



ANNUAL REPORT
OF
NON-FINANCIAL
DATA

FISCAL YEAR 2008

December 31, 2008

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

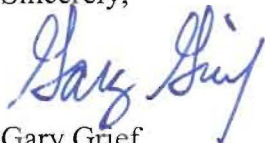
Gentlemen:

We are pleased to submit the Texas Lottery Commission's *Annual Report of Nonfinancial Data* for the year ended August 31, 2008, 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 blue ink that reads "Gary Grief". The signature is written in a cursive style with a large initial "G".

Gary Grief
Deputy Executive Director

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Texas Lottery Commission (362)

APPROPRIATION ITEM TRANSFER SCHEDULE*

For Fiscal Year Ended August 31, 2008

ITEM OF APPROPRIATION

ITEM OF APPROPRIATION	Transfers - In	Transfers - Out	Net Transfers
A. Goal: (Operate Lottery)			
Strategies:			
A.1.1. 13005 Lottery Operations	\$ 14,530.75	\$ (340,075.06)	\$ (325,544.31)
A.1.2. 13012 Lottery Field Operations	\$ 46,806.35	\$ (41,333.77)	\$ 5,472.58
A.1.3. 13006 Marketing and Promotion	\$ 405,796.92	\$ (846,130.51)	\$ (440,333.59)
A.1.4. 13008 Security	\$ 159,835.43	\$ (67,804.10)	\$ 92,031.33
A.1.5. 13009 Central Administration	\$ 1,134,002.75	\$ (149,590.63)	\$ 984,412.12
A.1.6. 13014 Lottery Operator Contract	\$ -	\$ -	\$ -
A.1.7. 13015 Instant Ticket Production Contract	\$ 285,100.39	\$ (901,138.26)	\$ (616,037.87)
A.1.8. 13007 Mass Media Advertising Contracts	\$ -	\$ -	\$ -
A.1.9. 13016 Inst Tkt Vending Machine Contract	\$ -	\$ -	\$ -
A.1.10. 13017 Drawing & Broadcast Contract	\$ -	\$ (0.26)	\$ (0.26)
A.1.11. 13018 Market Research Contract	\$ -	\$ -	\$ -
A.1.12. 13019 Retailer Bonus	\$ 300,000.00	\$ -	\$ 300,000.00
	<hr/>	<hr/>	<hr/>
Total, Goal A: (Operate Lottery)	\$ 2,346,072.59	\$ (2,346,072.59)	\$ -
	<hr/>	<hr/>	<hr/>
B. Goal: (Enforce Bingo Laws)			
Strategies:			
B.1.1. 13004 Bingo Licensing	\$ 5,102.96	\$ (97,119.40)	\$ (92,016.44)
B.1.2. 13010 Bingo Education and Development	\$ 7,210.96	\$ -	\$ 7,210.96
B.1.3. 13003 Bingo Law Compliance Field Oper	\$ 91,100.73	\$ (8,463.29)	\$ 82,637.44
B.1.4. 13020 Bingo Prize Fee Collection & Acct	\$ 2,168.04	\$ -	\$ 2,168.04
B.1.5. 13021 Bingo Prize Fee Allocations	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
Total, Goal B: (Enforce Bingo Laws)	\$ 105,582.69	\$ (105,582.69)	\$ 0.00
	<hr/>	<hr/>	<hr/>
NET APPROPRIATION ITEM TRANSFERS	<u>\$ 2,451,655.28</u>	<u>\$ (2,451,655.28)</u>	<u>\$ 0.00</u>

* 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, 2008

(Source: Texas Government Code, Section 2161.124)

Category	Actual for FY 07*	Actual for FY 08*	Goal for FY 09**
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	27.9%	23.4%	57.2%
Professional services contracts	100.0%	89.0%	20.0%
Other services contracts	26.9%	26.3%	33.0%
Commodities contracts	23.7%	34.7%	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)

Gary Grief, Deputy Executive Director
 Printed Name

(512) 344-5160
 Phone Number

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Texas Lottery Commission (362)

INDIRECT COST SCHEDULE

For the Fiscal Year Ended August 31, 2008

A. Payroll Related Costs

FICA Employer Matching Contribution	\$ 147,609.32	
Group Health Insurance	219,437.51	
Retirement	127,510.87	
Unemployment	-	
FICA Employee Share Paid by State	-	
Total Payroll Related Costs		<u>\$ 494,557.70</u>

Workers' Compensation	-	
Benefit Replacement Pay (BRP)	\$ 23,299.53	
Total Workers' Compensation and BRP		<u>\$ 23,299.53</u>

B. Indirect Costs

Bond Debt Service Payments		
TBPC	-	
TPFA	30,733.00	
Other (if applicable)	-	
Total Indirect Costs		<u>\$ 30,733.00</u>

C. Indirect Costs - Statewide Full Cost Allocation Plan

(based on FY 07 data)

Building Depreciation	10,960.00	
USAS Depreciation	-	
(301) Governor - Budget and Planning	20,445.00	
(304) Comptroller - Treasury Operations	98,699.00	
(306) Texas State Library and Archives Commission	-	
(306) ADJ Library	-	
(313) Dept. of Information Resources	(6,069.00)	
(303) TBPC - Purchasing	2,462.00	
(303) TBPC - P Card Rebate	(1,397.00)	
(303) TBPC - Support Services	5,911.00	
(303) TBPC - Building & Property Services	18,591.00	
(303) TBPC - Facilities and Space Management	2,055.00	
(303) TBPC - Asbestos	-	
(479) SORM	316.00	
(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>\$ 151,973.00</u>

TOTAL INDIRECT COSTS		<u><u>\$ 700,563.23</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, 2008.

