



*Annual Report
and Resource Guide*

2009



**ANNUAL REPORT
AND RESOURCE GUIDE
July 1, 2008 through June 30, 2009**

Since beginning in 1993, the Nebraska Lottery has brought innovation to its work in the public-private marketplace.

This fiscal year, in addition to progress on various organizational fronts, a number of product developments helped position the Nebraska Lottery for another year of sales growth.

Throughout all activities and across all plans, the Nebraska Lottery has continually worked to be true to its mission—to generate proceeds for good causes as determined by citizens and the Legislature.

This Annual Report and Resource Guide documents the initiatives and outcomes that made 2008-2009 the seventh consecutive year of growth for the Nebraska Lottery.

A handwritten signature in black ink, reading "Doug A. Ewald".

Doug Ewald, Tax Commissioner

A handwritten signature in black ink, reading "James M. Haynes".

James M. Haynes, Director



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A one dollar bill from the Bank of De Soto, Nebraska.

General Information

The Nebraska Lottery sells \$1, \$2, \$3, \$5, \$10, and \$15 Scratch tickets, with prizes ranging from a free \$1 ticket up to \$150,000. 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®, 2by2®, MyDaY®, Nebraska Pick 3®, and Nebraska Pick 5®. MyDaY, Nebraska Pick 5, and Nebraska Pick 3 are offered exclusively in Nebraska. The other two games are operated on behalf of member lotteries by the Multi-State Lottery Association. Lotto drawings are held six nights a week, with the exception of Powerball 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.

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





A two and three dollar bill from the Waubee Bank of De Soto, Nebraska dated May 1, 1857.



Operations

Nebraska Lottery, Charitable Gaming Share Functionality

The Nebraska Lottery and Charitable Gaming Division of the Nebraska Department of Revenue have identified and realized a number of operational efficiencies since their merger in 2007.

A storefront location for greater public accessibility, and combined units that share administrative and support resources, policy and product review staff, and security and accounting staff have led in these efficiency gains. Other opportunities for enhanced service delivery are also being explored.



Agreement Has Improved Lottery Services

Since August of 2007, a pass-through agreement has been in effect so that Scratch tickets provided by GTECH are validated through the on-line game (Lotto) terminals provided by Intralot.

Nebraska Lottery retailers are better able to serve customers more efficiently, and sales and validation reports for Scratch and Lotto games are available to retailers through a single piece of equipment that operates in real-time via satellite link.

This single piece of equipment with satellite connectivity has expedited transactions for players and retailers, freed retailer counter space, and improved Scratch ticket security through real-time validation and inventory control functions.

GTECH provides Scratch game production and distribution, retailer sales support, and data processing services from its facility in Lincoln. Intralot provides Lotto game equipment and sales and technical support from its facility in Lincoln. The pass-through agreement allows Scratch game inventory, sales, and validation data to pass between the GTECH central processing computer system and the Intralot network processing system.

To facilitate the pass-through arrangement, the Nebraska Lottery exercised the option to extend its contract with GTECH for Scratch game production, distribution, and support

services for three years. The current contract with GTECH started on July 1, 2001, for a seven-year term, with the option of a three-year extension beyond the initial July 1, 2008, termination to July 1, 2011. The current seven-year contract with Intralot for Lotto game equipment and sales and technical support started on July 1, 2004, and runs through July 1, 2011.

Aligning the timing of the Scratch and Lotto contracts allows the Nebraska Lottery to solicit bids for a unified Scratch and Lotto system contract to start on July 1, 2011.

Advertising Agency Transition

On December 1, 2008, the Lottery issued a Request for Proposals (RFP) for Advertising and Marketing Services. On July 1, 2009, SKAR Advertising of Omaha became the “agency of record” for the Nebraska Lottery.

The transition came after an extensive RFP process involving several Nebraska agencies. The agency of record represents the Nebraska Lottery in the production and placement of print and broadcast advertising, relationship marketing, certain sponsorships, and promotions.

The three-year contract started July 1, 2009, and can be extended by as many as three one-year renewal periods.

