



2019



AN AGENCY OF THE
STATE OF TEXAS

ANNUAL REPORT OF NON-FINANCIAL DATA

For Fiscal Year 2019

Commissioners:

J. Winston Krause,
Chairman

Mark A. Franz

Robert Rivera

Erik C. Saenz



TEXAS LOTTERY COMMISSION

Gary Grief, *Executive Director*

Michael P. Farrell, *Charitable Bingo Operations Director*

December 17, 2019

The Honorable Greg Abbott, Governor
Lisa Collier, First Assistant State Auditor, State Auditor's Office
John McGeady, Assistant Director, Legislative Budget Board

Dear Gov. Abbott, Ms. Collier, and Mr. McGeady:

We are pleased to submit the Texas Lottery Commission's *Annual Report of Nonfinancial Data* for the year ending on August 31, 2019, in compliance with the Texas Government 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*. Schedule D – Indirect Cost Schedule, is not included with this report but will be provided once the Statewide Cost Allocation Plan (SWCAP) has been approved by the state's federal cognizant agency.

If you have any questions, please contact Kathy Pyka, Controller, at (512) 344-5410.

Sincerely,


Gary Grief
Executive Director

TABLE OF CONTENTS

| | |
|--|----|
| Schedule of Bonded Employees | 1 |
| Schedule of Space Occupied | 2 |
| Schedule of Professional/Consulting Fees and Legal Service Fees | 5 |
| Schedule of Itemized Purchases | 6 |
| State Agency Progress Report..... | 13 |
| Appropriation Item Transfer Schedule..... | 15 |
| Schedule of Vehicles Purchased..... | 17 |
| Schedule of State-Owned or Leased Vehicles Used by State Employees | 19 |

Unaudited
Texas Lottery Commission (362)

SCHEDULE OF BONDED EMPLOYEES

For the Fiscal Year Ended August 31, 2019

LIST OF BONDED EMPLOYEES

None

Unaudited
Texas Lottery Commission (362)

SCHEDULE OF SPACE OCCUPIED

For the Fiscal Year Ended August 31, 2019

| Location | Address | Lessor |
|--|-----------------------------------|---|
| <u>STATE-OWNED</u> | | |
| El Paso | 401 E. Franklin Ave, Suite 150 | State Owned |
| | | Total State-Owned Space |
| <u>FREE SPACE</u> | | |
| None | | |
| | | Total Free Space |
| <u>LEASED SPACE</u> | | |
| Abilene | 209 S. Danville, Suite C-103 | Titan Tower LLC DBA Titan Towers LLC |
| Amarillo | 7120 IH-40 West, Suite 110 | Amarillo Independent School District |
| Austin Warehouse & Office Space | 8006 Cameron Rd., Suite F | Sabrehal International, LTD |
| Austin Central Office | 611 E. 6th Street | Lynx Grant, LLC |
| *Austin Convention Center Parking Garage | 601 E. 5th Street | City of Austin Convention Center |
| Beaumont | 6444 Concord Road | Walker Brothers Properties, LLC |
| Corpus Christi | 4639 Corona, Suite 19 | Corona Business Park, LLC |
| Dallas | 8700 N. Stemmons Fwy, Suite 140 | 8700 Ricchi LLC |
| Fort Worth | 4040 Fossil Creek Blvd, Suite 102 | Perry-Tubb Holdings, LLP |
| Houston | 1919 N. Loop W., Suite 100 | BS North Loop West, LLC |
| *Houston Parking Garage | 1919 N. Loop W., Suite 100 | BS North Loop West, LLC |
| Laredo | 1202 Del Mar Blvd., Suite 4 | ANB Resources-Laredo, LTD |
| Lubbock | 6202 Iola Avenue, Suite 900A | High Impact Properties Texas, LTD |
| McAllen | 4501 West Business 83, Suite A2 | John P Tomac and Vazma I. Tomac, Trustees of the Tomac Family Revocable Trust |
| Odessa | 4682 E. University, Suite 100 | American Heritage Commercial Properties, Inc. |
| San Antonio | 9514 Console, Suite 111 | AGS Real Estate Investments, LLC |
| Tyler | 3800 Paluxy Dr., Suite 330 | Genecov Investment, LTD |
| Victoria | 2306 Leary Ln, Suite 400 | Victoria PJNP, LLC |
| | | Total Lease Space |
| TOTAL ALL SPACE | | |

Note: Total Lease Space excludes parking spaces.