Name	Type of Service Rendered	Amount
Professional/Consulting Fees		
Affiliated Forensic Laboratory, Inc.	Other Professional Services	\$ 88,950.00
Barker & Herbert Analytical Laboratories	Other Professional Services	81,400.00
Davila Buschhorn & Associates, PC	Financial and Accounting Services	528,068.75
Eubank & Young Statistical Consulting	Other Professional Services	109,600.00
IPSOS-Reid Corp.	Other Professional Services	827,318.06
M & S Works, Inc.	Other Professional Services	1,594,360.40
Maxwell Locke and Ritter, LLP	Financial and Accounting Services	82,085.00
Mir-Fox & Rodriguez PC	Financial and Accounting Services	119,873.11
Paul Adams Productions	Other Professional Services	114,900.00
SunGard Availability Services	Computer Programming Services	88,539.05
Texas Department of Public Safety	Other Professional Services	45,043.61
Texas Dept. of Assistive/Rehabilitative Services	Other Professional Services	24,750.00
Texas Govlink Inc.	Consultant Services – IT (Computer)	13,300.00
The Delta Associates	Educational/Training	14,100.00
The University of Texas at Austin	Other Professional Services	121,002.76
University of Houston	Other Professional Services	50,000.00
Vericenter, Inc.	Other Professional Services	44,107.50
Vericenter, Inc.	Computer Programming Services	47,530.57
Payments to Other Vendors - Under \$10,000.00	Other Professional Services	43,975.67
		<hr/>
Total Professional/Consulting Fees		\$ 4,038,904.48
Legal Service Fees		
Meyertons Hood Kilvin Kowert & Goetzel, PC	Legal Services	\$ 54,463.83
		<hr/>
Total Professional/Consulting Fees and Legal Service Fees		\$ 4,093,368.31

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Texas Lottery Commission (362)

SCHEDULE OF SPACE OCCUPIED

For the Fiscal Year Ended August 31, 2008

Location	Address	Lessor	Lease Number	Type	Usable Square Feet / Units	FTEs	Rental per Month		
							Cost per Sq. Ft. / Units	Cost per Month	Actual Annual Cost
State-Owned Buildings:									
El Paso	401 E. Franklin, Ste. 150			Office	1,730 Sq. Ft.	2	0.00	0.00	0.00
Total State Owned Space					1,730	2			
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 Building - Austin L.P.	362-9756-E7A	Office	75,578 Sq. Ft.	256	2.5184	190,335.99	\$2,284,031.88
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
Austin Convention Center				Office	8,750 Sq. Ft.	0	1.0992	9,617.88	\$115,414.56
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	Madeleine 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.	10	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	1.1133	979.73	\$11,756.76
Houston	1919 N. Loop W., Suite 100	Weingarten Realty Investors	304-10614	Office	1,830 Sq. Ft.	9	1.4167	2,592.50	\$31,110.00
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	1.2101	1,161.70	\$13,940.40
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 Consol Dr, Ste. 111	Sonora Properties, Ltd.	303-9328	Office	2,418 Sq. Ft.	7	0.9210	2,227.09	\$26,725.08
Tyler	3800 Paluxy Dr., Ste. 330	Genecov Investment Ltd	304-09797	Office	500 Sq. Ft.	2	0.9994	499.69	\$5,996.28
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					113,549	309		\$248,603.58	\$2,983,242.96
TOTAL ALL SPACE					115,279	311		\$248,603.58	\$2,983,242.96

Note 1

Note 1: Excluded 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 2008 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	\$33,948.62	\$3,466.66	\$37,415.28			
Total E2 Including 1 st Choice	Remanufactured	\$0.00	\$0.00	\$0.00			
Total E3 Including 1 st Choice	Environmentally Sensitive	\$280.00	\$243,546.47	\$243,826.47			
Total of E1, E2 and E3 includes Recycled 1st Choice Targeted Totals		\$34,228.62	\$247,013.13	\$281,241.75			
FY 2008 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		\$29,885.01	\$0.00	\$29,885.01	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		\$29,885.01	\$0.00	\$29,885.01	100%		
Summary of Total Number of FY 2008 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, 2008

<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

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Texas Lottery Commission (362)

SCHEDULE OF ITEMIZED PURCHASES

For the Fiscal Year Ended August 31, 2008

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	\$20,500.00	Global Entertainment Corp dba Central Hockey League	362-08-0136
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	\$19,500.00	Lester Meier Rodeo	362-08-0259
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	362-08-0263
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	\$12,500.00	United League Baseball LLC	362-08-0334
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 Sports Inc. dba Midland Rockhounds Baseball Club	362-08-0340
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	362-08-9023

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Texas Lottery Commission (362)

SCHEDULE OF VEHICLES PURCHASED

For the Fiscal Year Ended August 31, 2008

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, 2008

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, 2008

LIST OF BONDED EMPLOYEES

None



Texas Lottery Commission
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