
Charitable Gaming in Nebraska

**2005
Annual
Report**
January 2006



Produced by the
Charitable Gaming Division
Nebraska Department of Revenue

On behalf of the staff of the Charitable Gaming Division and Investigative Services, it is our pleasure to present the 2005 Annual Report. This report, which is submitted to the Governor, Legislature, Auditor of Public Accounts, and Attorney General in accordance with Neb. Rev. Stat. §9-1,101(1) (R.S.Supp. 2004) summarizes tax revenues received from charitable gaming activities in Nebraska, expenses incurred by the Division in its administration and enforcement activities, and other activities relating to the administration and enforcement of the Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, and the Nebraska Pickle Card Lottery Act.

As evidenced by the statistical information presented in this report, charitable gaming wagering and corresponding tax revenues continue to decline in Nebraska. The highest amount wagered on charitable gaming activities in Nebraska was during the fiscal year ending June 30, 1994. Since that time there have been overall decreases in pickle card wagering of 71 percent, in bingo 42 percent, and 11 percent in county/city lottery (keno). Bingo and pickle cards no longer represent the largest percentage of charitable gaming wagering in Nebraska. In 2004-05, county/city lottery (keno) accounted for 72 percent of the total dollars wagered on charitable gaming and 67 percent of the total tax revenue realized from charitable gaming activities.

In response to these trends, the Division has reallocated various staff assignments and enhanced its regulatory and enforcement efforts in county/city lottery(keno). A Charitable Gaming Licensing Specialist was reassigned to the Division's Inspection area and a Revenue Conferee Lead in Policy was reassigned to the Division's Audit section.

Mary J. Egr Edson
State Tax Commissioner

James M. Haynes
Director, Charitable Gaming Division
and Investigative Services

This report is also available on the Nebraska Department of Revenue
Web site: www.revenue.ne.gov

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Year in Review

OVERVIEW OF WAGERING ACTIVITY

The total dollar amount wagered on charitable gaming activities again declined during 2004-05. Overall, \$251,889,510 were wagered on bingo, pickle cards, lottery and raffle, and county/city lottery for the annual period ending June 30, 2005, as compared to \$259,931,190 in 2003-04. This represents a 3.1 percent decrease from the previous fiscal year.

Bingo gross receipts for the year were \$14,268,212, which is 7.2 percent less than the prior fiscal year when \$15,370,116 were wagered on bingo. There was an even greater reduction in the reported number of bingo players on an annual basis, from 626,305 for 2003-04 to 567,890 for the most recent fiscal year. This is more than a 9.3 percent decrease in players.

Pickle card gross proceeds for the year were \$50,819,571, which represents an overall decrease of 11.6 percent as compared to the previous fiscal year when pickle card gross proceeds were \$57,510,542. The total number of pickle card units sold decreased from 28,073 to 24,984. The decline in the number of nonprofit organizations licensed to conduct a lottery by the sale of pickle cards (21) was a contributing factor.

Lottery and raffle gross proceeds for the year were \$5,545,781, which is a 14 percent increase in gross wagering from the prior fiscal year when \$4,860,299 were wagered. There was also an increase in the number of lotteries and raffles licensed for 2004-05 (22).

County/city lottery (keno) gross proceeds for 2004-05 were \$181,255,946, which is a .5 percent decrease from the previous year when \$182,190,233 were wagered.

LEGISLATION

At the request of the Department of Revenue, the General Affairs Committee introduced two bills affecting charitable gaming. LB209 was a technical bill which would repeal obsolete language relating to annual licensing of charitable gaming activities. LB 1086, enacted in 2000, authorized biennial licensing for all charitable gaming activities. Implementation was staggered over several years, but is now complete. Since all charitable gaming licenses are now issued on a biennial basis, the annual licensing references in the bingo, pickle card, and lottery/raffle statutes should be repealed to minimize confusion. LB209 was placed on General File by the General Affairs Committee and will carry over to the 2006 Legislative Session. LB210 would amend the Nebraska County and City Lottery Act and establish the fiscal year of the county, city, or village as the time period to be evaluated to determine compliance with the minimum prize payout percentage, audit and legal expense limitation, and allowable expense limitation for keno. Currently, Nebraska law provides a July 1 to June 30 fiscal year as the time period that should be considered when determining whether there has been compliance with the minimum prize payout percentage and audit and legal expense limitations. There is no time period for determining allowable expense limitation compliance in statute. The bill was subsequently indefinitely postponed at the request of the Department of Revenue.

Senator Patrick Bourne introduced LB733, which would permit the Department of Revenue to authorize the use of electronic pickle card devices. The function of such devices would be identical to the traditional paper pickle card game, but the pickle card would be opened by moving a finger over an electronically displayed card. The device would not dispense cash, coins, or tokens and would not accumulate credits. LB733 was indefinitely postponed by the General Affairs Committee.

Year in Review (Cont.)

ADMINISTRATION AND ENFORCEMENT

The Division continues to receive numerous inquiries from nonprofit organizations and bar owners regarding the legality of Texas Hold'em Poker Tournaments. The Division's policy has been to refer all such inquiries to local prosecutorial authorities for a determination as to their legality. Generally speaking, the tournaments do not require the payment of an entry fee or admission fee by the player and, therefore, the activity lacks consideration, one of the requisite elements for an activity to be considered gambling.

The use of illegal gambling devices in Nebraska continues to impact other forms of legal gambling. Occasionally, Division inspectors encounter the use of possible illegal gambling devices while performing routine on-site inspections of charitable gaming licensees. Since the Division does not have any jurisdiction with respect to illegal gambling devices, all such instances are referred to the Nebraska State Patrol for appropriate enforcement follow-up. In addition, a letter regarding the suspected illegal device is sent to the applicable County Attorney.

During the 2004-05 reporting period, 161 possible illegal gambling devices were detected in the following counties:

Adams	5	Hall	4	Nuckolls	15
Chase	6	Hamilton	4	Phelps	7
Cheyenne	1	Harlan	3	Red Willow	64
Clay	4	Hitchcock	6	Saline	5
Custer	2	Howard	19	Saunders	1
Furnas	5	Kearney	3		
Greeley	5	Merrick	2		

The Charitable Gaming Division consists of four (4) functional areas: Licensing, Policy, Audit, and Inspections.

- ◆ **Licensing** is responsible for the licensing of individuals, businesses, nonprofit organizations, counties, cities, and villages to conduct charitable gaming activities in Nebraska. The number of licenses issued by type is reflected on page 13 of this report which includes a comparison to the prior reporting period. Bingo licensees decreased by 10 in 2004-05 and nonprofit organizations licensed to conduct a lottery by the sale of pickle cards decreased by 21. There was a small increase in the number of retail establishments (pickle card operators) which sell pickle cards on behalf of nonprofit organizations (13).
- ◆ **Policy** is responsible for the implementation of legislation enacted by the Nebraska Legislature relative to charitable gaming activities, identification of needed legislative changes in the charitable gaming areas which it regulates, recommendation and drafting of proposed legislation relative to charitable gaming, promulgation of administrative regulations and revenue rulings to clarify and supplement statutory provisions, development and publication of information guides and a periodic newsletter for gaming licensees, and for the rendering of day-to-day opinions and interpretations of charitable gaming laws.

Year in Review (Cont.)

A public hearing on regulation revisions to bingo (electronic bingo card monitoring devices) and county/city lottery (keno) record keeping and reporting requirements, game conduct, and compliance review was held on May 18, 2005. The revised bingo regulations were formally adopted on September 5, 2005. The revised county/city lottery regulations were formally adopted on November 13, 2005.

- ◆ **Audit** is responsible for the financial compliance review of nonprofit organizations conducting bingo, pickle card, and lottery and raffle activities as well as counties, cities, and villages conducting a county/city lottery (keno). Activities include field audits of gaming operations, the review of annual reports submitted by bingo, pickle card, and lottery and raffle licensees, the review of quarterly tax returns submitted by licensees, and the review of keno audit reports submitted by independent certified public accountants on behalf of counties, cities, and villages.

Activities for the reporting period were as follows:

- 566 Pickle card annual reports reviewed
- 178 Bingo annual reports reviewed
- 335 Lottery and raffle annual reports reviewed
 - 51 County/city lottery (keno) annual reports reviewed
- 161 Organizations which did not file timely annual reports identified and referred to Legal Services, Inspections and/or Investigative Services
 - 15 Annual report shortages or audited losses (field visits) identified and referred to Inspections and/or Investigative Services
 - 19 Other annual report violations identified and referred to Inspections and/or Investigative Services
 - 11 Other annual report violations identified and referred to Policy and/or Legal Services
- 2 Field audits of bingo operations
- 11 Field audits of pickle card operations
- 11 Field audits of keno operations (county/city lottery)
- 12 Organizations remitting additional tax of \$2,787.15 as a result of the annual report review

- ◆ **Inspections** is responsible for the performance of on-site inspections of charitable gaming licensees. In addition to the main office in Lincoln, the inspectors work out of regional offices located in Scottsbluff, Norfolk, Omaha, and Grand Island. In addition to performing routine inspections of bingo, pickle card, and lottery and raffle activities, the inspectors review county/city lottery (keno) operations verifying the license status of lottery workers, performing unannounced keno writer drawer audits, reviewing the sponsoring community's oversight, and various compliance issues relating to game conduct.

Year in Review (Cont.)

Activities for the reporting period were as follows:

94	Bingo game inspections
150	Organization pickle card inspections
36	Organization lottery and raffle inspections
850	Pickle card operator inspections
205	Keno compliance inspections
17	Formal presentations to gaming licensees or potential licensees
1,394	Mechanical Amusement Device (MAD) inspections
38	Annual report reviews and filing follow-ups
676	Administrative contacts and inquiries
2,035	Nebraska retailer tobacco inspections

Investigative Services is responsible for investigative and enforcement functions involving charitable gaming activities, as well as numerous other responsibilities within the Department. Investigative Services staff members are located at various locations throughout the state and have responsibility for general investigations and license applicant background investigations.

Investigative Services continues to work closely with the Charitable Gaming Division on gaming related matters in an effort to keep gaming activities as well enforced as possible, and yet flexible enough to accommodate the public. The investigations conducted by the service area are both civil and criminal in nature and, following completion, a large number of those investigations are forwarded to local prosecuting attorneys for potential criminal prosecution. Investigative Services continues to enjoy an excellent working relationship with various law enforcement agencies and prosecuting attorneys throughout the state.

Activities for the reporting period were as follows:

2	Manufacturer background investigations
93	Investigations resulting from alleged violations and/or complaints (all gaming activities combined)

ADMINISTRATIVE ACTIONS

During the reporting period, the Charitable Gaming Division initiated and/or resolved several administrative actions involving charitable gaming license applicants and licensees.

