





# 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:** Kelly Stuckey, Controller 

**Date:** August 1, 2022

**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 July 12, 2022
- II. Agency Budget Status

## Transfers to the State

Total accrued basis revenue transfers to the State for the ten-month period ending June 30, 2022, amounted to \$1.56 billion. Of the total amount transferred to the State from sales, \$1.51 billion was transferred to the Foundation School Fund; \$18.6 million was transferred to the Texas Veterans Commission with the remaining \$36.5 million transferred from unclaimed prizes. The amount transferred to the Foundation School Fund from sales represents a 3.0% decrease, or \$46.5 million, below the total amount transferred in fiscal year 2021. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$29.2 billion.

## Agency Budget Status

The FY 2022 Method of Financing budget summary as of May 31, 2022 is attached for your information. The Commission's Lottery Account budget for FY 2022 is \$263.8 million. Of this amount 93.3% was expended and encumbered through the end of the third quarter. The Bingo Operations budget, funded by General Revenue, is \$2.07 million with 85.4% expended and encumbered through the end of the third quarter.

Please feel free to contact me at 512-344-5426 if you need additional information or have any questions.



## Texas Lottery Commission Summary Financial Information

(Audited unless otherwise noted)

		FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02
<b>SALES:</b>												
	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	\$2,966,262,259
<b>EXPENSE:</b>												
	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	\$1,715,355,958
	Prize Payout Percentage	45.5%	52.9%	55.4%	55.6%	56.8%	57.4%	53.3%	51.7%	56.8%	58.2%	57.8%
	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	\$141,299,672	\$148,359,044
	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	\$4,172,483
	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	\$166,748,438
<b>UNCLAIMED PRIZES:</b>												
	Unclaimed Prizes Transferred to State	-	-	-	\$2,647,094	\$7,284,316	\$2,982,148	-	\$9,688,000	\$35,517,171	\$38,939,061	\$69,618,383
<b>ACCRUED TRANSFERS:</b>												
	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	\$40,000,000
	To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	-	\$34,456,232	\$29,618,383
	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	\$859,263,426
	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	\$928,881,809
		FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY 11	FY 12	FY 13
<b>SALES:</b>												
	Total Sales	\$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	\$4,190,815,913	\$4,376,286,456
<b>EXPENSE:</b>												
	Total Prize Expense	\$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	\$2,632,624,266	\$2,767,359,068
	Prize Payout Percentage	58.9%	59.3%	60.8%	61.2%	61.3%	62.1%	61.8%	61.5%	62.6%	62.8%	63.2%
	Commissions	\$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	\$209,816,328	\$218,892,925
	Retailer Payments	\$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	\$16,061,583	\$17,940,232
	Administrative Expenses	\$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	\$169,440,523	\$181,966,473
<b>UNCLAIMED PRIZES:</b>												
	Unclaimed Prizes Transferred to State	\$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	\$51,743,502	\$59,870,140
<b>ACCRUED TRANSFERS:</b>												
	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	\$45,431,754	\$53,657,834
	To Multicategorical Teaching Hospital Account	-	\$10,782,342	\$9,217,658	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$5,750,000	\$5,750,000
	To Tertiary Care Facility Account	\$66,993,269	-	-	-	-	-	-	-	-	-	-
	To HHSC Graduate Medical Program	-	\$11,334,095	\$28,665,905	-	-	-	-	-	-	-	-
	To Foundation School Fund	\$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	\$1,099,034,712	\$1,148,515,795
	To Texas Veterans Commission	-	-	-	-	-	-	-	\$7,353,334	\$8,648,112	\$5,306,574	\$6,178,158
	Total Accrued Transfers to State	\$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	\$1,155,523,040	\$1,214,101,786
		FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22*	Cumulative	
<b>SALES:</b>										Unaudited		
	Total Sales	\$4,384,597,063	\$4,529,700,425	\$5,067,517,923	\$5,077,461,652	\$5,626,846,887	\$6,251,478,651	\$6,704,027,783	\$8,107,203,394	\$6,809,766,265		\$123,429,534,667
<b>EXPENSE:</b>												
	Total Prize Expense	\$2,741,184,820	\$2,858,319,409	\$3,186,430,316	\$3,257,375,437	\$3,666,102,586	\$4,056,494,096	\$4,442,357,644	\$5,418,271,882	\$4,664,592,461		\$76,143,035,868
	Prize Payout Percentage	62.5%	63.1%	62.9%	64.2%	65.2%	64.9%	66.3%	66.8%	68.5%		61.7%
	Commissions	\$219,540,166	\$226,667,064	\$253,512,424	\$253,928,168	\$281,498,020	\$313,054,138	\$335,638,397	\$405,847,848	\$340,927,323		\$6,176,497,800
	Retailer Payments	\$17,959,225	\$21,897,293	\$19,793,946	\$22,368,417	\$24,222,594	\$22,777,746	\$22,263,100	\$26,250,000	\$15,774,750		\$321,208,105
	Administrative Expenses	\$185,435,445	\$189,334,443	\$206,170,765	\$215,911,246	\$209,354,896	\$229,293,016	\$232,394,902	\$268,849,161	\$193,531,748		\$5,754,998,200
<b>UNCLAIMED PRIZES:</b>												
	Unclaimed Prizes Transferred to State	\$78,324,661	\$76,225,020	\$83,552,791	\$69,676,919	\$71,290,369	\$75,146,932	\$80,905,980	\$73,407,401	\$36,512,129		\$1,443,075,508
<b>ACCRUED TRANSFERS:</b>												
	To General Revenue Fund	-	-	-	-	-	-	-	-	-		\$5,387,724,273
	To Multicategorical Teaching Hospital Account	\$5,411,953	\$4,397,812	\$4,904,883	\$4,904,882	\$439,444	\$439,442	\$439,443	\$439,443	\$439,443		\$193,316,745
	To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	-		\$131,067,884
	To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	-		\$40,000,000
	To Foundation School Fund	\$1,203,771,931	\$1,225,175,057	\$1,372,719,992	\$1,312,856,719	\$1,431,907,289	\$1,616,776,461	\$1,661,046,854	\$1,974,473,848	\$1,543,023,354		\$29,228,812,050
	To Texas Veterans Commission	\$11,539,037	\$13,128,754	\$14,680,974	\$16,206,348	\$18,127,925	\$19,374,563	\$22,242,814	\$23,400,245	\$21,280,319		\$187,467,156
	Total Accrued Transfers to State	\$1,220,722,920	\$1,242,701,623	\$1,392,305,849	\$1,333,967,949	\$1,450,474,658	\$1,636,590,465	\$1,683,729,110	\$1,998,313,536	\$1,564,743,117		\$35,168,388,108

