

2010

ANNUAL REPORT
AND RESOURCE GUIDE





ANNUAL REPORT AND RESOURCE GUIDE

**July 1, 2009 through
June 30, 2010**

Since 1993, the Nebraska Lottery has continually improved its product offerings in order to deliver value to our players.

In Fiscal Year 2009-2010, a number of product developments helped position the Nebraska Lottery for another year of sales growth. These developments in turn allowed the Nebraska Lottery to continue to fulfill its mission of generating proceeds for good causes as determined by citizens and the Legislature.

This Annual Report and Resource Guide documents the initiatives and outcomes that made 2009-2010 the eighth consecutive year of growth for the Nebraska Lottery.

A handwritten signature in black ink that reads "Douglas A. Ewald".

Doug Ewald, Tax Commissioner

A handwritten signature in black ink that reads "James M. Haynes".

James M. Haynes, Director



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GENERAL INFORMATION

The Nebraska Lottery sells \$1, \$2, \$3, \$5, \$10, \$15 and \$20 Scratch tickets, with prizes ranging from a free \$1 ticket up to \$500,000. As many as 36 various Scratch games are developed and offered during the course of a year.

The Nebraska Lottery sells Lotto (on-line) games such as Powerball®, Mega Millions®, 2by2®, MyDaY®, Nebraska Pick 3® and Nebraska Pick 5®. MyDaY, Nebraska Pick 5 and Nebraska Pick 3 are offered exclusively in Nebraska. Powerball and 2by2 are operated on behalf of member lotteries by the Multi-state Lottery Association, and Mega Millions is operated by the member lotteries. Lotto drawings are held six nights a week, with the exception of Powerball and Mega Millions drawings which are held twice a week, and 2by2 drawings which are held every night. Although the price for a single play of any game is \$1, the prizes range from a free ticket up to a multi-million-dollar jackpot.

Nebraska Lottery Scratch game products, equipment, and services are provided by GTECH Corporation, which employs more than 20 people across Nebraska. Tickets and equipment are distributed from the Nebraska Lottery warehouse in Lincoln. Nebraska Lottery Lotto products, equipment, and related services are provided by IntralotUSA, with a Nebraska staff of more than 40 people across the state.

The Nebraska Lottery contracts for advertising development and marketing related services with SKAR Advertising of Omaha.

Security and audit services are provided under contract with other Nebraska firms.

There are 22 Nebraska Lottery headquarters employees, providing accounting, marketing and communication, systems and general administration services from a location in downtown Lincoln.

OPERATIONS

UNIFIED SYSTEMS RFP

After several months of preparation, the Nebraska Lottery issued a request for proposals for the provision of Instant and On-line games and related services on a unified network system on May 14, 2010. Submitted proposals were evaluated by a team of seven reviewers from the Lottery and outside sources.

On August 11, 2010, after several weeks of review, the Nebraska Lottery announced that GTECH Corporation had been selected as the new Instant and On-line games and related services contractor for the Nebraska Lottery. The term of the contract is for six years with four one-year extension options. Operations will commence on July 1, 2011.

Under the terms of the contract, GTECH Corporation will provide all hardware, software, equipment, and services related to the Lottery's Instant and On-line gaming activities. GTECH will play a key role in the continuing development of the Nebraska Lottery's sales and marketing efforts.

GTECH will install its gaming computer system and approximately 1,200 full-function terminals at retailer locations across the state. Additionally, GTECH will provide for the printing, delivery, storage, and management of both Instant and On-line tickets. GTECH currently provides Instant game production and related services for the Lottery across Nebraska from its Lincoln facility. The new unified contract is expected to generate increased revenues on behalf of the Nebraska Lottery, and is estimated to save the Lottery \$1.8 million over the next six years.

GTECH is a wholly-owned subsidiary of Lottomatica Group, one of the world's largest commercial lottery operators. GTECH is a leading gaming technology and services company. With 7,600 people in over 50 countries when combined with Lottomatica Group, GTECH provides innovative technology, creative content, and superior service delivery to effectively manage and grow today's evolving gaming markets.

ONLINE (LOTTO) GAME DEVELOPMENTS

On March 20, 2010, the Nebraska Lottery introduced Mega Millions®, a multi-state jackpot game offered by 42 lotteries across the United States.

The addition of the Mega Millions game in Nebraska was made possible by an October 2009 decision of the members of the Multi-state Lottery Association (MUSL), which operates the Powerball® game, and Mega Millions member lotteries to begin a cross-selling arrangement. Powerball and Mega Millions both feature large jackpot prizes, but in the past, the games were sold in separate jurisdictions. A hearing was held in Lincoln on January 5 to receive public comment on the proposed regulations concerning Powerball and the addition of Mega Millions in Nebraska.

Each Mega Millions play costs \$1. Players select five white ball numbers from 1 to 56, and one Mega Ball® number from 1 to 46. To win the jackpot prize, which starts at \$12 million and grows each time it is not won, players must match all six winning numbers. Other prizes in the game range from \$2 to \$250,000. Players who choose to add the \$1 Megaplier® option have the chance to multiply their non-jackpot prizes as many as two, three, or four times.

Sales for the game during the fiscal year (three months) were \$2.4 million. Sales of the Megaplier option accounted for 15.86% of overall Mega Millions sales.



SCRATCH DEVELOPMENTS

In April 2010, the Nebraska Lottery released a \$5 Scratch game featuring one of the most recognized comedians in America - Larry the Cable Guy.

With his signature catchphrase, "Git-R-Done®," Larry the Cable Guy is selling out theatres and arenas across the United States. The \$5 Larry the Cable Guy Scratch game featured an extended play style with 16 chances to win on each ticket. Players had the opportunity to win over \$1.6 million in total cash prizes from \$5 to \$32,000.

To support the Larry the Cable Guy game, three pieces of point of sale were developed: an end cap poster; an on-counter standup; and a play station poster. Additionally, a radio ad featuring the voice of Larry the Cable Guy describing the game ran in 28 markets across the state. A second-chance contest where players entered non-winning tickets on the Nebraska Lottery website for a chance to win Larry the Cable Guy merchandise generated 3,919 entries between June 1 and June 15, 2010.

The Larry the Cable Guy Scratch game was well-received by players, and contributed to overall Scratch sales increasing by 3.38%, and sales of \$5 Scratch games increasing by 15.67%.



BENEFICIARY SUPPORT

Proceeds from the Nebraska Lottery benefit the environment, education, the Nebraska State Fair, and compulsive gamblers assistance. At the end of the fiscal year, the Nebraska Lottery had distributed a total of \$381,354,924 through quarterly transfers since operations began on September 11, 1993.

Amendment 4 passed by Nebraska voters in November of 2004 established the following distribution formula:

- Education as directed by the Legislature (44.5%) - currently divided between the Education Innovation Fund and Nebraska Opportunity Grant Fund;
- Nebraska Environmental Trust Fund (44.5%);
- Nebraska State Fair (10%); and
- Compulsive Gamblers Assistance Fund (1%), plus the first \$500,000 in fund proceeds each fiscal year).

The funds' respective totals as of June 30, 2010, were:

Education Innovation Fund	\$.130,173,413
Nebraska Opportunity Grant Fund (formerly known as the Nebraska Scholarship Fund*)	\$.45,728,292
Nebraska Environmental Trust Fund	\$.157,440,706
Nebraska State Fair Support and Improvement Fund	\$.15,837,966
Compulsive Gamblers Assistance Fund	\$.8,713,551
Solid Waste Landfill Closure Assistance Fund (1993 – 1997)	\$.18,460,996
General Fund Transfer (2004)	\$.5,000,000
TOTAL	<u>\$.381,354,924</u>

**LB 956, passed by the Nebraska Legislature, renamed the Nebraska Scholarship Fund to the Nebraska Opportunity Grant Fund as of July 1, 2010.*



MAJOR PRIZE WINNERS

Claimed at Nebraska Lottery Claim Centers.

JULY 2009

Powerball - \$2,000,400

Thomas McCusker, Omaha

Powerball - \$20,000

Scott Leatherman, Wallace

Powerball - \$10,000

Vicki Hernandez, Omaha

Powerball - \$570

Ray Anderson, Elkhorn

Powerball - \$535

Scott Hill, Valley

Nebraska Pick 5 - \$90,000

Betty Hartman, Lincoln

Nebraska Pick 5 - \$51,000

Linda Molthan, Seward

Lynn Dance, Lincoln

2by2 - \$22,000

Sergio Rivera, Omaha

Joe Grof, Cortland

MyDaY - \$5,021

Lynda Wasielewski, Bushnell

MyDaY - \$5,000

Linda Breazeale, Chappell

Nora Cihacek, Yutan

Ben Salazar, Omaha

Sonya Rising, Lincoln

Almeida Anani, Omaha

Nebraska Pick 3 - \$3,000

Jessica Martino, Omaha

Victor Martino, Omaha

Nebraska Pick 3 - \$1,400

Nelson Martinez, Grand Island

Nebraska Pick 3 - \$1,050

Steven Poore, Hastings

Nebraska Pick 3 - \$950

Ernest Jackson, Omaha

Nebraska Pick 3 - \$700

Margaret Sutherlin, Lincoln

Steven Poore, Hastings (x2)

Nebraska Pick 3 - \$650

Robert Stark, Omaha

Nebraska Pick 3 - \$608

Leon Jensen, Omaha

Nebraska Pick 3 - \$600

Michele Jimerson, Omaha

Linda Schumacher, Omaha

Estelle Hansen, Greenwood

Paul Mollak, Omaha (x2)

Angela Coria, Lexington

Judy Koll-Swim, Lincoln

Jacque Rue, Crete

Nebraska Pick 3 - \$600 (continued)

Lemuel Bates, Nebraska City

Jim Heflinger, Omaha

David Ziemer, Fremont

Sarah Weah, Lincoln

Daniel Reese, York

Merle Dack, Culbertson

Jennifer Martinez, Grand Island

Stanley Harrison, Omaha

Sharon Workman, Omaha

Jeri Hays, Kimball

Curtis Miller, Omaha (x2)

Amador Martinez, Omaha

Thomas Theisen, Fort Calhoun

Domonick Lorenzi, Omaha

Steve Pospisil, Norfolk

Jeffrey Ellison, Torrington, WY

Orestes Barahona, Grand Island

Darrell Ries, Papillion

Sharon Sehi, Oakdale (x2)