Activities for the reporting period were as follows:

Administrative Orders Issued:

License application denial	4
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Administrative Actions Initiated and Pending:

License application denial	2
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Year in Review (Cont.)

Administrative Actions Initiated and Resolved Without an Order:

License Application Denial and License Suspension, Cancellation, and Revocation

Rescinded*	15
Resolved by operation of law**	22
Resolved by stipulation, suspension and/or fine***	1
Dismissed	16

Administrative Fine

Waiver of hearing and payment of fine***	2
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- * License application denials were rescinded for a number of reasons, including the applicant withdrew the application and the payment of delinquent taxes in instances when the license application denial was based upon nonpayment of taxes.
- ** Resolution by operation of law occurs when a license application denial becomes final because a license applicant does not respond to a Notice of Intent to Deny within the 30-day time period allowed to request an administrative hearing.
- *** Total amount collected \$956.00. Monies collected from the administrative fines levied are deposited by the State Treasurer into the permanent school fund.

Revenue, Budget, and Expenditures

FYE June 30, 2005

During the fiscal reporting period July 1, 2004, through June 30, 2005, the Department of Revenue's Charitable Gaming Program was self-supporting through 40 percent of the taxes collected from bingo, lottery by pickle card, county/city lottery, and lottery and raffle activities. In addition, the program received applicable biennial licensing fees for the various licenses issued for the games. The remaining cash fund balance as of June 30, 2005, less \$50,000 transferred to the Compulsive Gamblers Assistance Fund, may be transferred annually by the Legislature to the General Fund. The program revenue accrued to the Charitable Gaming Operations Cash Fund and to the General Fund from July 1, 2004, through June 30, 2005, was as follows:

REVENUE

Receipt Type	General Fund	Cash Fund	Total
Tax Revenue	\$3,279,377	\$2,172,818	\$5,452,195
Fee Revenue	<u>181,582</u>	<u>94,830</u>	<u>276,412</u>
	\$3,460,959	\$2,267,648	\$5,728,607
Other Revenue		<u>37,275</u>	<u>37,275</u>
Total Revenue	\$3,460,959	\$2,304,923	\$5,765,882

BUDGET AND EXPENDITURES

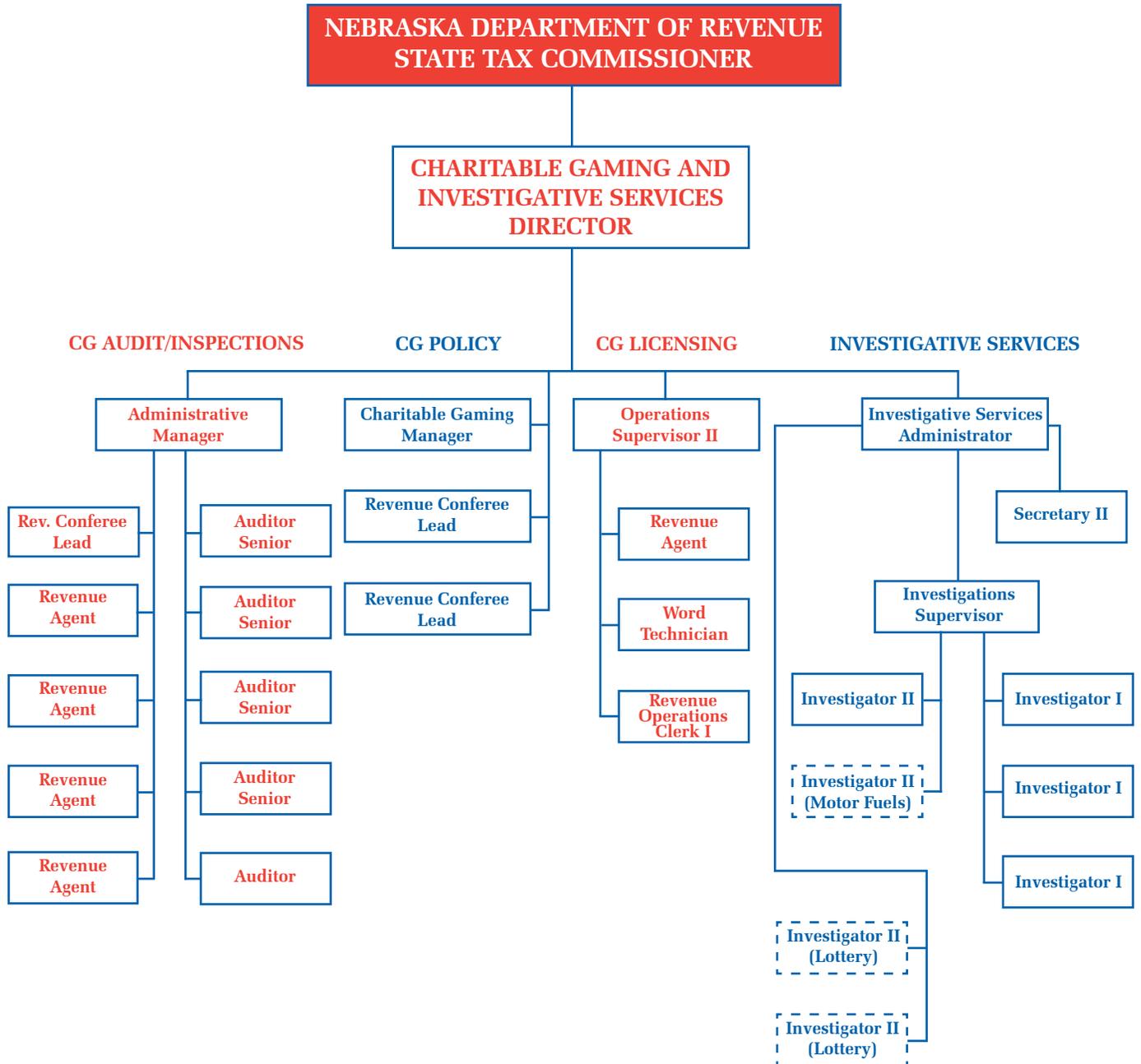
Expenditure Type	Budgeted Amounts*	Actual Expenditures**
Personal Services	\$1,758,940	\$1,532,129
Salaries	\$1,391,063	\$1,187,026
Benefits	367,877	345,103
Operating Expenses	326,316	197,526
Travel Expenses	124,740	83,195
Capital Outlay	<u>11,153</u>	<u>62,979</u>
Total Charitable Gaming Expenses	\$2,221,149	\$1,875,829
Athletic Commission Expenses		
Included in the Charitable Gaming Budget and Expenditures	<u>38,992***</u>	<u>38,992***</u>
Total Expenses From Cash Fund	\$2,260,141	\$1,914,821

* Annual budget amounts for fiscal year 2004-2005.

** Actual expense recorded on a cash basis of accounting.

*** Total expenses for the Athletic Commission were paid from the Athletic Commission Cash Fund.

Staffing of Charitable Gaming Division and Investigative Services



Key: [- - -] Not available for Charitable Gaming issues.

Summary of Gaming Dollars Wagered, Taxes, and Fees

GAMING DOLLARS WAGERED

	FYE 6/2004	FYE 6/2005	Increase (Decrease)	Percentage Change
Bingo	\$15,370,116	\$14,268,212	(\$1,101,904)	-7.17%
Pickle Cards	57,510,542	50,819,571	(6,690,971)	-11.63%
County/City Lottery	182,190,233	181,255,946	(934,287)	-0.51%
Lottery and Raffle	<u>4,860,299</u>	<u>5,545,781</u>	<u>685,482</u>	14.10%
Total Wagers	\$259,931,190	\$251,889,510	(\$8,041,680)	-3.09%

TAX REVENUE

	FYE 6/2004	FYE 6/2005	Increase (Decrease)	Percentage Change
Bingo	\$461,104	\$428,046	(\$33,058)	-7.17%
Pickle Cards	1,401,906	1,235,083	(166,823)	-11.90%
County/City Lottery	3,643,803	3,625,119	(18,684)	-0.51%
Lottery and Raffle	<u>97,204</u>	<u>110,917</u>	<u>13,713</u>	14.11%
Total Tax Revenue	\$5,604,017	\$5,399,165	(\$204,852)	-3.66%

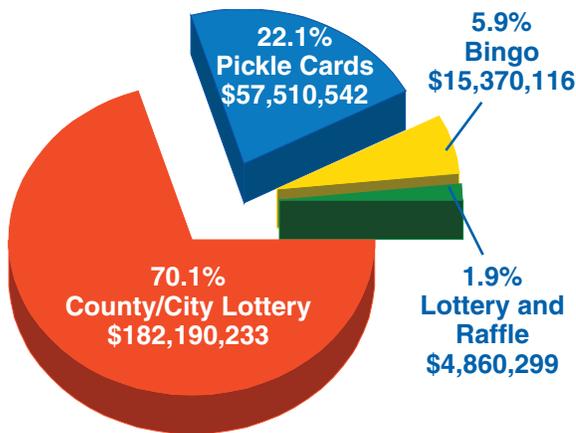
LICENSE FEES

	FYE 6/2004	FYE 6/2005	Increase (Decrease)	Percentage Change
Cash Fund	\$170,585	\$97,270	(\$73,315)	-42.98%
General Fund	<u>241,780</u>	<u>190,089</u>	<u>(51,691)</u>	-21.38%
Total License Fees	\$412,365	\$287,359	(\$125,006)	-30.31%
Total Taxes and License Fees	<u>\$6,016,382</u>	<u>\$5,686,524</u>	<u>(\$329,858)</u>	-5.48%