Unaudited
Texas Lottery Commission (362)

| Lease No. | Type | Usable Square Feet / Units | | FTE's | Rental per Month | | Actual Annual Cost | Remarks |
|--------------|--------------------|----------------------------------|----------------|---------------|-------------------------------|----------------------|------------------------|------------------------|
| | | | | | Cost per Sq. Ft./ Units | Cost per Month | | |
| | Office | 1,052 | Sq. Ft. | 2.00 | 0.0000 | \$ - | \$ - | |
| | | 1,052 | Sq. Ft. | 2.00 | | \$ - | \$ - | |
| | | 0 | Sq. Ft. | 0.00 | 0.0000 | \$ - | \$ - | |
| | | 0 | Sq. Ft. | 0.00 | | \$ - | \$ - | |
| 8976 | Office | 500 | Sq. Ft. | 2.00 | 0.7132 | \$ 356.58 | \$ 4,278.96 | Lease expires 07/31/20 |
| 9612 | Office | 500 | Sq. Ft. | 2.00 | 0.9076 | \$ 453.80 | \$ 5,445.60 | Lease expires 04/30/22 |
| 362-8905-E7A | W/H, Office | 21,600 | Sq. Ft. | 2.00 | 1.1343 | \$ 24,500.00 | \$ 294,000.00 | Lease expires 02/29/20 |
| 362-9756 | Office | 75,578 | Sq. Ft. | 264.00 | 2.6682 | \$ 201,657.71 | \$ 2,408,934.46 | Lease expires 08/31/22 |
| TLC001/015 | Unreserved Parking | 112 | Spaces | 0.00 | 160.0000 | \$ 17,920.00 | \$ 215,040.00 | Lease expires 09/30/20 |
| 303-6-10142 | Office | 1,044 | Sq. Ft. | 2.00 | 1.0076 | \$ 1,051.95 | \$ 12,567.12 | Lease expires 02/28/21 |
| 1612 | Office | 1,030 | Sq. Ft. | 2.00 | 0.8442 | \$ 869.52 | \$ 10,434.24 | Lease expires 10/31/24 |
| 303-5-10925 | Office | 3,011 | Sq. Ft. | 10.00 | 1.1368 | \$ 3,422.82 | \$ 41,073.84 | Lease expires 11/30/25 |
| 9996 | Office | 880 | Sq. Ft. | 3.00 | 1.3068 | \$ 1,150.00 | \$ 12,015.48 | Lease expires 08/31/24 |
| 10614 | Office | 2,359 | Sq. Ft. | 11.00 | 1.5995 | \$ 3,773.26 | \$ 45,279.12 | Lease expires 08/31/23 |
| 10614 | Parking | 12 | Spaces | 0.00 | 30.0000 | \$ 360.00 | \$ 4,320.00 | Lease expires 08/31/23 |
| 8087 | Office | 704 | Sq. Ft. | 2.00 | 1.1843 | \$ 833.72 | \$ 10,004.64 | Lease expires 05/31/23 |
| 303-7-10360 | Office | 585 | Sq. Ft. | 2.00 | 1.0283 | \$ 601.54 | \$ 7,230.14 | Lease expires 06/30/22 |
| 10252 | Office | 960 | Sq. Ft. | 2.00 | 1.6536 | \$ 1,587.41 | \$ 19,048.92 | Lease expires 12/31/19 |
| 20112 | Office | 1,064 | Sq. Ft. | 3.00 | 1.4850 | \$ 1,580.00 | \$ 17,249.52 | Lease expires 08/31/24 |
| 9328 | Office | 2,418 | Sq. Ft. | 9.00 | 1.1250 | \$ 2,720.25 | \$ 28,660.10 | Lease expires 04/30/21 |
| 9797 | Office | 500 | Sq. Ft. | 2.00 | 1.2561 | \$ 628.07 | \$ 7,510.70 | Lease expires 08/31/22 |
| 303-1-20268 | Office | 754 | Sq. Ft. | 2.00 | 1.3578 | \$ 1,023.79 | \$ 12,058.98 | Lease expires 06/30/22 |
| | | 113,487 | Sq. Ft. | 320.00 | | \$ 264,490.42 | \$ 3,155,151.82 | |
| | | 114,539 | Sq. Ft. | 322.00 | | \$ 264,490.42 | \$ 3,155,151.82 | |

