



# 2021



## ANNUAL REPORT OF NON-FINANCIAL DATA



AN AGENCY OF THE  
STATE OF TEXAS

*For Fiscal Year 2021*

Commissioners:  
Robert G. Rivera,  
*Chairman*  
Cindy Fields  
Mark A. Franz  
Erik C. Saenz  
Jamey Steen



# TEXAS LOTTERY COMMISSION

Gary Grief, *Executive Director*

LaDonna Castañuela, *Charitable Bingo Operations Director*

12/14/2021

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

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

We are pleased to submit the Texas Lottery Commission's *Annual Report of Nonfinancial Data* for the year ending on August 31, 2021, 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*.

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

Sincerely,

A handwritten signature in cursive script that reads "Gary Grief".

Gary Grief  
Executive Director



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**Unaudited**  
**Texas Lottery Commission (362)**

**SCHEDULE OF BONDED EMPLOYEES**

For the Fiscal Year Ended August 31, 2021

**LIST OF BONDED EMPLOYEES**

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None

**Unaudited**  
**Texas Lottery Commission (362)**

**SCHEDULE OF SPACE OCCUPIED**

For the Fiscal Year Ended August 31, 2021

Location	Address	Lessor
<b><u>STATE-OWNED</u></b>		
El Paso	401 E. Franklin Ave, Suite 150	State Owned
<b>Total State-Owned Space</b>		
<b><u>FREE SPACE</u></b>		
None		
<b>Total Free Space</b>		
<b><u>LEASED SPACE</u></b>		
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	4243 E Piedras Dr, Suite 106	Brass Centerview 11, LLC
Tyler	3800 Paluxy Dr., Suite 330	Genecov Investment, LTD
Victoria	2306 Leary Ln, Suite 400	Victoria PJNP, LLC
Total Lease Space		
<b>TOTAL ALL SPACE</b>		

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	\$ -	\$ -	
		<b>1,052</b>	<b>Sq. Ft.</b>	<b>2.00</b>		<b>\$ -</b>	<b>\$ -</b>	
		0	Sq. Ft.	0.00	0.0000	\$ -	\$ -	
		<b>0</b>	<b>Sq. Ft.</b>	<b>0.00</b>		<b>\$ -</b>	<b>\$ -</b>	
8976	Office	500	Sq. Ft.	2.00	0.7132	\$ 356.58	\$ 4,278.96	Lease expires 07/31/25
9612	Office	500	Sq. Ft.	2.00	0.9076	\$ 453.80	\$ 5,445.60	Lease expires 04/30/27
362-8905-E7A	W/H, Office	21,600	Sq. Ft.	2.00	1.2325	\$ 26,622.00	\$ 316,332.00	Lease expires 02/28/25
362-9756	Office	75,578	Sq. Ft.	251.65	4.2073	\$ 317,978.35	\$ 3,790,484.17	Lease expires 08/31/22
TLC001/020	Unreserved Parking	60	Spaces	0.00	175.0000	\$ 10,500.00	\$ -	Lease expires 09/30/22
303-6-10142	Office	1,044	Sq. Ft.	2.00	1.3676	\$ 1,427.79	\$ 14,878.44	Lease expires 02/28/26
1612	Office	1,030	Sq. Ft.	2.00	0.9208	\$ 948.46	\$ 11,381.52	Lease expires 10/31/24
303-5-10925	Office	3,011	Sq. Ft.	11.00	1.1368	\$ 3,422.82	\$ 38,744.84	Lease expires 11/30/25
9996	Office	880	Sq. Ft.	3.00	1.3068	\$ 1,150.00	\$ 13,800.00	Lease expires 08/31/24
10614	Office	2,359	Sq. Ft.	10.00	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	1.0382	\$ 607.37	\$ 7,288.44	Lease expires 06/30/22
10252	Office	960	Sq. Ft.	2.00	2.0956	\$ 2,011.82	\$ 24,094.56	Lease expires 12/31/24
20112	Office	1,064	Sq. Ft.	4.00	1.4868	\$ 1,581.98	\$ 18,983.76	Lease expires 08/31/24
20702	Office	2,726	Sq. Ft.	8.00	1.6250	\$ 4,429.75	\$ 39,481.00	Lease expires 04/30/26
9797	Office	500	Sq. Ft.	2.00	1.2561	\$ 628.07	\$ 7,536.84	Lease expires 08/31/22
303-1-20268	Office	754	Sq. Ft.	2.00	1.3897	\$ 1,047.85	\$ 12,333.60	Lease expires 06/30/27
		113,795	Sq. Ft.	307.65		\$ 378,133.62	\$ 4,364,667.49	
		<b>114,847</b>	<b>Sq. Ft.</b>	<b>309.65</b>		<b>\$ 378,133.62</b>	<b>\$ 4,364,667.49</b>	

