





# INTEROFFICE MEMO

*Gary Grief, Executive Director*

*LaDonna Castañuela, Charitable Bingo Operations Director*

**To:** Robert G. Rivera, Chairman  
Cindy Fields, Commissioner  
Mark A. Franz, Commissioner  
Jamey Steen, Commissioner  
Clark E. Smith, Commissioner

**From:** Sergio Rey, Controller 

**Date:** February 6, 2024

**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 2024 transferred as of January 10, 2024.
- II. Agency Budget Status

## Transfers to the State

In fiscal year 2024, total accrued revenue transfers to the State for the four-month period ending December 31, 2023, amounted to \$578.1 million. Of the total amount transferred to the State from sales, \$556.6 million was transferred to the Foundation School Fund; \$7.0 million was transferred to the Texas Veterans Commission and the remaining \$14.6 million transferred from unclaimed prizes.

The amount transferred to the Foundation School Fund from sales represents a 5.9% decrease, or \$34.6 million, less the total amount transferred in fiscal year 2023. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$32.4 billion and cumulative revenue transfer to the State are \$38.3 billion.

## Agency Budget Status

The FY 2024 Method of Financing budget summary as of November 30, 2023 is attached for your information. The Commission's Lottery Account budget for FY 2024 is \$320.7 million. Of this amount 67.3% was expended and encumbered through the end of the first quarter. The Bingo Operations budget, funded by General Revenue, is \$2.2 million with 93.1% expended and encumbered through the end of the first 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	FY03
<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	\$3,130,692,602
<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	\$1,845,198,257
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%	58.9%
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	\$156,554,911
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	\$3,606,784
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	\$158,329,321
<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	\$66,993,269
<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	\$66,993,269
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	\$882,094,795
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	\$949,088,064
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
<b>SALES:</b>												
Total Sales	\$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	\$4,384,597,063	\$4,529,700,425
<b>EXPENSE:</b>												
Total Prize Expense	\$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	\$2,741,184,820	\$2,858,319,409
Prize Payout Percentage	59.3%	60.8%	61.2%	61.3%	62.1%	61.8%	61.5%	62.6%	62.8%	63.2%	62.5%	63.1%
Commissions	\$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	\$219,540,166	\$226,667,064
Retailer Payments	\$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	\$17,959,225	\$21,897,293
Administrative Expenses	\$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	\$185,435,445	\$189,334,443
<b>UNCLAIMED PRIZES:</b>												
Unclaimed Prizes Transferred to State	\$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	\$78,324,661	\$76,225,020
<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	\$5,411,953	\$4,397,812
To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	-	-	-	-
To HHSC Graduate Medical Program	\$11,334,095	\$28,665,905	-	-	-	-	-	-	-	-	-	-
To Foundation School Fund	\$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	\$1,203,771,931	\$1,225,175,057
To Texas Veterans Commission	-	-	-	-	-	-	\$7,353,334	\$8,648,112	\$5,306,574	\$6,178,158	\$11,539,037	\$13,128,754
Total Accrued Transfers to State	\$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	\$1,220,722,920	\$1,242,701,623
	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24 *	Cumulative		
<b>SALES:</b>									Unaudited			
Total Sales	\$5,067,517,923	\$5,077,461,652	\$5,626,846,887	\$6,251,478,651	\$6,704,027,783	\$8,107,203,394	\$8,296,892,076	\$8,725,650,412	\$2,788,166,514	\$136,430,477,405		
<b>EXPENSE:</b>												
Total Prize Expense	\$3,186,430,316	\$3,257,375,437	\$3,666,102,586	\$4,056,494,096	\$4,442,357,644	\$5,418,271,882	\$5,599,717,954	\$5,818,071,808	\$1,890,011,167	\$84,786,244,336		
Prize Payout Percentage	62.9%	64.2%	65.2%	64.9%	66.3%	66.8%	67.5%	66.7%	67.8%	62.1%		
Commissions	\$253,512,424	\$253,928,168	\$281,498,020	\$313,054,138	\$335,638,397	\$405,847,848	\$415,358,212	\$436,787,768	\$139,591,820	\$6,827,308,277		
Retailer Payments	\$19,793,946	\$22,368,417	\$24,222,594	\$22,777,746	\$12,263,100	\$26,250,000	\$24,155,125	\$27,972,600	\$250,000	\$357,811,080		
Administrative Expenses	\$206,170,765	\$215,911,246	\$209,354,896	\$229,293,016	\$232,394,902	\$268,849,161	\$257,744,444	\$254,167,367	\$64,886,507	\$6,138,264,770		
<b>UNCLAIMED PRIZES:</b>												
Unclaimed Prizes Transferred to State	\$83,552,791	\$69,676,919	\$71,290,369	\$75,146,932	\$80,905,980	\$73,407,401	\$62,626,357	\$88,948,596	\$14,565,233	\$1,572,703,565		
<b>ACCRUED TRANSFERS:</b>												
To General Revenue Fund	-	-	-	\$0	-	-	-	-	-	\$5,387,724,273		
To Multicategorical Teaching Hospital Account	\$4,904,883	\$4,904,882	\$439,444	\$439,442	\$439,443	\$439,443	\$439,443	\$439,443	\$439,443	\$194,195,631		
To Tertiary Care Facility Account	-	-	-	-	\$0	-	-	-	-	\$131,067,884		
To HHSC Graduate Medical Program	-	-	-	-	\$0	-	-	-	-	\$40,000,000		
To Foundation School Fund	\$1,372,719,992	\$1,312,856,719	\$1,431,907,289	\$1,616,776,461	\$1,661,046,854	\$1,974,473,848	\$1,971,945,304	\$2,131,420,335	\$570,157,817	\$32,359,312,151		
To Texas Veterans Commission	\$14,680,974	\$16,206,348	\$18,127,925	\$19,374,563	\$22,242,814	\$23,400,245	\$26,032,170	\$29,680,793	\$7,532,309	\$229,432,109		
Total Accrued Transfers to State	\$1,392,305,849	\$1,333,967,949	\$1,450,474,658	\$1,636,590,465	\$1,683,729,110	\$1,998,313,536	\$1,998,416,918	\$2,161,540,571	\$578,129,569	\$38,341,732,049		

