



INTEROFFICE MEMO

Gary Grief, Executive Director Tom Hanson, Charitable Bingo Operations Director

To: Robert G. Rivera, Chairman
Cindy Fields, Commissioner
Mark A. Franz, Commissioner
Erik C. Saenz, Commissioner
Jamey Steen, Commissioner

From: Kathy Pyka, Controller *KP*

Date: September 18, 2020

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 2020 transferred as of September 11, 2020

Transfers to the State

Total accrued basis revenue transfers to the State for the fiscal year ending August 31, 2020 amounted to \$1.684 billion. Of the total amount transferred to the State from sales, \$1.584 billion was transferred to the Foundation School Fund; \$19.2 million was transferred to the Texas Veterans Commission with the remaining \$80.9 million transferred from unclaimed prizes. The total year to date amount transferred to the Foundation School Fund represents a 2.7% increase, or \$44.3 million, over the total amount transferred in fiscal year 2019. To date, cumulative accrued revenue transfers to the Foundation School Fund are \$25.7 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 11, 2020

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	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	1,616,776,461	19,374,563		439,442		1,636,590,465
FY 2020**	1,661,046,854	22,242,814		439,443		1,683,729,110

Cumulative Transfers \$ 25,711,314,848 \$ 142,786,591 \$ 5,387,724,273 \$ 192,437,859 \$ 171,067,884 \$ 31,605,331,455

*Includes HHSC Graduate Medical Education and Tertiary Care

**As of August 31, 2020 revenue transfer

Source: with the exception of FY2020. Audited Financial Statements

Texas Lottery Commission						
Unaudited Monthly Detail of Revenue Transfers and Allocations to the State of Texas						
FY 2020 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Unclaimed Prizes	Total Accrued Revenue Transfers	Reserve For Administration Expenditures
Transfer Period	Transfer Date*					
September-19	10/10/2019	94,759,040.08	1,464,900.77		96,223,940.85	32,359,655.02
October-19	11/8/2019	101,693,817.02	1,505,833.06		103,199,650.08	33,803,415.03
November-19	12/10/2019	102,803,413.81	1,056,285.37	18,985,814.51	122,845,513.69	34,634,477.82
December-19	1/10/2020	116,149,506.60	1,301,593.73		117,451,100.33	39,088,135.91
January-20	2/5/2020	116,740,791.75	1,869,405.47		118,610,197.22	39,396,025.83
February-20	3/9/2020	109,236,314.97	2,000,198.50	23,974,190.30	135,210,703.77	37,813,667.81
March-20	4/10/2020	111,526,675.60	1,679,224.81		113,205,900.41	37,498,214.55
April-20	5/7/2020	143,311,648.09	1,695,566.61		145,007,214.70	-
May-20	6/12/2020	178,598,254.67	1,902,274.75	16,822,054.63	197,322,584.05	-
June-20	7/10/2020	168,811,536.26	1,824,267.30		170,635,803.56	(176,454.77)
July-20	8/10/2020	166,074,768.10	1,474,629.72		167,549,397.82	159,013.16
August-20	8/24/2020	99,311,495.47 ^A	-		99,311,495.47	18,961,996.85
August-20	8/28/2020	4,436,962.34 ^B	-		4,436,962.34	-
August-20	9/11/2020	32,475,808.41 ^C	1,443,917.08	21,123,920.30	55,043,645.79	11,264,024.38
August-20	9/11/2020	37,675,000.00 ^D			37,675,000.00	-
Total FY 2020		1,583,605,033.17	19,218,097.17	80,905,979.74	1,683,729,110.08	284,802,171.59

FY 2020 Reserve for Administration	284,802,171.59
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Quarterly Detail of Unclaimed Prizes Transferred to the State of Texas					
FY 2020 Accrued Revenue Transfers		Foundation School Fund	Texas Veterans Commission	Multicategorical Teaching	Total Accrued Revenue Transfers
Transfer Period	Transfer Date			Hospital Account	
November-19	12/10/2019	17,513,889.57	1,032,481.94	439,443.00	18,985,814.51
February-20	3/9/2020	23,974,184.30	6.00		23,974,190.30
May-20	6/12/2020	15,221,839.31	1,600,215.32		16,822,054.63
August-20	9/9/2020	20,731,907.18	392,013.12		21,123,920.30
Total FY 2020		77,441,820.36	3,024,716.38	439,443.00	80,905,979.74

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

^A Interim August transfer from sales 8/1/2020 to 8/22/2020.