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*Unaudited*  
*Texas Lottery Commission (362)*

**SCHEDULE OF PROFESSIONAL/CONSULTING FEES AND LEGAL SERVICE FEES**  
**For the Fiscal Year Ended August 31, 2021**

**Professional/Consulting Fees**

Name	Type of Service	Amount
McConnell & Jones LLP	Financial and Accounting Services	\$ 300,000.00
Weaver & Tidwell, LLP	Financial and Accounting Services	881,519.25
Barker & Herbert Analytical Laboratories, Inc.	Other Professional Services	149,550.00
Elephant Productions Inc.	Other Professional Services	2,139,739.92
Eubank & Young Statistical Consulting, LLC	Other Professional Services	173,270.00
Grant Thornton LLP	Other Professional Services	260,621.00
Texas Department of Public Safety	Other Professional Services	33,716.25
University of Houston	Other Professional Services	82,846.19
Kampfe/De Stijl Inc	Arch/Engineering Services	20,892.69
Elsym Consulting, Inc.	Information Technology Services	192,000.00
RFD & Associates, Inc.	Information Technology Services	427,900.00
Solid Border Inc	Information Technology Services	16,616.00
Agencies of Change LLC	Information Technology Services	45,540.00
Technology Spa	Information Technology Services	136,620.00
Texas Dept of Information Resources	Computer Services-Statewide Tech Ctr	155,640.87
Payments to Other Vendors- Under \$10,000		17,438.42

**Total Professional/Consulting Fees** \$ 5,033,910.59

**Legal Service Fees**

Kowert Hood Munyon Rankin & Goetzel PC	Legal Services	40,937.45
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**Total Legal Service Fees** \$ 40,937.45

**Total Professional/Consulting & Legal Services Fees** \$ 5,074,848.04

**Unaudited  
Texas Lottery Commission (362)**

**SCHEDULE OF ITEMIZED PURCHASES**

For the Fiscal Year Ended August 31, 2021

<b>Need for specifications</b>	<b>Competing products not satisfactory</b>
Maintenance Services	Garron Lottery Products is the manufacturer of several existing machines and equipment utilized by the TLC. The working components of the machines and the custom designs are proprietary in nature and can only be serviced by Garron Lottery Products.
Maintenance Services	Smartplay International Inc. is the manufacturer of the several existing machines and equipment utilized by the TLC. The working components of the machines and the custom designs are proprietary in nature and can only be serviced by Smartplay International Inc.
Membership Dues	North American Association of State and Provincial Lotteries (NASPL) represents 53 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 & Sponsorship Agreement	ARK Group of Irving Inc. has the rights to license the trademarks of the Music Factory in Irving, Texas for advertising and promotional support to market and promote 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.
Licensed Property	Licensed property scratch tickets 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 and Promotional Support Agreement	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 the sales of this game and other Texas Lottery games, and contribute positively to lottery sales and revenue generation for the Foundation School Fund.
Live Scan Fingerprinting Services	IDEMIA (formerly Morpho Trust) has an exclusive contract with Texas Department of Public Safety (TXDPS) for its fingerprint services program and TXDPS will only accept electronic fingerprints through this system. The DPS contract was awarded to IDEMIA to provide DPS's Fingerprint Applicant Services of Texas (FAST) Program for various types of background check requests. The contract gives IDEMIA sole access to DPS's FAST program. Fingerprinting services must be routed thru IDEMIA. TLC is statutorily required to perform background investigations on all Lottery and Bingo license applicants.
Live Scan Fingerprinting maintenance and support	IDEMIA (formerly Morpho Trust) has an exclusive Contract with the Texas Department of Public Safety (TXDPS) for its fingerprint services program and TXDPS will only accept electronic fingerprints through this system. The DPS contract was awarded to IDEMIA to provide DPS's Fingerprint Applicant Services of Texas (FAST) Program for various types of background check requests. The contract gives IDEMIA sole access to DPS's FAST program. Fingerprinting services must be routed thru IDEMIA. TLC is statutorily required to perform background investigations on all Lottery and Bingo license applicants.