SKAR Advertising is a full-service brand communications agency, headquartered in Omaha since 1962.

Online (LOTTO) Game Developments



MyDaY Launch Heralds Successful New Game

On October 1, 2008, a new calendar-based game, MyDaY, was introduced after nearly two years of research and planning.

A December 2006 survey of potential Lotto games conducted through the Nebraska Lottery Web site, www.nelottery.com, led to the decision to introduce MyDaY as the fifth Lotto game offered by the Nebraska Lottery.

MyDaY players select one number from 1 to 12 for the MONTH, one number from 1 to 31 for the DAY, and two numbers from 0 to 9 for the last two digits of the YEAR. Each MyDaY play costs \$1.

Prizes in MyDaY range from \$1 to \$5,000. The overall odds of winning any prize in MyDaY are 1 in 8.17. In all, there are seven ways to win.

MyDaY drawings are held six days a week, Monday through Saturday, with drawing results released to the news media and the public by 10:00 p.m. each night.

Prizes are determined by matching some or all of the numbers drawn, as shown below:

Get	Prize	Odds
Month + Day + Year	\$5,000	1 in 36,525
Day + Year	\$365	1 in 3,320
Month + Year	\$52	1 in 1,240
Month + Day	\$12	1 in 369
Year	\$7	1 in 113
Day	\$4	1 in 34
Month	\$1	1 in 13

Overall Odds: 1 in 8.17

MyDaY drawings are managed by the Nebraska Lottery using random number generation software. The software was developed internally, and underwent extensive testing by an independent industry testing laboratory.

Sales for MyDaY during the fiscal year (nine months) were nearly \$2.0 million.

Powerball Review Conducted, Changes Made

In January 2009, the Multi-State Lottery Association welcomed Florida to the group of lotteries offering the nation's most popular game, and launched enhancements to the game.

With the addition of four white ball numbers and the removal of three red ball numbers, Powerball officials sought to increase the size of the average jackpot won, while still making it easier to win other prizes. The white ball numbers are selected from a field of 59, and the red Powerball number is selected from a field of 39. The jackpot odds increased to 1 in 195.2 million, while the overall odds of winning any prize dropped to 1 in 35.1.

The addition of Florida also increased sales for Powerball, and has contributed to larger jackpots.

Improvements made to Powerball include:

- 1. The starting jackpot increased from \$15 million to \$20 million – the world's largest starting lotto game jackpot;**
- 2. The average jackpot increased from an expected average of \$95.5 million to \$141 million;**
- 3. The jackpot pool percentage was increased from (30.3% to 32.5%) to make the jackpot grow faster and larger;**
- 4. The Match 5 prize with the Power Play option now has a guaranteed 5X multiplier, pushing the second prize to \$1 million – and this \$1 million prize is paid in cash, in one lump sum;**
- 5. The overall odds of the game were reduced to add more than 3 million extra prizes won per year; and**
- 6. Power Play continues to be available on the bottom seven prize levels (2X to 5X).**

The price of a Powerball ticket remains unchanged at \$1, and players continue to have the option to play for enhanced prizes by adding Power Play. The Power Play option, which costs an extra \$1 per play, offers a random multiplier of 2X, 3X, 4X, or 5X for all cash prizes won (except the jackpot).

The unique Match 5 BONUS option, which increases the Match 5 prize pool when the game reaches record jackpots, also continues as a popular feature of the game. The Match 5 BONUS feature allows for the occasional creation of a rolling Match 5 pool intended to offer even more fun and greater prizes for players.

Over the course of the fiscal year, Powerball sales in Nebraska decreased about 5 percent. With the addition of MyDaY, 3 percent growth in Nebraska Pick 5 sales, and 1 percent growth in Nebraska Pick 3 sales, total Lotto sales for the fiscal year increased 0.4 percent in difficult economic times.

Scratch Developments



NEBRASKA
possibilities...endless™
visitnebraska.gov

Several months of planning and interagency cooperation culminated with the May 2009 introduction of Nebraska 101, a \$2 Scratch game featuring various Nebraska outdoor scenes and offering Nebraska vacations, as well as cash prizes.

