



INTEROFFICE MEMO

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

To: J. Winston Krause, Chairman
Doug Lowe, Commissioner
Robert Rivera, Commissioner

From: Kathy Pyka, Controller *KP*

Date: April 11, 2019

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 2019 transferred as of March 12, 2019

Transfers to the State

Total accrued basis revenue transfers to the State for the six-month period ending March 31, 2019 amounted to \$731.5 million. Of the total amount transferred to the State from sales, \$696.9 million was transferred to the Foundation School Fund; \$6.9 million was transferred to the Texas Veterans Commission with the remaining \$27.8 million transferred from unclaimed prizes. The amount transferred to the Foundation School Fund from sales represents a 20.1% increase, or \$116.7 million, over the total amount transferred in fiscal year 2018. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$23.1 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 March 12, 2019							
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			35,517,171		953,370,758	
FY 2000	827,328,229			4,482,829	34,456,232	862,845,399	
FY 2001	825,059,846			40,000,000	29,618,383	863,998,907	
FY 2002	859,263,426				66,993,269	928,881,809	
FY 2003	882,094,795				11,334,095	949,088,064	
FY 2004	1,009,447,487		19,465,000	10,782,342	28,665,905	1,051,028,924	
FY 2005	1,009,538,729		22,880,577	9,217,658		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	1,312,856,719	16,206,348		4,904,882		1,333,967,949	
FY 2018	1,431,907,289	18,127,925		439,444		1,450,474,658	
FY 2019**	723,619,896	7,452,829		439,442		731,512,168	
Cumulative Transfers	\$ 23,157,111,429	\$ 108,622,045	\$ 5,387,724,273	\$ 191,998,416	\$ 171,067,884	\$ 29,016,524,047	

*Includes HHSC Graduate Medical Education and Tertiary Care

**As of February 2019 revenue transfer

Source: with the exception of FY2019, Audited Financial Statements

Texas Lottery Commission						
Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas						
FY 2019 Accrued Revenue Transfers Transfer Period	Transfer Date*	Foundation School Fund	Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
September-18	10/09/18	98,529,204.17	635,713.31	-	99,164,917.48	30,925,484.70
October-18	11/07/18	173,273,213.14	718,672.54	-	173,991,885.68	46,907,347.69
November-18	12/11/18	100,337,754.66	808,144.86	13,059,559.62	114,205,459.14	33,045,444.74
December-18	01/09/19	115,501,096.57	1,415,401.59	-	116,916,498.16	37,579,272.71
January-19	02/07/19	103,792,921.25	1,930,828.55	-	105,723,749.80	35,782,388.01
February-19	03/12/19	105,419,370.63	1,353,061.56	14,737,225.15	121,509,657.34	34,570,768.79
Total FY 2019		696,853,560.42	6,861,822.41	27,796,784.77	731,512,167.60	218,810,706.64

FY 2019 Reserve for Administration **218,810,706.64**

Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas					
FY 2019 Accrued Revenue Transfers Transfer Period	Transfer Date	Foundation School Fund	Texas Veterans Commission	Multicategorical Teaching Hospital Account	Total Accrued Revenue Transfers
November-18	12/11/18	12,620,072.62	45.00	439,442.00	13,059,559.62
February-19	03/12/19	14,146,263.17	590,961.98	-	14,737,225.15
Total FY 2019		26,766,335.79	591,006.98	439,442.00	27,796,784.77

* 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 February 28, 2019

Sales Revenue	February Final	Year-to-Date	% Sales by Game
Scratch Tickets	\$ 401,217,094.00	\$ 2,357,815,743.00	75.43%
Lotto Texas	7,852,357.00	52,848,825.00	1.69%
Lotto Texas Extra	1,945,573.00	12,769,282.00	0.41%
Pick 3	19,728,583.50	122,676,265.00	3.92%
Pick 3- Sum It Up	399,004.00	2,443,563.00	0.08%
Cash Five	3,636,187.00	23,402,083.00	0.75%
Texas Two-Step	4,749,452.00	30,173,546.00	0.97%
Mega Millions	16,548,334.00	243,948,204.00	7.80%
Megaplier	2,734,594.00	34,444,053.00	1.10%
MM Just the Jackpot	75,771.00	1,089,146.00	0.03%
Daily 4	8,796,275.50	55,321,402.50	1.77%
Daily 4 - Sum It Up	497,804.50	3,025,233.00	0.10%
Powerball	20,045,634.00	148,202,487.00	4.74%
Power Play	3,158,759.00	22,641,116.00	0.72%
All or Nothing	2,482,703.00	15,066,289.00	0.48%
Sub-total Sales Revenue	<u>493,868,125.50</u>	<u>3,125,867,237.50</u>	100.00%
Retailer Fees	22,655.00	153,715.00	
Total Sales Revenue	<u>\$ 493,890,780.50</u>	<u>\$ 3,126,020,952.50</u>	
Prize Expenses			Prize Expenses as % of Revenue
Scratch Tickets	283,270,394.65	1,664,309,980.11	70.59%
Lotto Texas	3,926,935.98	24,512,256.85	46.38%
Lotto Texas Extra	998,300.00	6,944,754.00	54.39%
Pick 3	8,418,570.00	58,462,900.00	47.66%
Pick 3- Sum It Up	165,372.00	1,147,373.00	46.95%
Cash Five	1,721,337.00	11,573,591.80	49.46%
Texas Two-Step	2,341,065.28	15,283,265.00	50.65%
Mega Millions	8,357,176.34	126,704,601.32	51.94%
Megaplier	1,353,079.00	17,159,652.00	49.82%
MM Just the Jackpot	37,388.85	544,743.77	50.02%
Daily 4	3,854,500.00	25,106,050.00	45.38%
Daily 4 - Sum It Up	189,096.00	1,059,338.00	35.02%
Powerball	9,982,935.64	74,261,082.64	50.11%
Power Play	1,574,651.01	11,349,554.02	50.13%
All or Nothing	1,635,010.00	8,591,838.00	57.03%
Sub-total Prize Expenses	<u>327,825,811.75</u>	<u>2,047,010,980.51</u>	65.49%
Less:			
Unclaimed Prizes - Transferred in FY19	-	(13,059,559.62)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(11,764,801.28)	
Unclaimed Prizes - Current Month Accrual	(2,972,423.87)	(2,972,423.87)	
Sub-total Unclaimed Prizes	<u>(2,972,423.87)</u>	<u>(27,796,784.77)</u>	
Sub-total Prize Expenses as Adjusted for Unclaimed Prizes	<u>\$ 324,853,387.88</u>	<u>\$ 2,019,214,195.74</u>	64.59%
Retailer Commissions	24,721,767.77	156,483,882.52	5.01%
Total Expenses	<u>\$ 349,575,155.65</u>	<u>\$ 2,175,698,078.26</u>	
Amount Available to Transfer	<u>\$ 144,315,624.85</u>	<u>\$ 950,322,874.24</u>	