**Unaudited  
Texas Lottery Commission (362)**

<b>Products purchased</b>	<b>PO amount</b>	<b>Vendor name</b>	<b>PO number</b>
Preventative maintenance on Drawing Machines and Equipment	\$ 21,200.00	Garron Lottery Products	362-21-9498
Preventative maintenance on Drawing Machines and Equipment	\$ 23,732.00	Smartplay International, Inc.	362-21-9002
Membership Dues	\$ 20,000.00	North American Association of State and Provincial Lotteries	362-21-9357
Promotional & Sponsorship Agreement	\$ 527,427.80	ARK Group of Irving, Inc	362-21-9487
Membership Dues	\$ 30,000.00	World Lottery Association	362-21-9321
Licensed Property Scratch Ticket Game with the Houston Texans	\$1,486,050.00	Houston NFL Holdings, LP	362-21-9050
Trademark License and Promotional Support Agreement	\$ 927,419.00	Frisco Management LP	362-21-9443
Live Scan Fingerprinting Services	\$ 4,800.00	Idemia Identity & Security USA LLC (Paid thru CitiBank NA)	362-21-9335
Live Scan Fingerprinting maintenance and support	\$ 1,307.00	Idemia Identity & Security USA LLC	362-21-9380

**Unaudited  
Texas Lottery Commission (362)**

**SCHEDULE OF ITEMIZED PURCHASES**

For the Fiscal Year Ended August 31, 2021

<b>Need for specifications</b>	<b>Competing products not satisfactory</b>
Ball Sets	Purchase of nine (9) new Texas Two Step ball sets. The current Texas Two Step ball sets have been in active rotation since October 2018 and are scheduled to be replaced every two years' due to usage, wear and tear. The Texas Two Step drawing machines and ball sets are custom designed by Garron Lottery Products. Purchasing these ball sets from Garron Lottery Products will ensure that the specifications for Texas Two Step draw game ball sets and drawings are constant, along with the current appearance and consistency with the game performance.
Ball Sets	Purchase of three (3) Selection Process ball sets. Due to usage, wear and tear over time, and the addition of new draw games and ball set replacements, the current selection ball sets will be replaced with a new series of selection ball sets. The Selection Process ball sets are used exclusively in the Selection Process Drawing Machine which is custom designed by Garron Lottery Products. Purchasing these ball sets from Garron Lottery Products ensures that the specifications for the ball sets are maintained and performance in the Texas Lottery draw game drawings is consistent and reliable.
Ball Sets	The current All or Nothing ball sets have been in active rotation since February 2020 and are scheduled to be replaced every year due to usage, wear and tear. The All or Nothing drawing machines and ball sets are custom designed by Garron Lottery Products. Purchasing new ball sets from Garron Lottery Products ensures that specifications for ball sets are maintained, performance in drawing machines is consistent, reliable, and high-quality appearance is preserved.
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.
Promotional and Sponsorship Agreement	Texas Motor Speedway is the only premier NASCAR and Indycar facility in Texas with a venue accommodating over 180,000. The agency believes the strength of the Texas Motor Speedway venue and 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.
Trademark License & Promotional Agreement	Texas Motor Speedway is the only premier NASCAR and Indycar facility in Texas with a venue accommodating over 180,000. The agency believes the strength of the Texas Motor Speedway venue and 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.
Promotional Event	Blues on the Green is the largest all-music summer concert series in Austin. The associated marketing and promotional support generated from this agreement provide an opportunity for members of the public who might not typically purchase a lottery ticket to do so, because of the appeal and engagement provided by live music.
Promotional & Sponsorship Agreement	Austin FC premieres as the only Major League Soccer (MLS) team in Central Texas starting its season in 2021. With the team and stadium projected to be major attractions in the local area due to being the only top tier professional sport in Central Texas, the Texas Lottery is choosing to partner with Austin FC for the 2021 - 2023 seasons. This agreement provides an opportunity for members of the public who might not typically purchase a lottery ticket to do so, because of the appeal and engagement provided by live sports.
Promotional & Sponsorship Agreement	The Texas Lottery partnership with IMG College, LLC which represents UT Football would include season-long marketing and promotions opportunities both in venue and through social and digital spaces. The season usually includes six home games scheduled to start in the Fall of 2021. The associated marketing and promotional support generated from this agreement provides an opportunity for members of the public who might not typically purchase a lottery ticket to do so, because of the appeal and engagement provided by live sports.