^B FY19 Unspent Admin Expenses

^C August transfer from sales 8/23/2020 to 8/31/2020

^D FY20 Unspent Admin Expenses

TEXAS LOTTERY COMMISSION
Unaudited Transfer Calculation for Fund 5025
For the Period August 31, 2020

	Through August 31	Year-to-Date	% Sales by Game
Sales Revenue			
Scratch Tickets	\$ 503,477,035.00	\$ 5,555,813,386.00	82.87%
Lotto Texas	13,949,915.00	115,619,713.00	1.72%
Lotto Texas Extra	3,817,297.00	31,058,720.00	0.46%
Pick 3	23,139,302.50	259,533,483.50	3.87%
Pick 3 Fireball	2,032,532.50	20,585,432.50	0.31%
Cash Five	4,132,279.00	46,457,587.00	0.69%
Texas Two-Step	5,578,123.00	60,768,382.50	0.91%
Mega Millions	11,723,039.00	197,147,017.00	2.94%
Megaplier	2,225,618.00	33,969,086.00	0.51%
MM Just the Jackpot	49,641.00	797,127.00	0.01%
Daily 4	10,053,390.00	115,479,042.00	1.72%
Daily 4 Fireball	1,622,672.50	16,718,299.00	0.25%
Powerball	14,604,636.00	181,897,788.00	2.71%
Power Play	2,725,467.00	31,864,904.00	0.48%
All or Nothing	3,234,686.00	36,317,815.00	0.54%
Sub-total Sales Revenue	<u>602,365,633.50</u>	<u>6,704,027,782.50</u>	100.00%
Retailer Fees	25,215.00	387,345.00	
Total Sales Revenue	\$ <u>602,390,848.50</u>	\$ <u>6,704,415,127.50</u>	
Prize Expenses			Prize Expenses as % of Revenue
Scratch Tickets	359,805,409.48	3,949,456,844.41	71.09%
Lotto Texas	6,975,156.77	58,763,359.00	50.82%
Lotto Texas Extra	2,108,934.00	17,152,542.00	55.23%
Pick 3	11,228,740.00	128,835,190.00	49.64%
Pick 3 Fireball	1,017,735.00	11,355,150.00	55.16%
Cash Five	2,248,010.00	23,368,729.00	50.30%
Texas Two-Step	2,722,473.70	30,676,124.71	50.48%
Mega Millions	5,649,380.56	99,181,009.45	50.31%
Megaplier	1,053,383.00	16,942,758.50	49.88%
MM Just the Jackpot	23,135.73	399,025.73	50.06%
Daily 4	4,233,100.00	50,548,775.00	43.77%
Daily 4 Fireball	716,355.00	9,163,547.00	54.81%
Powerball	7,619,248.56	91,149,355.82	50.11%
Power Play	1,413,323.27	15,968,813.80	50.11%
All or Nothing	1,967,718.00	20,302,166.00	55.90%
Sub-total Prize Expenses	<u>408,782,103.07</u>	<u>4,523,263,390.42</u>	67.47%
Less:			
Unclaimed Prizes - Transferred in FY20	-	(59,782,059.44)	
Unclaimed Prizes - Prior Month(s) Accrual*	-	(15,767,417.05)	
Unclaimed Prizes - Current Month Accrual	(5,356,503.25)	(5,356,503.25)	
Sub-total Unclaimed Prizes	<u>(5,356,503.25)</u>	<u>(80,905,979.74)</u>	
Sub-total Prize Expenses as Adjusted for Unclaimed Prizes	\$ <u>403,425,599.82</u>	\$ <u>4,442,357,410.68</u>	66.26%
Retailer Commissions	30,151,503.24	335,638,397.49	5.01%
Total Expenses	\$ <u>433,577,103.06</u>	\$ <u>4,777,995,808.17</u>	
Amount Available to Transfer	\$ <u>168,813,745.44</u>	\$ <u>1,926,419,319.33</u>	