This page intentionally left blank.

Unaudited
Texas Lottery Commission (362)

SCHEDULE OF PROFESSIONAL/CONSULTING FEES AND LEGAL SERVICE FEES
For the Fiscal Year Ended August 31, 2019

Professional/Consulting Fees

| Name | Type of Service | Amount |
|---|--------------------------------------|------------------------|
| Advertising Audit Service Intl LLC | Consultant Services - Other | \$ 30,000.00 |
| DK Partners PC | Financial and Accounting Services | 54,600.00 |
| McConnell & Jones LLP | Financial and Accounting Services | 180,027.92 |
| Weaver & Tidwell LLP | Financial and Accounting Services | 924,880.00 |
| Berry Dunn McNeil & Parker LLC | Financial and Accounting Services | 67,381.00 |
| Barker & Herbert Analytical Laboratories Inc. | Other Professional Services | 192,750.00 |
| Eclipse Compliance Testing | Other Professional Services | 20,800.00 |
| Elephant Productions Inc. | Other Professional Services | 2,177,893.42 |
| Eubank & Young Statistical Consulting LLC | Other Professional Services | 206,000.00 |
| Grant Thornton LLP | Other Professional Services | 263,351.00 |
| Texas Department of Public Safety | Other Professional Services | 39,971.25 |
| University of Houston | Other Professional Services | 77,000.00 |
| UT - Austin School of Social Work | Other Professional Services | 14,450.00 |
| Kampfe/De Stijl Inc | Arch/Engineering Services | 12,477.50 |
| Elsym Consulting Inc. | Information Technology Services | 192,000.00 |
| WorkQuest | Information Technology Services | 39,973.13 |
| RFD & Associates Inc. | Information Technology Services | 415,544.00 |
| Neos Consulting Group LLC | Information Technology Services | 38,535.00 |
| Solid Border Inc | Information Technology Services | 17,008.00 |
| Netsync Network Solutions | Information Technology Services | 94,103.91 |
| Agencies of Change LLC | Information Technology Services | 181,160.00 |
| Texas Department of Information Resources | Computer Services-Statewide Tech Ctr | 65,200.21 |
| Payments to Other Vendors- Under \$10,000 | | 23,444.70 |
| Total Professional/Consulting Fees | | \$ 5,328,551.04 |

Legal Service Fees

| | | |
|--|----------------|------------------------|
| Meyertons Hood Kivlin Kowert & Goetzel PC | Legal Services | 21,187.63 |
| Total Legal Service Fees | | \$ 21,187.63 |
| Total Professional/Consulting & Legal Services Fees | | \$ 5,349,738.67 |

Unaudited
Texas Lottery Commission (362)