Don Smith, Bellevue

Karleen Stutzman, Raymond

Patricia Emmanuel, Omaha

10 Times Lucky - \$200,000

Larry Covey, North Platte

Big Dog Bucks - \$3,000

Dianne Renner, Albion

Solid Gold - \$2,400

Judith Wilcoxson, Omaha

\$150,000 High Stakes - \$1,500

Stephanie Hongsermeier, Grand Island

Morris R Krog, Jr., Fort Morgan, CO

Billboard - \$1,000

Dale Harrison, Beatrice

Truck\$ & Bucks - \$1,000 Ethanol Card

Dayle Wilden, North Platte

Doodles - \$500

Mawunyon Ayivi-Guedehoussou,

Omaha

AUGUST 2009

Powerball - \$200,000

Robert Ryba, Omaha

Powerball - \$10,000

Nadeam Hijaz, Omaha

Powerball - \$500

Ronald Wolfe, Lincoln

David Ferree, Omaha

Nebraska Pick 5 - \$25,000

Roy West, Lincoln

2by2 - \$22,000

David Plotz, Fremont

Gary Kubert, Lincoln

Lloyd Beacham, Omaha

Gertrud Bemis, Dix

Vern Frey, Bellevue

MyDaY - \$5,000

Carrie Meyer, Kearney

Tony Brewer, Martell

Lori Buethe, Tecumseh

Jane Anderson, Lincoln

Judy Brewer, South Sioux City

Dorothy Keebler, North Platte

Stephen McAuley, Clarkson

Eduard Kolesnikor, Omaha

Nebraska Pick 3 - \$1,150

Michael Hamilton, Bellevue

William Sheard, Bellevue

Nebraska Pick 3 - \$700

Steven Thiellen, Lincoln

Roger Yates, Staplehurst

Nebraska Pick 3 - \$600

Judy Swim, Lincoln

Ronald Bishop, Omaha

Donald Teeters, Omaha (x2)

Jason Morisch, Columbus

Kenneth Stock, Omaha

Jeremy Witt, Lyman

Diane Stevenson, Omaha

Paul Mollak, Omaha

Khanh Thi Nguyen, Lincoln

Lynda Hepburn, Omaha (x10)

Carla Middleswart, Gibbon

Christina Velasquez, Omaha

Donald Baumfalk, Firth

Jeffrey Robb, Papillion

Robert Royster, Sr., Lincoln

Robert Ritonya, Omaha (x3)

Mary Johnson, Plainview

Nebraska Pick 3 - \$600 (continued)

Luther Givehand, Nebraska City

Lori Newsham, Wolbach

Timothy Schulte, Omaha

Amos Reed, Jr., Omaha

Linda Schumacher, Omaha

Kristina Mahoney, Lincoln

Jacque Rue, Crete

Gloria Jackson, Omaha

Richard Wade, Auburn

Super Crossword - \$50,000

Minh N Ho, San Bernardino, CA

Crown Jewels - \$50,000

Lorriane Blobaum, Bellevue

Crown Jewels - \$1,000

Erasmus Galvan, Lincoln

Truck\$ & Buck\$ - Truck

Travis Anderson, Lincoln

Truck\$ & Buck\$ - \$1,000

Derek Tomes, Lincoln

\$35,000 Winning Combination - \$35,000

Kory Arnold, Cedar Rapids

\$150,000 High Stakes - \$15,000

Chad Christiansen, Columbus

\$150,000 High Stakes - \$1,500

Robert S Miller, Lincoln

Quick 7's - \$7,000

Monte Dietrick, Lincoln

9 Ball - \$3,600

Derek Sonnenfelt, Oakdale

Big Dog Bucks - \$3,000

William Chrisman, Kearney

Diamond Dash - \$2,000

Sherry Duke, Gering

Big Bass Bucks - \$2,000

Karen Skipper, Papillion

Go Nebraska - \$2,000

Darlene Stubbe, Gretna

Nebraska 101 - Trip

Shirley Lange, Cook, MN

Spicy Hot 3's - \$1,000

Terrie Jackson, Franklin

Wild 10's - \$1,000

Andrew Hansen, Grand Island

Gem 7's - \$600

Alice Benson, Orleans

SEPTEMBER 2009

Powerball - \$200,000
Julio Rojas, Omaha
Powerball - \$50,000
Linda Sinkevich, LaVista
Powerball - \$10,000
Jerry Pieper, Grand Island
John Montgomery, Omaha
Leonard Quignon, Plattsmouth
Ken Wilson, Omaha
Powerball - \$535
Robert Reed, Omaha
Nebraska Pick 5 - \$190,009
Mary Ann Sheppard, Omaha
Nebraska Pick 5 - \$74,000
Frank Paskach, Omaha
Jeffrey Bahr, Lincoln
Nebraska Pick 5 - \$58,000
David Ned, Omaha
Nebraska Pick 5 - \$33,000
Donald Marshall, Omaha
Nebraska Pick 5 - \$25,000
Robert Pascarell, Omaha
Nebraska Pick 5 - \$909
Frank Langley, Arapahoe

Nebraska Pick 5 - \$900
Richard Narovzzo, Omaha
Freddie Hall, Jr., Omaha
Agnes Benes, Wahoo
2by2 - \$22,000
LaVerne Schaf, Lincoln
MyDaY - \$5,012
Kimberli Yasin, Lincoln
MyDaY - \$5,000
Mary Harrison, Plattsmouth
Sonya Rising, Lincoln
Steven Peters, Omaha
Evelyn Kulhanek, Fremont
Henry Atwater, Bellevue
Nebraska Pick 3 - \$1,550
Lori Newsham, Wolbach
Nebraska Pick 3 - \$1,200
Ivars Augstums, Lincoln
William Poole, Omaha
Nebraska Pick 3 - \$800
Wesley Cerveny, Hampton
William Bedinger, Hampton

Nebraska Pick 3 - \$700
Ivars Augstums, Lincoln (x2)
Jasmine Ellis, Omaha
Joseph Jimerson, Omaha
Marilyn Thornton, Lincoln
Nebraska Pick 3 - \$600
Steven Altstadt, Kearney
Dana Kinsel, Omaha
Jorge Mestre, Grand Island
Donald Tallant, Sterling
Sandi Coutts, Hastings
Sharon Workman, Omaha
Jean Morris, Genoa
Jeffery Robb, Papillion
Duane Schlenz, Norfolk
Amos Reed, Jr., Omaha
Andrew Wieger, Omaha
Ana Dingleline, Lincoln
Terry Wingett, North Platte
John Jones, Omaha
Suzanne Myers, North Platte
Eunice Berry, Omaha
James Ortgiesen, Atlanta
\$150,000 High Stakes - \$150,000
Mel Irish, North Platte

\$150,000 High Stakes - \$1,500
Danny Whited, Omaha
Leonard Keckman, Clearwater
Blazing Cash - \$50,000
Cinda Hoover, Salina, KS
Spicy Hot 3's - \$33,333
Rex Hollman, Crete
Billboard - \$20,000
Garrett Eiland, Lincoln
Truck\$ & Buck\$ - Truck
Nathan Silke, Omaha
Quick 7's - \$7,000
Cathy Vega, Grand Island
Beginners Luck - \$2,500
Angela Stone, Lincoln
Solid Gold - \$2,400
Carliss Anderson, Lincoln
Diamond Dash - \$2,000
Joy Fields, Tilden
Bonus Crossword - \$1,000
Don Barnes, Central City
Nebraska 101 - Trip
Valeinna Taklsang, Lincoln
Gem 7's - \$600
Janett Bishop, Fullerton
Platinum Payout - \$500
Ashley Harimon, Bayard

OCTOBER 2009

Powerball - \$10,000
Duane Kumpula, Lincoln
Anne Taylor, Bourne, MA
Josh Tomczak, Lincoln
Kenneth Sierp, York
Powerball - \$515
John Deriso, North Loup
Nebraska Pick 5 - \$114,000
Richard Briscoe, Bellevue
Nebraska Pick 5 - \$66,000
Richard Miller, Omaha
Nebraska Pick 5 - \$33,000
David Janovec, Plainview
Nebraska Pick 5 - \$900
Ken Bonge, Lincoln
2by2 - \$22,000
Dennis Lampman, Norfolk
MyDaY - \$5,000
Sandi Coutts, Hastings
Cheryl Bullock, Omaha
Paul Graeber, San Antonio, TX
Carl Vang, St. Paul
Nebraska Pick 3 - \$3,000
Mark Luellman, Bellevue (x3)
Michelle Morales, Omaha
Nebraska Pick 3 - \$2,750
Eric Nelson, Kearney

Nebraska Pick 3 - \$1,200
William Poole, Omaha
Mark Luellman, Bellevue
Nebraska Pick 3 - \$1,150
Michael Hamilton, Bellevue
Nebraska Pick 3 - \$700
Alexander Pikelie, Lincoln
Joseph Fox, Omaha
Nebraska Pick 3 - \$650
Joe Mattox, Omaha
Jamie Arenas-Salamanca, Lincoln
Kem Crocker, Omaha
Nebraska Pick 3 - \$600
Brian Kopf, Eddyville
Melissa Howell, Omaha
Karri Lira, Omaha
Doug Stratton, North Platte
Maya Yoshid, Omaha
Jess Mullanix, Alliance
Michelle Morales, Omaha
Rick Grabbe, Omaha
James Smith, Omaha
Jennifer Martinez, Grand Island
Jamie Arenas-Salamanca, Lincoln
Lisa Akin, Lincoln
Jose Meza, Columbus
Debra Williams, Omaha (x2)
Jeffrey Ellison, Torrington, WY (x2)
William Poole, Omaha (x2)

