

Texas Lottery Commission



Annual Report of Non-Financial Data Fiscal Year 2009

Mary Ann Williamson
Chairman

David J. Schenck
Commissioner

J. Winston Krause
Commissioner



TEXAS LOTTERY COMMISSION

Gary Grief, Deputy Executive Director

Philip D. Sanderson, Charitable Bingo Operations Director

December 31, 2009

Honorable Rick Perry, Governor
John O'Brien, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Gentlemen:

We are pleased to submit the Texas Lottery Commission's *Annual Report of Nonfinancial Data* for the year ended August 31, 2009, in compliance with TEX.GOV'T CODE ANN §2101.0115 and in accordance with the instructions for completing the Annual Report of Nonfinancial Data.

The accompanying report has not been audited and is considered to be independent of the agency's *Annual Financial Report*.

If you have any questions, please contact Kathy Pyka, Controller, at 344-5410.

Sincerely,

A handwritten signature in blue ink that reads "Gary Grief".

Gary Grief
Deputy Executive Director

TABLE OF CONTENTS

Appropriation Item Transfer Schedule	1
HUB Strategic Plan Progress Report	2
Indirect Cost Schedule	3
Schedule of Professional/Consulting Fees and Legal Service Fees	4
Schedule of Space Occupied	5
Report of Recycled, Remanufactured and Environmentally Sensitive Purchases	6
Schedule of Aircraft Operation	7
Schedule of Itemized Purchases	8
Schedule of Vehicles Purchased	9
Schedule of State-Owned or Leased Vehicles Used by State Employees	10
Schedule of Bonded Employees	11

Unaudited

Texas Lottery Commission (362)

APPROPRIATION ITEM TRANSFER SCHEDULE*

For Fiscal Year Ended August 31, 2009

ITEM OF APPROPRIATION

			Transfers - In	Transfers - Out	Net Transfers
A. Goal: (Operate Lottery)					
Strategies:					
A.1.1.	13005	Lottery Operations	\$ 2,856.75	\$ (377,660.29)	\$ (374,803.54)
A.1.2.	13012	Lottery Field Operations	\$ 134,117.00	\$ (32,813.23)	\$ 101,303.77
A.1.3.	13006	Marketing and Promotion	\$ 64,254.44	\$ (848,492.84)	\$ (784,238.40)
A.1.4.	13008	Security	\$ 847,909.67	\$ (44,836.54)	\$ 803,073.13
A.1.5.	13009	Central Administration	\$ 1,646,188.38	\$ (76,992.84)	\$ 1,569,195.54
A.1.6.	13014	Lottery Operator Contract	\$ -	\$ -	\$ -
A.1.7.	13015	Instant Ticket Production Contract	\$ 60,742.00	\$ (1,135,272.50)	\$ (1,074,530.50)
A.1.8.	13007	Mass Media Advertising Contracts	\$ -	\$ -	\$ -
A.1.9.	13017	Drawing & Broadcast Contract	\$ -	\$ (115,000.00)	\$ (115,000.00)
A.1.10.	13018	Market Research Contract	\$ -	\$ (125,000.00)	\$ (125,000.00)
A.1.11.	13019	Retailer Bonus	\$ -	\$ -	\$ -
A.1.12.	13016	Inst Tkt Vending Machine Contract	\$ -	\$ -	\$ -
Total, Goal A: (Operate Lottery)			\$ 2,756,068.24	\$ (2,756,068.24)	\$ (0.00)
B. Goal: (Enforce Bingo Laws)					
Strategies:					
B.1.1.	13004	Bingo Licensing	\$ 1,690.05	\$ (111,564.00)	\$ (109,873.95)
B.1.2.	13010	Bingo Education and Development	\$ -	\$ (3,755.30)	\$ (3,755.30)
B.1.3.	13003	Bingo Law Compliance Field Oper	\$ 119,602.00	\$ (697.75)	\$ 118,904.25
B.1.4.	13020	Bingo Prize Fee Collection & Acct	\$ -	\$ (5,275.00)	\$ (5,275.00)
B.1.5.	13021	Bingo Prize Fee Allocations	\$ -	\$ -	\$ -
Total, Goal B: (Enforce Bingo Laws)			\$ 121,292.05	\$ (121,292.05)	\$ 0.00
NET APPROPRIATION ITEM TRANSFERS			\$ 2,877,360.29	\$ (2,877,360.29)	\$ (0.00)

* This schedule does not include Salary Increases, Benefit Replacement Pay Transfers or Capital Transfers.