SCHEDULE OF ITEMIZED PURCHASES

For the Fiscal Year Ended August 31, 2019

| Need for specifications | Competing products not satisfactory |
|-------------------------|--|
| Maintenance Services | Garron Lottery Products is the manufacturer of the existing machines and equipment utilized by the TLC. The working components of the machine and the design are proprietary in nature and can only be serviced by Garron Lottery Products. |
| Maintenance Services | Smartplay International Inc. is the manufacturer of the existing machines and equipment utilized by the TLC. The working components of the machine and the design are proprietary in nature and can only be serviced by Smartplay International Inc. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Membership Dues | North American Association of State and Provincial Lotteries (NASPL) represents 52 lottery organizations. The Association's mission is to assemble and disseminate information and benefits of state and provincial lottery organizations through education and communications and where appropriate, publicly advocate the positions of the Association on matters of general policy. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Promotional Sponsorship | ARK Group of Irving Inc. has the rights to license the trademarks of the Music Factory in Irving, Texas and provides retail space for Texas Lottery sales kiosks and promotional events and provides marketing and advertising support for Texas Lottery games. In addition, this agreement provides the Texas Lottery promotions through Live Nation, the largest producer of live concerts in the world. The agency believes that the strength of the Music Factory venue and Live Nation brand combined with the opportunity to reach additional players with the Texas Lottery brand will enhance sales and lottery games, and contribute positively to lottery sales and revenue generation for the Foundation School Fund. |
| Membership Dues | The World Lottery Association (WLA) has a role to play in setting international standards and recommending best practices in the lottery industry. Membership with this association will provide the Texas Lottery with additional resources to continue its mission of generating revenue for the State of Texas through the responsible management and sale of entertaining lottery products. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |

**Unaudited
Texas Lottery Commission (362)**

| Products purchased | PO amount | Vendor name | PO number |
|---|------------------|---|------------------|
| Maintenance on Drawing Machines and Equipment | \$ 19,300.00 | Garron Lottery Products | 362-19-9498 |
| Maintenance on Drawing Machines and Equipment | \$ 23,732.00 | Smartplay International, Inc. | 362-19-9002 |
| Rental of Space | \$ 8,500.00 | The Pecan Street Association, Inc. | 362-19-4243 |
| Rental of Space | \$ 25,000.00 | Texas Stars LP | 362-19-4042 |
| Rental of Space | \$ 18,500.00 | Round Rock Baseball Club LP | 362-19-4218 |
| Rental of Space | \$ 16,000.00 | Poteet Strawberry Festival Association | 362-19-4217 |
| Rental of Space | \$ 12,500.00 | Mayfest, Inc. | 362-19-4165 |
| Rental of Space | \$ 10,000.00 | Rey Feo Consejo Educational Foundation C/O Chase & Chase CPA's PLLC | 362-19-4271 |
| Rental of Space | \$ 9,000.00 | Corpus Christi Baseball Club LP | 362-19-4164 |
| Membership Dues for NASPL | \$ 20,000.00 | North American Association of State and Provincial Lotteries | 362-19-9357 |
| Rental of Space | \$ 18,000.00 | El Paso Stadium Operations Company | 362-19-4245 |
| Promotional & Sponsorship Agreement | \$ 518,000.00 | ARK Group of Irving, Inc | 362-19-9487 |
| Membership Dues for the World Lottery Association | \$ 30,000.00 | World Lottery Association | 362-19-9321 |
| Rental of Space | \$ 10,500.00 | Texas Hunters Association | 362-19-4280 |
| Rental of Space | \$ 10,000.00 | SL Baseball, LLC. | 362-19-4177 |

Unaudited
Texas Lottery Commission (362)