Gaming Dollars Wagered

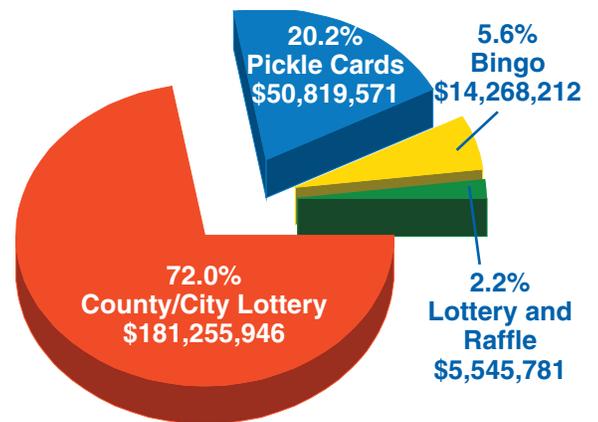
FYE 06/2004

\$259,931,190



FYE 06/2005

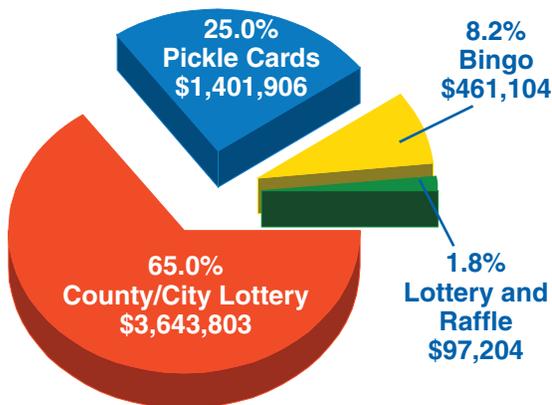
\$251,889,510



Gaming Tax Revenue

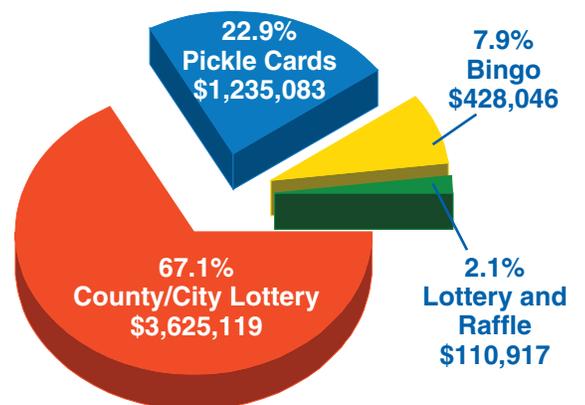
FYE 06/2004

\$5,604,017



FYE 06/2005

\$5,399,165*



*Based upon tax returns filed; actual tax revenue received was \$5,452,195

Gross Wagering by County

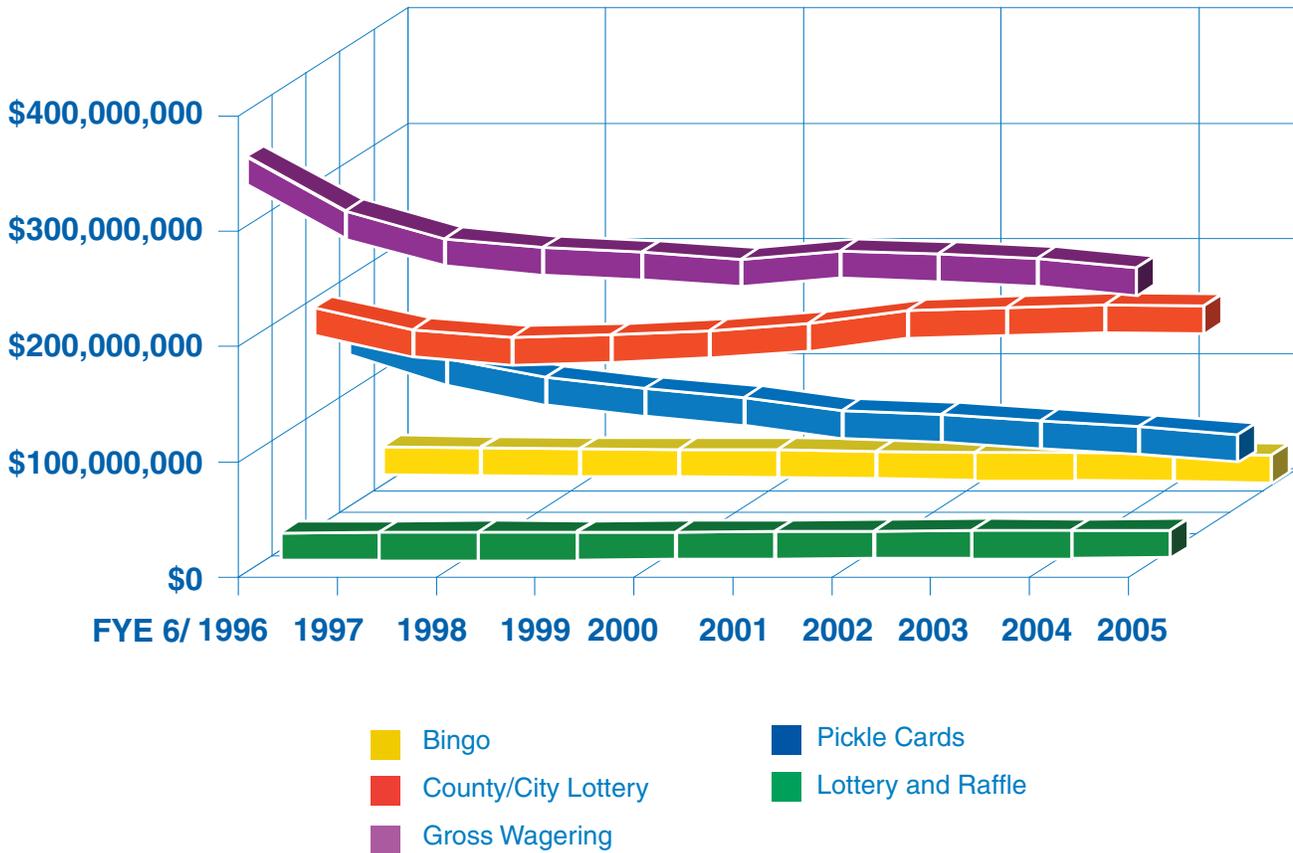
COUNTY	Bingo Gross Receipts		Pickle Cards Gross Proceeds		Lottery and Raffle Gross Proceeds		County/City Lottery Gross Proceeds		Total Gross Wagering	
	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005
ADAMS	\$547,693	\$533,500	\$1,506,836	\$1,417,642	\$153,127	\$131,607	\$3,056,563	\$3,392,813	\$5,264,219	\$5,475,562
ANTELOPE	11,828		33,912	22,932	105,130	85,664	124,692	121,147	275,562	229,743
ARTHUR			11,880	19,800	No Activity				11,880	19,800
BANNER					No Activity					
BLAINE					No Activity					
BOONE	16,136	18,294	148,491	137,528	58,969	91,282			223,596	247,104
BOX BUTTE	332,337	295,291	232,990	185,624	35,000	21,061	839,527	957,445	1,439,854	1,459,421
BOYD			129,456	151,776					129,456	151,776
BROWN	3,505	1,727	47,793	48,247	29,600	95,650	228,978	340,951	309,876	486,575
BUFFALO	517,481	521,106	3,018,608	2,554,176	180,228	220,005	3,611,679	3,896,838	7,327,996	7,192,125
BURT	2,533		93,714	101,112	13,661	17,649			109,908	118,761
BUTLER	42,665	42,286	172,015	182,443	57,848	83,954	155,225	151,619	427,753	460,302
CASS	88,713	116,802	961,557	825,818	70,856	99,657	3,379,703	3,877,556	4,500,829	4,919,833
CEDAR	5,074	5,365	144,793	124,136	5,250	5,250	130,099	83,958	285,216	218,709
CHASE	34,584	31,912	26,907	19,820	46,866	48,495	165,541	182,263	227,032	233,995
CHEERY	6,335	6,266	219,391	244,168					225,726	250,434
CHEYENNE	37,604	41,236	254,259	235,004	67,228	14,216	600,536	569,878	959,627	860,334
CLAY			188,781	146,649	29,400	56,651		97,326	218,181	300,626
COLFAX	44,203	40,012	119,882	67,802	72,881	71,957	745,440	725,894	982,406	905,665
CUMING	20,300	17,048	433,118	394,910	46,866	48,495	80,938	58,044	581,222	518,497
CUSTER	6,484	5,280	24,823	12,950					31,307	18,230
DAKOTA	396,104	414,765	440,843	456,032	26,140	16,968	866,536	994,776	1,729,623	1,882,541
DAWES			2,989	8,565			1,072,999	899,334	1,075,988	907,899
DAWSON	75,909	69,478	316,040	242,933	18,490	6,310	555,433	542,453	965,872	861,174
DEUEL	12,324	10,699	14,640	9,924			215,029	305,690	241,993	326,313
DIXON			6,312	220,320					6,312	220,320
DODGE	227,262	195,773	1,811,938	1,714,813	76,276	100,508	4,248,130	4,022,825	6,363,606	6,033,919
DOUGLAS	5,100,863	5,071,397	11,663,270	10,245,469	1,816,726	1,888,976	69,108,069	69,660,173	87,688,928	86,866,015
DUNDY					No Activity					
FILLMORE	29,122	23,630	417,956	359,866	2,440		230,402	304,704	679,920	688,200
FRANKLIN			6,264	2,970			272,011	96,239	278,275	99,209
FRONTIER	4,360	1,138	18,880	15,498			3,816	2,280	27,056	18,916
FURNAS			23,820	19,602	18,179	6,574	147,169	163,182	189,168	189,358
GAGE	238,498	196,112	718,735	689,625	11,221		2,530,723	2,100,198	3,499,177	2,985,935
GARDEN	2,645	2,398	13,263	29,903				3,872	15,908	36,173
GARFIELD	14,403	16,984	95,266	64,168					109,669	81,152
GOSPER			85,695	61,890			104,378	148,361	190,073	210,251
GRANT			1,500						1,500	
GREELEY			37,286	16,889	27,900	69,142	80,109	94,921	145,295	180,952
HALL	812,192	933,188	2,994,657	2,471,393	221,015	266,151	6,101,043	5,807,682	10,128,907	9,478,414
HAMILTON	21,639	16,795	172,741	170,729	8,201	9,995			202,581	197,519
HARLAN	3,657	5,037	228,238	268,120			168,004	249,277	399,899	522,434
HAYES					No Activity					
HITCHCOCK	5,116	14,928	43,140	56,775			201,378	418,394	249,634	475,169
HOLT	16,274		555,696	393,153	5,000	5,000	22,622	23,072	599,592	436,153