**Unaudited  
Texas Lottery Commission (362)**

<b>Products purchased</b>	<b>PO amount</b>	<b>Vendor name</b>	<b>PO number</b>
Texas Two Step Ball Sets	\$ 16,245.00	Garron Lottery Products	362-21-2003
Selection Process Ball Sets	\$ 7,420.00	Garron Lottery Products	362-21-2061
All or Nothing Ball Sets	\$ 5,740.00	Garron Lottery Products	362-21-2056
Licensed Property Scratch-Off Games with the Dallas Cowboys	\$ 3,881,854.81	Pro Silver Star LTD	362-21-9035
Participation in experiential promotional event	\$ 40,000.00	Texas Motor Speedway	362-21-9343
Trademark License & Promotional Agreement	\$ 684,000.00	Texas Motor Speedway	362-21-9015
Participation in promotional event	\$ 54,000.00	Waterloo Media Group LP	362-21-9448
Participation in a promotional event	\$ 125,000.00	Austin Stadco LLC	362-21-9393
Participation in a promotional event	\$ 180,000.00	A-L TIER II, LLC dba IMG	362-22-9417

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### 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: 2021

HUB Report Procurement Categories	Fiscal 2020		Fiscal 2021		Fiscal 2022
	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%	<b>0.00%</b>	0.00%	<b>0.00%</b>
Building construction, including general contractors and operative builders contracts	0.00%	0.00%	<b>0.00%</b>	0.00%	<b>0.00%</b>
Special trade construction contracts	14.80%	0.00%	<b>12.80%</b>	0.19%	<b>10.60%</b>
Professional services contracts	23.70%	14.36%	<b>23.70%</b>	25.88%	<b>23.70%</b>
Other services contracts	24.20%	14.19%	<b>24.30%</b>	13.82%	<b>24.50%</b>
Commodities contracts	21.10%	60.15%	<b>21.10%</b>	60.14%	<b>21.10%</b>

\* 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*

Printed Name: Eric Williams, HUB Coordinator

Phone Number: (512) 344-5241

Approved by: *Gary Grief*

Printed Name: Gary Grief, Executive Director

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.

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**APPROPRIATION ITEM TRANSFER SCHEDULE**

For Fiscal Year Ended August 31, 2021

**ITEM OF APPROPRIATION**

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Not Applicable

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**Texas Lottery Commission (362)**

**SCHEDULE OF VEHICLES PURCHASED**

For the Fiscal Year Ended August 31, 2021

<b>Make</b>	<b>Model</b>	<b>Purchase Price</b>	<b>Type of Use</b>	<b>Fuel Efficiency</b>
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, 2021

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	



# 2021



## TEXAS LOTTERY COMMISSION

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TXBINGO.ORG



AN AGENCY OF THE  
STATE OF TEXAS