The Nebraska Lottery and the Department of Economic Development Division of Travel & Tourism worked together to develop and promote the Nebraska 101 game.

Nebraska 101 features three top prizes of \$10,000, and six Nebraska trip prizes. Each vacation winner can choose a trip from a menu of 11 vacation packages provided by the Division of Travel & Tourism to destinations across the state. And just for fun, each Nebraska 101 ticket contains a trivia question about Nebraska events, locations, and history.

Not only did the Scratch game mark a new cooperative relationship between the Nebraska Lottery and the Division of Travel & Tourism, the artwork for the game's tickets was the most intricate offered by the Nebraska Lottery, featuring 12 different scenes from across the state.

The introduction of Nebraska 101 followed the fall debut of another \$2 Scratch game developed in concert with a state agency. Nebraska Wildlife features photos of six native species ranging from deer to turkey, provided by *NEBRASKAland Magazine* and the Nebraska Game and Parks Commission.



A 1921 Peace Silver Dollar.

Research And Relationships

The Nebraska Lottery operates a relationship marketing program and more than 200,000 Nebraskans have registered their preferences regarding Nebraska Lottery Scratch and Lotto games. These players receive mailings from the Nebraska Lottery concerning new games, contests and promotions, and winners and beneficiary fund projects. Registered players also receive birthday greetings and a coupon for a free ticket from the Nebraska Lottery.

In addition to the traditional forms of direct customer communication within the relationship marketing program, the Nebraska Lottery operates a dynamic element of the program on its Web site. The MVP Club has more than 35,000 active members who have registered their preferences through nelottery.com.

Regular research is conducted regarding the practices and perceptions of Nebraska Lottery players.

According to the 2008 Tracking Study, 49 percent of adult Nebraskans have played some form of gaming in the past year. This overall participation figure remains close to the proportion of adults who played a Nebraska Lottery game in the past year (44 percent).

The Tracking Study found that among all past-year players, 46 percent of Lottery purchases were planned. However, 25 percent of this overall audience indicated they never planned their purchases, while approximately the same proportion, 28 percent, indicated they always plan their Lottery purchases.

Twenty-nine percent of adult Nebraskans have played Scratch games in the past year. The median age of Nebraska Lottery Scratch ticket players is between 45 and 49, with a median household income between \$50,000 and \$69,999.

Forty percent of adult Nebraskans have played Powerball in the past year. The median age of Powerball (the best known on-line game) players is between 45 and 49, with a median household income between \$50,000 and \$69,999.

Previous research has shown that one in five players has given Nebraska Lottery tickets as a gift in the past year. That same research also found that at least 55 percent of players typically buy other store products when they buy Nebraska Lottery tickets. Further, about 25 percent of players report that the availability of Nebraska Lottery tickets affects where they buy groceries or gasoline.

In two polls conducted during December 2008 on the Nebraska Lottery Web site, nelottery.com, visitors were asked about holiday gift giving.

In the first poll, among 272 respondents, 48 percent indicated Nebraska Lottery tickets would be part of their holiday plans. In the second poll, 35 percent of 303 respondents said they had received Nebraska Lottery tickets as gifts during the holiday season.

The strong affinity that the eligible population has for the Nebraska Lottery is rooted in a history of broad public acceptance of lotteries.

Beneficiaries And Beneficiary Awareness

Research has repeatedly identified interest among players in hearing more about the beneficiary contributions of the Nebraska Lottery.

For the past few years, a multi-faceted effort has allowed the Nebraska Lottery to reach different audiences as it attempts to focus attention on the relationship between buying Nebraska Lottery tickets and the proceeds the Nebraska Lottery generates for its beneficiary programs.

This effort is a response to research conducted by the Nebraska Lottery that found significant player and public interest in beneficiary information. The fact that Nebraska Lottery proceeds benefit worthy causes is a major motivation to play for approximately half of those surveyed. Additionally, nearly three quarters of respondents believe more should be done to call attention to proceeds and beneficiary programs.