SCHEDULE OF ITEMIZED PURCHASES

For the Fiscal Year Ended August 31, 2019

| Need for specifications | Competing products not satisfactory |
|--------------------------------|---|
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Registration | La Fleur's Magazine is the premier trade publication reporting on the worldwide lottery industry and is used by government lottery executives, industry suppliers and government officials. Information related to the Texas Lottery's line of business will be covered during this 4-day conference through presentations, interactive breaks, lottery executive panels and private lottery marketer workshops. |
| Licensed Property | Licensed property scratch-off games help serve a niche by capitalizing on well known, branded concepts. The agency believes that the strength of the Houston Texans brand combined with the excitement related to second chance drawings for merchandise and experiential prize packages will create a successful game that will contribute positively to lottery sales and revenue generation for the Foundation School Fund. |
| Trademark License | Frisco Management, L.P. a Texas limited partnership that owns and/or has the rights to license the trademarks of The Star Complex in Frisco, Texas (the Dallas Cowboys new training complex), for advertising and value-added marketing and promotional support (including the rights to place Texas Lottery advertisements in and to use The Star Complex, complex and related trademarks) to market and promote Texas Lottery games, including but not limited to a Dallas Cowboys scratch-off games(s). The agency believes that the strength of the Dallas Cowboys' brand combined with the excitement related to second chance drawings for merchandise and experiential prize packages, and the additional marketing and promotional support, will create a successful Dallas Cowboys game, enhance sales of this game and other Texas Lottery games, and contribute positively to lottery sales and revenue generation for the Foundation School Fund. |
| Registration | National American Association of State and Provincial Lotteries (NASPL) represents 52 lottery organizations. The Association's mission is to assemble and disseminate information and benefits of state and provincial lottery organizations through education and communications and where appropriate publicly advocate the positions of the Association on matters of general policy. Agency staff from various divisions and the Executive Director will attend this conference on 7/22 - 7/25/2019. |
| Promotional Event | Participation in this event allows the Texas Lottery to promote and educate the public on Lottery products in areas of the state that have limited promotional opportunities. The purchase is for promotional space rental and for related services. |
| Conference Registration | The Texas Conference for Women provides the opportunity to bring together thousands of women for networking, professional development and personal growth. The 2019 conference is being held in Austin, Texas which also provides an excellent training opportunity for Texas Lottery employees to attend at only the cost of registration. |
| Registration | National American Association of State and Provincial Lotteries (NASPL) represents 52 lottery organizations. The Association's mission is to assemble and disseminate information and benefits of state and provincial lottery organizations through education and communications and where appropriate publicly advocate the positions of the Association on matters of general policy. Agency staff from various divisions and the Executive Director will attend this conference on 9/25 - 9/28/2018. |
| Ball Sets | Purchase of ten (10) new All or Nothing ball sets. The current All or Nothing ball sets have been in active rotation since October 2017 and are requiring replacement due to usage, wear and tear. The All or Nothing ball sets are custom designed by Garron Lottery Products. Purchasing these new ball sets from Garron Lottery Products will ensure that the specifications for the All or Nothing draw game ball sets and drawings are constant, along with the current appearance and consistency with the games performance. |
| Ball Sets | Purchase of thirty-seven (37) new Pick 3 ball sets. The current Pick 3 ball sets have been in active rotation since January 2017 and are requiring replacement due to usage, wear and tear. The Pick 3 drawing machines and ball sets are custom designed by Smartplay International, Inc. Purchasing these new ball sets from Smartplay International, Inc. will ensure that the specifications for the Pick 3 draw game ball sets and drawings are constant, along with the current appearance and consistency with the games performance. |
| Drawing Machines | The Texas Lottery is replacing two (2) of the current All or Nothing drawing machines. The drawing machines scheduled for replacement were purchased in August 2012. These drawing machines have an estimated useful life of six (6) years. The two (2) new drawing machines will be added to the existing fleet of All or Nothing drawing machines currently in rotation. The All or Nothing Drawing Machines are custom designed by Garron Lottery Products. Purchasing these drawing machines from Garron Lottery Products will ensure the specifications for the All or Nothing game drawings are constant, along with the current appearance, design and consistency with the game's performance. |

Unaudited
Texas Lottery Commission (362)

| Products purchased | PO amount | Vendor name | PO number |
|--|------------------|--|------------------|
| Rental of Space | \$ 7,000.00 | Pasadena Strawberry Festival | 362-19-4163 |
| Registration costs for LaFleur's 2018 LotTech Connect Conference | \$ 22,900.00 | TLF Publications, Inc. | 362-19-4095 |
| Licensed Property Scratch-off Games with the Houston Texans | \$1,486,050.00 | Houston NFL Holdings, LP | 362-19-9447 |
| Trademark License and Promotional Support Agreement | \$ 874,181.60 | Frisco Management LP | 362-19-9443 |
| Registration costs for NASPL Professional Development Seminar | \$ 15,400.00 | North American Association of State and Provincial Lotteries | 362-19-2140 |
| Rental of Space | \$ 7,500.00 | City of Richardson | 362-19-4201 |
| Registration costs for Annual Texas Conference for Women | \$ 11,700.00 | The Texas Conference for Women | 362-19-4307 |
| Registration costs for NASPL Annual Conference | \$ 6,750.00 | North American Association of State and Provincial Lotteries | 362-19-4020 |
| All or Nothing Ball Sets | \$ 5,640.00 | Garron Lottery Products | 362-19-2107 |
| Pick 3 Ball Sets | \$ 10,155.00 | Smartplay International, Inc. | 362-19-2085 |
| All or Nothing Drawing Machines | \$43,650.00 | Garron Lottery Products | 362-19-4411 |

