





## INTEROFFICE MEMO

*Gary Grief, Executive Director*

*Alfonso D. Royal III, Charitable Bingo Operations Director*

**To:** J. Winston Krause, Chairman  
Carmen Arrieta-Candelaria, Commissioner  
Peggy A. Heeg, Commissioner  
Doug Lowe, Commissioner  
Robert Rivera, Commissioner

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

**Date:** May 19, 2017

**Re:** Transfers to the State

The following documents are provided for your information:

Transfers to the Foundation School Fund, Texas Veterans Commission, and the allocation of unclaimed prizes for fiscal year 2017 transferred as of April 30, 2017

### Transfers to the State

Total accrued basis revenue transfers to the State for the eight-month period ending April 30, 2017 amounted to \$780.1 million. Of the total amount transferred to the State from sales, \$734.8 million was transferred to the Foundation School Fund; \$11.0 million was transferred to the Texas Veterans Commission with the remaining balance of \$34.3 million transferred from unclaimed prizes. The amount transferred to the Foundation School Fund from sales represents a 11.0% decrease, or \$90.5 million, under the total amount transferred in fiscal year 2016. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$20.5 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 May 5, 2017**

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**	763,312,692	11,881,154		4,904,882		780,098,728

Cumulative Transfers    \$    20,452,040,217    \$    78,716,096    \$    5,387,724,273    \$    191,119,530    \$    171,067,884    \$    26,280,668,000

\*Includes HHSC Graduate Medical Education and Tertiary Care

\*\*As of April 2017 revenue transfer

Source: with the exception of FY 2017, Audited Financial Statements

**Texas Lottery Commission**

**Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas**

FY 2017 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
Transfer Period	Transfer Date*					
September-16	10/11/16	82,502,877	1,935,383		84,438,260	25,773,675
October-16	11/04/16	82,849,991	1,905,842		84,755,833	27,257,608
November-16	12/07/16	88,495,812	1,940,960	13,419,253	103,856,024	27,951,437
December-16	01/05/17	85,883,918	1,701,838		87,585,756	29,691,249
January-17	02/08/17	91,066,353	1,029,692		92,096,044	28,617,465
February-17	03/09/17	96,036,044	1,181,592	20,849,357	118,066,993	29,126,026
March-17	04/05/17	103,613,546	828,800		104,442,346	32,607,184
April-17	05/05/17	104,351,732	505,739		104,857,471	16,363,600
<b>Total FY 2017</b>		<b>734,800,272</b>	<b>11,029,846</b>	<b>34,268,610</b>	<b>780,098,728</b>	<b>217,388,244</b>

**FY 2017 Reserve for Administration**

**217,388,244**

**Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas**

FY 2017 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Multicategorical Teaching	Total Accrued Revenue Transfers
Transfer Period	Transfer Date			Hospital Account	
November-16	12/07/16	7,907,009	607,362	4,904,882	13,419,253
February-17	03/09/17	20,605,412	243,945		20,849,357
<b>Total FY 2017</b>		<b>28,512,420</b>	<b>851,308</b>	<b>4,904,882</b>	<b>34,268,610</b>

