



ANNUAL REPORT
OF
NONFINANCIAL
DATA

FISCAL YEAR 2004

C. Tom Clowe, Jr.
Chairman

James A. Cox, Jr.
Commissioner

Rolando Olvera
Commissioner



TEXAS LOTTERY COMMISSION

Reagan E. Greer, Executive Director

William L. Atkins, Director Charitable Bingo Operations

December 31, 2004

Honorable Rick Perry, Governor
John O'Brien, Deputy Director, Legislative Budget Board
Lawrence F. Alwin, 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, 2004, in compliance with the TEX. GOV'T CODE ANN. §2101.0115, as amended by HB 2425, 78th Legislature, Regular Session.

The accompanying report has not been audited and is considered independent of the Texas Lottery Commission's *Annual Financial Report and Audited Financial Statements*.

If you have any questions, please contact Lee Deviney, Financial Administration Director, at 344-5410.

Sincerely,

A handwritten signature in black ink that reads "Reagan E. Greer". The signature is fluid and cursive.

Reagan E. Greer
Executive Director

cc: C. Tom Clowe, Jr., Chairman
Commissioner James A. Cox, Jr.
Commissioner Rolando Olvera

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Unaudited

Texas Lottery Commission (362)

APPROPRIATION ITEM TRANSFERS*

For Fiscal Year Ended August 31, 2004

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	\$ 390,283.27	\$ (3,162,759.00)	\$ (2,772,475.73)
A.1.2 13006 Marketing, Research, & Promos	27,732.00	(146,106.00)	(118,374.00)
A.1.3 13007 Advertising	0.00	0.00	0.00
A.1.4 13008 Security	241,602.00	(494,210.00)	(252,608.00)
A.1.5 13009 Central Administration	3,035,921.00	(516,213.32)	2,519,707.68
	<u>3,695,538.27</u>	<u>(4,319,288.32)</u>	<u>(623,750.05)</u>
Total, Goal A: (Operate Lottery)	<u>\$ 3,695,538.27</u>	<u>\$ (4,319,288.32)</u>	<u>\$ (623,750.05)</u>
B. Goal: (Enforce Bingo Laws)			
Strategies:			
B.1.1 13003 Bingo Law Enforcement	\$ 11,700.00	\$ (113,272.12)	\$ (101,572.12)
B.1.2 13004 Bingo Education and Development	46,636.85	0.00	46,636.85
B.1.3 13010 Bingo Law Compliance	58,675.57	(8,000.00)	50,675.57
B.1.4 13011 Bingo Proze Fee Alloc & Accounting	214,880.81	0.00	214,880.81
	<u>331,893.23</u>	<u>(121,272.12)</u>	<u>210,621.11</u>
Total, Goal B: (Enforce Bingo Laws)	<u>\$ 331,893.23</u>	<u>\$ (121,272.12)</u>	<u>\$ 210,621.11</u>
NET APPROPRIATION ITEM TRANSFERS	<u><u>\$ 4,027,431.50</u></u>	<u><u>\$ (4,440,560.44)</u></u>	<u><u>\$ (413,128.94)</u></u>

* This schedule does not include Benefit Replacement Pay Transfers or Rider Reduction Transfers.

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Texas Lottery Commission Agency 362

**HUB Strategic Plan Progress Report
For the Fiscal Year Ended August 31, 2004**

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

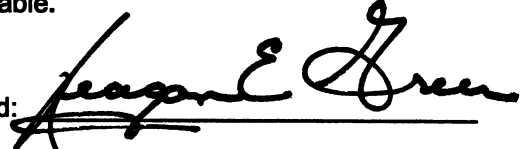
Goal = Strategic Plan HUB Goal Actual = % Spent with HUBs from HUB Report	Actual for FY 02	Actual for FY 03	Goal for FY 04
Heavy Construction other than building contracts*	N/A	N/A	N/A
Building Construction, including general contractors & operative builders contracts*	N/A	N/A	N/A
Special Trade Construction contracts	35.3%	8.67%	57.2%
Professional Services Contracts	74.6%	93.1%	20.0%
Other Services Contracts	18.5%	27.5%	33.0%
Commodities Contracts	11.5%	9.34%	12.6%

*The Commission does not have strategies or programs relating to construction, therefore the "Heavy Construction" and "Building Construction" categories are not applicable.

