



ANNUAL REPORT
OF
NON-FINANCIAL
DATA

FISCAL YEAR 2007

James A. Cox, Jr.
Chairman

C. Tom Clowe, Jr.
Commissioner



TEXAS LOTTERY COMMISSION

Anthony J. Sadberry, *Executive Director*

December 31, 2007

The 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, 2007, in compliance with the 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 dark ink, appearing to read "Anthony Sadberry", is written over a light blue horizontal line.

Anthony Sadberry
Executive Director

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Unaudited

Texas Lottery Commission (362)

APPROPRIATION ITEM TRANSFER SCHEDULE*

For Fiscal Year Ended August 31, 2007

ITEM OF APPROPRIATION

			Transfers - In	Transfers - Out	Net Transfers
A. Goal: (Operate Lottery)					
Strategies:					
A.1.1.	13005	Lottery Operations	\$ -	\$ -	\$ -
A.1.2.	13012	Lottery Field Operations	\$ 22,345.00	\$ -	\$ 22,345.00
A.1.3.	13006	Marketing and Promotion	\$ -	\$ (187,500.00)	\$ (187,500.00)
A.1.4.	13008	Security	\$ 234,380.84	\$ -	\$ 234,380.84
A.1.5.	13013	Security Field Operations	\$ -	\$ (90,890.84)	\$ (90,890.84)
A.1.6.	13009	Central Administration	\$ 847,665.87	\$ -	\$ 847,665.87
A.1.7.	13014	Lottery Operator Contract	\$ -	\$ -	\$ -
A.1.8.	13015	Instant Ticket Production Contract	\$ -	\$ -	\$ -
A.1.9.	13007	Mass Media Advertising Contracts	\$ 1,000,000.00	\$ -	\$ 1,000,000.00
A.1.10.	13016	Inst Tkt Vending Machine Contract	\$ -	\$ (1,125,000.00)	\$ (1,125,000.00)
A.1.11.	13017	Drawing & Broadcast Contract	\$ -	\$ (513,500.87)	\$ (513,500.87)
A.1.12.	13018	Market Research Contract	\$ -	\$ (187,500.00)	\$ (187,500.00)
A.1.13.	13019	Retailer Bonus	\$ -	\$ -	\$ -
Total, Goal A: (Operate Lottery)			\$ 2,104,391.71	\$ (2,104,391.71)	\$ 0.00
B. Goal: (Enforce Bingo Laws)					
Strategies:					
B.1.1.	13004	Bingo Licensing	\$ 23,951.00	\$ -	\$ 23,951.00
B.1.2.	13010	Bingo Education and Development	\$ 11,685.00	\$ -	\$ 11,685.00
B.1.3.	13003	Bingo Law Compliance Field Oper	\$ -	\$ (35,636.00)	\$ (35,636.00)
B.1.4.	13020	Bingo Prize Fee Collection & Acct	\$ -	\$ -	\$ -
B.1.5.	13021	Bingo Prize Fee Allocations	\$ -	\$ -	\$ -
Total, Goal B: (Enforce Bingo Laws)			\$ 35,636.00	\$ (35,636.00)	\$ -
NET APPROPRIATION ITEM TRANSFERS			\$ 2,140,027.71	\$ (2,140,027.71)	\$ 0.00

* This schedule does not include Salary Increases, Benefit Replacement Pay Transfers, Reduction to Air Travel 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, 2007

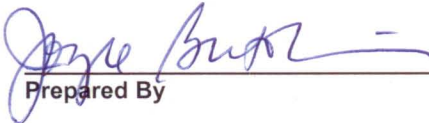
(Source: Texas Government Code, Section 2161.124)

Category	Actual for FY 06*	Actual for FY 07*	Goal for FY 08**
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	23.2%	27.9%	57.2%
Professional services contracts	94.8%	100%	20.0%
Other services contracts	23.6%	26.9%	33.0%
Commodities contracts	12.2%	23.7%	12.6%

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

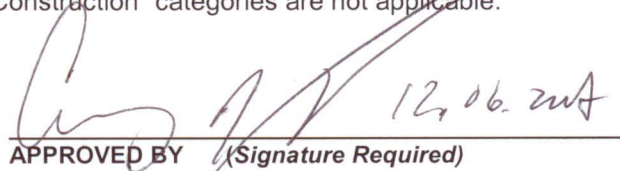
****Goal** = Strategic Plan HUB goal. (The TLC is using the current HUB goals in 34 TAC §20.13, which are based on the original Texas Disparity Study, until such time that a new HUB rule based on the updated Disparity Study has been adopted by the Comptroller of Public Accounts.)