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

**TEXAS LOTTERY COMMISSION**  
**Unaudited Transfer Calculation for Fund 5025**  
**For the Period April 30, 2017**

	April Final	Year-to-Date	% Sales by Game
<b>Sales Revenue</b>			
Scratch Tickets	350,184,340.00	2,607,135,885.00	79.02%
Lotto Texas	8,887,536.00	76,098,575.00	2.31%
Lotto Texas Extra	1,822,387.00	14,862,555.00	0.45%
Pick 3	20,812,029.00	167,076,217.00	5.06%
Pick 3- Sum It Up	404,796.00	3,197,946.00	0.10%
Cash Five	3,602,897.00	29,290,495.00	0.89%
Texas Two-Step	3,918,949.00	36,819,264.00	1.12%
Mega Millions	7,885,904.00	75,528,896.00	2.29%
Megaplier	2,245,369.00	20,510,027.00	0.62%
Daily 4	7,975,530.00	62,958,439.00	1.91%
Daily 4 - Sum It Up	426,552.00	3,400,142.00	0.10%
Powerball	13,822,406.00	151,781,743.00	4.60%
Power Play	2,149,462.00	21,516,828.00	0.65%
All or Nothing	2,395,892.00	19,269,810.00	0.58%
Texas Triple Chance	1,140,450.00	10,008,312.00	0.30%
Sub-total Sales Revenue	<u>427,674,499.00</u>	<u>3,299,455,134.00</u>	100.00%
Retailer Fees	24,580.00	230,845.00	
<b>Total Sales Revenue</b>	<u><b>427,699,079.00</b></u>	<u><b>3,299,685,979.00</b></u>	
<b>Prize Expenses</b>			
Scratch Tickets	244,777,517.02	1,820,233,789.58	69.82%
Lotto Texas	4,444,344.24	38,149,048.39	50.13%
Lotto Texas Extra	950,076.00	7,958,330.00	53.55%
Pick 3	9,283,900.00	81,048,400.00	48.51%
Pick 3- Sum It Up	207,093.00	1,425,809.00	44.59%
Cash Five	1,801,448.50	14,645,247.50	50.00%
Texas Two-Step	1,963,178.96	18,811,640.27	51.09%
Mega Millions	3,935,953.56	38,523,937.32	51.01%
Megaplier	1,099,640.00	10,252,305.50	49.99%
Daily 4	5,668,750.00	34,838,150.00	55.34%
Daily 4 - Sum It Up	185,763.00	2,957,404.00	86.98%
Powerball	7,141,607.00	75,818,692.00	49.95%
Power Play	1,111,182.50	10,749,479.00	49.96%
All or Nothing	1,601,316.00	10,497,086.00	54.47%
Texas Triple Chance	918,277.00	5,548,824.00	55.44%
Sub-total Prize Expenses	<u>285,090,046.78</u>	<u>2,171,458,142.56</u>	65.81%
Less:			
Unclaimed Prizes - Transferred in FY17	-	(34,268,609.73)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(8,437,171.81)	
Unclaimed Prizes - Current Month Accrual	(2,161,786.31)	(2,161,786.31)	
Sub-total Unclaimed Prizes	<u>(2,161,786.31)</u>	<u>(44,867,567.85)</u>	
<b>Sub-total Prize Expenses as Adjusted for Unclaimed Prizes</b>	<u><b>282,928,260.47</b></u>	<u><b>2,126,590,574.71</b></u>	<b>64.45%</b>
Retailer Commissions	21,387,961.20	165,009,474.28	5.00%
<b>Total Expenses</b>	<u><b>304,316,221.67</b></u>	<u><b>2,291,600,048.99</b></u>	
<b>Amount Available to Transfer</b>	<u><b>123,382,857.33</b></u>	<u><b>1,008,085,930.01</b></u>	

	April Final	Year-to-Date
<b>Amount Available to Transfer</b>	<b>123,382,857.33</b>	<b>1,008,085,930.01</b>
Less:		
Total AY17 Foundation School Fund		
Transfers to Date		(630,448,539.95)
Total AY17 Texas Veterans Commission		
Transfers to Date		(10,524,106.72)
Unclaimed Prizes - Transferred in FY17	-	(34,268,609.73)
Unclaimed Prizes - Prior Month(s) Accrual*	-	(8,437,171.81)
Unclaimed Prizes - Current Month Accrual	(2,161,786.31)	(2,161,786.31)
Sub-total Unclaimed Prizes	<u>(2,161,786.31)</u>	<u>(44,867,567.85)</u>
FY17 Administrative Expenses Allocation through 4/30/17	(16,363,599.57)	(217,388,244.04)
<b>Current Month Amount Available to Transfer</b>	<u><b>104,857,471.45</b></u>	<u><b>104,857,471.45</b></u>
Current Month Transfer to Texas Veterans Commission	505,739.49	505,739.49
Current Month Transfer to Foundation School Fund	104,351,731.96	104,351,731.96
<b>Total Transferred for Current Month</b>	<u><b>104,857,471.45</b></u>	<u><b>104,857,471.45</b></u>