\* Totals may not sum due to rounding.

(1) Includes transfers from sales and unclaimed prizes

\*Through Dec 2023

<div>Texas Lottery Commission</div> <div>Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas</div>						
FY 2024 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
Transfer Period	Transfer Date*					
September-23	10/12/2023	134,812,909.41	1,347,845.54	-	136,160,754.95	46,870,570.67
October-23	11/10/2023	151,388,151.71	1,676,609.18	-	153,064,760.89	51,152,060.68
November-23	12/11/2023	127,320,094.59	1,759,378.24	14,565,233.45	143,644,706.28	45,624,955.74
December-23	1/10/2024	143,066,373.85	2,192,972.72	-	145,259,346.57	51,524,068.89
Total FY 2024		556,587,529.56	6,976,805.68	14,565,233.45	578,129,568.69	195,171,655.98

FY 2024 Reserve for Administration	195,171,655.98
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<div>Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas</div>					
FY 2024 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Multicategorical Teaching Hospital Account	Total Accrued Revenue Transfers
Transfer Period	Transfer Date				
November-23	12/11/2023	13,570,287.12	555,503.33	439,443.00	14,565,233.45
					-
					-
					-
Total FY 2024		13,570,287.12	555,503.33	439,443.00	14,565,233.45
		-	-	-	-

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



Texas Lottery Commission  
Budget Report By Strategy  
Fiscal Year 2024  
From 9/1/2023 Through 11/30/2023  
(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	\$ 4.60	\$ 1.06	\$ 3.00	\$ 0.55	88.2%	
1.1.2	Lottery Field Operations	3.82	0.80	2.70	0.32	91.6%	
1.1.3	Product Development	6.19	0.87	2.94	2.38	61.6%	
1.1.4	Security	5.71	1.00	4.32	0.39	93.1%	
1.1.5	Central Administration	15.09	3.08	10.75	1.26	91.6%	
1.1.6	Lottery Operator Contract	159.25	33.42	125.83	0.00	100.0%	
1.1.7	Scratch Ticket Production Contract	72.59	4.34	8.09	60.17	17.1%	
1.1.8	Promote Lottery Games Contract	10.00	0.30	8.67	1.03	89.7%	
1.1.9	Drawing and Broadcast Contract	2.26	0.38	1.88	-	100.0%	
1.1.10	Retailer Bonus	2.01	2.00	-	0.01	99.5%	
1.1.11	Retailer Commissions	39.17	0.25	-	38.92	0.6%	
Total Fund 5025 - Lottery Dedicated Account		\$ 320.69	\$ 47.49	\$ 168.17	\$ 105.02	67.3%	
Reconciliation to General Appropriations Act:							
	Article IX, Section 8.02, Third Party Reimbursements	(0.61)					
	Article IX, Section 17.03, PR Cont-Health Ins (2024-25 GAA)	0.23					
	Article IX, Section 17.06, PR Cont - Retire (2024-25 GAA)	0.12					
	Article IX, Section 17.16 Salary Increase for General State Employees Add't Request	(0.07)					
	Unbudgeted Appropriation Authority	0.53					
Total Fund 5025, General Appropriations Act		\$ 320.89					