\* Totals may not sum due to rounding.

(1) Includes transfers from sales and unclaimed prizes

\*Through June 2022

Texas Lottery Commission						
Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas						
FY 2022 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
Transfer Period	Transfer Date*					
September-21	10/11/2021	136,266,750.54	1,309,960.77	-	137,576,711.31	46,258,415.00
October-21	11/10/2021	130,878,968.02	1,821,788.86	-	132,700,756.88	46,439,843.03
November-21	12/7/2021	124,996,367.57	1,281,864.65	16,979,013.11	143,257,245.33	44,703,320.38
December-21	1/7/2022	148,553,159.32	1,553,237.22	-	150,106,396.54	51,515,544.57
January-22	2/11/2022	142,901,486.46	1,714,750.95	-	144,616,237.41	50,149,756.30
February-22	3/10/2022	137,609,002.60	1,948,255.14	12,884,836.82	152,442,094.56	24,165,284.31
March-22	4/12/2022	182,185,761.56	1,834,572.61	-	184,020,334.17	-
April-22	5/11/2022	179,891,834.65	2,133,132.20	-	182,024,966.85	-
May-22	6/10/2022	170,291,384.17	2,619,411.75	6,648,279.05	179,559,074.97	-
June-22	7/12/2022	156,094,752.55	2,344,546.23	-	158,439,298.78	13,111,112.11
<b>Total FY 2022</b>		<b>1,509,669,467.44</b>	<b>18,561,520.38</b>	<b>36,512,128.98</b>	<b>1,564,743,116.80</b>	<b>276,343,275.70</b>

<b>FY 2022 Reserve for Administration</b>	<b>276,343,275.70</b>
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Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas					
FY 2022 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Multicategorical Teaching	Total Accrued Revenue Transfers
Transfer Period	Transfer Date			Hospital Account	
November-21	12/7/2021	15,998,034.82	541,535.29	439,443.00	16,979,013.11
February-22	3/10/2022	11,719,886.13	1,164,950.69	-	12,884,836.82
May-22	6/10/2022	5,635,966.28	1,012,312.77	-	6,648,279.05
<b>Total FY 2022</b>		<b>33,353,887.23</b>	<b>2,718,798.75</b>	<b>439,443.00</b>	<b>36,512,128.98</b>