ATTACHMENT C
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Texas Lottery Commission - Agency 362

HUB STRATEGIC PLAN PROGRESS REPORT

For the Fiscal Year Ended August 31, 2009

(Source: Texas Government Code, Section 2161.124)

Category	Actual for FY 08*	Actual for FY 09*	Goal for FY 10**
Heavy construction other than building contracts ***	N/A	N/A	N/A
Building construction, including general contractors and operative builders contracts ***	N/A	N/A	N/A
Special trade construction contracts	23.4%	23.1%	57.2%
Professional services contracts	89.0%	91.8%	20.0%
Other services contracts	26.3%	21.9%	33.0%
Commodities contracts	34.7%	50.6%	12.6%

* **Actual** = Percent spent with HUBs from HUB report.

****Goal** = Strategic Plan HUB goal. (The TLC is using the current HUB goals in 34 TAC §20.13, which are based on the original Texas Disparity Study, until such time that a new HUB rule based on the updated Disparity Study has been adopted by the Comptroller of Public Accounts.)

*****NOTE:** The Texas Lottery Commission does not have strategies or programs related to construction. Therefore, the "Heavy Construction" and "Building Construction" categories are not applicable.


Prepared By

Joyce Bertolacini, HUB Coordinator
Printed Name

(512) 344-5293
Phone Number


APPROVED BY (Signature Required)

Gary Grief, Deputy Executive Director
Printed Name

(512) 344-5160
Phone Number

Texas Lottery Commission (362)

INDIRECT COST SCHEDULE

For the Fiscal Year Ended August 31, 2009

A. Payroll Related Costs

FICA Employer Matching Contribution	
Group Health Insurance	216,357.87
Retirement	125,984.30
Unemployment	154,363.70
FICA Employee Share Paid by State	-
Total Payroll Related Costs	<u>\$ 496,705.87</u>

Workers' Compensation	-
Benefit Replacement Pay (BRP)	\$ 21,126.90
Total Workers' Compensation and BRP	<u>\$ 21,126.90</u>

B. Indirect Costs

Bond Debt Service Payments	
TBPC	-
TPFA	30,727.00
Other (if applicable)	-
Total Indirect Costs	<u>\$ 30,727.00</u>

C. Indirect Costs - Statewide Full Cost Allocation Plan

(based on FY 07 data)

Building Depreciation	12,251.00
USAS Depreciation	-
(301) Governor - Budget and Planning	36,544.00
(304) Comptroller - Treasury Operations	223,394.00
(306) Texas State Library and Archives Commission	-
(306) ADJ Library	-
(313) Dept. of Information Resources	9,654.00
(303) TBPC - Purchasing	1,783.00
(303) TBPC - P Card Rebate	(1,136.00)
(303) TBPC - Support Services	6,889.00
(303) TBPC - Building & Property Services	24,962.00
(303) TBPC - Facilities and Space Management	8,200.00
(303) TBPC - Asbestos	
(479) SORM	147.00
(101) State Senate	18,328.00
(102) House of Representatives	22,459.00
(103) Legislative Council	17,351.00
(104) Legislative Budget Board	115,962.00
(105) Ref Library	17,194.00
(116) Sunset Advisory Commission	18,840.00
Total Indirect Costs -	
Statewide Full Cost Allocation Plan	<u>\$ 532,822.00</u>
TOTAL INDIRECT COSTS	<u><u>\$ 1,081,381.77</u></u>

Unaudited

Texas Lottery Commission (362)