Prepared by: 

Printed Name: Joyce Bertolacini

Phone Number (512) 344-5293

Approved: 

Printed Name: Reagan E. Greer, Executive Director

Phone Number: (512) 344-556

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Texas Lottery Commission (362)

INDIRECT COST SCHEDULE

For the Fiscal Year Ended August 31, 2004

A. Payroll Related Costs

FICA Employer Matching Contribution	\$ 151,873.94	
Group Health Insurance	203,678.23	
Retirement	128,221.01	
Unemployment	-	
FICA Employee Share Paid by State	-	
Total Payroll Related Costs	<u> </u>	\$ 483,773.18

Workers' Compensation	-	
Benefit Replacement Pay (BRP)	24,644.64	
Total Workers' Compensation and BRP	<u> </u>	\$ 24,644.64

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 04 data)

Building Depreciation	11,661.00	
USAS Depreciation		
(301) Governor - Budget and Planning	24,489.00	
(304) Comptroller - Treasury Operations	113,789.00	
(306) Texas State Library and Archives Commission		
(306) ADJ Library		
(313) Dept. of Information Resources	17,450.00	
(303) GSC - Purchasing	930.00	
(303) Interagency Services	5,917.00	
(303) GSC - Building & Property	22,633.00	
(303) TBPC FACIL, CONST & SPACE MGT	12,650.00	
(303) TBPC ASBESTOS	9.00	
(479) SORM	1,408.00	
(101) St Sebate	20,703.00	
(102) House of Rep	24,315.00	
(103) Legis Council	20,763.00	
(104) Lg Budget Broad	102,474.00	
(105) Ref Library	21,492.00	
(116) Sunset Advisory Commission	23,401.00	
Total Indirect Costs -		
Statewide Full Cost Allocation Plan		\$ 424,084.00

TOTAL INDIRECT COSTS **\$ 932,501.82**

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Texas Lottery Commission (362)

PROFESSIONAL/CONSULTING FEES AND LEGAL SERVICE FEES

For the Fiscal Year Ended August 31, 2004

Name	Type of Service Rendered	Amount
Professional/Consulting Fees		
AAA FIRE & SAFETY EQUIPMENT CO. INC	Other Professional Services	\$ 15.00
BATTELLE MEMORIAL INSTITUTE	Other Professional Services	16,020.87
COMMISSION ON HUMAN RIGHTS	Educational/Training Services	2,960.00
CPR RESOURCES INC	Educational/Training Services	950.00
CROSS TELECOM CORP	Educational/Training Services	1,000.00
DAVILA BUSCHHORN & ASSOCIATES P C	Financial & Accounting Services	359,590.89
DNOVELS LTD	Other Professional Services	5,700.00
EMPLOYMENT PRACTICES SOLUTIONS	Consultant Services-Other	4,995.00
EQUIPMENT DEPOT INC	Educational/Training Services	1,060.00
GARY M CADENHEAD	Other Professional Services	31,775.00
GOVERNMENT FINANCE OFFICERS ASSOCIATION	Financial & Accounting Services	2,090.00
I T WORKS	Educational/Training Services	5,000.00
IPSOS-REID CORP	Other Professional Services	1,198,400.00
J S ELECTRIC INC	Other Professional Services	7,727.00
JEFFERSON WELLS INTERNATIONAL INC	Other Professional Services	1,391.00
KAMPFE/DE STIJL INC	Architectural/Engineering Services	33,793.25
LINDA CLOUD	Other Witness Fees	57.67
M AND S WORKS INC	Other Professional Services	1,447,285.66
MARIO WIEDENMEIER	Other Professional Services	120.00
MCCONNELL & JONES	Financial & Accounting Services	67,870.54
MICHAEL E JAMES & ASSOCIATES INC	Architectural/Engineering Services	3,714.00
NATIONAL SEMINAR GROUP	Educational/Training Services	3,500.00
ORACLE CORPORATION	Other Professional Services	333.03
PAUL ADAMS PRODUCTIONS INC	Other Professional Services	88,750.00
RANDALL L EUBANK	Other Professional Services	53,796.28
RIMKUS CONSULTING GROUP INC	Architectural/Engineering Services	2,566.25
STATE OFFICE RISK MGMT	Educational/Training Services	260.00
TEXAS COMMISSION FOR THE DEAF AND HARD OF HEARING	Other Professional Services	24,750.00
TEXAS DEPARTMENT OF PUBLIC SAFETY	Other Professional Services	82,129.00
TEXAS DEPT OF INFORMATION RESOURCES	Computer Programming Services	599,861.47
THE GRACELAND COLLEGE CENTER FOR PROFESSIONAL	Educational/Training Services	6,000.00
THE UNIVERSITY OF TEXAS AT AUSTIN	Other Professional Services	136,870.41
TIMOTHY L SALLADAY	Educational/Training Services	3,000.00
TRANS UNION LLC	Other Professional Services	754.96
VERICENTER, INC	Other Professional Services	436,771.07
WORKERS ASSISTANCE PROGRAM INC	Other Professional Services	5,447.47
Total Professional/Consulting Fees		\$ 4,636,305.82
Legal Service Fees		
OFFICE OF THE ATTORNEY GENERAL	Legal Services	176,342.73
MEYERTONS HOOD KIVLIN KOWERT AND GOETZEL PC	Legal Services	71,203.07
Total Legal Service Fees		\$ 247,545.80
Total Professional/Consulting Fees and Legal Service Fees		\$ 4,883,851.62