Nebraska Pick 3 - \$600 (continued)
Marcus Cureton, Cozad
Linus Haines, Grand Island
Martha Nash, Omaha
James Heflinger, Omaha
Van Pacl, Wahoo
Jon Hershey, Papillion
Margaret Sutherlin, Lincoln
Mai Nguyen, Lincoln
Markita Smith, Omaha
Mary Jordan, Omaha
Deborah Beaudette, Norfolk
David Ziemer, Fremont
Jadwiger Bielecki, Denver, CO
Joseph Jimerson, Omaha
Elizabeth Kuwamoto, Lincoln
Rita Hautzenroder, Lincoln
Wilma Bugleee, Alma
Daniel Reese, York
Isaac Quarells, Jr., Lincoln
Marian Nielsen, Omaha
T R Skinner, North Loup
Tosha Byars, Omaha
Nebraska Pick 3 - \$550
Marian Nielsen, Omaha
Suzanne Myers, North Platte (x2)
Platinum Pay Out - \$100,000
Carolyn Brouillette, Hastings
Mary Schulte, Lincoln

Wild 10's - \$100,000
Jason Krause, LaVista
Super Crossword - \$50,000
Renate Langan, Cedar Rapids
Super Crossword - \$1,000
Kenneth Reed, Wymore
Word Search - \$35,000
Margaret Valasek, Spalding
\$35,000 Bingo - \$35,000
Denise Obermeier, St. Paul
Lance Schluckebier, Seward
\$35,000 Bingo - \$1,000
Nina Austin, Omaha
Beginner's Luck - \$2,500
Michael Raven, LaVista
Solid Gold - \$2,400
Bobby Patterson, Lincoln
Nebraska 101 - Trip
Michael Lucht, Fremont
Go Nebraska - \$2,000
Kimberly Epperson, Omaha
Caesars High Roller - \$1,000
Jodi Schulenberg, Scribner
Andy Ward, Papillion
Beat the House - \$1,000
Neal Kratochiril, Columbus
Diamond Mine 9x - \$1,000
Carlos Meding, Jr., Madison
Betty Dixon, Hardy

NOVEMBER 2009

Powerball - \$20,000

Cheryl Terrill, Papillion

Powerball - \$10,000

Frank Schaffer, Jr., Lincoln

Mary Biltoft, Ainsworth

Gabriel Wolfe, Omaha

Nebraska Pick 5 - \$86,000

Toni Kent, Lincoln

Nebraska Pick 5 - \$78,000

Alan Cisneros, Chadron

Nebraska Pick 5 - \$909

Mieczylaw Melski, Omaha

2by2 - \$22,000

Jeanie Wetterick-Vincent, Atwood, KS

Scott Thompson, Wakefield

Sinke Haile, Lincoln

MyDaY - \$5,000

Cindy Beck, St. Paul

Brian Hoepfner, Laurel

Kristin Berkej, Omaha

Nebraska Pick 3 - \$1,050

Kathleen Dunn, St. Paul

Roger McNeil, Utica

Nebraska Pick 3 - \$800

James Forcucci, Lincoln

William Bedinger, Hampton

Nebraska Pick 3 - \$700

Sanford Ratzlaff, Benedict

Nebraska Pick 3 - \$600

Patricia Krause, Lincoln

Carol Smith, York

William Poole, Omaha

Deb Roberts, Lincoln

Cherri Wegner, Omaha

Mark Luellman, Bellevue (x6)

Fred Alva, Omaha

Katherine Ault, Omaha

Winifred Stephens, Bellevue

Joseph Jimerson, Omaha

DeBoria Fisher, Lincoln

David Rivera, Lincoln

Debbie Beaudette, Norfolk

William Bedinger, Hampton

David Ziemer, Fremont

Jeremy Anzaldo, Omaha

Rodney Nance, Lincoln

Donald Teeters, Omaha

Jose Alvarez, Omaha

Nebraska Pick 3 - \$600 (continued)

Joanna Nedd, Omaha

Trevor Gray, McCook

Denis Vontz, Lincoln

Jamie Salamanca-Arenas, Lincoln

Vickie Teeters, Omaha

Gerald Grashorn, Fremont

Sharon Kay Workman, Omaha

Maurice Moser, Lincoln

Victor Callawan, Lincoln

Nebraska Pick 3 - \$550

Melvin Northup, Lincoln

James Victor, Omaha

\$150,000 High Stakes - \$150,000

Julie Miller, Omaha

Golden Riches - \$100,000

Jay Hagerbaumer, Genoa

Caesars High Roller - \$80,000

Mark Dobson, Omaha

Bonus Crossword - \$35,000

Leota Noerrlinger, Lincoln

Bonus Crossword - \$1,000

Julie Wredt, Auburn

Spicy Hot 3's - \$33,333

Heath Nielsen, Weeping Water

Diamond Mine 9x - \$32,000

Roxanne Duran, North Platte

John Zielinski, Omaha

Diamond Mine 9x - \$1,000

Jill Littleton, Utica

Gem 7's - \$17,000

Richard Graham II, Minden

4 Seasons - \$10,000

Ronald Kountz, Grand Island

Quick 7's - \$7,000

Rose Bischoff, Lexington

Owen Napue, Lincoln

Nebraska 101 - Trip

Jacob Money, Lincoln

Peppermint Twist Big Bingo - \$1,200

Jose Antonio Garcia, Cozad

The DOG - \$1,000

Wilmer Kuehler, Crofton

Big Beautiful Balloon Bucks - \$1,000

Tammie Rediker, Lexington

Sapphire Blue 7's - \$700

John Wiffler, Memphis

Timothy McPeak, Lincoln

DECEMBER 2009

Powerball - \$200,000

Phyllis Powers, Omaha

Powerball - \$10,000

Cheryl Brown, Rising City

Stephanie Taylor, Lincoln

Kathryn Seeman, Omaha

Joseph Nigrin, Bellevue

Powerball - \$500

Dorothy Keebler, North Platte

Nebraska Pick 5 - \$78,000

Barbara Frerichs, Minden

2 By 2 - \$22,000

Gayle Tweton, Lincoln

Henry Hilger, Omaha

MyDaY - \$5,000

David Atkins, Cortland

Wendi Grillming, Lincoln

Dottie Hardman, Omaha

Kristine Cornell, Newport

Tabatheia Tripp, Milligan

James Tackett, Douglas

Michael Scribner, Lincoln

Nebraska Pick 3 - \$700

Steven Poore, Hastings (x2)

Nebraska Pick 3 - \$650

Robert Block, Wausa

Nebraska Pick 3 - \$600

Sarah Weah, Lincoln

Mary O'Brien, Fremont

Linda Jeffrey, Aurora

Jess Mullanix, Alliance (x2)

Patrick Carlson, Sutton

Kevin Gall, Howells

Mark Luellman, Bellevue

Dave Engel, Omaha (x3)

Kenneth Shelton, Omaha

Donald Baumfalk, Firth

Rosemary Pasiaka, Murray

Suzanne Myers, North Platte

Dan Janak, Seward

Thomas Meahan, Beaver Crossing

Antonio Velasquez III, Lincoln

Monica Shockey, Torrington, WY

Hai V Dang, Kearney

Cheryl Schledewitz, Mitchell (x2)

Connie Kleffner, Spaulding

Donald Goos, Gering

David Ziemer, Fremont

Basin Ali, Grand Island

John Dale Harding, Omaha

Nebraska Pick 3 - \$600 (continued)

Timothy Harr, Omaha

Donald Hatcher, Kearney

Tom Rea, Lincoln

\$3,000,000 Cash Bonanza - \$75,000

Katie Gregory, Overton

Super Crossword - \$50,000

Karen Lange, Lincoln

Diamond Mine 9x - \$32,000

Neta Wright, David City

The DOG - \$25,000

Kurt Gasper, Columbus

The DOG - \$1,000

James Worley, Omaha

Rachel Caravan, Longmont, CO

Line 'Em Up - \$5,000

Janice Mitzner, Lincoln

Go Nebraska - \$2,000

John Fulkerson, Jr., South Sioux City

Juan Romero-Guttierrez, Lexington

Peppermint Twist Big Bingo - \$1,200

Dwight Eisenhauer, Syracuse

Jody Rawlings, Grand Island

\$35,000 Bingo - \$1,000

Rachel Bonge, Lincoln

Happy Cash - \$1,000

Zachery Poderys, Omaha

Palms - \$1,000

Leonicia Cruz, Lisco

Rod Halm, Grand Island

Betty Willey, Beatrice

Caesars High Roller - \$1,000

Kylie Kallhoff, Seward

Big Beautiful Balloon Bucks - \$1,000

Lilian Herout, Lincoln

Golden Riches - \$1,000

Raymond McKenney, Holbrook

5x Lucky - \$1,000

Destiny Spiering, Lincoln

Spicy Hot 3's - \$1,000

Randy Callahan, Gothenburg

Sapphire Blue 7's - \$700

Rebecca Taylor, Grand Island

Kimberly Brown, Omaha

Full Tank - \$250 Fuel Card

Tonya Rodgers, Wausa

Ronald Marshall, Norfolk

Guadalupe Sanchez, Lincoln

Rachel Sterkel, Torrington, WY

JANUARY 2010

Powerball - \$200,000

Mark Boyce, Kearney

Powerball - \$30,000

Karen Shipley, Omaha

Powerball - \$10,000

Jorge Herreva, Omaha

Robert Makovicka, Brock

James Kelsey, Lincoln

Jerry Rennerfelt, Oakland

Powerball - \$1,090

Richard Wrenn, Omaha

Nebraska Pick 5 - \$198,000

Michel Welch, Omaha

Nebraska Pick 5 - \$62,000

Gary Hollst, Yutan

Terry Green, Lincoln

Nebraska Pick 5 - \$58,000

Colen Griffen, Scribner

Nebraska Pick 5 - \$54,000

Gary Wathen, Hastings

2by2 - \$22,000

Monica Weatherwax, Kearney

Virginia Olson, Aurora

Margaret Lanik, Ceresco

Elizabeth Martin, Omaha

David Rabe, Lincoln

Holly Le, Lincoln

MyDaY - \$5,000

Ernesto Ogvendo, Grand Island

Jennifer Martinez, Grand Island

Michael Stuart, Omaha

Tim Erickson, Funk

Nebraska Pick 3 - \$3,000

Dennis McMahon, Omaha

Nebraska Pick 3 - \$1,800

Dennis McMahon, Omaha

Nebraska Pick 3 - \$1,200

Dennis McMahon, Omaha

William Poole, Omaha

Nebraska Pick 3 - \$1,000

Albert Ford, Omaha (x2)

Nebraska Pick 3 - \$950

William Phelan, Gretna

Marcus Biodrowski, Omaha (x2)