	Through August 31	Year-to-Date
Amount Available to Transfer	\$ 168,813,745.44	\$ 1,926,419,319.33
Less:		
Total AY20 Foundation School Fund Transfers through 7/31/2020		(1,409,705,766.95)
Total AY20 Foundation School Fund Interim August Transfer through 8/22/2020		(99,311,495.47)
Total AY20 Texas Veterans Commission Transfers to Date		(17,774,180.09)
Unclaimed Prizes - Transferred in FY20	-	(59,782,059.44)
Unclaimed Prizes - Prior Month(s) Accrual*	-	(15,767,417.05)
Unclaimed Prizes - Current Month Accrual	(5,356,503.25)	(5,356,503.25)
Sub-total Unclaimed Prizes	<u>(5,356,503.25)</u>	<u>(80,905,979.74)</u>
FY20 Administrative Expenses Allocation through 8/31/2020	(30,226,021.23)	(284,802,171.59)
Current Month Amount Available to Transfer	\$ <u>133,231,220.96</u>	\$ <u>33,919,725.49</u>
Current Month Transfer to Texas Veterans Commission	1,443,917.08	1,443,917.08
Current Month Transfer to Foundation School Fund	131,787,303.88	32,475,808.41
Less: Interim Transfer through 8/22/2020	(99,311,495.47)	
Balance Remaining Current Transfer to Foundation School Fund	<u>32,475,808.41</u>	
Total Transferred for Current Month	\$ <u>33,919,725.49</u>	\$ <u>33,919,725.49</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	\$151,845,090	\$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	\$5,596,251	\$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
		FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
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	\$4,286,558	\$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	\$53,775,634
ACCRUED TRANSFERS:											
	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
	To Multicategorical Teaching Hospital Account	\$40,000,000	-	\$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	\$29,618,383	\$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	\$1,036,110,469	\$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
		FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20*	Cumulative
SALES:										Unaudited	Unaudited
	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	\$6,251,478,651	\$6,704,027,783	\$108,512,565,009
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	\$4,056,494,096	\$4,442,357,411	\$66,060,171,292
	Prize Payout Percentage	62.8%	63.2%	62.5%	63.1%	62.9%	64.2%	65.2%	64.9%	66.3%	60.9%
	Commissions	\$209,816,328	\$218,892,925	\$219,540,166	\$226,667,064	\$253,512,424	\$253,928,168	\$281,498,020	\$313,054,138	\$335,638,397	\$5,429,722,629
	Retailer Payments	\$16,061,583	\$17,940,232	\$17,959,225	\$21,897,293	\$19,793,946	\$22,368,417	\$24,222,594	\$22,777,746	\$12,263,100	\$279,183,356
	Administrative Expenses	\$169,440,523	\$181,966,473	\$185,435,445	\$189,334,443	\$206,170,765	\$215,911,246	\$209,354,896	\$229,293,016	\$215,821,839	\$5,276,044,229
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	\$75,146,932	\$80,905,980	\$1,333,155,978
ACCRUED TRANSFERS:											
	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	\$439,442	\$439,443	\$192,437,859
	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	\$1,616,776,461	\$1,661,046,854	\$25,711,314,848
	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	\$19,374,563	\$22,242,814	\$142,786,591
	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	\$1,636,590,465	\$1,683,729,110	\$31,605,331,455

(1) Includes transfers from sales and unclaimed prizes

*Through August 2020

* Totals may not sum due to rounding