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Texas Lottery Commission (362)

SCHEDULE OF SPACE OCCUPIED

For the Fiscal Year Ended August 31, 2004

Location	Address	Lessor	Lease Number	Type	Usable Square Feet	FTEs	Rental per Month		Actual Annual Cost	Comments
							Cost per Sq. Ft.	Cost per Month		
State-Owned Buildings:										
El Paso	401 E. Franklin, Ste. 150			Office	2,138	4				
Waco	801 Austin Ave., Ste. 135			Office	492	3				
					2,630	7				
Free Space:										
None										
Leased Space:										
Abilene	209 S. Danville, Suite C-103	Office Park West, Inc.	304-8976	Office	500	2	0.6378	\$ 318.92	\$ 3,827.04	Lease expires 07/31/07
Amarillo	7120 IH-40 West, Suite 110	Amarillo Independent School District	304-9612	Office	500	2	0.8045	402.23	4,826.76	Lease expires 04/30/07
Aus - Parking	5900 N. I.H.35	Sheraton Austin Hotel		Parking				8,153.60	97,843.20	Lease expires 05/31/05
Austin Hqtr	611 E. 6th St.	Grant Building - Austin L.L.C.	362-9756	Office	75,578	227	2.0189	152,583.78	1,831,005.36	Lease expires 05/07/10
Austin WH	8006 Cameron Rd.	Sabre Hal International, Inc.	362-8905	Warehouse	21,600	2	1.0227	22,090.00	265,080.00	Lease expires 02/14/10
Beaumont	3420 Fannin, Suite 185	Phiasco One	324-7577	Office	766	2	1.0058	770.47	9,245.64	Lease expires 08/31/05
Corpus Christi	4639 Corona, Suite 19	CUNA Mutual Life Insurance Co.	362-1612	Office	1,030	2	1.2891	1,327.82	15,933.84	Lease expires 10/31/04
Dallas	1555 W. Mockingbird Ln., Ste 203	Oakbrook Plaza Ltd.	362-9873	Office	3,746	16	1.1505	4,309.60	51,715.20	Lease expires 07/31/08
Fort Worth	4040 Fossil Creek Blvd, Ste 102	Perry-Tubb Holdings, LLP	304-9986	Office	880	3	1.0652	937.41	11,248.92	Lease expires 04/30/08
Harringen	1514 S. 77 Sunshine Strip, Ste. 9	Treasure Hills Plaza	362-1685	Office	980	3	1.6990	1,665.00	19,980.00	Lease expires 08/31/05
Houston	1919 N. Loop W., Suite 100	PNO, LTD	304-5925	Office	4,225	14	1.1653	4,923.58	59,082.96	Lease expires 02/29/08
Laredo	1202 Del Mar Blvd., Ste. 4	Eden Park Joint Venture	304-8087	Office	704	2	1.0519	740.52	8,886.24	Lease expires 05/31/08
Lubbock	4630 50th St., Ste. 109	Business Skills Institute	304-7508	Office	563	2	0.6704	377.44	4,529.28	Lease expires 06/30/07
Odessa	4682 E. University, Ste. 100	Heritage FLP Properties, LTD	303-20112	Office	1,064	5	0.6355	676.15	8,113.80	Lease expires 08/31/09
San Antonio	9514 Console, Ste. 111	Fenati, N.Y.	303-9328	Office	3,100	13	0.8879	2,752.43	33,029.16	Lease expires 04/30/06
Tyler	3800 Paluxy Dr., Ste. 330	Paluxy Square Partners	304-9797	Office	500	3	0.9576	478.81	5,745.72	Lease expires 08/31/07
Victoria	2601 Azzalea, Ste. 16	CenterAmerica Property Trust, LLP	362-7365	Office	580	2	0.8300	481.40	5,776.80	Lease expires 02/28/07
					116,316	300		\$ 202,989.16	\$ 2,435,869.92	

