





# INTEROFFICE MEMO

*Gary Grief, Executive Director      Michael P. Farrell, Charitable Bingo Operations Director*

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

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

**Date:** September 20, 2018

**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 2018 transferred as of September 19, 2018

## Transfers to the State

Total accrued basis revenue transfers to the State for the fiscal year ending August 31, 2018 amounted to \$1.45 billion. Of the total amount transferred to the State from sales, \$1.364 billion was transferred to the Foundation School Fund; \$15.2 million was transferred to the Texas Veterans Commission with the remaining \$71.3 million transferred from unclaimed prizes. The amount transferred to the Foundation School Fund from sales represents a 10.2% increase, or \$126.7 million, over the total amount transferred in fiscal year 2017. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$22.4 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 12, 2018**

Fiscal Year	Foundation School Fund	Texas Veteran's Commission	General Revenue	Multi-categorical Teaching Hospital Account	Other Beneficiaries*	Total Accrued Revenue Transfers
FY 1992	\$	\$	\$	\$	\$	\$
FY 1993			249,978,109			249,978,109
FY 1994			656,844,512			656,844,512
FY 1995			927,684,072			927,684,072
FY 1996			1,015,037,492			1,015,037,492
FY 1997	174,237,106		1,098,323,023			1,098,323,023
FY 1998	1,097,795,590		1,008,543,523			1,182,780,629
FY 1999	953,370,758					1,097,795,590
FY 2000	827,328,229					953,370,758
FY 2001	825,059,846			35,517,171		862,845,399
FY 2002	859,263,426			4,482,829	34,456,232	863,998,907
FY 2003	882,094,795			40,000,000	29,618,383	928,881,809
FY 2004	1,009,447,487				66,993,269	949,088,064
FY 2005	1,009,538,729		19,465,000	10,782,342	11,334,095	1,051,028,924
FY 2006	1,036,110,469		22,880,577	9,217,658	28,665,905	1,070,302,869
FY 2007	1,034,072,617		44,222,589	10,000,000		1,090,333,058
FY 2008	980,744,256		48,947,388	10,000,000		1,093,020,005
FY 2009	999,421,562		44,134,747	10,000,000		1,034,879,002
FY 2010	989,139,753	7,353,334	52,732,496	10,000,000		1,062,154,058
FY 2011	961,885,417	8,648,112	56,591,791	10,000,000		1,063,084,879
FY 2012	1,099,034,712	5,306,574	43,249,367	10,000,000		1,023,782,895
FY 2013	1,148,515,795	6,178,158	45,431,754	5,750,000		1,155,523,040
FY 2014	1,203,771,931	11,539,037	53,657,834	5,750,000		1,214,101,786
FY 2015	1,225,175,057	13,128,754		5,411,953		1,220,722,920
FY 2016	1,372,719,992	14,680,974		4,397,812		1,242,701,623
FY 2017	1,312,856,719	16,206,348		4,904,883		1,392,305,849
FY 2018**	1,431,907,289	18,127,925		4,904,882		1,333,967,949
				439,444		1,450,474,658
Cumulative Transfers	\$ 22,433,491,533	\$ 101,169,215	\$ 5,387,724,273	\$ 191,558,974	\$ 171,067,884	\$ 28,285,011,880

\*Includes HHSC Graduate Medical Education and Tertiary Care

\*\*As of August 2018 revenue transfer

Source: with the exception of FY2018, Audited Financial Statements

Texas Lottery Commission							
Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas							
FY 2018 Accrued Revenue Transfers Transfer Period	Transfer Date*	Foundation		Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
		School Fund					
September-17	10/09/17	83,341,220.80		1,319,917.57	-	84,661,138.37	27,717,751.60
October-17	11/08/17	88,827,168.47		1,393,291.37	-	90,220,459.84	29,386,283.22
November-17	12/11/17	95,596,463.21		1,131,089.59	12,990,116.45	109,717,669.25	30,341,654.39
December-17	01/11/18	105,638,567.43		1,285,538.78	-	106,924,106.21	34,855,723.46
January-18	02/07/18	109,406,104.80		1,952,780.82	-	111,358,885.62	34,840,108.45
February-18	03/08/18	97,316,064.33		1,815,612.07	10,971,419.93	110,103,096.33	32,018,327.44
March-18	04/09/18	122,800,619.08		1,387,022.22	-	124,187,641.30	38,921,770.83
April-18	05/09/18	132,940,715.17		1,175,575.56	-	134,116,290.73	1,890,826.14
May-18	06/11/18	135,642,430.16		1,272,070.55	23,385,405.05	160,299,905.76	-
May-18	06/11/18	5,667,538.50	A	-	-	5,667,538.50	-
June-18	07/09/18	130,557,380.85		878,650.93	-	131,436,031.78	-
July-18	08/08/18	134,231,960.04		860,329.21	-	135,092,289.25	-
August-18	09/13/18	101,596,951.80		771,949.89	23,943,427.34	126,312,329.03	25,220,157.00
August-18	09/13/18	19,299.69	A	-	-	19,299.69	-
August-18	09/13/18	20,357,976.57	B	-	-	20,357,976.57	-
<b>Total FY 2018</b>		<b>1,363,940,460.90</b>		<b>15,243,828.56</b>	<b>71,290,368.77</b>	<b>1,450,474,658.23</b>	<b>255,192,602.53</b>