Unaudited
Texas Lottery Commission (362)

SCHEDULE OF ITEMIZED PURCHASES

For the Fiscal Year Ended August 31, 2019

| Need for specifications | Competing products not satisfactory |
|-----------------------------------|---|
| Licensed Property | Licensed property scratch-off games help serve a niche by capitalizing on well known, branded concepts. The agency believes that the strength of the Dallas Cowboys' brand combined with the excitement related to second chance drawings for merchandise and experiential prize packages will create a successful game that will contribute positively to lottery sales and revenue generation for the Foundation School Fund. |
| Leasehold Improvement | The Texas Lottery Commission leases warehouse space from Sabrehal International, Inc. and is currently requesting a leasehold improvement to meet business continuity needs. All leasehold improvements must be handled thru the lessor, who is ultimately responsible for protecting the property. |
| Live Scan Fingerprinting Services | Morpho Trust has an exclusive contract with the Texas Department of Public Safety for its fingerprinting services program and TXDPS will only accept electronic fingerprints through this system. Morpho Trust's system is the only option for the Texas Lottery to timely transmit electronic fingerprints in relation to its background checks. |

Unaudited
Texas Lottery Commission (362)

| Products purchased | PO amount | Vendor name | PO number |
|---|------------------|---|------------------|
| Licensed Property Scratch-Off Games with the Dallas Cowboys | \$ 3,818,545.00 | Pro Silver Star Ltd | 362-19-9035 |
| Leasehold Improvement services | \$ 87,883.10 | Sabrehal International, Ltd | 362-19-2223 |
| Live Scan Fingerprinting Services | \$ 5,515.00 | Morpho Trust USA, LLC (Paid thru Citibank NA) | 362-19-9335 |

This page intentionally left blank.

Unaudited

STATE AGENCY PROGRESS REPORT

(Source: Texas Government Code, Title 10, Subtitle D, Section 2161.124)

Agency Name: Texas Lottery Commission Agency #: 362 Report for Fiscal: 2019

| HUB Report Procurement Categories | Fiscal 2018 | | Fiscal 2019 | | Fiscal 2020 |
|---|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | Agency-Specific HUB Goal* | % of Dollars Spent w/HUBs** | Agency-Specific HUB Goal* | % of Dollars Spent w/HUBs** | Agency-Specific HUB Goal* |
| Heavy construction other than building contracts | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Building construction, including general contractors and operative builders contracts | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Special trade construction contracts | 10.70% | 5.70% | 9.90% | 34.88% | 14.80% |
| Professional services contracts | 23.70% | 92.24% | 23.70% | 13.00% | 23.70% |
| Other services contracts | 25.10% | 20.07% | 25.80% | 17.16% | 24.20% |
| Commodities contracts | 21.10% | 37.48% | 21.10% | 58.98% | 21.10% |

* For each of the procurement categories listed, enter your Agency-Specific HUB Goals.

** For each of the procurement categories listed, enter the percentage of dollars the agency spent with HUBs as reflected in the Annual HUB Reports.

Prepared By:

Eric Williams

Approved by:

Gary Grief

Printed Name:

Eric Williams, HUB Coordinator

Printed Name:

Gary Grief, Executive Director

Phone Number:

(512) 344-5241

Phone Number:

(512) 344-5160

(Rev. 12/14)

AGENCY 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 to the TLC.