*****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)

Anthony J. Sadberry, Executive Director
Printed Name

(512) 344-5561
Phone Number

Texas Lottery Commission (362)

INDIRECT COST SCHEDULE

For the Fiscal Year Ended August 31, 2007

A. Payroll Related Costs

FICA Employer Matching Contribution	\$ 152,953.28	
Group Health Insurance	230,771.87	
Retirement	131,653.44	
Unemployment	290.50	
FICA Employee Share Paid by State	-	
Total Payroll Related Costs		<u>\$ 515,669.09</u>

Workers' Compensation	-	
Benefit Replacement Pay (BRP)	\$ 25,500.04	
Total Workers' Compensation and BRP		<u>\$ 25,500.04</u>

B. Indirect Costs

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

C. Indirect Costs - Statewide Full Cost Allocation Plan

(based on FY 07 data)

Building Depreciation	10,714.00	
USAS Depreciation	-	
(301) Governor - Budget and Planning	19,598.00	
(304) Comptroller - Treasury Operations	48,985.00	
(306) Texas State Library and Archives Commission	-	
(306) ADJ Library	-	
(313) Dept. of Information Resources	(5,095.00)	
(303) TBPC - Purchasing		
(303) TBPC - P Card Rebate	1,295.00	
(303) TBPC - Support Services	3,805.00	
(303) TBPC - Building & Property Services	12,681.00	
(303) TBPC - Facilities and Space Management	4,877.00	
(303) TBPC - Asbestos		
(479) SORM	19.00	
(101) State Senate	-	
(102) House of Representatives	-	
(103) Legislative Council	-	
(104) Legislative Budget Board	-	
(105) Ref Library	-	
(116) Sunset Advisory Commission	-	
Total Indirect Costs -		
Statewide Full Cost Allocation Plan		<u>\$ 96,879.00</u>
TOTAL INDIRECT COSTS		<u><u>\$ 638,048.13</u></u>

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Texas Lottery Commission (362)

SCHEDULE OF PROFESSIONAL/CONSULTING FEES AND LEGAL SERVICE FEES

For the Fiscal Year Ended August 31, 2007

Name	Type of Service Rendered	Amount
Professional/Consulting Fees		
Abdeladim & Associates	Computer Programming Services	\$ 46,906.25
Affiliated Forensic Laboratory, Inc.	Other Professional Services	159,500.00
Austin Ribbon Computer	Computer Programming Services	49,914.76
C & T Consulting Services LLP	Computer Programming Services	37,145.00
Davila Buschhorn & Associates, PC	Financial and Accounting Services	412,139.60
EMC Corporation	Computer Programming Services	14,099.30
IPSOS-Reid Corp.	Other Professional Services	217,790.00
M & S Works, Inc.	Other Professional Services	1,517,102.28
Paul Adams Productions	Other Professional Services	114,900.00
Randall L. Eubank	Other Professional Services	30,160.00
Texas Department of Public Safety	Other Professional Services	48,356.24
Texas Dept. of Assistive/Rehabilitative Services	Other Professional Services	24,750.00
Texas State Auditor's Office	Financial and Accounting Services	36,194.50
The University of Texas at Austin	Educational/Training	18,400.00
The University of Texas at Austin	Consultant Services - Other	52,727.38
UT – Austin School of Social Work	Other Professional Services	25,146.00
University of North Texas	Other Professional Services	52,416.00
Vericenter, Inc.	Other Professional Services	314,683.98
Vericenter, Inc.	Computer Programming Services	235,625.51
Payments to Other Vendors - Under \$10,000.00	Other Professional Services	8,453.46
Total Professional/Consulting Fees		<u>\$ 3,416,410.26</u>
Legal Service Fees		
Graves, Dougherty, Hearon & Moody	Legal Services	\$ (78,586.66)
Meyertons Hood Kilvin Kowert & Goetzel, PC	Legal Services	<u>(63,395.16)</u>
Total Professional/Consulting Fees and Legal Service Fees		<u>\$ 3,274,428.44</u>

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Texas Lottery Commission (362)