Dorothy Spence, Polk

Nebraska Pick 3 - \$700

Sarah Bentu Weah, Lincoln

Charles Kalkowski, Lynch

Nebraska Pick 3 - \$600

Rita Hautenzenroder, Lincoln

Luther Givehand, Nebraska City

William Poole, Omaha

Ronald Bishop, Omaha (x4)

Hien Nguyen, Lincoln (x3)

Mary O'Brien, Fremont

Rose Brinkman, Lincoln

Richard Rempe, Superior

Lori Newsham, Wolbach (x2)

Loi Vuong, Fremont

Craig Howell, Omaha

Larry Kennedy, Omaha

Merle Dack, Culbertson

Robert Royster, Lincoln

Kenneth Bray, Columbus

Darrell Ries, Papillion

Francis Winnicki, Omaha

Richard Cook, Wauneta

Jacky Jackson, Lincoln

Linda Jeffrey, Aurora

Sheia Spitz, Columbus

Jose Nunez Lopez, Grand Island

Van Pacl, Wahoo

Suzanne Myers, North Platte (x2)

Robert Hardour, Omaha

Nebraska Pick 3 - \$600 (continued)

Sharon Friesenborg, Gothenburg

Marcus Biodrowski, Omaha

David Engel, Omaha

Tom Rea, Lincoln

Michelle Novak, Wahoo

Jess Mullanix, Alliance

\$3,000,000 Cash Bonanza - \$75,000

Charles Wilson, Lincoln

\$3,000,000 Cash Bonanza - \$500

Stephanie Hongsermeier, Grand Island

Kevin Graves, Bradshaw

Triple Tripler - \$50,000

Alicia Pusch, Omaha

Peppermint Twist Big Bingo - \$40,000

Sally Jasa, Lyons

Ryan Barnes, Glenwood, IA

Peppermint Twist Big Bingo - \$1,200

Scott Schroeder, Lincoln

\$35,000 Bingo - \$35,000

Brandis Hunnicutt, Beatrice

Bonus Crossword - \$50,000

Diane Prokopec, Columbus

The DOG - \$25,000

Marilyn Meeves, Omaha

Kirk Bantam, Holdrege

The DOG - \$1,000

Marilyn Guenther, Beatrice

Kathy Sonderup, Blair

Darlene Witzka, South Sioux City

Palms - \$10,000

Timothy Schroetlin, Lincoln

Nebraska Wildlife - \$10,000

Angela Svacina, Omaha

Black Cherry Doubler - \$5,000

Vaughn Severs, Auburn

Money Jar - \$4,000

Jeremiah Galusha, Osceola

Lucky Number - \$4,000

Mary Meyer, North Platte

Diamond Dash - \$2,000

Tom Flodman, Lincoln

Season's Greetings - \$1,000

Mildred Powell, Edgar

Tammier Keener, Columbus

Nancy Lyne, Broken Bow

Caesars High Roller - \$1,000

Andy Huff, Lincoln

Angel Orellana, Bellevue

Treasure Hunter - \$1,000

Ruth Ewoldt, Grand Island

Big Beautiful Balloon Bucks - \$1,000

Scott Veldhouse, Bloomfield

5x Lucky - \$1,000

Douglas Coughtry, Jr., Columbus

Golden Riches - \$1,000

David Beran, Hershey

Full Tank - \$1,500

Thomas Anderson, Omaha

Full Tank - \$250 Fuel Card

Kenneth Hawley, Alliance

Patricia Gates, Omaha

Kara Sweeney, Wisner

Timothy Puntney, Wisner

Samantha Unger, Fremont

Robert Ahrendsen, Omaha

Sapphire Blue 7's - \$700

Steve Scoggan, Crawford

Debra Buggi, Columbus

Mark Dugan, Elba

Daniel Grubb, Norfolk

Phillip Ligenza, Lincoln

Ellen Dimmitt, North Platte

Jonathan Johnston, Lincoln

FEBRUARY 2010

Powerball - \$200,000

David Nielsen, Omaha

Powerball - \$10,000

Christopher Heius, York

Lonnie Pavel, North Platte

Robert Wolfe, Schuyler

Levester Parks, Omaha

Jens Mogensen, Omaha

Powerball - \$500

Donald Galusha, Aurora

Nebraska Pick 5 - \$308,000 (Doubler)

Richard Cattlett, Fremont

2by2 - \$22,000

Ross Harrison, Plattsmouth

Robert Anderson, Cozad

Karen Frye, Ogallala

MyDaY - \$5,000

Todd Manes, Beatrice

Brent Frohner, Lincoln

David Folda, Omaha

Joanne Lowe, O'Neill

Michael Augustine, Bellevue

Bill Locke, Stanton

Dennis Young, North Platte

Michael Wheeler, Omaha

Nebraska Pick 3 - \$1,200

Michelle Novak, Wahoo

Nebraska Pick 3 - \$1,050

Ronald Smoyer, Blair

Nebraska Pick 3 - \$1,000

Albert Ford, Bellevue (x2)

Nebraska Pick 3 - \$950

John Baden, Seward

James Boyer, Fairbury

Nebraska Pick 3 - \$900

Irene Cuevas, Omaha

Nebraska Pick 3 - \$800

James Forcucci, Lincoln

Nebraska Pick 3 - \$700

Stanley Livingston, Sterling Heights, MI

Nebraska Pick 3 - \$600

Walter Malson, Lincoln

Sharon Bopp, Grand Island

Wayman Foulks, Lincoln

Gloria Jackson, Omaha

Deanna Reed, Lincoln

Melvin Rein, Gering

Mike Radnov, Omaha

Lanaya Layman, Lincoln

Robert Ritonya, Omaha

Mary Hancock, Omaha

Lana Black, Fairfield

Denise Griess, Hastings

Mary Mullins, Omaha

Dolly Craig, Omaha

Chester Holliman, Sr., Omaha

Frank Ellis, Bellevue

Jill Matchus, Louisville

Queen Haynes, Lincoln

Obiomachuckuka Njokanma, Lincoln

VaLaura Knodel, Fremont

William Carter, Papillion

Jacque Rue, Crete

Sandy Ratzlaff, Benedict

Donald Smith, Elwood

Richard Garrow, Lincoln

Jon Hershey, Papillion

David Ziemer, Fremont

Donald Baumfalk, Firth

Sharon Bonecci, Omaha

Maurice Moser, Lincoln

Travis Petersen, Lindsay

Katherine Hoff, Hastings

Nebraska Pick 3 - \$600 (continued)

Rebecca Hauf, Pilger

Karen Andrew, Columbus

Mary O'Brien, Fremont

LaRue Shupe, Omaha

John McClain, Omaha

Mickey Meyer, Lincoln

Floyd Knodel, Fremont

Mary Harrison, Plattsmouth

Carrol Tetschner, Burwell

Michael Sullivan, Omaha

Donald Teeters, Omaha

Tom Rea, Lincoln (x2)

Jack Ealy, Jr., Omaha (x2)

David McDowell, North Platte

Michele Jimerson, Omaha

Gregor Henricks, Omaha

Burnice Conway, Omaha

Mildred Polanco, North Platte

Donald Hall, Lincoln

Golden Riches - \$100,000

Lois Osentowski, York

Triple Tripler - \$50,000

George Baber, Kimball

Triple Tripler - \$3,333

Deborah Swift, Lincoln

World Series Of Poker - \$50,000

Thomas Craig, Centerville, IA

World Series Of Poker - \$1,000

Eddie Wade, Lincoln

Bonus Crossword - \$35,000

Dominic Settjic, Omaha

Bonus Crossword - \$1,000

James Kugler, Ashton

Spicy Hot 3's - \$33,333

Elaine Jackson, Franklin

5x Lucky - \$30,000

Curtis Fry, Hastings

Florella Houston, Scottsbluff

5x Lucky - \$1,000

Darlene Dieken, Wood River

Sapphire Blue 7's - \$17,000

Paulette Cooley, Scribner

Sapphire Blue 7's - \$700

Joycelyn Schumacher, Kennard

Donna Jensen, South Sioux City

Rebecca Wade, Bellevue

Quick 7's Deluxe - \$15,000

Gaylord Hansen, Pierce

Quick 7's Deluxe - \$1,000

Mitchell Hazen, Blair

American Idol - \$12,000

Meagan Noble, Lincoln

Palms - \$10,000

Heather Macdonald, Schuyler

Beginner's Luck - \$2,500

Shawn Gill, Columbus

Wild Bingo - \$1,000

Richard Buhrman, Cozad

Tiburcio Torres, Madison

Lisa Wicht, Hastings

Diamond Mine 9x - \$1,000

Hank Kobza, Bellwood

Treasure Hunter - \$1,000

Ron Rosno, Columbus

Happy Cash - \$1,000

Angelic Bully - \$1,000

Emerald Green 7's - \$700

Timothy Fahey, Nebraska City

Full Tank - \$250 Fuel Card

Kasandra Sale, North Platte

Marlene Wilson, Glenvil

Edward Cox, Auburn

MARCH 2010

Powerball - \$200,000

Jacqueline Brouillette, North Platte

Powerball - \$20,000

Raymond Derr, Lyman

Powerball - \$10,000

Jeffrey Spracklin, Omaha

Yves Menard, Springfield

Karla Connelly, Omaha

Mark Hawkins, Omaha

Alberto Gonzales, Omaha

Rocki Schleu, Omaha

Ronald Hill, Fremont

Powerball - \$500

Ben Yates, North Platte

Jeff Narouzzo, Omaha

Richard Ross, Currie

Mega Millions - \$628

Paul Edwards, North Platte

Mega Millions - \$600

Jeff Tracy, Kearney

Michael Osborne, Crete

Kristie Marquardt, Cambridge

Nebraska Pick 5 - \$102,000

David Kearney, Overton

Nebraska Pick 5 - \$450

Doris Wilson, North Platte

Charles Smith, Omaha

2by2 - \$22,000

Susan Harris, Hamburg, IA

Kevin Goodban, Lincoln

Mel Irish, North Platte

MyDaY - \$5,000

George Lambert, Burchard

Kay Eggerss, Lincoln

Dale Pallett, Shelton

Art Sehr, Oakdale

Dale Boyd, Grand Island

Jimmy Eastberg, Fremont

Roxane Miller, Imperial

Gerald Eifert, Fremont

MyDaY - \$1,825

Douglas Obermire, Atkinson

Nebraska Pick 3 - \$1,200

Jeffrey Robb, Papillion (x3)