FY 2018 Reserve for Administration 255,192,602.53

Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas							
FY 2018 Accrued Revenue Transfers Transfer Period	Transfer Date	Foundation		Texas Veterans Commission	Multicategorical Teaching Hospital Account		Total Accrued Revenue Transfers
		School Fund			Hospital Account		
November-17	12/12/17	10,893,760.65		1,656,911.80	439,444.00		12,990,116.45
February-18	03/08/18	10,971,419.93		-	-		10,971,419.93
May-18	06/11/18	22,401,257.12		984,147.93	-		23,385,405.05
August-18	09/10/18	23,701,300.71		242,991.63	-		23,944,292.34
August-18		(910.00)		45.00	-		(865.00)
<b>Total FY 2018</b>		<b>67,966,828.41</b>		<b>2,884,096.36</b>	<b>439,444.00</b>		<b>71,290,368.77</b>

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

A FY2017 Unspent Administration

B FY2018 Unspent Administration

**TEXAS LOTTERY COMMISSION**  
**Unaudited Transfer Calculation for Fund 5025**  
**For the Period August 31, 2018**

	August Final	Year-to-Date	
<b>Sales Revenue</b>			<b>% Sales by Game</b>
Scratch Tickets	\$ 367,416,598.25	\$ 4,418,324,547.25	78.52%
Lotto Texas	9,275,394.00	115,119,050.00	2.05%
Lotto Texas Extra	2,154,743.00	25,699,121.50	0.46%
Pick 3	22,528,885.00	256,640,923.00	4.56%
Pick 3- Sum It Up	440,162.00	5,097,846.50	0.09%
Cash Five	3,637,102.00	42,513,868.00	0.76%
Texas Two-Step	5,929,029.00	58,584,616.00	1.04%
Mega Millions	14,566,195.00	223,885,563.00	3.98%
Megaplier	2,379,327.00	35,506,412.00	0.63%
MM Just the Jackpot	85,806.00	1,599,168.00	0.03%
Daily 4	9,881,928.00	108,412,983.00	1.93%
Daily 4 - Sum It Up	547,174.00	5,804,069.00	0.10%
Powerball	16,673,623.00	251,508,737.00	4.47%
Power Play	2,690,225.00	38,069,530.00	0.68%
All or Nothing	2,634,150.00	29,419,836.00	0.52%
Texas Triple Chance	(30.00)	10,660,617.00	0.19%
Sub-total Sales Revenue	460,840,311.25	5,626,846,887.25	100.00%
Retailer Fees	23,867.50	375,940.00	
<b>Total Sales Revenue</b>	<b>\$ 460,864,178.75</b>	<b>\$ 5,627,222,827.25</b>	
<b>Prize Expenses</b>			<b>Prize Expenses as % of Revenue</b>
Scratch Tickets	259,390,732.87	3,109,846,904.03	70.39%
Lotto Texas	6,845,785.24	65,509,784.52	56.91%
Lotto Texas Extra	1,223,126.00	14,245,206.00	55.43%
Pick 3	13,495,420.00	129,166,270.00	50.33%
Pick 3- Sum It Up	214,476.00	2,348,802.00	46.07%
Cash Five	1,818,551.00	21,256,934.00	50.00%
Texas Two-Step	2,956,601.52	29,355,618.74	50.11%
Mega Millions	7,657,792.46	117,327,873.32	52.41%
Megaplier	1,195,978.50	17,932,130.00	50.50%
MM Just the Jackpot	43,798.54	800,592.17	50.06%
Daily 4	4,092,875.00	58,585,100.00	54.04%
Daily 4 - Sum It Up	199,087.00	4,151,686.00	71.53%
Powerball	8,492,349.00	125,584,353.00	49.93%
Power Play	1,364,531.00	19,009,714.00	49.93%
All or Nothing	1,233,862.00	16,816,344.00	57.16%
Texas Triple Chance	-	5,455,418.00	51.17%
Sub-total Prize Expenses	310,224,966.13	3,737,392,729.78	66.42%
Less:			
Unclaimed Prizes - Transferred in FY18	-	(47,346,941.43)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(16,035,450.09)	
Unclaimed Prizes - Current Month Accrual	(7,907,977.25)	(7,907,977.25)	
Sub-total Unclaimed Prizes	(7,907,977.25)	(71,290,368.77)	
<b>Sub-total Prize Expenses as Adjusted for Unclaimed Prizes</b>	<b>\$ 302,316,988.88</b>	<b>\$ 3,666,102,361.01</b>	<b>65.15%</b>
Retailer Commissions	23,050,153.93	281,498,020.24	5.00%
<b>Total Expenses</b>	<b>\$ 325,367,142.81</b>	<b>\$ 3,947,600,381.25</b>	
<b>Amount Available to Transfer</b>	<b>\$ 135,497,035.94</b>	<b>\$ 1,679,622,446.00</b>	