SCHEDULE OF PROFESSIONAL/CONSULTING FEES AND LEGAL SERVICE FEES

For the Fiscal Year Ended August 31, 2009

Name	Type of Service Rendered	Amount
Professional/Consulting Fees		
Barker & Herbert Analytical Laboratories, Inc.	Other Professional Services	\$ 183,800.00
Chandra Technologies Inc	Computer Programming Services	48,960.00
Davila Buschhorn & Associates, PC	Financial and Accounting Services	539,081.25
Eubank & Young Statistical Consulting, LLC	Other Professional Services	78,950.00
Grant Thornton LLP	Other Professional Services	301,290.46
IPSOS-Reid Corp.	Other Professional Services	528,561.94
M and S Works, Inc.	Other Professional Services	1,527,455.40
Maxwell Locke and Ritter, LLP	Financial and Accounting Services	89,691.00
Mir-Fox & Rodriguez P.C.	Financial and Accounting Services	267,175.43
National Human Resource Group Inc	Computer Programming Services	51,319.00
Paul Adams Productions	Other Professional Services	114,900.00
Solutions Training Group	Educational/Training	10,800.00
SunGard Availability Services	Computer Programming Services	209,870.40
SunGard Availability Services	Other Professional Services	40,635.00
Texas Department of Public Safety	Other Professional Services	46,526.00
Texas Dept of Information Resources	Consultant Services - Other	1,556,391.00
Texas Dept. of Assistive/Rehabilitative Serv.	Other Professional Services	24,750.00
Texas Govlink Inc.	Computer Programming Services	98,800.00
The Delta Associates	Educational/Training	12,400.00
TLP Inc DBA Tracy Locke	Other Professional Services	43,288.00
University of Houston	Other Professional Services	50,000.00
UT Center for Social Work	Other Professional Services	12,000.00
Payments to Other Vendors - Under \$10,000	Consultant Services - IR (Computer)	38,597.76
Total Professional/Consulting Fees		<u>\$5,875,242.64</u>
Legal Service Fees		
Graves Dougherty Hearon & Moody	Legal Services	64,190.00
Meyertons Hood Kilvin Kowert & Goetzel PC	Legal Services	63,054.06
Total Legal Services Fees		<u>\$ 127,244.06</u>
Total Professional/Consulting Fees and Legal Services Fees		<u><u>\$6,002,486.70</u></u>

Texas Lottery Commission (362)