COUNTY	Bingo Gross Receipts		Pickle Cards Gross Proceeds		Lottery and Raffle Gross Proceeds		County/City Lottery Gross Proceeds		Total Gross Wagering	
	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005
HOOKER	16,958	15,645	39,041	31,854	49,080	228,360	464,489	289,573	569,568	565,432
HOWARD	65,813	55,872	528,614	523,754	16,190		295,640	282,843	890,067	878,659
JEFFERSON	1,957	2,067	70,111	48,935			106,066	243,675	178,134	294,677
KEARNEY	60,781	57,590	404,155	378,601	No Activity		850,748	929,055	1,315,684	1,365,246
KEYA PAHA					No Activity					
KIMBALL	20,375	4,825	87,513	68,180	8,551	13,753	725,463	703,936	812,976	776,941
KNOX	3,031,024	2,208,843	10,244,995	8,800,462	345,771	406,172	32,491,119	31,964,049	46,162,909	43,379,526
LANCASTER	175,675	158,849	2,301,161	1,959,660	90,727	131,279	5,309,353	6,104,207	7,876,916	8,353,995
LINCOLN			7,622	9,457					7,622	9,457
LOGAN			24,228	20,094					24,228	20,094
LOUP	506,924	499,659	1,684,780	1,586,387	153,025	109,519	509,783	375,601	2,854,512	2,571,166
MADISON					No Activity					
MCPHERSON					No Activity					
MERRICK	8,410	11,148	258,014	254,286	36,000	36,000	70,859	45,815	266,424	265,434
MORRILL	16,690	14,073	26,706	16,800	37,200	22,500			133,565	98,615
NANCE	47,793	38,313	121,986	153,079			277,241	219,202	175,876	189,652
NEMAHA	140,182	134,630	176,618	90,993	5,820		238,615	335,081	501,652	348,508
NUCKOLLS			90,962	92,403			293,080	270,049	329,577	427,484
OTOE			650,858	641,490					1,089,940	1,046,169
PAWNEE			89,961	72,232					89,961	72,232
PERKINS	15,627	3,648	170,358	131,028	1,790		348,366	411,638	350,156	411,638
PHELPS	15,664	11,773	278,792	248,604	6,450	14,975	91,899	72,398	284,334	222,049
PIERCE	417,794	376,586	1,773,349	1,672,348	1,745	8,755	453,483	296,201	296,201	722,615
PLATTE	7,381	8,429	158,607	155,779	253,514	294,154	2,021,290	2,447,345	4,465,947	4,790,433
POLK	104,858	86,044	317,143	300,561	10,430		13,052	17,553	179,040	183,762
RED WILLOW	32,765	18,993	151,501	129,163	56,623	37,145	24,179	8,406	502,803	432,156
RICHARDSON	3,826	3,473	1,080	2,077	19,200	23,094			203,466	171,250
ROCK	6,044	8,429	496,837	410,071	58,248	70,021	812,473	602,997	4,906	5,550
SALINE	1,022,720	1,023,374	4,522,233	4,117,803	282,669	321,359	28,402,738	25,884,275	1,373,602	1,091,518
SARPY	56,991	59,065	785,836	685,390	121,081	95,207	2,495,696	2,041,658	34,230,360	31,346,811
SAUNDERS	666,772	647,942	1,442,269	1,409,595	117,960	149,667	4,898,472	4,965,146	3,459,604	2,881,320
SCOTTS BLUFF	7,530	6,391	42,317	46,598	12,280	53,082			7,125,473	7,172,350
SEWARD	12,559	13,505	82,478	68,556					751,487	592,700
SHERIDAN	24,286	20,002	106,048	81,267	6,270	12,390	44,898	38,819	101,015	104,198
SHERMAN	36,840	21,876	37,605	22,008			5,516		100,553	87,917
SIoux					No Activity					
STANTON					No Activity					
THAYER					No Activity					
THOMAS					No Activity					
THURSTON	39,409	35,454	220,747	150,350	18,460	7,590	162,077	309,319	130,334	101,269
VALLEY	78,625	63,007	730,343	390,070			1,158,884	1,078,934	109,457	84,533
WASHINGTON			161,968	139,267	20,203	29,170			1,967,852	1,532,011
WAYNE			139,334	123,810					182,171	168,437
WEBSTER			23,087	17,901			47,236	18,641	139,334	123,810
WHEELER			616,059	637,421			709,526	574,916	70,323	36,542
YORK									1,325,585	1,212,337
TOTAL	\$15,370,116	\$14,268,212	\$57,510,542	\$50,819,571	\$4,860,299	\$5,545,781	\$182,190,233	\$181,255,946	\$259,931,190	\$251,889,510

10-Year Comparison of Gaming Dollars Wagered

	FYE 6/1996	FYE 6/1997	FYE 6/1998	FYE 6/1999	FYE 6/2000
Bingo	\$21,327,226	\$20,166,019	\$19,355,648	\$19,229,963	\$18,965,647
Pickle Cards	144,343,073	116,790,134	100,289,010	90,502,926	82,866,886
County/City Lottery	179,430,240	160,521,574	153,834,783	156,068,465	159,690,193
Lottery and Raffle	3,066,071	3,343,691	3,541,481	3,458,815	3,811,149
Totals	\$348,166,610	\$300,821,418	\$277,020,922	\$269,260,169	\$265,333,875

	FYE 6/2001	FYE 6/2002	FYE 6/2003	FYE 6/2004	FYE 6/2005
Bingo	\$17,641,173	\$16,686,076	\$16,558,843	\$15,370,116	\$14,268,212
Pickle Cards	71,391,519	68,302,524	62,559,488	57,510,542	50,819,571
County/City Lottery	166,051,868	176,912,978	179,518,444	182,190,233	181,255,946
Lottery and Raffle	4,238,281	4,562,701	5,168,480	4,860,299	5,545,781
Totals	\$259,322,841	\$266,464,279	\$263,805,255	\$259,931,190	\$251,889,510



Licenses Comparison

	Biennial License Fee	Number Licenses FYE 6/2004	Number Licenses FYE 6/2005	Number of Changes
BINGO				
Organizations Licensed to Conduct Class I Bingo	\$30	127	119	(8)
Organizations Licensed to Conduct Class II Bingo	100	35	33	(2)
Gaming Managers	100	48	42	(6)
Lessors of Commercial Bingo Halls	None	7	7	0
Commercial Bingo Halls	200	9	9	0
PICKLE CARD LICENSES				
Organizations Licensed to Conduct Class I Lottery by Pickle Cards	\$200	187	191	4
Organizations Licensed to Conduct Class II Lottery by Pickle Cards	300	353	328	(25)
Pickle Card Operators	100	1,153	1,166	13
Pickle Card Operator Authorizations	None	1,608	1,588	(20)
Sales Agents	100	537	503	(34)
COUNTY/CITY LOTTERY (KENO)				
Counties, Cities, and Villages Licensed to Conduct Lotteries	\$100	136	145	9
County/City Lottery Operators	500	130	141	11
County/City Sales Outlet Locations (includes Satellite Locations)	None	589	613	24
County/City Lottery Workers	None	5,580	4,369	(1,211)
LOTTERY AND RAFFLE				
Organizations Licensed to Conduct Lotteries and Raffles	\$30	283	305	22
MANUFACTURERS AND DISTRIBUTORS				
Manufacturers of Bingo Equipment and Pickle Cards	\$3,050	8	9	1
Distributors of Bingo Equipment and Pickle Cards	3,050	3	3	0
Manufacturer-Distributors of County/City Lottery Supplies and Equipment	1,525	7	7	0
OTHER LICENSES AND PERMIT				
Special Event Bingo Permits	A \$15	85	96	11
Pickle Card Dispensing Devices Registered	B 50	1,348	1,317	(31)
Lottery and Raffle Special Permits	C 10	186	418	232
Utilization of Funds Members	D 40	<u>1,110</u>	<u>1,067</u>	<u>(43)</u>
TOTAL		13,529	12,476	(1,053)

KEY:

- A Fee per event; maximum of 2 events per calendar year not to exceed 14 days in total
- B Fee per device; calendar year registration
- C Fee per permit; one per 12-month period ending September 30 of each year; valid for maximum of 3 consecutive calendar months for special lottery or special raffle or both
- D Biennial fee; licensed organizations are required to license at least one Utilization of Funds Member who is responsible for the proper use of bingo receipts, pickle card proceeds, or lottery and raffle proceeds

Licensed Nonprofit Organizations and Pickle Card Operators by County

County	Bingo				Pickle Cards				Pickle Card Operators		Lottery and Raffle	
	Class I FYE 6/2004	Class I FYE 6/2005	Class II FYE 6/2004	Class II FYE 6/2005	Class I FYE 6/2004	Class I FYE 6/2005	Class II FYE 6/2004	Class II FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005
ADAMS	2	1	4	4	7	7	8	8	14	14	7	5
ANTELOPE	1					1	3	2	4	4	4	3
ARTHUR							1	1				
BANNER					No Activity							
BLAINE					No Activity							
BOONE	2	2			3	2	4	4	7	9	5	6
BOX BUTTE	4	3	1	1	3	3	2	2	5	5	1	2
BOYD							1	1	3	2		
BROWN	1	1					1	1	2	4	1	1
BUFFALO	4	4	1	1	6	6	8	8	23	23	5	7
BURT	1				2	2	1	1	4	4	1	1
BUTLER	1	1			1	2	9	8	14	14	7	7
CASS	3	2			4	3	10	8	17	17	5	4
CEDAR	2	2					3	3	10	10	1	2
CHASE	4	4			2	2			3	3		1
CHERRY	1	1			1	1	1	1	9	9		
CHEYENNE	1	1			1	1	3	3	7	6	3	2
CLAY					1	1	4	3	8	9	2	3
COLFAX	6	6			5	4	2	2	8	8	6	6
CUMING	4	4			2	2	4	4	14	13	2	2
CUSTER	1	1					2	2	3	4		
DAKOTA			1	1	1	1	6	6	13	14	2	3
DAWES					1	1			3	3		
DAWSON	5	4			5	6	5	4	13	13	2	2
DEUEL	1	1			1	1	1		3	2		
DIXON							2	1	8	9	1	1
DODGE	5	5			6	7	12	11	42	44	7	5
DOUGLAS	4	2	11	11	33	35	45	42	271	265	92	100
DUNDY									1	1		
FILLMORE	4	4			2	3	7	6	10	10	1	
FRANKLIN							1	1	3	4		
FRONTIER	1						1	1	2	2		
FURNAS							1	1	4	2	1	2
GAGE	3	4	1		2	2	5	5	17	16	2	2
GARDEN	1	1			1	1			1	1		
GARFIELD	1	1					2	2	5	6		
GOSPER									3	3		
GRANT					1							
GREELEY							1	2	6	5	3	5
HALL	5	5	2	2	10	10	8	7	29	30	10	12
HAMILTON	1	1			1	1	3	2	5	6	1	1
HARLAN	1	1					2	2	7	7		
HAYES					No Activity							
HITCHCOCK							1	1	5	4		
HOLT	2	2				1	5	4	11	12	1	1
HOOKER									1	1		

2005 CG Annual Report

Licensed Nonprofit Organizations and Pickle Card Operators by County (Cont.)