Amount Available to Transfer	February Final	Year-to-Date
Amount Available to Transfer	\$ 144,315,624.85	\$ 950,322,874.24
Less:		
Total AY19 Foundation School Fund		
Transfers to Date		(591,434,189.79)
Total AY19 Texas Veterans Commission		
Transfers to Date		(5,508,760.85)
Unclaimed Prizes - Transferred in FY19	-	(13,059,559.62)
Unclaimed Prizes - Prior Month(s) Accrual*	-	(11,764,801.28)
Unclaimed Prizes - Current Month Accrual	(2,972,423.87)	(2,972,423.87)
Sub-total Unclaimed Prizes	<u>(2,972,423.87)</u>	<u>(27,796,784.77)</u>
FY19 Administrative Expenses Allocation through 2/28/19	(34,570,768.79)	(218,810,706.64)
Current Month Amount Available to Transfer	<u>\$ 106,772,432.19</u>	<u>\$ 106,772,432.19</u>
Current Month Transfer to Texas Veterans Commission	1,353,061.56	1,353,061.56
Current Month Transfer to Foundation School Fund	105,419,370.63	105,419,370.63
Total Transferred for Current Month	<u>\$ 106,772,432.19</u>	<u>\$ 106,772,432.19</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	FY01
SALES:										
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
EXPENSE:										
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	\$151,843,090	\$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	\$4,390,015	\$4,482,957	\$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
UNCLAIMED PRIZES:										
Unclaimed Prizes Transferred to State	-	-	-	\$2,647,094	\$7,284,316	\$2,982,148	-	\$9,688,000	\$35,517,171	\$38,939,061
ACCRUED TRANSFERS:										
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
To Tertiary Care Facility Account	-	-	-	-	-	-	-	-	-	\$34,456,232
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
SALES:										
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
EXPENSE:										
Total Prize Expense	\$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	\$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	\$4,286,578	\$2,804,521	\$4,423,161	\$1,953,223	\$1,926,785	\$8,857,990	\$21,424,731
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
UNCLAIMED PRIZES:										
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	\$53,775,654
ACCRUED TRANSFERS:										
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	\$66,993,269	\$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	-	-	-	-	-	-	-	-	-	-
To HHSC Graduate Medical Program	-	-	-	-	-	-	-	-	-	-
To Foundation School Fund	\$859,263,426	\$882,094,795	\$1,009,447,487	\$28,665,905	\$1,036,110,469	\$1,034,072,617	\$980,744,256	\$999,421,562	\$989,139,753	\$961,885,417
To Texas Veterans Commission	\$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
SALES:										
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	\$5,626,846,887	\$5,125,867,238	\$5,626,846,887	\$5,626,846,887
EXPENSE:										
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	\$3,666,102,586	\$2,047,010,981	\$3,666,102,586	\$3,666,102,586
Prize Payout Percentage	62.8%	63.2%	62.5%	63.1%	62.9%	64.2%	65.2%	65.5%	65.5%	60.4%
Commissions	\$209,816,328	\$218,892,925	\$219,540,166	\$226,667,064	\$253,512,424	\$253,928,168	\$281,498,020	\$156,483,883	\$281,498,020	\$281,498,020
Retailer Payments	\$16,061,583	\$17,940,232	\$17,959,232	\$21,897,293	\$19,793,946	\$22,368,417	\$24,222,594	\$7,652,810	\$24,222,594	\$251,794,810
Administrative Expenses	\$169,440,523	\$181,966,473	\$185,435,445	\$189,334,443	\$206,170,765	\$215,911,246	\$209,354,896	\$97,808,721	\$209,354,896	\$4,928,738,096
UNCLAIMED PRIZES:										
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	\$27,796,785	\$71,290,369	\$1,204,899,851
ACCRUED TRANSFERS:										
To General Revenue Fund	\$45,431,754	\$53,657,834	-	-	-	\$4,904,882	-	-	-	\$5,387,724,273
To Multicategorical Teaching Hospital Account	\$5,750,000	\$5,750,000	\$5,411,953	\$4,397,812	\$4,904,883	-	\$439,444	-	\$439,444	\$191,998,416
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	\$723,619,896	\$1,431,907,289	\$23,157,111,429
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	\$7,452,829	\$18,127,925	\$108,622,045
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	\$731,512,168	\$1,450,474,658	\$29,016,524,048

(1) Includes transfers from sales and unclaimed prizes
*Through February 2019

* Totals may not sum due to rounding.