



ANNUAL REPORT
OF
NON-FINANCIAL
DATA

FISCAL YEAR 2005

C. Tom Clowe, Jr.
Chairman

James A. Cox, Jr.
Commissioner



TEXAS LOTTERY COMMISSION

Gary Grief, Acting Executive Director

William L. Atkins, Director Charitable Bingo Operations

December 30, 2005

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

Gentlemen:

We are pleased to submit the Texas Lottery Commission's *Annual Report of Nonfinancial Data* for the year ended August 31, 2005, 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 black ink that reads "Gary Grief". The signature is written in a cursive style.

Gary Grief
Acting Executive Director

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

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Texas Lottery Commission (362)

APPROPRIATION ITEM TRANSFER SCHEDULE*

For Fiscal Year Ended August 31, 2005

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	\$ 62,000.00	\$ (4,322,091.00)	\$ (4,260,091.00)
A.1.2 13006 Marketing, Research, & Promotions	\$ -	\$ (245,645.00)	\$ (245,645.00)
A.1.3 13007 Advertising			\$ -
A.1.4 13008 Security	\$ 320,028.00	\$ (89,957.00)	\$ 230,071.00
A.1.5 13009 Central Administration	\$ 4,275,665.00	\$ -	\$ 4,275,665.00
	<u>\$ 4,657,693.00</u>	<u>\$ (4,657,693.00)</u>	<u>\$ -</u>
Total, Goal A: (Operate Lottery)			
	<u>\$ 4,657,693.00</u>	<u>\$ (4,657,693.00)</u>	<u>\$ -</u>
B. Goal: (Enforce Bingo Laws)			
Strategies:			
B.1.1 13004 Bingo Licensing	\$ 1,957.00	\$ -	\$ 1,957.00
B.1.2 13010 Bingo Education and Development	\$ 22,496.00	\$ -	\$ 22,496.00
B.1.3 13003 Bingo Law Compliance	\$ -	\$ (40,775.00)	\$ (40,775.00)
B.1.4 13011 Bingo Prize Fee Alloc & Accounting	\$ 36,318.00	\$ (19,996.00)	\$ 16,322.00
	<u>\$ 60,771.00</u>	<u>\$ (60,771.00)</u>	<u>\$ -</u>
Total, Goal B: (Enforce Bingo Laws)			
	<u>\$ 60,771.00</u>	<u>\$ (60,771.00)</u>	<u>\$ -</u>
NET APPROPRIATION ITEM TRANSFERS	<u>\$ 4,718,464.00</u>	<u>\$ (4,718,464.00)</u>	<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, 2005

(Source: Texas Government Code, Section 2161.124)

Category	Actual for FY 04*	Actual for FY 05*	Goal for FY 06**
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	8.67%	3.03%	57.2%
Professional services contracts	93.1%	54.1%	20.0%
Other services contracts	27.5%	24.6%	33.0%
Commodities contracts	9.34%	7.47%	12.6%

* Actual = Percent spent with HUBs from HUB report.
**Goal = Strategic Plan HUB goal.

***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, Acting Executive Director

Printed Name

(512) 344-5160

Phone Number

Unaudited

Texas Lottery Commission (362)

INDIRECT COST SCHEDULE

For the Fiscal Year Ended August 31, 2005

A. Payroll Related Costs

FICA Employer Matching Contribution	\$ 153,891.22	
Group Health Insurance	227,026.92	
Retirement	149,237.45	
Unemployment	-	
FICA Employee Share Paid by State	-	
Total Payroll Related Costs	<u> </u>	\$ 530,155.59

Workers' Compensation	-	
Benefit Replacement Pay (BRP)	\$ 25,676.72	
Total Workers' Compensation and BRP	<u> </u>	\$ 25,676.72

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	10,762.00	
USAS Depreciation	-	
(301) Governor - Budget and Planning	23,448.00	
(304) Comptroller - Treasury Operations	96,626.00	
(306) Texas State Library and Archives Commission	-	
(306) ADJ Library	-	
(313) Dept. of Information Resources	20,548.00	
(303) TBPC - Purchasing	1,518.00	
(303) TBPC - Support Services	7,633.00	
(303) TBPC - Building & Property Services	16,433.00	
(303) TBPC - Facilities and Space Management	10,123.00	
(303) TBPC - Asbestos	-	
(479) SORM	3,039.00	
(101) State Senate	22,731.00	
(102) House of Representatives	29,541.00	
(103) Legislative Council	18,751.00	
(104) Legislative Budget Board	110,097.00	
(105) Ref Library	22,220.00	
(116) Sunset Advisory Commission	22,551.00	
Total Indirect Costs -		
Statewide Full Cost Allocation Plan		\$ 416,021.00

TOTAL INDIRECT COSTS **\$ 971,853.31**

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Texas Lottery Commission (362)