County	Bingo				Pickle Cards				Pickle Card Operators		Lottery and Raffle	
	Class I FYE 6/2004	Class I FYE 6/2005	Class II FYE 6/2004	Class II FYE 6/2005	Class I FYE 6/2004	Class I FYE 6/2005	Class II FYE 6/2004	Class II FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005
HOWARD	1	1			1	1	4	2	6	6	3	2
JEFFERSON	2	2			3	3	4	4	8	9		1
JOHNSON	1	1			1	1	1	1	6	6		
KEARNEY							1	1	4	4		
KEITH	2	1			3	3	5	5	16	17		
KEYA PAHA									1	1		
KIMBALL		1			1	2	1	1	4	4	1	
KNOX	4	3					2	2	5	5		2
LANCASTER	4	5	5	4	9	11	35	32	121	124	27	28
LINCOLN	2	1	1	1	5	4	6	6	28	28	9	9
LOGAN					1	1						
LOUP							1	1	2	2		
MADISON	4	3	3	3	5	5	8	8	27	28	5	7
MCPHERSON										1		
MERRICK	2	2			2	2	5	5	8	8		
MORRILL					1	1			1	1	2	2
NANCE	1	1			2	2	3	3	8	8	2	2
NEMAHA	2	2			2	2	1	1	6	6		
NUCKOLLS					2	1	2	2	3	3		1
OTOE	3	2			1	1	7	7	14	15	1	1
PAWNEE					1	1	1	1	2	2		
PERKINS									3	3	1	
PHELPS	1	1			2	2	3	3	5	5	2	1
PIERCE	2	2			1	1	3	3	13	14	1	1
PLATTE	2	2	1	1	4	4	7	7	36	37	11	11
POLK					1	1	2	2	10	11		1
RED WILLOW	3	5			4	4	2	2	11	11	4	3
RICHARDSON	1	1			3	3	4	4	6	6	2	3
ROCK	1	1			1	1						
SALINE	2	2			3	3	7	7	17	16	4	5
SARPY			2	2	4	5	16	14	53	55	8	10
SAUNDERS	2	2			3	3	12	11	20	19	8	8
SCOTTS BLUFF	2	3	2	2	5	5	3	3	21	23	8	8
SEWARD							5	5	18	17	2	4
SHERIDAN	1	1			1	1	1	1	3	4	2	2
SHERMAN	2	2			2	2	4	4	3	3		1
SIOUX					No Activity							
STANTON	1	1			1	1	1	1	4	4		
THAYER	2	1			2	1	3	2	3	3		
THOMAS									1	1		
THURSTON		1					1		2	3	2	
VALLEY	3	3			2	2	3	3	4	4	2	1
WASHINGTON	1	1			3	2	3	3	7	7		
WAYNE	1	1			1	1	3	3	10	9	2	3
WEBSTER							4	4	5	5		
WHEELER							1	1	3	2		
YORK					2	2	3	3	7	8	1	2
TOTAL	127	119	35	33	187	191	353	328	1,153	1,166	283	305

Organizations Participating in Gaming Activities

WAGERING BY EXEMPTION CODE

	Bingo Gross Receipts	
	FYE 6/2004	FYE 6/2005
501(c)(3)	\$5,477,710	\$5,358,769
501(c)(4)	1,831,697	1,681,312
501(c)(5)	279,664	57,934
501(c)(8)	2,039,009	1,942,741
501(c)(10)	2,323,800	1,873,405
501(c)(19)	2,846,528	2,795,424
VF&E	571,708	558,627
Total	\$15,370,116	\$14,268,212

	Pickle Card Gross Proceeds	
	FYE 6/2004	FYE 6/2005
501(c)(3)	\$21,683,217	\$18,933,489
501(c)(4)	6,962,693	6,088,413
501(c)(5)	596,470	311,188
501(c)(7)	168,855	513,591
501(c)(8)	4,907,290	4,435,046
501(c)(10)	3,892,046	3,283,414
501(c)(19)	11,295,251	10,184,332
VF&E	8,004,720	7,070,098
Total	\$57,510,542	\$50,819,571

	Lottery and Raffle Gross Proceeds	
	FYE 6/2004	FYE 6/2005
501(c)(3)	\$3,969,724	\$4,390,890
501(c)(4)	256,744	169,326
501(c)(5)	26,640	25,200
501(c)(6)	73,452	50,465
501(c)(7)	86,800	94,550
501(c)(8)	228,820	260,825
501(c)(10)	41,585	262,840
501(c)(19)	133,304	215,565
VF&E	43,230	76,120
Total	\$4,860,299	\$5,545,781

The following is a brief explanation of the Internal Revenue Code section 501(c) exemptions.

- 501(c)(3)** Corporations, community chests, funds, or foundations organized and operated exclusively for religious, charitable, scientific, or educational purposes, to foster amateur sports competition, or for the prevention of cruelty to children or animals.
- 501(c)(4)** Civic leagues or nonprofit organizations promoting social welfare or local associations of employees.
- 501(c)(5)** Labor, agricultural, or horticultural organizations.
- 501(c)(6)** Business leagues, chambers of commerce, real estate boards, boards of trade, or professional football leagues.
- 501(c)(7)** Clubs organized for pleasure or recreation.
- 501(c)(8)** Fraternal beneficiary societies, orders, or associations which provide for payment of life, sick, accident, or other benefits to the members or their dependents.
- 501(c)(10)** Domestic fraternal societies, orders, or associations which do not provide for payment of life, sick, accident, or other benefits.
- 501(c)(19)** A post or organization of past or present members of the Armed Forces of the U.S., or an auxiliary unit.

Also eligible: Any volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad (VF&E).

Only those organizations holding an exemption under section 501(c)(3), (4), (5), (8), (10), or (19), or a volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad may apply for a license to conduct bingo or a lottery by the sale of pickle cards.

Additionally, a section 501(c)(7) organization is eligible to apply for a pickle card license.

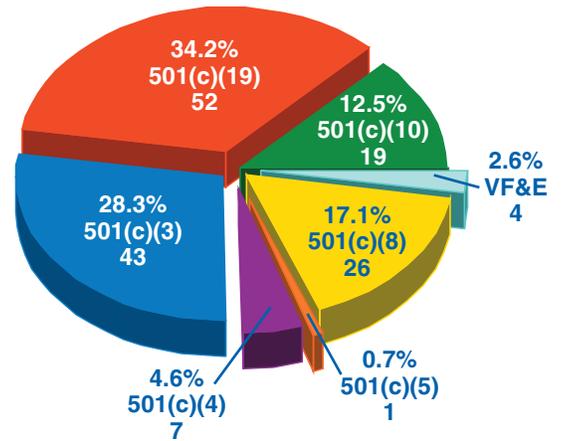
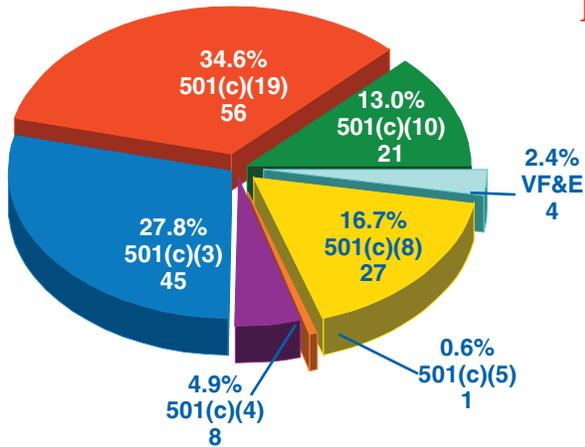
An organization holding any section 501(c) exemption, or a volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad may apply for a license to conduct lotteries or raffles.

Number of Licensees by Exemption Code

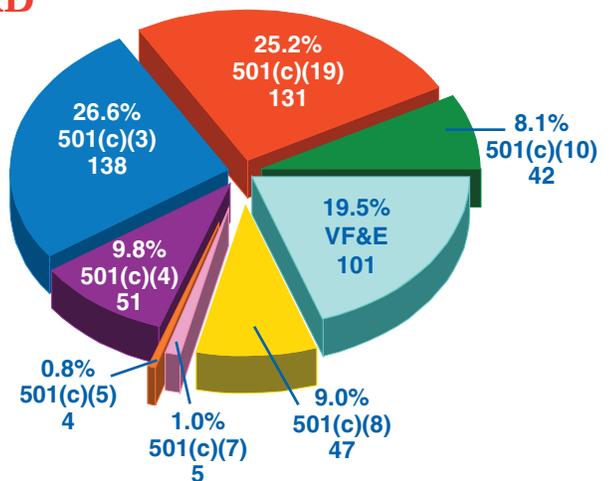
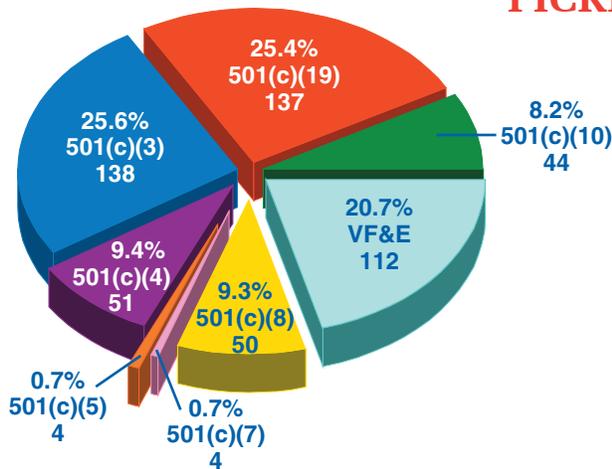
FYE 6/2004

FYE 6/2005

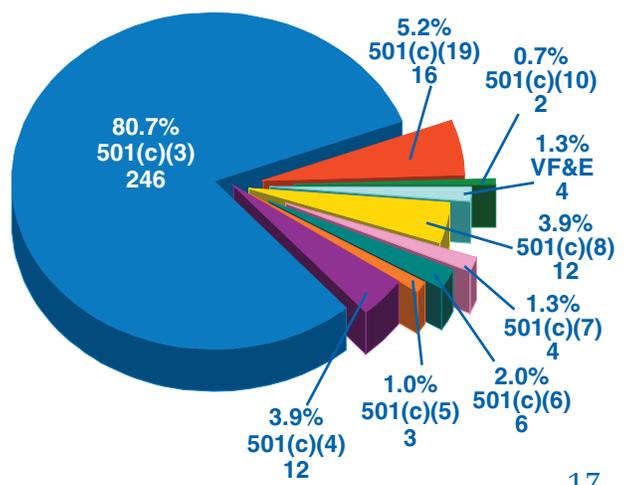
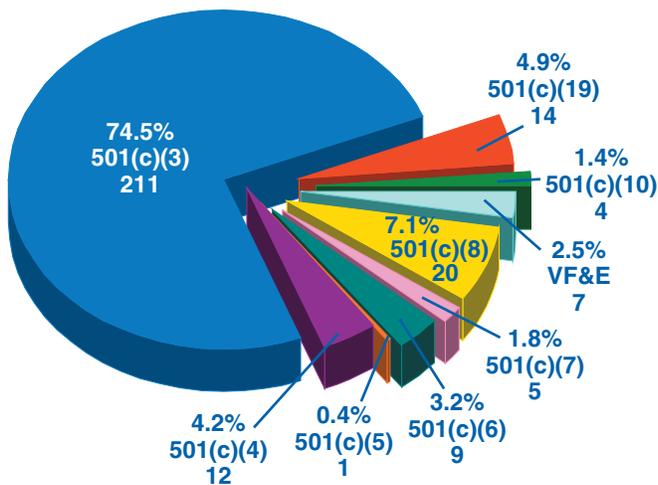
BINGO