William Poole, Omaha

Nebraska Pick 3 - \$1,150

Jennifer Grobe, Grand Island

Nebraska Pick 3 - \$1,076

Janice Butler, Omaha

Nebraska Pick 3 - \$950

Suzanne Myers, North Platte (x3)

Nebraska Pick 3 - \$700

John Odom, Omaha

Stanley Livingston, Lincoln

Steven Poore, Hastings

Radames Alfaro Gracia, Columbus

Nebraska Pick 3 - \$650

Ernest Jackson, Omaha

Nebraska Pick 3 - \$600

Bennie Hall, Wayne

Sandi Couatts, Hastings

Baslin Ali, Grand Island

Lisa Prime, Omaha

Mel Irish, North Platte (x2)

Debra Williams, Omaha

William Poole, Omaha (x3)

Gilbert Anderson, Omaha

Lee Tinkler, Tecumseh

Rosalie Brainard, Cambridge

Dale Peterson, Kearney

Frances Buzynski, Columbus (x2)

Van Pacl, Wahoo

Paul Mollak, Omaha

Gerald Grashorn, Fremont (x3)

William Carter, Papillion (x2)

David Ziemer, Fremont

Josie McKissick, Papillion

Allison Shearer, York

Elizabeth Vaughn, LaVista

Nebraska Pick 3 - \$600 (continued)

Yeny Botello, Hastings

Carol Knauss, Grand Island

Kem Crocker, Omaha (x2)

Jim Heflinger, Omaha

Jess Mullanix, Alliance

Sally Schaaf, Grand Island

Patricia Conn, Omaha

Michelle Brouillette, North Platte

Terence Powell, Omaha

Jeremy Anzaldo, Omaha

Cici Crosby, Lincoln

Julie West, Talmage

Gwen Cook, Lincoln

Mitchell Patricks, Genoa

Joe Heard, Omaha

David Westphalen, Schuyler

Black Pearls - \$100,000

Dennis Prokopec, Carter Lake, IA

Black Pearls - \$1,000

John York, Nebraska City

Black Pearls - \$500

Jerald Uehling, Norfolk

Caesars High Roller - \$80,000

Charles Walker, Lincoln

Caesars High Roller - \$1,000

Suzanne Myers, North Platte

Violet Johnston, Hastings

Caesars High Roller - \$500

Mary Ann Rogers, Norfolk

Fabulous Fortune - \$50,000

Michelle Dieter, Weeping Water

Fabulous Fortune - \$1,000

Randy Sindelar, Omaha

Peppermint Twist Big Bingo - \$40,000

Thomas Walsh, Lincoln

Wild Bingo - \$35,000

Judith Hawley, Cozad

Reina Urias, Omaha

Mariesha Brown, Beatrice

Bonus Crossword - \$35,000

Richard Unger, Columbus

Bonus Crossword - \$1,000

Robert Doudney, Gothenburg

5x Lucky - \$30,000

Andrew Steinbach, Lincoln

Sapphire Blue 7's - \$17,000

Cheng Hui Pan, Grand Island

Sapphire Blue 7's - \$700

Nancy Schizas, Omaha

Nebraska 101 - \$10,000

Tracy MacKey, Lincoln

Quick 7's - \$7,000

John Lucus, Papillion

Triple Tripler - \$3,333

Jerrilyne Shook, Omaha

Beginners Luck - \$2,500

Mary Nelson, Fremont

Kristi Davis, Springfield

Happy Cash - \$1,000

Christine Antoniak, Bellevue

World Series of Poker - \$1,000

Gregory Wermer, Fremont

Beat the House - \$1,000

Troy Laughlin, Elm Creek

Diamond Mine 9x - \$1,500

Hank Kobza, Bellwood

Quick 7's Deluxe - \$1,000

William Beebe, Mitchell

Billboard - \$1,000

Randy Love, Grand Island

Emerald Green 7's - \$700

Walt Riley, Seward

Jack Aegerter, Seward

Barbara Fogerty, Hickman

Diane Adkins, Shelby

Ian Olson, Red Cloud

APRIL 2010

Powerball - \$200,000

Mike Skeels, Grant

Powerball - \$20,000

Scott Leatherman, Wallace

Powerball - \$10,000

Ellen Heller, David City

Powerball - \$10,000

Larry Pasco, Davey

Larry Hamilton, Crofton

Sally Maslonka, Fremont

Donna Herring, Bellevue

David Weber, Lincoln

Powerball - \$520

Margaret Koch, Alliance

Nebraska Pick 5 - \$198,000

Frank Stoysich, Omaha

Nebraska Pick 5 - \$50,000

Rosemary Dillow, Lincoln

Nebraska Pick 5 - \$918

Richard Thomas, Omaha

Nebraska Pick 5 - \$900

Mary Sampson Plattsmouth

2by2 - \$22,000

Arthur Palmer, Omaha

2by2 - \$22,000

Marilyn Duin, Omaha

Marilyn Anderson, North Platte

Jason Schrader, David City

Mega Millions - \$628

Tveesak Prapassarangkool, Papillion

Mega Millions - \$608

Mike Riley, Omaha

Andrew Elliott, Omaha

Mega Millions - \$600

William Unger, Omaha

Reita Maret, Omaha

Bill Orton, Norfolk

Deb Hovey, Bellevue

James Parrish, Tecumseh

MyDaY - \$5,000

Janelle Kelley, Central City

MyDaY - \$5,000

Jessica Jensen, Pierce

Gary Mumm, Bellevue

MyDaY - \$5,000

Lois Schaaf, Stuart

Leslie Simons, Lincoln

Carolyn Jackson, Omaha

Charles Weber, Bennet

Tory Hansen, Blair

Nebraska Pick 3 - \$952

Sarah Weah, Lincoln

Nebraska Pick 3 - \$950

Dorothy Spence, Polk

Nebraska Pick 3 - \$700

Sheila Perry, Lincoln

Nebraska Pick 3 - \$650

Kem Crocker, Omaha

Nebraska Pick 3 - \$650

Dewayne Staley, Omaha

Nebraska Pick 3 - \$600

Gail Barger, Omaha

Lemuel Bates, Nebraska City

Leroy Bollwitt, Fremont (x7)

Jose Castaneda, York

Kem Crocker, Omaha

Ronald Fowler, Grand Island

Lakeesha Harbour, Omaha

Jim Heflinger, Omaha

Gloria Jackson, Omaha

Michele Jimerson, Omaha (x2)

Kerry Lauritsen, Dannebrog

Roland Ledesma, Lincoln

Walter Malson, Lincoln

Dennis McMahon, Omaha

Roger McNeil, Utica

Carl Meridy, Omaha

Dennis Nichelson, Utica

Steve Pospisil, Norfolk

Tom Rea, Lincoln (x3)

Bob Ritonya, Omaha

Lee Van Nurden, Bellevue (x2)

Cherri Wegner, Omaha

Sharon Workman, Omaha

Richard Zayas, Omaha

Fabulous Fortune - \$50,000

Matthew Roucka, Elkhorn

Fabulous Fortune - \$1,000

Dennis Chabot, Morrill

World Series of Poker - \$50,000

Brent Daniel, Jr., Lincoln

World Series of Poker - \$1,000

Sandra Carney, Beatrice

John Dugan, Jr., Lincoln

2X Wild Bingo - \$35,000

Jitana Schreiner, Fairmont

Quick 7's Deluxe - \$15,000

Gayle Pokorny, Lincoln

Triple Tripler - \$3,333

Jeanette Brezina, Papillion

Wild 7's Tripler - \$3,000

Stephen Daley, Omaha

Jenna, Brehkreutz, Kearney

Caesars High Roller - \$1,000

Anne Warner, Lincoln

Juan Torres, Scottsbluff

Golden Riches - \$1,000

Heather Pedersen, Lincoln

Totally Topaz Tripler - \$1,000

Walter Malson, Lincoln

Treasure Hunter - \$1,000

Marvin Mittelstaedt, Norfolk

Emerald Green 7's - \$700

Patricia McGregor, Lincoln

Steve Pospisil, Norfolk

Ron Tweedy, Lincoln

Jessica McGinley, Hebron

Sharon Rogman, Lincoln

Patty Lopez, Norfolk

Full Tank - \$250 Fuel Card

Richard Cherek, Bellevue

Karen Roskilly, Fairbury

Ron Volentine, Kearney

MAY 2010

Powerball - \$20,056

James Story, Stapleton

Powerball - \$10,000

Chris Weires, Omaha
Clifton Poling, Omaha
Robert Bauers, Weeping Water

Mega Millions - \$10,000

Jeffrey Cullison, Beatrice

Mega Millions - \$600

Elmal Wisdom, Bellevue
Vivian Young, Omaha
Lem Bates, Nebraska City (x2)
LaDonna Hohlfeld, Hastings
Judy Wright, Crawford
Delno Kuchta, Yanton, SD
Kenneth Sabata, Valparaiso
Georgia Elrod, Lincoln
Howard Swartz, Lexington
Jerome Sokolovsky, Fremont
David Mosley, Omaha

Nebraska Pick 5 - \$146,000

Roger Schorn, Dodge

Nebraska Pick 5 - \$74,000

Gary Rowell, Omaha

Nebraska Pick 5 - \$900

Kenneth Phillips, Omaha

2by2 - \$22,000

Sinke Haile, Lincoln (x2)
Cindy Evenson, Lincoln

MyDaY - \$5,000

Susan McMann, Chadron

MyDaY - \$5,000 (continued)

Lynn Eacker, Sumner
Joyce Faltis, Omaha
Reita Marget, Omaha
Christopher Lienemann
Nebraska Pick 3 - \$1,050
Roxanna Jokela, Omaha
Nebraska Pick 3 - \$1,000
Roxanna Jokela, Omaha
Nebraska Pick 3 - \$700
William Bedinger (x2)
Steven Poore (x2)
Eugene Makkowski, Oshkosh
Nebraska Pick 3 - \$600
Gary Lee James, Ruskin
Peggy Carlin, Humboldt
Margarita Ortiz de Manno, Schuyler
Jennifer Martinez, Grand Island
Roland Ledesma, Lincoln
Joe Mattox, Omaha
Laurie Heise, Lincoln
Donald Baumfalk, Firth
Nicholas Coultz, Kenesaw
Sheila Spitz, Columbus
Peter Jones, Papillion (x4)
Linda Schumacher, Omaha
Robert Stark, Omaha
Lewis Shannon, Omaha
John Braden, Lincoln
Michael Anderson, Lincoln
Walter Malson, Lincoln
Sandra Hall, Lincoln