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Texas Lottery Commission (362)

FY 2004 Agency Report of Recycled, Remanufactured and Environmentally Sensitive Purchases				
Agency No. 362		Agency Name: Texas Lottery Commission		
Point of Contact: Leslie Delvige				
Phone Number: (512) 344-5402				
E-Mail Address: leslie.delvige@lottery.state.tx.us				
E1, E2, or E3	Description	Total Expenditures		
		Non-Delegated	Delegated	Total
Total E1 Including 1 st Choice	Recycled	\$50,907.48	\$14,444.09	\$65,351.57
Total E2 Including 1 st Choice	Remanufactured	\$0.00	\$7,781.56	\$7,781.56
Total E3 Including 1 st Choice	Environmentally Sensitive	\$0.00	\$168,095.61	\$168,095.61
Total of E1, E2 and E3 includes Recycled 1st Choice Targeted Totals		\$50,907.48	\$190,321.26	\$241,228.74
FY 2004 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	\$21,219.60	\$0.00	\$21,219.60	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	\$21,219.60	\$0.00	\$21,219.60	100%
Summary of Total Number of FY 2004 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, 2004

<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, 2004

Need for specifications	Competing products not satisfactory	Products purchased	PO amount	Vendor name	PO number
Redesign of modular office at Headquarters	All items must be compatible and interchangeable with existing modular furniture	Steelcase modular furniture	\$8,821.20	Rockford Business Interiors	362-4-1357
Architectural services for Mega Millions Studio Buildout	Required by lessor to use this vendor for architectural services on leased building	Architectural Services	\$13,600.00	Kampfe/Destijl	362-4-0265
Architectural services for the Legal, Financial & IT divisions at Headquarters	Required by lessor to use this vendor for architectural services on leased building	Architectural Services	\$8,500.00	Kampfe/Destijl	362-4-0878
Architectural services for square footage analysis for headquarters	Required by lessor to use this vendor for construction services on headquarters leased building	Architectural Services	\$5,050.00	Kampfe/Destijl	362-4-0953
Architectural services for the remodel of the Lubbock Claim Center	Required by lessor to use this vendor for construction services on headquarters leased building	Architectural Services	\$5,410.00	Kampfe/Destijl	362-4-1567

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Texas Lottery Commission (362)

SCHEDULE OF VEHICLES PURCHASED

For the Fiscal Year Ended August 31, 2004

Make	Model	Purchase Price	Type of Use	Fuel Efficiency
Ford	2004 E150	\$13,283.00	Delivery	Emissions Cert.-LEV

Unaudited

Texas Lottery Commission (362)

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

For the Fiscal Year Ended August 31, 2004

Year	License Plate	Model	Description	Name and job title of each employee authorized to use a state-owned or state-leased vehicle:
1995	750311	Club Wagon	Ford 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.
1996	709005	1500	Dodge Ram Cargo Van	
2001	6BJY06	E-250	Ford Econoline Cargo Van	
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, 2004

LIST OF BONDED EMPLOYEES

None

Unaudited

Texas Lottery Commission (362)

MASTER FILE REPORT VERIFICATION FORM

For the Fiscal Year Ended August 31, 2004

Not Applicable



Texas Lottery Commission
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