PICKLE CARD



LOTTERY AND RAFFLE



County/City Lotteries Licensed by County*

County	Counties, Cities, & Villages		Lottery Operators		Sales Outlets	
	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005	FYE 6/2004	FYE 6/2005
ADAMS	1	1	1	1	2	2
ANTELOPE	3	2	2	2	2	2
ARTHUR	1	1				
BOX BUTTE	2	2	2	2	6	6
BROWN	1	1	1	1	2	2
BUFFALO	2	2	2	2	6	5
BUTLER	2	2	1	1	1	1
CASS	3	4	3	4	2	3
CEDAR	2	2	2	2	3	2
CHASE	2	2	2	2	2	2
CHEYENNE	3	3	3	3	5	5
CLAY		1		1		1
COLFAX	3	3	3	3	6	6
CUMING	1	1	1	1	2	2
DAKOTA	2	2	2	2	5	7
DAWES	2	2	2	2	6	6
DAWSON	1	1	1	1	6	6
DEUEL	1	1	1	1	2	2
DODGE	3	3	3	3	15	20
DOUGLAS	7	7	7	7	316	317
FILLMORE	2	3	2	3	2	2
FRANKLIN	3	3	3	3	3	3
FRONTIER	1	1	1	1	1	1
FURNAS	3	3	2	2	3	3
GAGE	5	6	5	6	11	7
GARDEN		1		1		2
GOSPER	1	1	1	1	2	2
GREELEY	2	2	2	2	2	2
HALL	2	2	2	2	6	6
HARLAN	1	1	1	1	3	2
HITCHCOCK	3	3	3	3	3	2
HOLT	1	1	1	1	2	2
HOWARD	2	2	2	2	2	2
JEFFERSON	1	1	1	1	2	2
JOHNSON	1	1	1	1	1	1
KEITH	1	1	1	1	6	8
KIMBALL	1	1	1	1	2	3
KNOX	3	3	3	3	3	3
LANCASTER	7	8	6	7	66	73
LINCOLN	5	5	5	5	10	10
MADISON	1	1	1	1	1	1
MORRILL	1	1	1	1	1	1
NEMAHA	1	1	1	1		
NUCKOLLS	2	2	2	2	2	2
OTOE	3	3	3	3	2	3
PERKINS	2	2	2	2	3	3
PHELPS	2	2	2	2	2	2
PIERCE		2		2		2
PLATTE	3	3	3	3	7	9
POLK	1	1	1	1	1	1
RED WILLOW	1	1	1	1	1	
SALINE	3	3	3	3	4	3
SARPY	6	6	6	6	26	28
SAUNDERS	6	7	6	8	3	5
SCOTTS BLUFF	5	6	7	8	9	11
SHERIDAN	1	1	1	1	1	1
SHERMAN	1	1				
THAYER	3	3	2	2	2	2
VALLEY	1	1	1	1	1	1
WASHINGTON	2	2	2	2	3	4
WHEELER	2	2	1	1	1	1
YORK	2	2	2	2		
TOTAL	136	145	130	141	589	613

County/City Lotteries Gross Proceeds

County/City	FYE 6/2004	FYE 6/2005	County/City	FYE 6/2004	FYE 6/2005
ALLIANCE	\$508,555	\$611,689	INDIANOLA	\$24,179	\$8,406
ASHLAND	1,047,743	874,727	KEARNEY	3,516,952	3,737,624
AUBURN	277,241	219,202	KEITH CO.	850,748	929,055
AVOCA	59,427	136,930	KIMBALL	725,463	703,936
BARNESTON	397,700	350,545	LAVISTA	13,449,042	12,240,890
BARTLETT	47,236	18,641	LINCOLN ²	23,182,798	21,065,985
BATTLE CREEK	509,783	375,601	LINDSAY	81,955	61,545
BAYARD	70,859	45,815	LODGEPOLE	53,335	22,204
BEATRICE ¹	1,507,098	1,112,288	LONG PINE	228,978	340,951
BEEMER	80,938	58,044	LORTON	151,415	119,369
BELLEVUE	6,619,352	5,745,046	LOUP CITY	5,516	
BELVIDERE	9,704	806	LYMAN	48,049	32,333
BENEDICT	85,415	65,398	MADRID	148,775	159,092
BENNINGTON	484,808	515,359	MCGREW	121,821	110,052
BERTRAND	72,333	54,198	MEMPHIS	154,924	131,896
BLAIR	897,455	857,101	MINATARE		28,955
BLOOMFIELD	64,039	73,059	MORSE BLUFF	34,780	25,984
BLOOMINGTON	213,198	58,451	NAPONEE	43,720	21,851
BLUE SPRINGS	548,694	629,986	NELIGH	77,860	74,869
BRADY	73,233	52,350	NIOBRARA	100,626	50,050
CEDAR CREEK		466,116	NORTH BEND	156,606	114,062
CHADRON	241,636	94,717	NORTH LOUP	162,077	309,319
CHASE CO.	23,868	29,695	NORTH PLATTE	4,740,234	5,476,318
CHEYENNE CO.	440,548	462,996	OMAHA	51,938,034	53,419,130
CLARKSON	9,397	17,545	ORCHARD	46,832	46,278
COLUMBUS	1,939,335	2,385,800	OSCEOLA	13,052	17,553
CRAWFORD	831,363	804,617	OXFORD	134,499	139,104
CRETE	519,106	505,546	PALISADE	668	
DANNEBROG	108,942	38,315	PALMYRA	6,137	9,618
DAVID CITY	155,225	151,619	PAPILLION	6,499,033	6,224,068
DAWSON CO.	555,433	542,453	PLAINVIEW		104,109
DENTON	4,819,686	5,395,932	PLATTSMOUTH	3,302,610	3,272,357
DEUEL CO.	215,029	305,690	POTTER	106,653	84,678
DONIPHAN	438,454	444,081	PRAGUE	1,834	2,294
DORCHESTER	228,086	27,655	RALSTON	14,552,112	13,815,450
EAGLE	17,666	2,153	RANDOLPH	80,131	46,997
ELKHORN	2,000,345	1,733,206	RAYMOND	156,917	132,020
ELM CREEK	94,727	159,214	ROCA	56	
EUSTIS	3,816	2,280	SARPY CO.	836,709	958,903
EXETER		29,626	SCHUYLER	649,276	634,162
FAIRBURY	295,640	282,843	SCOTTS BLUFF CO.	2,969,052	3,116,163
FILLMORE CO.	173,130	231,446	SOUTH SIOUX CITY ³	866,536	994,776
FORT CALHOUN	261,429	221,833	SPALDING	17,549	38,035
FRANKLIN	15,093	15,937	SPRAGUE	124,871	300,824
FREMONT	4,091,524	3,908,763	SPRINGFIELD	142,187	50,528
GARDEN CO.		3,872	ST. PAUL	355,547	251,258
GERING	859,473	967,680	STUART	22,622	23,072
GOSPER CO.	104,378	148,361	SUPERIOR	235,700	333,221
GRAFTON	57,272	43,632	SUTHERLAND	291,229	195,773
GRANT	199,591	252,546	SYRACUSE	135,528	141,062
GREELEY	4,989		TECUMSEH	106,066	243,675
GREYNA	856,415	664,840	TERRYTOWN	900,077	709,963
HADAR		349,374	TRENTON	183,022	395,646
HALL CO.	5,662,589	5,363,601	VALLEY	101,647	107,417
HARDY	2,915	1,860	VALPARAISO	91,176	88,225
HARLAN CO.	168,004	249,277	VERDIGRE	75,026	120,300
HARVARD		97,326	WACO	624,111	509,518
HASTINGS	3,056,563	3,392,813	WAHOO	1,165,239	918,532
HAY SPRINGS	44,898	38,819	WATERLOO	31,123	69,611
HEBRON	25,308	29,952	WAUNETA	141,673	152,568
HEMINGFORD	330,972	345,756	WAVERLY	4,206,791	5,069,288
HERSHEY	204,657	379,766	WILBER	65,281	69,796
HITCHCOCK CO.	17,688	22,748	WOLBACH	57,571	56,886
HOLBROOK	12,670	24,078	WYMORE	77,231	7,379
HOLDREGE	19,566	18,200	WYNOT	49,968	36,961
HOWELLS	86,767	74,187	TOTALS	\$182,190,233	\$181,255,946

¹ Includes the Village of Odell
² Includes the Village of Malcolm
³ Includes the City of Dakota City

The Games

BINGO

- ◆ **Class I Bingo** – Nonprofit organization with bingo gross receipts of less than \$100,000 per year.
- ◆ **Class II Bingo** – Nonprofit organization with bingo gross receipts equal to or greater than \$100,000 per year.
 - ❖ **Utilization of Funds Member** – Member of nonprofit organization responsible for the proper use of the bingo gross receipts.
 - ❖ **Gaming Manager** – Individual responsible for all gaming activity conducted at the bingo occasions of a Class II bingo licensee.
- ◆ **Commercial Lessor** – Person or entity which owns or leases a premises to be leased to a nonprofit organization for the purpose of conducting bingo.
 - ❖ **Commercial Bingo Hall** – Premises leased to a nonprofit organization for the purpose of conducting bingo.
- ◆ **Special Event Bingo Permit** – Allows a nonprofit organization to conduct bingo on a limited basis at some other type of function held by such organization.
- ◆ **Manufacturer** – Person or entity which manufactures bingo equipment and/or pickle cards to be marketed to licensed distributors in Nebraska.
- ◆ **Distributor** – Person or entity which sells bingo equipment and/or pickle cards to licensed organizations in Nebraska.