This page intentionally left blank.

Unaudited
Texas Lottery Commission (362)

APPROPRIATION ITEM TRANSFER SCHEDULE*

For Fiscal Year Ended August 31, 2019

ITEM OF APPROPRIATION

| | | <u>Transfers - In</u> | <u>Transfers - Out</u> | <u>Net Transfers</u> |
|---|--|-------------------------------|---------------------------------|----------------------|
| A. Goal: (Operate Lottery) | | | | |
| Strategies: | | | | |
| A.1.1. | 13005 Lottery Operations | \$ 116,613.26 | \$ (243,698.09) | \$ (127,084.83) |
| A.1.2. | 13012 Lottery Field Operations | 334,643.78 | (142,478.21) | 192,165.57 |
| A.1.3. | 13006 Marketing and Promotion | 249,220.18 | (116,767.79) | 132,452.39 |
| A.1.4. | 13008 Security | 120,243.73 | (264,746.00) | (144,502.27) |
| A.1.5. | 13009 Central Administration | 575,541.59 | (140,685.45) | 434,856.14 |
| A.1.6. | 13014 Lottery Operator Contract | - | - | - |
| A.1.7. | 13015 Instant Ticket Production Contract | - | - | - |
| A.1.8. | 13007 Mass Media Advertising Contracts | - | - | - |
| A.1.9. | 13017 Drawing & Broadcast Contract | 31,635.00 | (485,178.00) | (453,543.00) |
| A.1.10. | 13018 Market Research Contract | - | (34,344.00) | (34,344.00) |
| A.1.11. | 13019 Retailer Bonus | - | - | - |
| A.1.12. | 13023 Retailer Commissions | - | - | - |
| Total, Goal A: (Operate Lottery) | | <u>\$ 1,427,897.54</u> | <u>\$ (1,427,897.54)</u> | <u>\$ -</u> |
| B. Goal: (Enforce Bingo Laws) | | | | |
| Strategies: | | | | |
| B.1.1. | 13004 Bingo Licensing | \$ 255,117.77 | \$ (20,573.43) | \$ 234,544.34 |
| B.1.2. | 13010 Bingo Education and Development | - | (24,913.87) | (24,913.87) |
| B.1.3. | 13003 Bingo Law Compliance Field Oper | 33,404.43 | (199,009.02) | (165,604.59) |
| B.1.4. | 13020 Bingo Prize Fee Collection & Acct | 1,867.72 | (45,893.60) | (44,025.88) |
| Total, Goal B: (Enforce Bingo Laws) | | <u>\$ 290,389.92</u> | <u>\$ (290,389.92)</u> | <u>\$ -</u> |
| NET APPROPRIATION ITEM TRANSFERS | | <u><u>\$ 1,718,287.46</u></u> | <u><u>\$ (1,718,287.46)</u></u> | <u><u>\$ -</u></u> |

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

This page intentionally left blank.

Unaudited
Texas Lottery Commission (362)

SCHEDULE OF VEHICLES PURCHASED

For the Fiscal Year Ended August 31, 2019

| Make | Model | Purchase Price | Type of Use | Fuel Efficiency |
|----------------|--------------|-----------------------|--------------------|------------------------|
| Not Applicable | | | | |

This page intentionally left blank.

Unaudited
Texas Lottery Commission (362)

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

For the Fiscal Year Ended August 31, 2019

| Year | License Plate | Model | Description | Name and job title of each employee authorized to use a state-owned or state- leased vehicle: |
|-------------|--------------------------|--------------|---------------------|---|
| 2014 | 1164644 | Ford E350 | Wagon XL Super Duty | 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. |
| 2013 | 1141206 | Ford E250 | Ford Cargo Van | |



2019



TEXAS LOTTERY COMMISSION

P.O. BOX 16630
AUSTIN, TEXAS 78761-6630
PHONE 512.344.5000
FAX 512.478.3682

TXLOTTERY.ORG

TXBINGO.ORG



AN AGENCY OF THE
STATE OF TEXAS