Fund 0001 - General Revenue							
Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/Encumbered	
2.1.1	Bingo Licensing	\$ 0.53	\$ 0.12	\$ 0.39	\$ 0.02	97.0%	
2.1.2	Bingo Education and Development	0.10	0.01	0.07	0.01	85.7%	
2.1.3	Bingo Law Compliance Field Oper.	1.33	0.26	0.96	0.11	91.3%	
2.1.4	Bingo Prize Fee Collection & Acct.	0.26	0.06	0.19	0.01	97.0%	
Total Fund 0001 - General Revenue		\$ 2.22	\$ 0.45	\$ 1.61	\$ 0.15	93.1%	
Reconciliation to General Appropriations Act:							
	Article IX, Section 17.03, PR Cont-Health Ins (2024-25 GAA)	0.02					
	Article IX, Section 17.06, PR Cont - Retire (2024-25 GAA)	0.01					
	Article IX, Section 17.16 Salary Increase for General State Employees Add't Request	(0.02)					
	Unbudgeted Appropriation Authority	0.28					
Total Fund 0001, General Appropriations Act		\$ 2.51					

Totals may not sum due to rounding.

**TEXAS LOTTERY COMMISSION**  
**FY 2024 METHOD OF FINANCING SUMMARY**  
**From 9/1/2023 Through 11/30/2023**

**LOTTERY-FUND 5025**

<b>FY 2024 Original Appropriation</b>	<b>\$</b>	<b>320,886,632</b>
Add: Article IX, Section 8.02, Third Party Reimbursements		609,775
Article IX, Section 17.16 Salary Increase for General State Employees Add't Request		69,035
Less: Unbudgeted Appropriation Authority		(527,316)
Article IX, Section 17.03, PR Cont-Health Ins (2024-25 GAA)		(233,686)
Article IX, Section 17.06, PR Cont - Retire (2024-25 GAA)		(116,843)
<b>FY 2024 Adjusted Appropriation</b>	<b>\$</b>	<b>320,687,597</b>
YTD Expenditures/Encumbrances		(215,662,757)
<b>Remaining Budget</b>	<b>\$</b>	<b>105,024,840</b>
% of Total Budget Expended/Encumbered		67.3%

**BINGO-FUND 0001**

<b>FY 2024 Original Appropriation</b>	<b>\$</b>	<b>2,507,155</b>
Add: Article IX, Section 17.16 Salary Increase for General State Employees Add't Request		15,346
Less: Unbudgeted Appropriation Authority		(277,992)
Article IX, Section 17.03, PR Cont-Health Ins (2024-25 GAA)		(19,520)
Article IX, Section 17.06, PR Cont - Retire (2024-25 GAA)		(9,760)
<b>FY 2024 Adjusted Appropriation</b>	<b>\$</b>	<b>2,215,230</b>
YTD Expenditures/Encumbrances		(2,062,590)
<b>Remaining Budget</b>	<b>\$</b>	<b>152,640</b>
% of Total Budget Expended/Encumbered		93.1%

Texas Lottery Commission  
Encumbrance Budget Report - Annual Budget Report-Strategy  
FY 2024  
From 9/1/2023 Through 11/30/2023

**Fund 5025 - Lottery Dedicated Account**

Account Code	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
1.1.1	Lottery Operations	4,604,151.61	1,060,179.67	2,998,584.55	545,387.39	88.15%
1.1.2	Lottery Field Operations	3,821,069.74	799,201.43	2,699,965.15	321,903.16	91.57%
1.1.3	Product Development	6,187,450.45	873,659.15	2,938,305.86	2,375,485.44	61.60%
1.1.4	Security	5,712,296.88	995,415.54	4,324,183.44	392,697.90	93.13%
1.1.5	Central Administration	15,085,047.84	3,078,104.89	10,746,940.73	1,260,002.22	91.65%
1.1.6	Lottery Operator Contract	159,252,723.00	33,424,174.19	125,825,315.61	3,233.20	99.99%
1.1.7	Scratch Ticket Production Contract	72,589,133.00	4,336,263.25	8,085,222.56	60,167,647.19	17.11%
1.1.8	Promote Lottery Games Contract	10,000,000.00	295,657.50	8,671,858.72	1,032,483.78	89.67%
1.1.9	Drawing and Broadcast Contract	2,260,725.00	376,787.50	1,883,937.50	0.00	100.00%
1.1.10	Retailer Bonus	2,010,000.00	1,999,000.00	0.00	11,000.00	99.45%
1.1.11	Retailer Commissions	39,165,000.00	250,000.00	0.00	38,915,000.00	0.63%
	Total 5025 - Texas Lottery Dedicated Account	<u>320,687,597.52</u>	<u>47,488,443.12</u>	<u>168,174,314.12</u>	<u>105,024,840.28</u>	<u>67.3%</u>

