140.00	34,020.00	0.00	1,120.00	96.81%
6004	Merit Pool	16,394.03	0.00	0.00	16,394.03	0.00%
6005	Professional Fees & Services	90,997.05	86,541.30	0.00	4,455.75	95.10%
6015	Other Operating Costs	60,760.13	40,349.15	0.00	20,410.98	66.40%
6020	Travel	36,250.00	0.00	0.00	36,250.00	0.00%
6021	Out of State Travel	6,000.00	0.00	0.00	6,000.00	0.00%
	Total 0001 - General Revenue Fund	<u>2,211,440.89</u>	<u>1,674,677.25</u>	<u>0.00</u>	<u>536,763.64</u>	<u>75.73%</u>