SCHEDULE OF SPACE OCCUPIED

For the Fiscal Year Ended August 31, 2009

Location	Address	Lessor	Lease	Number	Type	Usable Square Feet /Units	FTEs	Rental per Month		Actual Annual Cost
								Cost per Sq. Ft./ Units	Cost per Month	
State-Owned Buildings:										
El Paso	401 E. Franklin, Ste. 150	State Owned			Office	1,730 Sq. Ft.	3		0.00	0.00
Total State Owned Space						1,730	3			
Free Space:										
None										
Leased Space:										
Abilene	209 S. Danville, Suite C-103	LJ Property	304-8976		Office	500 Sq. Ft.	2	0.6378	318.92	\$3,827.04
Amarillo	7120 IH-40 West, Suite 110	Amarillo Independent School District	304-09612		Office	500 Sq. Ft.	2	0.8593	429.63	\$5,155.56
Austin Central Office	611 E. 6th St.	Grant Buildings, Austin L.P., DBA Spire Realty	362-9756-E7A		Office	75,578 Sq. Ft.	263	2.5275	191,023.00	\$2,292,276.00
Austin Warehouse & Office Space	8006 Cameron Rd., Suite 720-A	Sabrehal International, LTD	362-8905-E7A		Warehouse	12,850 Sq. Ft.	2	1.0992	14,124.12	\$169,489.44
					Office	8,750 Sq. Ft.	0	1.0992	9,617.88	\$115,414.56
Austin Convention Center										
Parking Garage	601 E. 5th Street	City of Austin	362-1121		Parking	145 Spaces	0	120.00	17,400.00	\$208,800.00
Beaumont	6444 Concord Road	Madeline Linn Walker	303-6-10142		Office	1,044 Sq. Ft.	2	1.0233	1,068.35	\$12,820.20
Corpus Christi	4639 Corona, Suite 19	Corona Business Park LLC	362-1612		Office	1,030 Sq. Ft.	2	0.7893	816.38	\$9,796.56
Dallas	1555 W. Mockingbird Ln., Ste 203	Oakbrook Ltd.	362-09873		Office	3,746 Sq. Ft.	9	1.2012	4,499.80	\$53,997.60
Fort Worth	4040 Fossil Creek Blvd. Ste 102	Perry-Tubb Holdings, LLP	304-09996		Office	880 Sq. Ft.	3	1.1378	1,001.29	\$12,015.48
Houston	1919 N. Loop W., Suite 100	Weingarten Realty Investors	304-10614		Office	2,359 Sq. Ft.	11	1.4500	3,420.55	\$41,046.60
Houston Parking Garage	1919 N. Loop W., Suite 100	Weingarten Realty Investors	304-10614		Parking	11 Spaces	0	30.00	330.00	\$3,960.00
Laredo	1202 Del Mar Blvd., Ste. 4	ANB Resources-Laredo, LTD	304-08087		Office	704 Sq. Ft.	2	1.1258	792.56	\$9,510.72
Lubbock	6202 Iola Avenue, Ste 900A	Alliance Realty Services	303-7-10360		Office	615 Sq. Ft.	2	0.9458	581.69	\$6,980.28
McAllen	4501 West Business 83, Suite A2	John P Tomac and Vazma I Tomac, Trustees	324-10252-E11D		Office	960 Sq. Ft.	2	1.2428	1,193.07	\$14,316.84
Odessa	4682 E. University, Ste. 100	American Heritage Commercial Properties, Inc.	303-20112		Office	1,064 Sq. Ft.	4	0.6355	676.15	\$8,113.80
San Antonio	9514 Console Dr. Ste. 111	Sonora Properties, Ltd.	303-9328		Office	2,418 Sq. Ft.	9	0.9210	2,227.09	\$26,725.08
Tyler	3800 Paluxy Dr., Ste. 330	Genecov Investment, Ltd	304-09797		Office	500 Sq. Ft.	3	1.0290	514.48	\$6,173.76
Victoria	2601 Azalea, Ste. 16	Westlakes Mall, Ltd.	362-07365		Office	580 Sq. Ft.	2	0.8300	481.40	\$5,776.80
Total Lease Space						114,078	320		\$250,516.36	\$3,006,196.32
TOTAL ALL SPACE						115,808	323		\$250,516.36	\$3,006,196.32

Note 1: Excludes parking spaces

The agency's efforts towards achieving the objective provided by Section 2165.104, Government Code, include evaluating all leases as they come up for renewal to ensure they are brought into compliance.

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Texas Lottery Commission (362)

FY 2009 Agency Report of Recycled, Remanufactured and Environmentally Sensitive Purchases					
Agency No. 362		Agency Name:Texas Lottery Commission			
Point of Contact: Debi Barbre					
Phone Number: 512-344-5232					
E-Mail Address: debra.barbre@lottery.state.tx.us					
E1, E2, or E3	Description	Total Expenditures			
		Non-Delegated	Delegated	Total	
Total E1 Including 1 st Choice	Recycled	\$22,292.29	\$30,444.04	\$52,736.33	
Total E2 Including 1 st Choice	Remanufactured	\$0.00	\$0.00	\$0.00	
Total E3 Including 1 st Choice	Environmentally Sensitive	\$0.00	\$181,530.00	\$181,530.00	
Total of E1, E2 and E3 includes Recycled 1 st Choice Targeted Totals		\$22,292.29	\$211,974.04	\$234,266.33	
FY 2009 1 st Choice Targeted Commodities * Non-Delegated		Expenditures		% Spent on 1 st Choice Products 100 * [A/(A+B)]	
		1 st Choice Products (A)	Virgin Counterpart (B)		Total (A+B)
Motor Oil & Lubricants		\$0.00	\$0.00	\$0.00	0%
Toilet Paper, Toilet Seat Covers & Paper Towels		\$0.00	\$0.00	\$0.00	0%
Printing Paper, Copier Paper & Computer Paper		\$16,084.80	\$230.80	\$16,315.60	99%
Business Envelopes		\$0.00	\$0.00	\$0.00	0%
Plastic Trash Bags		\$0.00	\$0.00	\$0.00	0%
Plastic Covered Binders		\$0.00	\$0.00	\$0.00	0%
Recycling Containers		\$0.00	\$0.00	\$0.00	0%
Photocopiers		\$0.00	\$0.00	\$0.00	0%
Total 1 st Choice Targeted Commodities		\$16,084.80	\$230.80	\$16,315.60	99%
Summary of Total Number of FY 2009 Virgin Counterpart Justifications * Non-Delegated		Total Cost	Total Quality	Total Not Available	Total Other
Motor Oil & Lubricants		0	0	0	0
Toilet Paper, Toilet Seat Covers & Paper Towels		0	0	0	0
Printing Paper, Copier Paper & Computer Paper		0	0	0	0
Business Envelopes		0	0	0	0
Plastic Trash Bags		0	0	0	0
Plastic Covered Binders		0	0	0	0
Recycling Containers		0	0	0	0
Photocopiers		0	0	0	0
Total Number(s)		0	0	0	0