	August Final	Year-to-Date
<b>Amount Available to Transfer</b>	<b>\$ 135,497,035.94</b>	<b>\$ 1,679,622,446.00</b>
Less:		
Total AY18 Foundation School Fund		(1,241,966,232.84)
Transfers Applicable to AY17		5,667,538.50
Transfers to Date		(1,236,298,694.34)
Total AY18 Texas Veterans Commission		
Transfers to Date		(14,471,878.67)
Unclaimed Prizes - Transferred in FY18	-	(47,346,941.43)
Unclaimed Prizes - Prior Month(s) Accrual*	-	(16,035,450.09)
Unclaimed Prizes - Current Month Accrual	(7,907,977.25)	(7,907,977.25)
Sub-total Unclaimed Prizes	(7,907,977.25)	(71,290,368.77)
FY18 Administrative Expenses Allocation through 08/31/18	(25,220,157.00)	(255,192,602.53)
<b>Current Month Amount Available to Transfer</b>	<b>\$ 102,368,901.69</b>	<b>\$ 102,368,901.69</b>
Current Month Transfer to Texas Veterans Commission	771,949.89	771,949.89
Current Month Transfer to Foundation School Fund	101,596,951.80	101,596,951.80
<b>Total Transferred for Current Month</b>	<b>\$ 102,368,901.69</b>	<b>\$ 102,368,901.69</b>

\*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
<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
<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
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	\$4,482,957	\$4,307,159	\$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
<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
<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	-	-	\$35,517,171	\$4,482,829
To Multicategorical Teaching Hospital Account	-	-	-	-	-	-	-	-	-	\$34,456,232
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	\$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
<b>SALES:</b>										
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
<b>EXPENSE:</b>										
Total Prize Expense	\$1,715,355,938	\$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	\$2,424,731	\$2,424,731
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
<b>UNCLAIMED PRIZES:</b>										
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
<b>ACCRUED TRANSFERS:</b>										
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	\$1,056,110,469	\$1,034,072,617	\$980,744,256	\$999,421,562	\$989,139,753	\$961,885,417
To Texas Veterans Commission	-	-	-	-	-	-	-	-	\$7,353,334	\$8,648,112
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
<b>SALES:</b>										
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	Unaudited \$5,626,846,887	Unaudited \$5,626,846,887	Unaudited \$5,626,846,887	Cumulative \$95,557,058,576
<b>EXPENSE:</b>										
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	\$3,737,392,730	\$3,737,392,730	\$3,737,392,730	\$57,632,609,930
Prize Payout Percentage	62.8%	63.2%	62.5%	63.1%	62.9%	64.2%	66.4%	66.4%	66.4%	60.3%
Commissions	\$209,816,328	\$218,892,925	\$219,540,166	\$226,667,064	\$253,512,424	\$253,928,168	\$281,498,020	\$281,498,020	\$281,498,020	\$4,781,030,094
Retailer Payments	\$16,061,583	\$17,940,232	\$17,959,225	\$21,897,293	\$19,793,946	\$22,368,417	\$16,531,068	\$16,531,068	\$16,531,068	\$236,450,983
Administrative Expenses	\$169,440,523	\$181,966,475	\$185,435,445	\$189,334,443	\$206,170,765	\$215,911,246	\$192,016,141	\$192,016,141	\$192,016,141	\$4,813,590,620
<b>UNCLAIMED PRIZES:</b>										
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	\$71,290,369	\$71,290,369	\$1,177,103,066
<b>ACCRUED TRANSFERS:</b>										
To General Revenue Fund	\$45,431,754	\$53,657,834	-	-	-	-	-	-	-	\$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	\$439,444	\$439,444	\$191,558,974
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	\$1,431,907,289	\$1,431,907,289	\$22,433,491,533
To Texas Veterans Commission	\$5,306,574	\$6,178,158	\$11,539,037	\$13,128,754	\$14,680,974	\$16,206,348	\$18,127,925	\$18,127,925	\$18,127,925	\$101,169,215
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	\$1,450,474,658	\$1,450,474,658	\$28,285,011,880

\* Totals may not sum due to rounding.  
 Prepared by: Office of the Controller  
 (1) Includes transfers from sales and unclaimed prizes  
 \*Through August 2018