Nebraska Pick 3 - \$600 (continued)

Linda Schiffelbein, McCook
David Engel, Omaha
Elizabeth Vaughn, LaVista
Tom McMahon, West Point
Glen Roebke, Seward
Suzanne Myers, North Platte (x4)
Kenneth Poland, Omaha (x2)
Mel Montgomery, Wilber
William Bale, McCook
Lisa Brouillette, North Platte
Sharron Haith, Lincoln
Dennis McMahon, Omaha
Mel Irish, North Platte
Cheryl Schledewitz, Mitchell
Nebraska Pick 3 - \$550
Suzanne Myers, North Platte (x2)
Nebraska Pick 3 - \$453
Eugene Makkowski, Oshkosh
Truck\$ & Buck\$ - Truck
Kenneth Northup, Lincoln
Triple Tripler - \$50,000
Richard Kalvinek, Plattsmouth
Totally Topaz Tripler - \$50,000
Donald Gittins, Omaha
2x Wild Bingo - \$35,000
Jamie Jensen, Kearney
Treasure Hunter, - \$35,000
Barbara Borer, Columbus
Maria Padilla, Kearney

Larry the Cable Guy - \$32,000

Robert Sherwood, Council Bluffs, IA

Larry the Cable Guy - \$1,000

Amber Arguello, Bellevue
Eugene Vander Veen, Morrill
Emerald Green 7's - \$17,000

Janice Mitchell, Omaha

Emerald Green 7's - \$700

Travis Hourlin, Gothenburg
Tina Chereck, LaVista
Kristi Evers, Lincoln

Quick 7's Deluxe - \$15,000

David Kistler, Omaha

Quick 7's Deluxe - \$1,000

John Weber, Lincoln

Black Cherry Doubler - \$5,000

Helen Armour, Grand Island

Money Jar - \$4,000

David Sopcich, Omaha

Play Nebraska - \$2,500

John Demler, Omaha

Hook, Line & Sinker - \$2,000

Dustin Lawless, Ravenna

Caesars High Roller - \$1,000

Kent Burt, Bushnell

Hot 7's - \$777

Melissa Solomon, Sidney

Full Tank - \$250 Fuel Card

Kenneth Liess, Alda

JUNE 2010

Powerball - \$10,000

William Halloran, Omaha
Stacy Dunn, Omaha
Brian Kile, Omaha
Leslie Welker, Fremont
Peggy Packett, Pawnee City

Powerball - \$1,000

Dan Jensen, Omaha
Monica Zamarripa, Scottsbluff

Powerball - \$515

Denette Higel, Yutan

Mega Millions - \$10,000

Albert Ingram, Kearney
Cynthia Heilbrun, Sidney

Mega Millions - \$600

David Distefano, Omaha
Barnett Jordan, Omaha

Eric Hahn, Omaha

Don Tran, Lincoln

Anthony Johnson, Lincoln

Kirk Nichols, North Platte

Nebraska Pick 5 - \$146,000

Marvin Wilson, Lincoln

2by2 - \$22,000

Michael Taylor, Lincoln
Mark Murrell, Lincoln

MyDaY - \$5,000

Sharon Walters, Council Bluffs, IA
Nancy Nystrom, Omaha
Walter Dye, Mitchell
Penny Barlett, Cozad
MyDaY - \$3650
Douglas Obermire, Atkinson
Nebraska Pick 3 - \$3,000
Miguel Figueroa, Grand Island
Nebraska Pick 3 - \$1,250
Paula McDowell, North Platte
Nebraska Pick 3 - \$1,052
Julius Hill, Bellevue
Nebraska Pick 3 - \$950
Dorothy Spence, Polk
Nebraska Pick 3 - \$700
Jeffrey Ellison, Torrington, WY
Nebraska Pick 3 - \$600
Cathy Anderson, Omaha
Cheryl Schledewit, Mitchell
Christian Tuckson, Bellevue
Francis Coffey, Crete
Jose Romero, Lexington
Greg Smith, Lincoln
Roberta Kalvoda, Glenvil
Clark Myers, Scottsbluff

Nebraska Pick 3 - \$600 (continued)

Glen Leech, Lincoln (x2)
Hien Hguyen, Lincoln
Steve Pospisil, Norfolk
Jennifer Martinez, Grand Island
Scott Lanman, Norfolk
Rick Hull, Bellevue
Richard Wade, Auburn
Cindy Mickey, Plattsmouth
Lisa Brouillette, North Platte
Sharon Haith, Lincoln (x2)
Dennis McMahon, Omaha
Debra Williams, Omaha
Patricia Nelson, Bellevue
Jeffrey Ellison, Torrington, WY (x2)
Mary Jordon, Omaha
Bradley Kusel, Hartington
Heather Morgan, Lincoln
Black Pearls - \$100,000
Shane Frahm, Winside
Black Pearls - \$1,000
Andrew Hurner, Omaha
World Series Of Poker - \$50,000
Monte Lamond, Omaha
Cash Connection - \$35,000
Marvin Mittelstaedt, Norfolk

2x Wild Bingo - \$35,000

Steve Fischer, Fremont

Larry the Cable Guy - \$32,000

Jerri Theus, North Platte

Larry the Cable Guy - \$1,000

Anna Wieneke, West Point
Glenda Longmore, Scottsbluff
American Idol - \$12,000
Loreen Swearinger, Hiawatha, KS

Quick 7's - \$7,000

Matt Young, Kearney
Richard Garton, Beatrice

Goal! - \$3,000

Dan D'Agosta, Omaha
Fabulous Fortune - \$1,000

Dennis Poirier, Union

Truck\$ & Buck\$ - \$1,000 Fuel Card

Douglas Burge, Bellevue

Nebraska 101 - Trip

David Kenny, Lincoln

Hot 7's - \$777

Jana Willson, Wheatland, WY

Emerald Green 7's - \$700

Patricia Schreiber, Council Bluffs, IA

David Reeve, Mitchell

Full Tank - \$250 Fuel Card

Rodney Poe, Seward

FINANCIAL STATEMENTS



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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State Auditor

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NEBRASKA LOTTERY

INDEPENDENT AUDITORS' REPORT

State Tax Commissioner
Nebraska Department of Revenue, Lottery Division

We have audited the accompanying financial statements of the business-type activities of the Nebraska Lottery, as of and for the year ended June 30, 2010, which collectively comprise the Nebraska Lottery's basic financial statements, which include the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. These financial statements are the responsibility of the Nebraska Lottery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Nebraska Lottery, a division of the Nebraska Department of Revenue, are intended to present the financial position and changes in financial position of only that portion of the business-type activities of the State that is attributable to the transactions of the Nebraska Lottery. They do not purport to, and do not, present fairly the financial position of the business-type activities of the State of Nebraska as of June 30, 2010, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Nebraska Lottery, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2010, on our consideration of the Nebraska Lottery's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Nebraska Lottery's basic financial statements. The statistical information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The statistical information schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Signed Original on File

October 21, 2010

Don Dunlap, CPA
Assistant Deputy Auditor

(The Nebraska Lottery has not included the Management's Discussion and Analysis (MD&A), the statistical information schedules, and the Report on Internal Control over Financial Reporting and on Compliance and Other Matters, as noted above, in this annual report. The MD&A is required supplementary information that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements. The additional schedules, MD&A, and the Report on Internal Control over Financial Reporting and on Compliance and Other Matters can be obtained from the Nebraska Lottery.)

STATEMENT OF NET ASSETS

As of June 30, 2010

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 7,349,896
Accounts Receivable, Net of Allowance (Note 4)	4,389,159
Prepaid Prizes	134,554
Prepaid Contract Costs - Instant	289,242

TOTAL CURRENT ASSETS

12,162,851

NONCURRENT ASSETS

Reserves on Deposit (Note 6)	1,889,960
Capital Assets	
Furniture, Fixtures, and Equipment (Note 5)	331,817
Less: Accumulated Depreciation	310,751
Total Capital Assets, Net	<u>21,066</u>

TOTAL NONCURRENT ASSETS

1,911,026

TOTAL ASSETS

\$14,073,877

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$439,112
Vendors Payable	1,605,283
Compensated Absences Payable (Note 7)	17,249
Accrued Payroll Payable	39,771
Withheld Taxes on Prizes Paid	27,402
Prizes Payable	4,886,918
Due to Other Funds	59,961
Other Accrued Liabilities	103,915

TOTAL CURRENT LIABILITIES

7,179,611

NONCURRENT LIABILITIES

Compensated Absences Payable (Note 7)	229,165
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TOTAL NONCURRENT LIABILITIES

229,165

TOTAL LIABILITIES

7,408,776

NET ASSETS

Invested in Capital Assets	21,066
Restricted for Future Prizes (Note 6)	1,889,960
Unrestricted (Note 10)	4,754,075

TOTAL NET ASSETS

6,665,101

TOTAL LIABILITIES AND FUND EQUITY

\$ 14,073,877

The accompanying Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For The Year Ended June 30, 2010

OPERATING REVENUE	
Sales	\$134,284,050
Less: Sales Returns	<u>3,703,899</u>
TOTAL OPERATING REVENUE	<u>130,580,151</u>
OPERATING EXPENSES	
Prize Expense	75,034,151
Retailer Commissions	8,110,082
Contractual Services Expense	9,213,557
Marketing	4,765,251
Lottery Operating	<u>1,825,553</u>
TOTAL OPERATING EXPENSES	<u>98,948,594</u>
OPERATING INCOME	<u>31,631,557</u>
NONOPERATING REVENUES	
Interest Income	364,440
Multi-State Lottery Association Income	<u>32,998</u>
TOTAL NONOPERATING REVENUES	<u>397,438</u>
INCOME BEFORE OPERATING TRANSFERS	32,028,995
TRANSFERS TO OTHER FUNDS (Note 9)	<u>(32,000,274)</u>
CHANGE IN NET ASSETS	28,721
TOTAL NET ASSETS, BEGINNING OF YEAR	<u>6,636,380</u>
TOTAL NET ASSETS, END OF YEAR	<u>\$ 6,665,101</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF CASH FLOW