SCHEDULE OF PROFESSIONAL/CONSULTING FEES AND LEGAL SERVICE FEES

For the Fiscal Year Ended August 31, 2005

Name	Type of Service Rendered	Amount
Professional/Consulting Fees		
ADT SECURITY SYSTEMS	OTHER PROFESSIONAL SERVICES	\$835.00
AFFILIATED FORENSIC LABORATORY	OTHER PROFESSIONAL SERVICES	103,100.00
ALLIANCE WORK PARTNERS	OTHER PROFESSIONAL SERVICES	4,875.00
DAVILA BUSCHHORN & ASSOCIATES P C	FINANCIAL AND ACCOUNTING SERV	387,933.00
DEPT. OF ASST. & REH. SERVICES	OTHER PROFESSIONAL SERVICES	24,750.00
DEPT. OF INFORMATION RESOURCES	COMPUTER PROGRAMMING SERVICES	940,227.85
JOHN GRAHAM	MEDICAL SERVICES	125.00
GRANT BUILDING AUSTIN	ARCHITECTUAL/ENGINEERING SERV	8,375.00
IFMA	EDUCATIONAL/TRAINING SERVICES	1,195.00
IPSOS-REID CORP	OTHER PROFESSIONAL SERVICES	788,122.00
JEFFERSON WELLS INTERNATIONAL INC	OTHER PROFESSIONAL SERVICES	236,580.75
KAMPFE/DE STIJL INC	ARCHITECTUAL/ENGINEERING SERV	15,504.26
LANTANA COMMUNICATIONS	OTHER PROFESSIONAL SERVICES	1,335.00
M AND S WORKS INC	OTHER PROFESSIONAL SERVICES	1,614,357.80
MARK WARREN	EDUCATIONAL/TRAINING SERVICES	1,200.00
MAXWELL LOCKE & RITTER LLP	FINANCIAL AND ACCOUNTING SERV	75,418.61
MICHAEL E JAMES & ASSOC. INC	ARCHITECTUAL/ENGINEERING SERV	7,844.00
MICROASSIST	EDUCATIONAL/TRAINING SERVICES	6,550.00
NORTHROP GRUMMAN TECHNICAL	OTHER PROFESSIONAL SERVICES	140,794.18
PAUL ADAMS PRODUCTIONS	OTHER PROFESSIONAL SERVICES	88,750.00
PLUGGED IN	CONSULTANT SERVICES-COMPUTER	115,599.97
RANDALL L. EUBANK	OTHER PROFESSIONAL SERVICES	80,493.00
SKILLS FOR SUCCESS INC.	EDUCATIONAL/TRAINING SERVICES	2,500.00
STATE OFFICE OF RISK MANAGEMENT	EDUCATIONAL/TRAINING SERVICES	(260.00)
STEVEN BEEBE	EDUCATIONAL/TRAINING SERVICES	1,000.00
TELECOM GAME	OTHER PROFESSIONAL SERVICES	3,785.83
TEXAS DEPT OF PUBLIC SAFETY	OTHER PROFESSIONAL SERVICES	86,922.85
TEXAS TECH UNIVERSITY	OTHER PROFESSIONAL SERVICES	40,579.97
TRANS UNION LLC	OTHER PROFESSIONAL SERVICES	1,043.70
UNIVERSITY OF TEXAS AT AUSTIN	OTHER PROFESSIONAL SERVICES	140,991.54
VERICENTER, INC	OTHER PROFESSIONAL SERVICES	159,697.68
YORK CAREER DEVELOPMENT INC	EDUCATIONAL/TRAINING SERVICES	5,000.00
Total Professional/Consulting Fees		<u>\$ 5,085,226.99</u>
Legal Service Fees		
OFFICE OF THE ATTORNEY GENERAL	Legal Services	\$ (176,342.73)
MEYERTONS HOOD KIVLIN KOWERT AND GOETZEL PC	Legal Services	\$61,123.57
Total Legal Service Fees		<u>\$ (115,219.16)</u>
Total Professional/Consulting Fees and Legal Service Fees		<u>\$ 4,970,007.83</u>

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Texas Lottery Commission (362)