\*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
<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
<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
	Prize Payout Percentage	45.5%	52.9%	55.4%	55.6%	56.8%	57.4%	53.3%	51.7%	56.8%
	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
	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
	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
<b>UNCLAIMED PRIZES</b>										
	Unclaimed Prizes Transferred to State	-	-	-	\$2,647,094	\$7,284,316	\$2,982,148	-	\$9,688,000	\$35,517,171
<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
	To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	-
	To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	-
	To Foundation School Fund	-	-	-	-	-	\$174,237,106	\$1,097,795,590	\$953,370,758	\$827,328,229
	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
		FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
<b>SALES:</b>										
	Total Sales	\$2,825,298,062	\$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
<b>EXPENSE:</b>										
	Total Prize Expense	\$1,643,183,197	\$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
	Prize Payout Percentage	58.2%	57.8%	58.9%	59.3%	60.8%	61.2%	61.3%	62.1%	61.8%
	Commissions	\$141,299,672	\$148,359,044	\$156,554,911	\$174,413,287	\$183,176,006	\$188,818,621	\$188,751,041	\$183,771,055	\$186,145,362
	Retailer Payments	\$5,048,075	\$4,172,483	\$3,606,784	\$2,143,103	\$4,286,558	\$2,804,521	\$4,423,161	\$1,953,223	\$1,926,785
	Administrative Expenses	\$172,823,281	\$166,748,438	\$158,329,321	\$180,818,463	\$178,795,994	\$184,901,385	\$182,731,292	\$167,594,360	\$192,447,630
<b>UNCLAIMED PRIZES</b>										
	Unclaimed Prizes Transferred to State	\$38,939,061	\$69,618,383	\$66,993,269	\$41,581,437	\$60,764,140	\$54,222,589	\$58,947,388	\$54,134,747	\$62,732,496
<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
	To Multicategorical Teaching Hospital Account	\$4,482,829	\$40,000,000	-	\$10,782,342	\$9,217,658	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
	To Tertiary Care Facility Account	\$34,456,232	\$29,618,383	\$66,993,269	-	-	-	-	-	-
	To HHSC Graduate Medical Program	-	-	-	\$11,334,095	\$28,665,905	-	-	-	-
	To Foundation School Fund	\$825,059,846	\$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
	To Texas Veterans Commission	-	-	-	-	-	-	-	-	-
	Total Accrued Transfers to State	\$863,998,907	\$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
		FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17*	Cumulative
<b>SALES:</b>									Unaudited	Unaudited
	Total Sales	\$3,738,369,487	\$3,811,270,135	\$4,190,815,913	\$4,376,286,456	\$4,384,597,063	\$4,529,700,425	\$5,067,517,923	\$3,299,455,134	\$88,152,205,171
<b>EXPENSE:</b>										
	Total Prize Expense	\$2,300,182,561	\$2,387,243,785	\$2,632,624,266	\$2,767,359,068	\$2,741,184,820	\$2,858,319,409	\$3,186,430,316	2,171,458,143	\$52,809,299,905
	Prize Payout Percentage	61.5%	62.6%	62.8%	63.2%	62.5%	63.1%	62.9%	-	59.9%
	Commissions	\$187,302,974	\$190,808,232	\$209,816,328	\$218,892,925	\$219,540,166	\$226,667,064	\$253,512,424	\$165,009,474	\$4,410,613,380
	Retailer Payments	\$8,857,990	\$21,424,731	\$16,061,583	\$17,940,232	\$17,959,225	\$21,897,293	\$19,793,946	\$7,934,527	\$205,486,026
	Administrative Expenses	\$185,283,677	\$184,320,962	\$169,440,523	\$181,966,473	\$185,435,445	\$189,334,443	\$206,170,765	\$120,599,450	\$4,526,262,682
<b>UNCLAIMED PRIZES</b>										
	Unclaimed Prizes Transferred to State	\$66,591,791	\$53,775,634	\$51,743,502	\$59,870,140	\$78,324,661	\$76,225,020	\$83,552,791	\$34,268,610	\$1,070,404,388
<b>ACCRUED TRANSFERS:</b>										
	To General Revenue Fund	\$56,591,791	\$43,249,367	\$45,431,754	\$53,657,834	-	-	-	-	\$5,387,724,273
	To Multicategorical Teaching Hospital Account	\$10,000,000	\$10,000,000	\$5,750,000	\$5,750,000	\$5,411,953	\$4,397,812	\$4,904,883	\$4,904,882	\$191,119,530
	To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	\$131,067,884
	To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	\$40,000,000
	To Foundation School Fund	\$989,139,753	\$961,885,417	\$1,099,034,712	\$1,148,515,795	\$1,203,771,931	\$1,225,175,057	\$1,372,719,992	\$763,312,692 <sup>(1)</sup>	\$20,452,040,217
	To Texas Veterans Commission	\$7,353,334	\$8,648,112	\$5,306,574	\$6,178,158	\$11,539,037	\$13,128,754	\$14,680,974	\$11,881,154 <sup>(1)</sup>	\$78,716,096
	Total Accrued Transfers to State	\$1,063,084,879	\$1,023,782,895	\$1,155,523,040	\$1,214,101,786	\$1,220,722,920	\$1,242,701,623	\$1,392,305,849	\$780,098,728	\$26,280,668,001

\* Totals may not sum due to rounding.

(1) Includes transfers from sales and unclaimed prizes

\*Through April, 2017