For The Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Ticket Sales	\$131,315,546
Prizes Paid to Winners	(75,418,456)
Commissions Paid to Retailers	(8,104,385)
Paid to Contractors for Goods and Services	(13,532,827)
Paid to Employees	(1,412,901)
Other Operating Expenses	(477,252)
Powerball® Grand Prize Winner Receipts from MUSL	5,030,000
Payments to Powerball® Grand Prize Winners	(5,030,000)
Net Cash Provided by Operating Activities	<u>32,369,725</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Paid to Education Innovation Fund	(6,221,304)
Paid to Nebraska Scholarship Fund	(7,796,316)
Paid to State Fair Support and Improvement Fund	(3,150,031)
Paid to Environmental Trust Fund	(14,017,622)
Paid to Compulsive Gamblers Assistance Fund	(815,002)
Net Cash Used in NonCapital Financing Activities	<u>(32,000,275)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Cash	364,440
Multi-State Lottery Association Income	128,906
Net Cash Provided by Investing Activities	<u>493,346</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	862,796
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,487,100
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,349,896</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 31,631,557
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	13,901
Changes in Assets (Increase) Decrease in	
Reserves on Deposit	6,035
Prepaid Prizes	(43,136)
Accounts Receivable (Net)	1,679,745
Prepaid Contract Costs - Instant	(24,362)
Changes in Liabilities Increase (Decrease) in	
Other Accrued Liabilities	(51,113)
Accounts Payable and Due to Other Funds	386,027
Prizes Payable	(1,349,990)
Compensated Absences and Accrued Payroll Payable	(48,367)
Withheld Taxes on Prizes Paid	(17,741)
Vendor Payable	187,169
Total Adjustments	<u>738,168</u>
Net Cash Provided by Operating Activities	<u>\$ 32,369,725</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Nebraska Lottery have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. As the Nebraska Lottery is a business-type activity, the financial statements presented are the financial statements required by Governmental Accounting Standards Board (GASB) Statement Number 34 for an enterprise fund. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The financial statements have been prepared primarily from data maintained by the Nebraska Lottery on computer systems provided by the instant and on-line game vendors and from accounts maintained by the State Accounting Administrator of the Department of Administrative Services.

B. Reporting Entity

The Nebraska Lottery was established on February 24, 1993, by the Nebraska Legislature as a division of the Nebraska Department of Revenue established under and governed by the laws of the State of Nebraska. As such, the Nebraska Lottery is exempt from State and Federal income taxes. The financial statements include all funds of the Nebraska Lottery. The Nebraska Lottery is to provide an instant win and a random number selection on-line lottery. The net proceeds as outlined in Neb. Rev. Stat. § 9-812 (Supp. 2009) are to be transferred to the Education Innovation Fund, the Nebraska Scholarship Fund (2010 Neb. Laws LB 956 changed the Nebraska Scholarship Fund to the Nebraska Opportunity Grant Fund as of July 1, 2010), the Nebraska Environmental Trust Fund, and the Compulsive Gamblers Assistance Fund. As of January 1, 2005, Neb. Const. art. III, Section 24, Amendment 4, required an additional transfer to the State Fair Support and Improvement Cash Fund, a fund of the State Fair Board. The financial statements include only the Nebraska Lottery and are not intended to present the financial position of the Nebraska Department of Revenue or the results of operations and changes in fund balances of the Department as a whole. The Nebraska Department of Revenue is part of the primary government for the State of Nebraska's reporting entity.

The Nebraska Lottery has also considered all potential component units for which it is financially accountable, and other organizations which are fiscally dependent on the Nebraska Lottery, or the significance of their relationship with the Nebraska Lottery is such that exclusion would be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Nebraska Lottery to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Nebraska Lottery.

These financial statements present the Nebraska Lottery. No component units were identified.

C. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Nebraska Lottery financial statements were reported using the economic resources measurement focus and the accrual basis of accounting. With the economic resources measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fund equity (i.e., net total assets) is segregated

into restricted and unrestricted net assets. The Nebraska Lottery's operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Revenues generated from the sale of lottery tickets are reported as operating revenues. Transactions which are capital financing, non-capital financing, or investing related are reported as non-operating revenues. All expenses related to operating the Nebraska Lottery are reported as operating expenses. All other expenses are reported as non-operating expenses.

Instant ticket revenue is recognized when tickets are sold to the retailer and on-line revenue is recognized after the drawing is completed for the respective wagers. A 5% or 6% retailer commission and prize expense are recognized at the same time. Revenues from the sale of on-line tickets for future drawings and the related agent commission and prize expense are deferred until the drawings are held.

Prize expense is recognized in the same period ticket revenue is recognized based on the predetermined prize structure for each game. Because the instant prize winning tickets are randomly distributed throughout the tickets and because some winning tickets will be lost, destroyed, or unredeemed for other reasons, there will be differences between amounts accrued and the amounts actually paid. These differences, denoted as unclaimed prizes, are recognized as a reduction of prize expense 181 days after the close of each instant game and 181 days after each draw for on-line games as prizes unclaimed for 180 days expire. Total unclaimed prizes for the fiscal year ended June 30, 2010, were \$1,795,676.

In September 1993, GASB issued Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting." This Statement is effective for financial statement periods beginning after December 15, 1993. As permitted by the Statement, the Nebraska Lottery has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, unless GASB specifically adopts such FASB statements or interpretations.

The activities of the Nebraska Lottery are accounted for as an enterprise fund. Enterprise funds are used to account for governmental operations that are financed and operated in a manner similar to private business enterprises and where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net assets is appropriate.

D. Cash and Cash Equivalents

In addition to bank accounts and petty cash, this classification includes all short-term investments such as certificates of deposit, repurchase agreements, and U.S. treasury bills. These short-term investments may have original maturities (remaining time to maturity at acquisition) greater than three months however cash is available and is considered cash and cash equivalents for reporting purposes. These investments are stated at cost, which at June 30, 2010, approximates market. Banks pledge collateral, as required by law, to guarantee State funds held in time and demand deposits.

Cash and Cash equivalents are under the control of the State Treasurer or other administrative bodies as determined by law. Investments of all available cash is made by the State Investment Officer on a daily basis, based on total bank balances. These funds are held in the State of Nebraska Operating Investment Pool (OIP), an internal investment pool. Interest earned on these investments is allocated to funds based on their percentage of the investment pool. Additional information on the deposits and investments portfolio including investment policies, risks, and types of investments can be found in the State of Nebraska's Comprehensive Annual Financial Report (CAFR).

E. Budgetary Process

The State's biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, the Nebraska Lottery and all other State agencies must submit their budget requests for the biennium beginning the following July 1. The requests are submitted on forms that show estimated funding requirements by programs, sub-programs, and activities. The Executive Branch reviews the requests, establishes priorities, and balances the budget within the estimated resources available during the upcoming biennium.

The Governor's budget bill is submitted to the Legislature in January. The Legislature considers revisions to the bill and presents the appropriations bill to the Governor for signature. The Governor may: a) approve the appropriations bill in its entirety, b) veto the bill, or c) line item veto certain sections of the bill. Any vetoed bill or line item can be overridden by a three-fifths vote of the Legislature.

The approved appropriations will generally set spending limits for a particular program within the agency. Within the agency or program, the Legislature may provide funding from one to five budgetary fund types. Thus, the control is by fund type, within a program, within an agency. Appropriations are usually made for each year of the biennium, with unexpended balances being reappropriated at the end of the first year of the biennium. For most appropriations, balances lapse at the end of the biennium.

All State budgetary expenditures for the enterprise fund type are made pursuant to the appropriations, which may be amended by the Legislature, upon approval by the Governor. State agencies may reallocate the appropriations between major objects of expenditure accounts, except that the Legislature's approval is required to exceed the personal service limitations contained in the appropriations bill. Increases in total appropriations must also be approved by the Legislature as a deficit appropriations bill. Revenues are not budgeted.

F. Receivables and Related Allowance for Uncollectible Amounts

Receivables are reported net of estimated allowances for uncollectible amounts which is estimated based upon past collection experience and current economic conditions.

G. Capital Assets

Capital assets include equipment which is valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

Generally, equipment which has a cost in excess of \$1,500 at the date of acquisition and has an expected useful life of two or more years is capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or extend the asset life is not capitalized.

Equipment is depreciated using the straight line method over the estimated useful lives of three to seven years.

H. Compensated Absences

All permanent employees working for the Nebraska Lottery earn sick and annual leave and are allowed to accumulate compensatory leave rather than being paid overtime. Temporary and intermittent employees are not eligible for paid leave. The liability has been calculated using the vesting method, in which leave amounts, for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination, are included.

Nebraska Lottery employees accrue vested annual leave at a variable rate based on years of service. Generally, accrued annual leave cannot exceed 35 days at the end of a calendar year. Employees accrue sick leave at a variable rate based on years of service. In general, accrued sick leave cannot exceed 180 days. There is no maximum limit on the accumulation of sick leave days for employees under certain labor contracts. Sick leave is not vested except upon death or upon reaching the retirement eligibility age of 55, or at a younger age if the employee meets all criteria necessary to retire under the primary retirement plan covering his/her State employment, at which time the State is liable for 25 percent of the employee's accumulated sick leave. Employees under certain labor contracts can only be paid a maximum of 60 days.

The Nebraska Lottery financial statements recognize the expense and accrued liability when vacation and compensatory leave is earned or when sick leave is expected to be paid as termination payments.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal-year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. CONTINGENCIES AND COMMITMENTS

Risk Management. The Nebraska Lottery is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, injuries to employees, and natural disasters. The Nebraska Lottery, as part of the primary government for the State, participates in the State's risk management program. DAS is responsible for maintaining the insurance and self-insurance programs for the State. The State generally self-insures for general liability, employee health care, employee indemnification, and Workers' compensation. The State has chosen to purchase insurance for:

- A. Motor vehicle liability, which is insured for the first \$5 million of exposure per accident with a self-insured retention of \$300,000 per accident, except for accidents involving vehicular pursuit which have a \$1,000,000 self-insured retention per accident. Insurance is also purchased for physical damage and uninsured and underinsured motorists with various limits and deductibles. State agencies have the option to purchase coverage for physical damage to vehicles.