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

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Texas Lottery Commission  
Annual Budget Report By Strategy  
Fiscal Year 2022  
From 9/1/2021 Through 05/31/2022  
(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	\$ 9.02	\$ 6.74	\$ 1.95	\$ 0.33	96.4%	
1.1.2	Lottery Field Operations	3.13	2.24	0.77	0.13	95.9%	
1.1.3	Product Development	6.14	3.41	2.31	0.42	93.1%	
1.1.4	Security	5.66	3.25	1.96	0.45	92.1%	
1.1.5	Central Administration	13.85	9.17	4.09	0.59	95.7%	
1.1.6	Lottery Operator Contract	131.60	119.04	12.14	0.42	99.7%	
1.1.7	Scratch Ticket Production Contract	48.14	16.62	33.05	(1.53)	103.2%	
1.1.8	Promote Lottery Games Contract	10.21	6.10	3.48	0.64	93.8%	
1.1.9	Drawing and Broadcast Contract	2.24	1.43	0.79	0.02	99.0%	
1.1.10	Retailer Bonus	2.10	2.10	-	-	100.0%	
1.1.11	Retailer Commissions	31.68	15.52	-	16.15	49.0%	
Total Fund 5025 - Lottery Dedicated Account		\$ 263.76	\$ 185.63	\$ 60.53	\$ 17.61	93.3%	
Reconciliation to General Appropriations Act:							
Article IX, Section 8.02, Third Party Reimbursements		(0.53)					
Rider 2, Capital Budget, Capital Complex Construction		(0.78)					
Article IX, Section 17.03, PR Cont-Health Ins (2022-23 GAA)		0.21					
Article IX, Section 17.06, PR Cont - Retire (2022-23 GAA)		0.11					
Unbudgeted Appropriation Authority		1.12					
Total Fund 5025, General Appropriations Act		\$ 263.89					

Fund 0001 - General Revenue							
Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered	
2.1.1	Bingo Licensing	\$ 0.50	\$ 0.33	\$ 0.13	\$ 0.03	93.7%	
2.1.2	Bingo Education and Development	0.09	0.07	0.02	0.00	96.2%	
2.1.3	Bingo Law Compliance Field Oper.	1.26	0.70	0.31	0.25	80.1%	
2.1.4	Bingo Prize Fee Collection & Acct.	0.21	0.15	0.05	0.02	92.6%	
Total Fund 0001 - General Revenue		\$ 2.07	\$ 1.25	\$ 0.52	\$ 0.30	85.4%	
Reconciliation to General Appropriations Act:							
Article IX, Section 17.03, PR Cont-Health Ins (2022-23 GAA)		0.02					
Article IX, Section 17.06, PR Cont - Retire (2022-23 GAA)		0.01					
Unbudgeted Appropriation Authority		0.32					
Total Fund 0001, General Appropriations Act		\$ 2.42					

Totals may not sum due to rounding.

**TEXAS LOTTERY COMMISSION**  
**FY 2022 METHOD OF FINANCING SUMMARY**  
**From 9/1/2021 Through 05/31/2022**

**LOTTERY-FUND 5025**

<b>FY 2022 Original Appropriation</b>	<b>\$</b>	<b>263,886,628</b>
Add: Article IX, Section 8.02, Third Party Reimbursements		530,987
Rider 2, Capital Budget, Capital Complex Construction		780,745
Less: Unbudgeted Appropriation Authority		(1,119,574)
Article IX, Section 17.03, PR Cont-Health Ins (2022-23 GAA)		(210,423)
Article IX, Section 17.06, PR Cont - Retire (2022-23 GAA)		(105,212)
Article IX, Section 14.01, Appropriation Transfers		-
<b>FY 2022 Adjusted Appropriation</b>	<b>\$</b>	<b>263,763,151</b>
YTD Expenditures/Encumbrances		(246,154,573)
<b>Remaining Budget</b>	<b>\$</b>	<b>17,608,578</b>
% of Total Budget Expended/Encumbered		93.3%

**BINGO-FUND 0001**

<b>FY 2022 Original Appropriation</b>	<b>\$</b>	<b>2,419,590</b>
Less: Unbudgeted Appropriation Authority		(322,569)
Article IX, Section 17.03, PR Cont-Health Ins (2022-23 GAA)		(18,054)
Article IX, Section 17.06, PR Cont - Retire (2022-23 GAA)		(11,747)
<b>FY 2022 Adjusted Appropriation</b>	<b>\$</b>	<b>2,067,221</b>
YTD Expenditures/Encumbrances		(1,765,535)
<b>Remaining Budget</b>	<b>\$</b>	<b>301,686</b>
% of Total Budget Expended/Encumbered		85.4%

Texas Lottery Commission  
Encumbrance Budget Report - Annual Budget Report-Strategy  
FY 2022  
From 9/1/2021 Through 05/31/2022