SCHEDULE OF SPACE OCCUPIED

For the Fiscal Year Ended August 31, 2007

Location	Address	Lessor	Lease Number	Type	Usable Square Feet / Units	FTEs	Rental per Month		Actual Annual Cost
							Cost per Sq. Ft. /	Cost per Month	
State-Owned Buildings:									
El Paso Total State Owned Space	401 E. Franklin, Ste. 150			Office	1,730 Sq. Ft.	2		0.00	0.00
					1,730	2			
Free Space:									
None									
Leased Space:									
Abilene Amarillo Austin Central Office Austin Warehouse & Office Space	209 S. Danville, Suite C-103	LJ Property	304-8976	Office	500 Sq. Ft.	2	0.6378	318.92	\$3,827.04
	7120 IH-40 West, Suite 110	Amarillo Independent School District	304-09612	Office	500 Sq. Ft.	2	0.8408	420.38	\$5,044.56
	611 E. 6th St.	Grant Building - Austin L.P.	362-9756	Office	75,578 Sq. Ft.	246	2.4329	\$183,871.96	\$2,206,463.52
	8006 Cameron Rd., Suite 720-A	Sabrehtal International, LTD.	362-8905-E7A	Warehouse	12,850 Sq. Ft.	2	1.0992	14,124.29	\$169,491.50
				Office	8,750 Sq. Ft.	0	1.0992	9,617.71	\$115,412.50
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	6440 Concord Road	Madeline Linn Walker	303-6-10142	Office	1,044 Sq. Ft.	2	1.0018	1,045.86	\$12,550.32
Corpus Christi	4639 Corona, Suite 19	CUNA Mutual Life Insurance Co.	362-1612	Office	1,030 Sq. Ft.	2	0.7893	816.38	\$9,796.56
Dallas	1555 W. Mockingbird Ln., Ste 203	Oakbrook Plaza Ltd.	362-09873	Office	3,746 Sq. Ft.	12	1.1846	4,437.67	\$53,252.04
Fort Worth	4040 Fossil Creek Blvd, Ste 102	Perry-Tubb Holdings, LLP	304-09996	Office	880 Sq. Ft.	3	1.1133	979.73	\$11,756.76
Houston	1919 N. Loop W., Suite 100	PNO, LTD	304-10614	Office	4,225 Sq. Ft.	11	1.1653	4,923.58	\$59,082.96
Laredo	1202 Del Mar Blvd., Ste. 4	ANB Resources-Laredo, ITD	304-08087	Office	704 Sq. Ft.	2	1.1021	775.88	\$9,310.56
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	324-10252-E11D	Office	960 Sq. Ft.	2	1.1934	1,145.66	\$13,747.92
Odessa	4682 E. University, Ste. 100	Heritage FLP Properties, LTD	303-20112	Office	1,064 Sq. Ft.	4	0.6355	676.15	\$8,113.80
San Antonio	9514 Console, Ste. 111	Sonora Properties, Ltd	303-9328	Office	2,418 Sq. Ft.	8	0.9012	2,179.15	\$26,149.80
Tyler	3800 Paluxy Dr., Ste. 330	Genecov Investment, Ltd	304-09797	Office	500 Sq. Ft.	2	0.9880	494.01	\$5,928.12
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					116,089	304		\$244,290.42	\$2,931,485.04
TOTAL ALL SPACE					117,819	306		\$244,290.42	\$2,931,485.04

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 2007 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	\$24,128.86	\$6,705.39	\$30,834.25
Total E2 Including 1 st Choice	Remanufactured	\$0.00	\$2,014.00	\$2,014.00
Total E3 Including 1 st Choice	Environmentally Sensitive	\$0.00	\$255,967.13	\$255,967.13
Total of E1, E2 and E3 includes Recycled 1st Choice Targeted Totals		\$24,128.86	\$264,686.52	\$288,815.38
FY 2007 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	\$20,240.20	\$0.00	\$20,240.20	100%
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 1st Choice Targeted Commodities	\$20,240.20	\$0.00	\$20,240.20	100%
Summary of Total Number of FY 2007 Justification Letters * 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, 2007

<u>Flight</u>	<u>Start Date</u>	<u>End Date</u>	<u>Time</u>	<u>Rate/Hr.</u>	<u>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, 2007

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	\$6,500.00	Lester Meier Rodeo	362L0700025
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	\$20,500.00	Global Entertainment Corp dba Central Hockey League	362L0700286
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	\$12,315.76	Lester Meier Rodeo	362L0700573
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 Association	362L0700665
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	\$16,000.00	Midland Rockhounds Baseball	3620700659
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	\$60,000.00	State Fair of Texas	362L0709114
Examination of questionable lottery tickets	Other equipment available was found to be outdated.	Video Spectral Comparator	\$80,166.59	Foster and Freeman USA Inc.	362L0701123

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Texas Lottery Commission (362)

SCHEDULE OF VEHICLES PURCHASED

For the Fiscal Year Ended August 31, 2007

Make	Model	Purchase Price	Type of Use	Fuel Efficiency
Not Applicable				

Unaudited
Texas Lottery Commission (362)

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

For the Fiscal Year Ended August 31, 2007

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, 2007

LIST OF BONDED EMPLOYEES

None



Texas Lottery Commission
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Austin, Texas 78761-6630
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