SCHEDULE OF SPACE OCCUPIED

For the Fiscal Year Ended August 31, 2005

Location	Address	Lessor	Lease Number	Type	Usable Square Feet / Units	FTEs	Rental per Month		Actual Annual Cost	Comments
							Sq. Ft. / Month	Cost per Month		
State-Owned Buildings:										
El Paso	401 E. Franklin, Ste. 150			Office	2,138 Sq. Ft. 2,138	2 2	0.00 0.00	0.00 0.00		
Free Space:										
None										
Leased Space:										
Austin Hqtr	611 E. 6th St.	Grant Building - Austin L.L.C.	362-9756	Office	75,578 Sq. Ft.	258	2.3068	\$174,341.47	\$2,092,097.64	Lease expires 5/7/2010
Austin W/H	8006 Cameron Rd.	Sabre Hal International, Inc.	362-8905	Warehouse	21,600 Sq. Ft.	2	1.0992	23,742.00	\$284,904.00	Lease expires 2/14/2010
Aus-Conven Pkg	Po Box 1088	City of Austin Convention Center	362-1121	Parking	145 Units	0	120.00	17,400.00	\$208,800.00	Lease expires 5/31/2010
Abilene	209 S. Danville, Suite C-103	Office Park West, Inc.	8976-Abilene	Office	500 Sq. Ft.	2	0.6370	318.92	\$3,827.04	Lease expires 7/31/2007
Amarillo	7120 IH-40 West, Suite 110	Amarillo Independent School District	304-9612	Office	500 Sq. Ft.	2	0.8165	408.26	\$4,899.12	Lease expires 4/30/2007
Beaumont	3420 Fannin, Suite 185	Phiasco One	324-7577	Office	766 Sq. Ft.	2	1.0209	782.03	\$9,384.36	Lease expires 2/28/2006
Corpus Christi	4639 Corona, Suite 19	CUNA Mutual Life Insurance Co.	362-1612	Office	1,030 Sq. Ft.	2	0.7893	812.93	\$9,755.16	Lease expires 10/31/2006
Dallas	1555 W. Mockingbird Ln., Ste. 203	Oakbrook Plaza Ltd.	362-9873	Office	3,746 Sq. Ft.	13	1.1500	4,309.60	\$51,715.20	Lease expires 7/31/2008
Fort Worth	4040 Fossil Creek Blvd, Ste 102	Perry-Tubb Holdings, LLP	304-9996	Office	880 Sq. Ft.	3	1.0573	937.41	\$11,248.92	Lease expires 4/30/2008
Harlingen	1514 S. 77 Sunshine Strip, Ste. 9	Treasure Hills Plaza	362-1685	Office	980 Sq. Ft.	2	1.6990	1,665.00	\$19,980.00	Lease expires 8/31/2005
Houston	1919 N. Loop W., Suite 100	PNO, LTD	304-5925	Office	4,225 Sq. Ft.	11	1.1653	4,923.58	\$59,082.96	Lease expires 2/29/2008
Laredo	1202 Del Mar Blvd., Ste. 4	Eden Park Joint Venture	304-8087	Office	704 Sq. Ft.	2	1.0682	752.00	\$9,024.00	Lease expires 5/31/2008
Lubbock	4630 50th St., Ste. 109	Business Skills Institute	304-7508	Office	563 Sq. Ft.	2	0.6559	377.44	\$4,529.28	Lease expires 6/30/2007
Odessa	4692 E. University, Ste. 100	Heritage FLP Properties, LTD	303-20112	Office	1,064 Sq. Ft.	4	0.6355	676.15	\$8,113.80	Lease expires 8/31/2009
San Antonio	9514 Console, Ste. 111	Fenati, N.V.	303-9328	Office	3,100 Sq. Ft.	8	0.9012	2,793.72	\$33,524.64	Lease expires 4/30/2006
Tyler	3800 Paluxy Dr., Ste. 330	Paluxy Square Partners	304-9797	Office	500 Sq. Ft.	2	0.9720	485.99	\$5,831.88	Lease expires 8/31/2007
Victoria	2601 Azalea, Ste. 16	CenterAmerica Property Trust, LLP	362-7365	Office	580 Sq. Ft.	2	0.8300	481.40	\$5,776.80	Lease expires 2/28/2007
					116,461	317		\$235,207.90	\$2,822,494.80	
TOTALS					118,599	319		\$235,207.90	\$2,822,494.80	

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 2005 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	\$29,167.20	\$7,449.51	\$36,616.71	
Total E2 Including 1 st Choice	Remanufactured	\$0.00	\$13,453.16	\$13,453.16	
Total E3 Including 1 st Choice	Environmentally Sensitive	\$105.00	\$123,238.00	\$123,343.00	
Total of E1, E2 and E3 includes Recycled 1st Choice Targeted Totals		\$29,272.20	\$144,140.67	\$173,412.87	
FY 2005 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	\$24,761.60	\$0.00	\$24,761.60	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	\$24,761.60	\$0.00	\$24,761.60	100%	
Summary of Total Number of FY 2005 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

Unaudited

Texas Lottery Commission (362)

SCHEDULE OF AIRCRAFT OPERATION

For the Fiscal Year Ended August 31, 2005.

<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, 2005

Need for specifications	Competing products not satisfactory	Products purchased	PO amount	Vendor name	PO number
Architectural services for the remodel of the Legal division at Headquarters	Required by lessor to use this vendor for construction services on Headquarters leased building	Architectural Services	\$5,676.66	Kampfe/Destijl	362-5-0058
Architectural services for the remodel of the IR division at Headquarters	Required by lessor to use this vendor for construction services on Headquarters leased building	Architectural Services	\$6,319.66	Kampfe/Destijl	362-5-0062

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Texas Lottery Commission (362)

SCHEDULE OF VEHICLES PURCHASED

For the Fiscal Year Ended August 31, 2005

Make	Model	Purchase Price	Type of Use	Fuel Efficiency
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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, 2005

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, 2005

LIST OF BONDED EMPLOYEES

None

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Texas Lottery Commission (362)

MASTER FILE REPORT VERIFICATION FORM

For the Fiscal Year Ended August 31, 2005

Not Applicable



Texas Lottery Commission
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