**Fund 5025 - Lottery Dedicated Account**

Account Code	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
1.1.1	Lottery Operations	9,021,614.07	6,739,886.26	1,953,090.46	328,637.35	96.4%
1.1.2	Lottery Field Operations	3,132,034.04	2,235,268.56	766,943.20	129,822.28	95.9%
1.1.3	Product Development	6,141,149.29	3,414,481.11	2,305,917.30	420,750.88	93.1%
1.1.4	Security	5,658,374.07	3,248,863.21	1,964,347.89	445,162.97	92.1%
1.1.5	Central Administration	13,852,478.12	9,170,521.82	4,090,388.29	591,568.01	95.7%
1.1.6	Lottery Operator Contract	131,598,201.00	119,044,498.17	12,136,113.21	417,589.62	99.7%
1.1.7	Scratch Ticket Production Contract	48,135,000.00	16,621,988.26	33,047,428.67	(1,534,416.93)	103.2%
1.1.8	Promote Lottery Games Contract	10,210,000.00	6,095,982.16	3,477,075.14	636,942.70	93.8%
1.1.9	Drawing and Broadcast Contract	2,239,000.00	1,429,333.28	787,696.18	21,970.54	99.0%
1.1.10	Retailer Bonus	2,100,000.00	2,100,000.00	0.00	0.00	100.0%
1.1.11	Retailer Commissions	31,675,300.00	15,524,750.00	0.00	16,150,550.00	49.0%
	Total 5025 - Texas Lottery Dedicated Account	<u>263,763,150.59</u>	<u>185,625,572.83</u>	<u>60,529,000.34</u>	<u>17,608,577.42</u>	<u>93.3%</u>

Texas Lottery Commission  
Encumbrance Budget Report - Annual Budget Report-Strategy  
FY 2022  
From 9/1/2021 Through 05/31/2022

**0001 - General Revenue**

Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
2.1.1	Bingo Licensing	498,230.84	334,337.42	132,639.89	31,253.53	93.7%
2.1.2	Bingo Education and Development	91,244.30	65,123.44	22,620.86	3,500.00	96.2%
2.1.3	Bingo Law Compliance Field Oper	1,263,138.83	702,010.24	310,000.70	251,127.89	80.1%
2.1.4	Bingo Prize Fee Collection & Accting	214,606.67	145,907.42	52,895.01	15,804.24	92.6%
	Total Fund 0001 - General Revenue Fund	<u>2,067,220.64</u>	<u>1,247,378.52</u>	<u>518,156.46</u>	<u>301,685.66</u>	<u>85.4%</u>

Texas Lottery Commission  
Quarterly Budget Report  
Fiscal Year 2022  
From 9/1/2021 Through 05/31/2022

**Fund 5025 - Lottery Dedicated Account**

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	20,911,781.13	15,074,690.89	5,330,599.63	506,490.61	97.6%
6003	Longevity Pay	393,960.00	276,940.00	101,460.00	15,560.00	96.1%
6004	Merit Pool	61,916.92	-	-	61,916.92	0.0%
6005	Professional Fees & Services	6,170,798.05	3,243,211.28	2,781,870.55	145,716.22	97.6%
6006	Lottery Operator Contract	131,598,201.00	119,044,498.17	12,136,113.21	417,589.62	99.7%
6007	Advertising	10,211,000.00	6,095,982.16	3,477,075.14	637,942.70	93.8%
6008	Retailer Bonus	31,675,300.00	15,524,750.00	-	16,150,550.00	49.0%
6009	Printing and Reproduction	45,660,356.47	16,380,497.14	29,274,132.23	5,727.10	100.0%
6015	Other Operating Costs	16,391,053.71	9,687,923.71	7,427,749.58	(724,619.58)	104.4%
6020	Travel	276,182.45	114,105.50	-	162,076.95	41.3%
6021	Out of State Travel	110,000.00	12,010.09	-	97,989.91	10.9%
6071	Capital Expenditures	302,600.86	170,963.89	-	131,636.97	56.5%
<b>Total Fund 5025 - Lottery Dedicated Account</b>		<b>263,763,150.59</b>	<b>185,625,572.83</b>	<b>60,529,000.34</b>	<b>17,608,577.42</b>	<b>93.3%</b>

Texas Lottery Commission  
Quarterly Budget Report  
Fiscal Year 2022  
From 9/1/2021 Through 05/31/2022

**Fund 0001 - General Revenue**

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	1,822,155.02	1,127,402.58	459,736.97	235,015.47	87.1%
6003	Longevity Pay	39,360.00	27,800.00	10,080.00	1,480.00	96.2%
6004	Merit Pool	10,151.60	-	-	10,151.60	0.0%
6005	Professional Fees & Services	91,005.66	57,312.66	33,693.00	-	100.0%
6015	Other Operating Costs	62,298.36	31,684.40	14,646.49	15,967.47	74.4%
6020	Travel	36,250.00	3,178.88	-	33,071.12	8.8%
6021	Out of State Travel	6,000.00	-	-	6,000.00	0.0%
<b>Total Fund 0001 - General Revenue</b>		<b>2,067,220.64</b>	<b>1,247,378.52</b>	<b>518,156.46</b>	<b>301,685.66</b>	<b>85.4%</b>