BINGO	Number of Licenses FYE 6/2005	Number of Licenses FYE 6/2004
Organizations Licensed to Conduct Class I Bingo	119	127
Organizations Licensed to Conduct Class II Bingo	33	35
Gaming Managers	42	48
Lessors of Commercial Bingo Halls	7	7
Commercial Bingo Halls	9	9
Special Event Bingo Permits	96	85
Utilization of Funds Members*	1,067	1,110
Manufacturers of Bingo Equipment and Pickle Cards**	9	8
Distributors of Bingo Equipment and Pickle Cards***	3	3

* Total Utilization of Funds Members for all licensed organizations (bingo, pickle cards, and/or lottery and raffle)

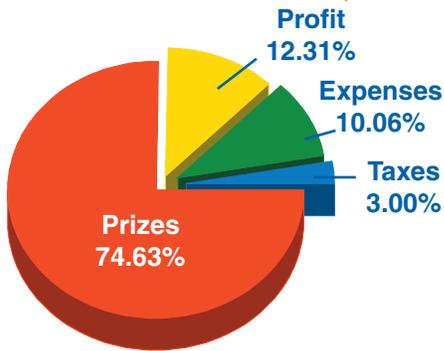
** Not all necessarily manufacture bingo equipment

*** Not all necessarily distribute bingo equipment

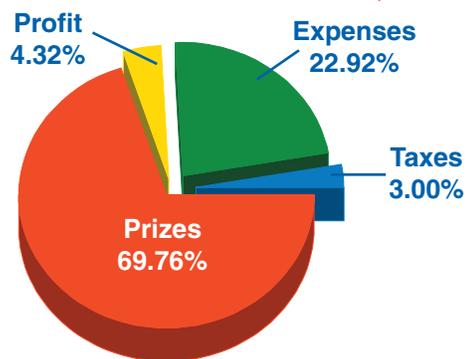
Bingo Gross Receipts, Expenses, Taxes, and Profit Fiscal Years Ending June 2005 and June 2004

	FYE 6/2005 Class I	FYE 6/2005 Class II	FYE 6/2005 Total	FYE 6/2004 Total	Increase (Decrease)
Gross Receipts	\$2,699,683	\$11,568,529	\$14,268,212	\$15,370,116	(\$1,101,904)
Prizes	2,014,728	8,070,437	10,085,165	10,984,875	(899,710)
Expenses	271,519	2,651,942	2,923,461	2,974,275	(50,814)
Taxes	80,990	347,056	428,046	461,104	(33,058)
Profit	\$332,446	\$499,094	\$831,540	\$949,862	(\$118,322)

Class I — FYE 6/2005

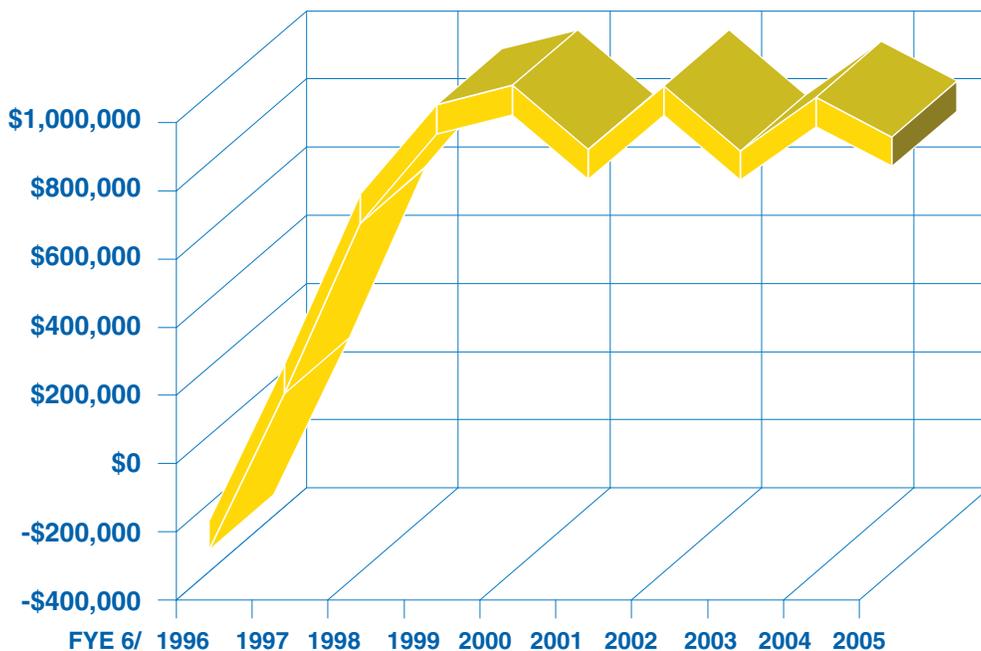


Class II — FYE 6/2005



	FYE 6/2005	FYE 6/2004
Number of Occasions Conducted.....	10,140	9,916
Attendance Reported	567,890	626,305
Average Player Spend Per Occasion.....	\$25.12	\$24.54

BINGO PROFITS — 1996–2005



The Games

PICKLE CARDS

- ◆ **Class I Pickle Card** – Nonprofit organization which sells pickle cards only at its own premises and/or bingo occasions.
- ◆ **Class II Pickle Card** – Nonprofit organization which sells pickle cards only at its own premises, bingo occasions, and/or through licensed pickle card operators.
 - ❖ **Utilization of Funds Member** – Member of nonprofit organization responsible for the proper use of the pickle card gross proceeds.
 - ❖ **Sales Agent** – Member of nonprofit organization who markets pickle card units to pickle card operators on behalf of a Class II pickle card licensee.
- ◆ **Pickle Card Operator** – Person or entity holding a retail liquor license which sells individual pickle cards on behalf of a Class II pickle card licensee.
 - ❖ **Pickle Card Operator Authorization** – Authorization for a pickle card operator location to sell individual pickle cards to the public on behalf of a particular Class II pickle card licensee.
- ◆ **Pickle Card Dispensing Device Decal** – Registration decal required for each coin- or currency-operated device which dispenses individual pickle cards to the public.
- ◆ **Manufacturer** – Person or entity which manufactures bingo equipment and/or pickle cards to be marketed to licensed distributors in Nebraska.
- ◆ **Distributor** – Person or entity which sells bingo equipment and/or pickle cards to licensed organizations in Nebraska.

PICKLE CARDS	Number of Licenses FYE 6/2005	Number of Licenses FYE 6/2004
Organizations Licensed to Conduct Class I Lottery by Pickle Cards	191	187
Organizations Licensed to Conduct Class II Lottery by Pickle Cards	328	353
Pickle Card Operators	1,166	1,153
Pickle Card Operator Authorizations	1,588	1,608
Sales Agents	503	537
Utilization of Funds Members*	1,067	1,110
Pickle Card Dispensing Devices Registered	1,317	1,348
Manufacturers of Bingo Equipment and Pickle Cards**	9	8
Distributors of Bingo Equipment and Pickle Cards***	3	3

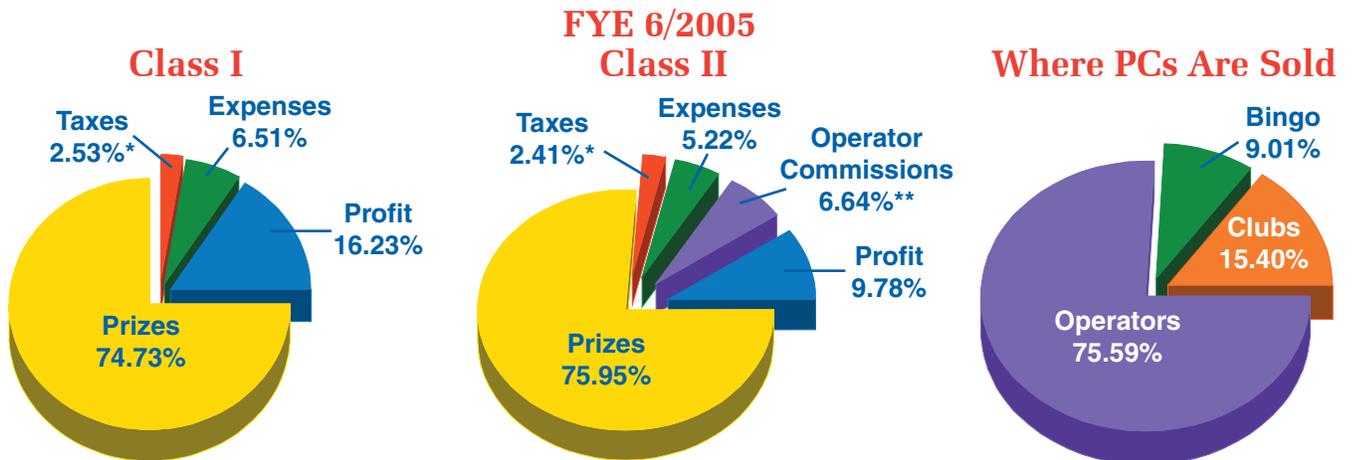
* Total Utilization of Funds Members for all licensed organizations (bingo, pickle cards, and/or lottery and raffle)

** Not all necessarily manufacture pickle cards

*** Not all necessarily distribute pickle cards

Pickle Card Gross Proceeds, Expenses, Taxes, and Profit Fiscal Years Ending June 2005 and June 2004

	FYE 6/2005 Class I	FYE 6/2005 Class II	FYE 6/2005 Total	FYE 6/2004 Total	Increase (Decrease)
Gross Proceeds	\$10,066,118	\$40,753,453	\$50,819,571	\$57,510,542	(\$6,690,971)
Prizes	7,522,527	30,952,269	38,474,796	43,489,165	(5,014,36)
Operator Commissions		2,707,395	2,707,395	3,069,423	(362,028)
Expenses	655,340	2,128,232	2,783,572	3,056,597	(273,025)
Taxes	254,965	980,118	1,235,083	1,401,906	(166,823)
Profit	\$1,633,286	\$3,985,439	\$5,618,725	\$6,493,451	(\$874,726)

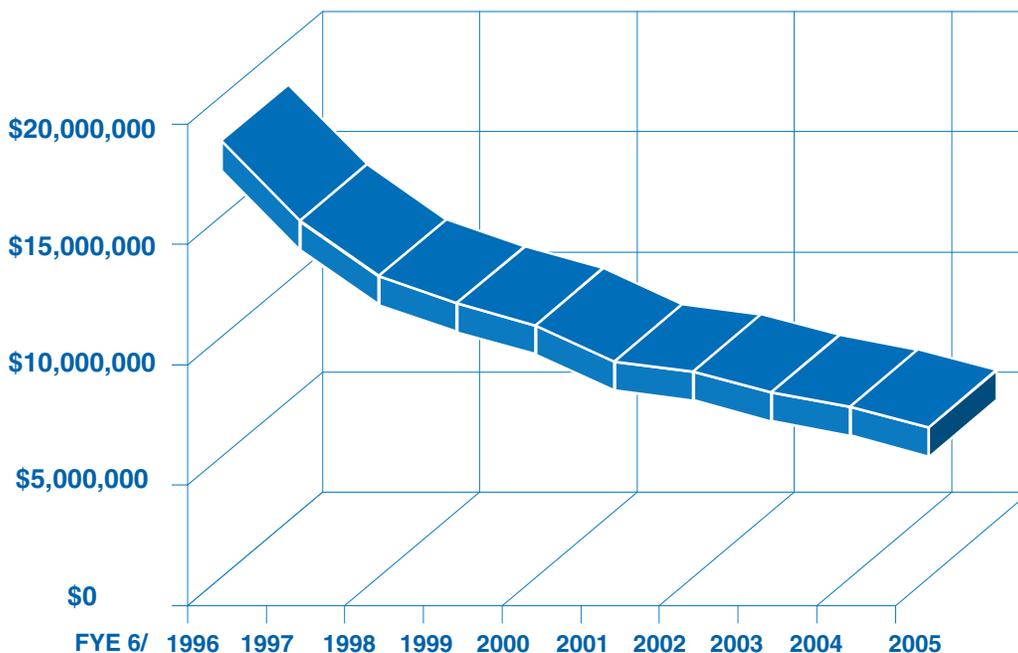


* The statutory pickle card tax rate is 10 percent of definite profit, which translates to approximately 2.44 percent of gross proceeds.