- B. Life insurance for eligible employees.
- C. Crime coverage, with a limit of \$31 million for each loss, and a \$25,000 self-insured retention per incident subject to specific conditions, limits, and exclusions.
- D. Real and personal property on a blanket basis for losses up to \$250,000,000, with a self-insured retention of \$200,000 per loss occurrence. Newly acquired properties are covered up to \$5,000,000 for 120 days or until the value of the property is reported to the insurance company. The perils of flood, earthquake, and acts of terrorism have various coverage, sub-limits, and self insurance. State agencies have the option to purchase building contents and inland marine coverage.

Details of the various insurance coverages are available from DAS - Risk Management Division.

No settlements exceeded commercial insurance coverage in any of the past three fiscal years. Health care insurance is funded in the Insurance Trust Funds through a combination of employee and State contributions. Workers' compensation is funded in the Workers' Compensation Internal Service Fund through assessments on each agency based on total agency payroll and past experience. Tort claims, theft of, damage to, or destruction of assets, errors or omissions, and natural disasters would be funded through the State General Fund or by individual agency assessments as directed by the Legislature, unless covered by purchased insurance. No amounts for estimated claims have been reported in the Nebraska Lottery's financial statements.

Litigation. The potential amount of liability involved in litigation pending against the Nebraska Lottery, if any, could not be determined at this time. However, it is the Nebraska Lottery's opinion that final settlement of those matters should not have an adverse effect on the Nebraska Lottery's ability to administer current programs. Any judgment against the Nebraska Lottery would have to be processed through the State Claims Board and be approved by the Legislature.

3. STATE EMPLOYEES RETIREMENT PLAN (PLAN)

The single-employer plan became effective by statute on January 1, 1964. The plan consists of a defined contribution option and a cash balance benefit. The cash balance benefit is a type of defined benefit plan. Each member employed and participating in the retirement system prior to January 1, 2003, elected to either continue participation in the defined contribution option or begin participation in the cash balance benefit. The defined contribution option is closed to new entrants. All new members of the Plan on and after January 1, 2003, become members of the cash balance benefit. The benefits and funding policy of the Plan is established and can only be amended by the Nebraska Legislature.

All permanent full-time employees are required to begin participation in the retirement system upon employment. All permanent part-time employees, who have attained the age of twenty years, may exercise the option to begin participation in the retirement system.

Contribution. Per statute, each member contributes 4.8% of his or her monthly compensation. The Nebraska Lottery matches the member's contribution at a rate of 156%. The employee's and employer's contributions are kept in separate accounts.

The employee's account is fully vested. The employer's account is fully vested after a total of three years of participation in the system, including credit for participation in another Nebraska governmental plan prior to actual contribution to the Plan.

Defined Contribution Option. Upon attainment of age 55, regardless of service, the retirement allowance shall be equal to the sum of the employee and employer account. Members have several forms of payment available, including withdrawals, deferrals, annuities, or a combination of these.

Cash Balance Benefit. Upon attainment of age 55, regardless of service, the retirement allowance shall be equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment in the normal form. The normal form of payment is single life annuity with five year certain, payable monthly. Members will have the option to convert their member cash balance account to a monthly annuity with built in cost-of-living adjustments of 2.5% annually. Also available are additional forms of payment allowed under the Plan which are actuarially equivalent to the normal form, including the option of lump-sum or partial lump-sum.

For the fiscal year ended June 30, 2010, employees contributed \$50,707 and the Nebraska Lottery contributed \$79,103. A separate plan report is issued and can be obtained from the Nebraska Public Employees Retirement System. This report contains full pension-related disclosures.

The State of Nebraska Comprehensive Annual Financial Report (CAFR) also includes pension related disclosures. The CAFR report is available from the Nebraska Department of Administrative Services – Accounting Division or on the Nebraska Auditor of Public Accounts website at www.auditors.state.ne.us.

4. RECEIVABLES

Retailers comprised principally of grocery stores, convenience stores, and off sale liquor stores serve as the primary distribution channel for lottery sales to the general public. No one retailer accounts for a significant amount of the Nebraska Lottery's sales or accounts receivable. Retailers must pay for instant lottery tickets 45 days after activation or when the pack is 70% validated whichever comes first. Retailers pay for on-line tickets each Wednesday for balances due through the previous Saturday. The retailers accounts receivable is net of allowance for uncollectible in the amount of \$42,227.

Accounts Receivable:	
Retailers (net)	\$4,134,722
Other	254,437
Total	<u>\$4,389,159</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Total Capital Assets	\$ 359,947	\$ -	\$ 28,130	\$331,817
Total Accumulated Depreciation	324,979	13,902	28,130	310,751
Total Capital Assets, Net	<u>\$ 34,968</u>	<u>\$ (13,902)</u>	<u>\$ -</u>	<u>\$ 21,066</u>

6. ON-LINE LOTTO GAMES

During the fiscal year ended June 30, 2010, the Nebraska Lottery offered a variety of on-line games as described in the following table.

Game Name	Operated by	Nebraska's Share of Prize Reserves
Powerball®	MUSL	\$ 1,771,879
Nebraska Pick 5®	Nebraska Lottery	n/a
Nebraska Pick 3®	Nebraska Lottery	n/a
MyDaY®	Nebraska Lottery	n/a
Mega Millions®	MUSL	(9,601)
2by2®	MUSL	127,682
		<u>\$ 1,889,960</u>

The Nebraska Lottery is a member of the Multi-State Lottery Association (MUSL) which operates games on behalf of participating state lotteries. Each MUSL member sells on-line game tickets through its agents and makes weekly payments to MUSL in an amount equal to each game's prize structure, less amounts retained for prizes paid directly to the winners by each member lottery. MUSL maintains prize reserve funds on each game to serve as a contingency reserve to protect from unforeseen prize liabilities. The money in these reserve funds is to be used at the discretion of the MUSL Board of Directors. The prize reserve funds are refundable to MUSL members if MUSL disbands or if a member leaves MUSL. Members leaving MUSL must wait one year before receiving their remaining share of the prize reserve funds.

The Powerball® and Mega Millions® grand prizes can be paid either as annual installments or a lump sum cash payment, depending on the selection of the winner when claiming the prize. If the winner selects annual installments, MUSL purchases bonds which are held in trust to fund the future installments. Maturities are staggered in order to provide adequate cash flow for each installment. MUSL is responsible for paying amounts owed to the grand prize winners. The assets and related liabilities are reflected in MUSL's financial statements and, therefore, are not reflected in the Nebraska Lottery's financial statements.

7. NONCURRENT LIABILITIES

Changes in noncurrent liabilities for the year ended June 30, 2010, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$246,274	\$17,379	\$17,239	\$246,414	\$17,249

8. LEASE COMMITMENTS

The minimum annual office lease payments for operating leases as of June 30, 2010, are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 49,753
2012	49,754
2013	51,137
2014	52,060
2015	53,013
2016-2017	109,009
Total	<u>\$ 364,726</u>

Total operating lease payments for the year ended June 30, 2010, were \$49,753.

9. SIGNIFICANT COMPLIANCE REQUIREMENTS

The Nebraska Constitution establishes the basic requirements for the transfer of lottery ticket sales to certain beneficiary funds. The portion designated for the education beneficiary can be amended by the Legislature. Neb. Rev. Stat. § 9-812 (Supp. 2009), as amended, identifies the specific requirement and they are as follows: Beginning October 1, 2003, a portion of the dollar amount of the lottery tickets, which have been sold on an annualized basis, shall be transferred to the beneficiary funds. The dollar amount transferred shall equal the greater of (a) the dollar amount transferred to the funds in fiscal year 2002-2003 or (b) any amount which constitutes at least twenty-two percent and no more than twenty-five percent of the dollar amount of the lottery tickets sold on an annualized basis. To the extent that funds are available, the Tax Commissioner and Lottery Director may authorize a transfer exceeding twenty-five percent. Neb. Rev. Stat. § 9-812 (Supp. 2009), as amended, further requires the following: Of the money remaining after the payment of prizes and operating expenses; the first five hundred thousand dollars shall be transferred to the Compulsive Gamblers Assistance Fund. Of the money remaining after the payment of prizes, operating expenses, and transfer to the Compulsive Gamblers Assistance Fund; nineteen and three-fourths percent shall be transferred to the Education Innovation Fund, twenty-four and three-fourths percent shall be transferred to the Nebraska Scholarship Fund (2010 Neb. Laws LB 956 changed the Nebraska Scholarship Fund to the Nebraska Opportunity Grant Fund as of July 1, 2010), forty-four and one-half percent shall be transferred to the Nebraska Environmental Trust Fund, ten percent shall be transferred to the State Fair Support and Improvement Cash Fund, and one percent shall be transferred to the Compulsive Gamblers Assistance Fund.

As required under its enabling legislation, transfers of \$32,000,274 were made to other funds during the fiscal year.

The Nebraska Lottery develops game structures to comply with the minimum prize provision of its enabling legislation, which requires a minimum of forty percent must be paid in prizes. Prizes are redeemable for 180 days after game end or applicable on-line drawing.

The Nebraska Lottery compares the social security number of each winner that has a per wager prize in excess of \$500 against a list of social security numbers having an outstanding State tax liability or delinquent child support payments. Any delinquent payments are withheld from winnings and forwarded to the appropriate State agency. During the fiscal year the Nebraska Lottery collected \$16,459 in delinquent State taxes and \$6,746 in delinquent child support payments.

Operating Transfers In/Out will not balance and Due To/From Other Funds will not balance, within the Nebraska Lottery's financial statements, as the Nebraska Lottery only represents part of the State's primary government.

10. NET ASSETS

The Nebraska Lottery's unrestricted net assets represent funds not legally restricted for any specific purpose. The funds, however, may only be used to fund additional prize pay-outs, transfers to the beneficiary funds or additional operating expenses of the Nebraska Lottery. It is management's intention to use the unrestricted net assets to fund additional prize pay-outs, retailer incentives, and other game enhancements.