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Texas Lottery Commission (362)

SCHEDULE OF AIRCRAFT OPERATION

For the Fiscal Year Ended August 31, 2009

<u>Flight</u>	<u>Start Date</u>	<u>End Date</u>	<u>Flight Time</u>	<u>Rate/Hr.</u>	<u>Flight Time Cost</u>	<u>Co-Pilot Fee</u>	<u>Total Flight Cost</u>
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Not Applicable

Unaudited
Texas Lottery Commission (362)

SCHEDULE OF ITEMIZED PURCHASES

For the Fiscal Year Ended August 31, 2009

Need for specifications	Competing products not satisfactory	Products purchased	PO amount	Vendor name	PO number
Promotional event(s) to promote the Games of Texas	Events are scheduled for participation and entertainment for local communities. TLC attendance is based on location, participation and time of the event	Rental of space/advertising	\$15,000.00	Texas Motor Speedway % The Speedway Club	362-09-0311
Promotional event(s) to promote the Games of Texas	Events are scheduled for participation and entertainment for local communities. TLC attendance is based on location, participation and time of the event	Rental of space/advertising	\$12,187.00	Lester Meier Rodeo	362-09-0218
Promotional event(s) to promote the Games of Texas	Events are scheduled for participation and entertainment for local communities. TLC attendance is based on location, participation and time of the event	Rental of space/advertising	\$7,000.00	Poteet Strawberry Festival	326-09-0245
Promotional event(s) to promote the Games of Texas	Events are scheduled for participation and entertainment for local communities. TLC attendance is based on location, participation and time of the event	Rental of space/advertising	\$6,000.00	Round Rock Baseball Club LLP	362-09-0217
Promotional event(s) to promote the Games of Texas	Events are scheduled for participation and entertainment for local communities. TLC attendance is based on location, participation and time of the event	Rental of space/advertising	\$10,166.70	Midland Sports Inc. dba Midland Rockhounds Baseball Club	362-09-0226
Promotional event(s) to promote the Games of Texas	Events are scheduled for participation and entertainment for local communities. TLC attendance is based on location, participation and time of the event	Rental of space/advertising	\$62,800.00	State Fair of Texas	362-09-9040

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Texas Lottery Commission (362)

SCHEDULE OF VEHICLES PURCHASED

For the Fiscal Year Ended August 31, 2009

Make	Model	Purchase Price	Type of Use	Fuel Efficiency
Not Applicable				

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Texas Lottery Commission (362)

SCHEDULE OF STATE-OWNED OR LEASED VEHICLES USED BY STATE EMPLOYEES

For the Fiscal Year Ended August 31, 2009

Year	License Plate	Model	Description	Name and job title of each employee authorized to use a state-owned or state-leased vehicle:
1996	709005	1500	Dodge Ram Cargo Van	By Lottery Commission policy, a Commission motor vehicle may not be assigned to a specific employee or agency head, but must be available for use by all eligible employees authorized to operate the vehicles. Therefore, all Lottery Commission state-owned or state-leased vehicles are considered pooled vehicles and are used in the daily course of business by employees meeting the Lottery's requirements for operating a vehicle.
2004	861890	Ford E150	Ford Cargo Van	

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Texas Lottery Commission (362)

SCHEDULE OF BONDED EMPLOYEES

For the Fiscal Year Ended August 31, 2009

LIST OF BONDED EMPLOYEES

None



Texas Lottery Commission

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