** The statutory maximum allowed for a pickle card operator commission is 30 percent of definite profit, which translates to approximately 7 percent of gross proceeds.

	FYE 6/2005	FYE 6/2004
Number of Pickle Card Units Sold	24,984	28,073

PICKLE CARD PROFITS — 1996–2005



The Games

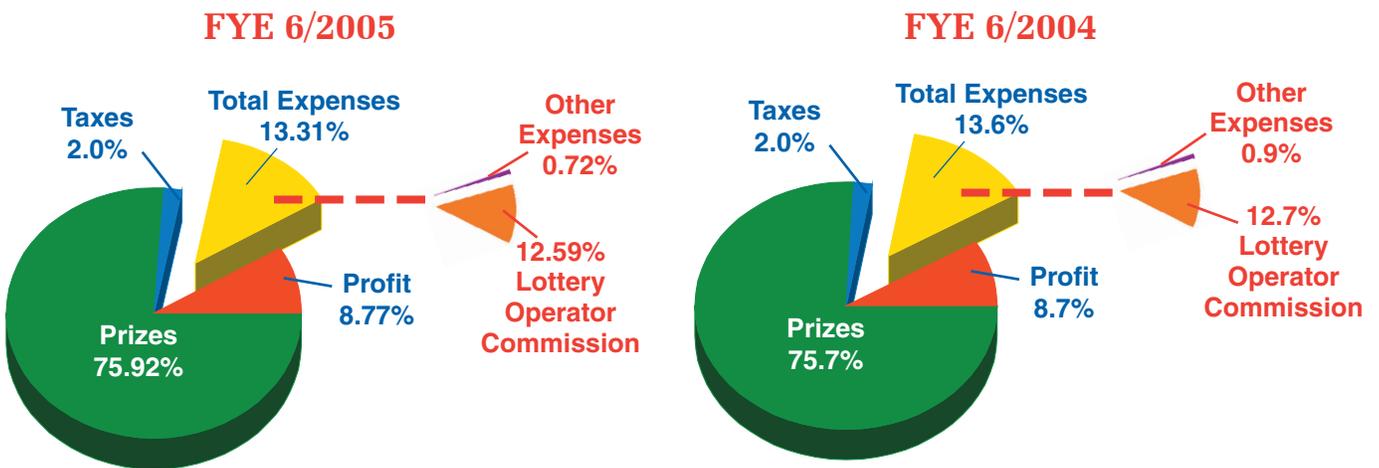
COUNTY/CITY LOTTERY (KENO)

- ◆ **County/City Lottery** – County, city, or village which has approved a lottery by local election seeking to conduct a lottery within its jurisdictional boundaries.
- ◆ **Lottery Operator** – Person or entity which contracts with a county, city, or village to conduct a lottery on its behalf.
 - ❖ **Sales Outlet/Satellite Location** – Person or entity which contracts with a lottery operator to conduct a lottery on behalf of the county, city, or village contracting with the lottery operator.
 - ❖ **Lottery Worker** – Person who performs any work directly related to the conduct of a county/city lottery.
- ◆ **Manufacturer-Distributor** – Person or entity which manufactures county/city lottery (keno) supplies and equipment to be marketed in Nebraska or who sells county/city lottery supplies and equipment to the licensed county, city, village, or lottery operator in Nebraska.

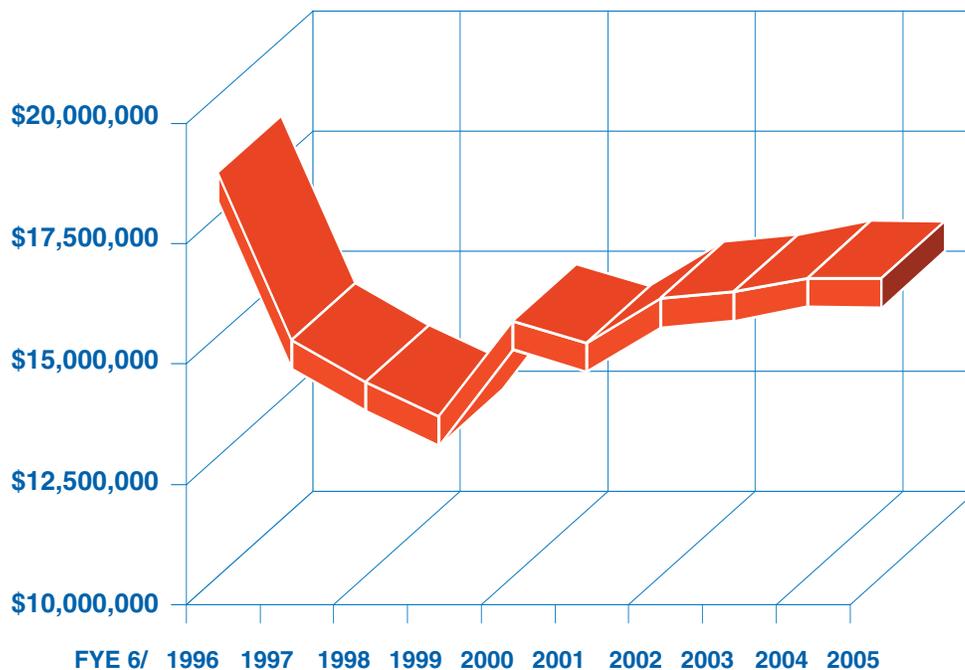
COUNTY/CITY LOTTERY (KENO)	Number of Licenses FYE 6/2005	Number of Licenses FYE 6/2004
Counties, Cities, and Villages Licensed to Conduct Lotteries	145	136
County/City Lottery Operators	141	130
County/City Sales Outlet Locations (includes Satellite Locations)	613	589
County/City Lottery Workers	4,369	5,580
Manufacturer-Distributors of County/City Lottery Supplies and Equipment	7	7

County/City Lottery (Keno) Gross Proceeds, Expenses, Taxes, and Profit Fiscal Years Ending June 2005 and June 2004

	FYE 6/2005	FYE 6/2004	Increase (Decrease)
Gross Proceeds	\$181,255,946	\$182,190,233	(\$934,287)
Prizes	137,607,061	137,916,582	(309,521)
Lottery Operator Commission	\$22,820,471	\$23,192,210	(371,739)
Other Expenses	<u>1,313,585</u>	<u>1,533,429</u>	(219,844)
Total Expenses	\$24,134,056	\$24,725,639	
Taxes	<u>3,625,119</u>	<u>3,643,803</u>	<u>(18,684)</u>
Profit	\$15,889,710	\$15,904,209	(\$14,499)



COUNTY/CITY LOTTERY (KENO) PROFITS — 1996–2005



The Games

LOTTERY AND RAFFLE

- ◆ **Lottery and Raffle** – Nonprofit organization which conducts a lottery with gross proceeds exceeding \$1,000 and/or a raffle with gross proceeds exceeding \$5,000.
 - ❖ **Utilization of Funds Member** – Member of nonprofit organization responsible for the proper use of the lottery and raffle gross proceeds.
 - ❖ **Lottery** – Cash prizes or less than 80 percent of the prizes to be awarded (as determined by their fair market value) are merchandise. Real estate and savings bonds are considered cash prizes.
 - ❖ **Prizes** – A prize awarded in a lottery or a raffle may include merchandise, cash, or anything of value which may be legally owned and possessed.
 - ❖ **Raffle** – At least 80 percent of the prizes awarded (as determined by their fair market value) are merchandise. Merchant gift certificates are considered merchandise prizes.
- ◆ **Special Permit** – Exempts one licensed lottery and/or one raffle from the otherwise required:
 - a. minimum 65 percent prize payout requirement,
 - b. 10 percent expense limitation, and
 - c. 18 years of age participation restriction.

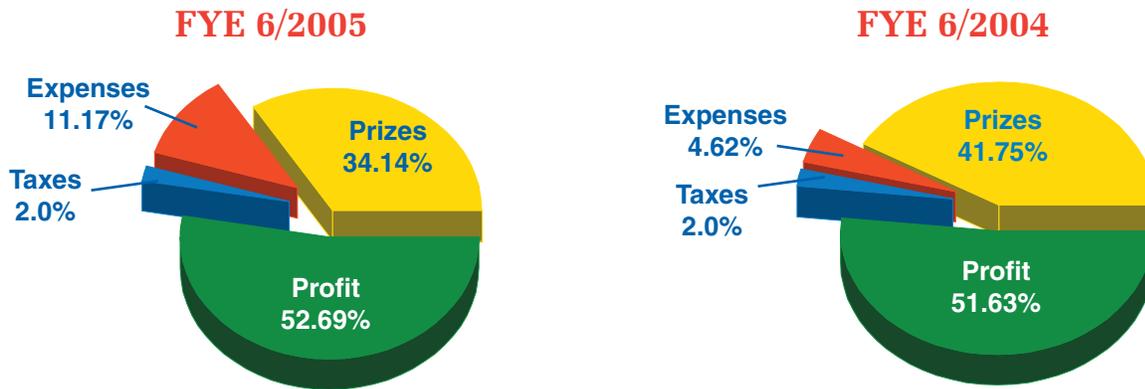
LOTTERIES AND RAFFLES	Number of Licenses FYE 6/2005	Number of Licenses FYE 6/2004
Organizations Licensed to Conduct Lotteries and Raffles	305	283
Lottery and Raffle Special Permits	418	186
Utilization of Funds Members*	1,067	1,110

* Total Utilization of Funds Members for all licensed organizations (bingo, pickle cards, and/or lottery and raffle)

Lottery and Raffle Gross Proceeds, Expenses, Taxes, and Profit Fiscal Years Ending June 2005 and June 2004

	FYE 6/2005	FYE 6/2004	Increase (Decrease)
Lottery Gross Proceeds	\$3,545,972	\$3,261,502	\$284,470
Raffle Gross Proceeds	1,999,809	1,598,797	401,012
Total Gross Proceeds	\$5,545,781	\$4,860,299	\$685,482
Prizes	1,893,499	2,029,253	(135,754)
Expenses	619,482	224,637	394,845
Taxes	110,917	97,204	13,713
Profit	\$2,921,883	\$2,509,205	\$412,678

Actual prizes awarded equaled 41 percent of the total gross proceeds; however, of this 41 percent, 7 percent of the prizes were donated.



LOTTERY AND RAFFLE PROFITS — 1996–2005