Texas Lottery Commission  
Encumbrance Budget Report - Annual Budget Report-Strategy  
FY 2024  
From 9/1/2023 Through 11/30/2023

**0001 - General Revenue**

Strategy	Strategy Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
2.1.1	Bingo Licensing	530,850.49	121,872.06	393,103.01	15,875.42	97.00%
2.1.2	Bingo Education and Development	100,259.73	12,294.58	73,642.61	14,322.54	85.71%
2.1.3	Bingo Law Compliance Field Oper	1,325,298.41	255,227.55	955,312.84	114,758.02	91.34%
2.1.4	Bingo Prize Fee Collection & Accting	258,820.07	62,520.51	188,616.60	7,682.96	97.03%
	Total Fund 0001 - General Revenue Fund	<u>2,215,228.70</u>	<u>451,914.70</u>	<u>1,610,675.06</u>	<u>152,638.94</u>	<u>93.1%</u>



Texas Lottery Commission  
Quarterly Budget Report  
Fiscal Year 2024  
From 9/1/2023 Through 11/30/2023

**Fund 5025 - Lottery Dedicated Account**

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	23,329,327.30	5,451,894.71	17,507,588.26	369,844.33	98.41%
6003	Longevity Pay	398,440.00	92,880.00	302,060.00	3,500.00	99.12%
6004	Merit Pool	319,014.74	-	-	319,014.74	0.00%
6005	Professional Fees & Services	6,130,063.68	796,017.74	5,131,672.23	202,373.71	96.69%
6006	Lottery Operator Contract	159,252,723.00	33,424,174.19	125,825,315.61	3,233.20	99.99%
6007	Advertising	10,001,000.00	295,657.50	8,671,858.72	1,033,483.78	89.66%
6008	Retailer Bonus	39,165,000.00	250,000.00	-	38,915,000.00	0.63%
6009	Printing and Reproduction	71,247,529.00	4,360,797.81	8,253,118.55	58,633,612.64	17.70%
6015	Other Operating Costs	10,310,865.80	2,745,416.26	2,482,700.75	5,082,748.79	50.70%
6020	Travel	296,870.00	60,443.64	-	236,426.36	20.36%
6021	Out of State Travel	110,000.00	11,161.27	-	98,838.73	10.14%
6071	Capital Expenditures	126,764.00	-	-	126,764.00	0.00%
<b>Total Fund 5025 - Lottery Dedicated Account</b>		<b>320,687,597.52</b>	<b>47,488,443.12</b>	<b>168,174,314.12</b>	<b>105,024,840.28</b>	<b>67.3%</b>

Texas Lottery Commission  
Quarterly Budget Report  
Fiscal Year 2024  
From 9/1/2023 Through 11/30/2023

**Fund 0001 - General Revenue**

Account Code	Account Title	Budget	YTD Expenditures	YTD Encumbrance	Total Budget Variance	% Expended/ Encumbered
6001	Salaries and Wages	1,954,863.49	410,549.50	1,471,474.50	72,839.49	96.27%
6003	Longevity Pay	36,400.00	8,800.00	27,560.00	40.00	99.89%
6004	Merit Pool	24,706.21	-	-	24,706.21	0.00%
6005	Professional Fees & Services	90,535.04	15,020.71	75,418.25	96.08	99.89%
6015	Other Operating Costs	66,973.96	12,959.38	36,222.31	17,792.27	73.43%
6020	Travel	37,750.00	4,585.11	-	33,164.89	12.14%
6021	Out of State Travel	4,000.00	-	-	4,000.00	0.00%
<b>Total Fund 0001 - General Revenue</b>		<b>2,215,228.70</b>	<b>451,914.70</b>	<b>1,610,675.06</b>	<b>152,638.94</b>	<b>93.1%</b>