A combination of television, radio, theatre, print advertising, and certain sponsorships is used throughout the year to highlight the work of Nebraska Lottery beneficiary funds.

By the end of the fiscal year, the Nebraska Lottery had distributed a total of \$349,354,650 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 percent) – currently divided between the Education Innovation Fund and Nebraska Scholarship Fund;**
- **Nebraska Environmental Trust Fund (44.5 percent);**
- **Nebraska State Fair (10 percent); and**
- **Compulsive Gamblers Assistance Fund (1 percent, plus the first \$500,000 in fund proceeds each fiscal year).**

The funds' respective totals as of June 30, 2009 were:

Education Innovation Fund	\$123,952,109
Nebraska Scholarship Fund	\$ 37,931,975
Nebraska Environmental Trust Fund	\$143,423,085
Nebraska State Fair Support and Improvement Fund	\$ 12,687,938
Compulsive Gamblers Assistance Fund	\$ 7,898,547

Prior to July 1, 1997, the Solid Waste Landfill Closure Assistance Fund received proceeds totaling \$18,460,996. In 2004, the Legislature directed that a one-time transfer of \$5 million be made to the State General Fund.



Public Policy Development

Passage of LB 286 by the Nebraska Legislature during its 2009 session represents a significant public policy development. A sunset date provision of the State Lottery Act governing the distribution of proceeds was eliminated, and language relating to the share of annualized lottery sales to be transferred to beneficiary funds was updated.

This legislation required that the dollar amount transferred to beneficiaries equals the greater value of:

- The dollar amount transferred to the funds in Fiscal Year 2002-2003, approximately \$20.2 million; or
- Any amount which constitutes at least 22 percent and no more than 25 percent of the amount of tickets sold on an annualized basis.

The Tax Commissioner and Lottery Director were also authorized to transfer funds in excess of 25 percent of the dollar amount of lottery tickets sold on an annualized basis, to the extent that funds are available. Prior to passage of legislation in 2003, the share of proceeds transferred to beneficiaries had been set at 25 percent. Since then, the Nebraska Lottery has been able to augment game prizes in order to increase sales, and therefore produce additional revenue for the beneficiary programs.

Web Site

The utility of the Nebraska Lottery Web site continues to grow, along with the sheer volume of visits. During the fiscal year, visits to nelottery.com grew by seven percent to more than 3 million.

In addition to product information and stories about winners, nelottery.com offers visitors a chance to learn more about Nebraska Lottery beneficiaries, register their opinions by participating in surveys and polls, and qualify to win prizes by entering contests.



A one dollar silver certificate bill.

Retailers

The Nebraska Lottery sells Scratch and Lotto tickets through a retailer network of approximately 1,200 locations statewide. Nebraska Lottery retailers range from convenience stores to supermarkets and from service stations to cafes. Nebraska Lottery tickets may not be sold in establishments licensed for the consumption of alcohol. Players must be at least 19 years old in order to purchase and redeem Nebraska Lottery tickets.

Previous research among retailers found that carrying Lottery tickets is viewed as a customer service by 62 percent of retailers responding. Another 36 percent of retailers said they believe Lottery tickets are both a customer service and a profit center for their stores.

The statewide sales leaders for the fiscal year are listed here:

Scratch, Top 10

Skagway 5-Points, Grand Island
Uncle Neal's #3, Lexington
Corner Stop, Columbus
Coffin's Corner, Grand Island
Pump & Pantry #16, York
Gas 'n Snaks, Seward
Express Mart #1, Scottsbluff
Time Saver #3, North Platte
Pump & Pantry #23, Holdrege
Git 'N Split #77, Alliance

Lotto, Top 10

Hy-Vee Food Store #1465, Omaha
No Frills Supermarket #3, Bellevue
Hy-Vee Food Store #1467, Omaha
No Frills Supermarket #19, Omaha
Corner Stop, Columbus
Hy-Vee Food Store #1469, Omaha
Hy-Vee Food Store #1470, Omaha
Baker's #300, Bellevue
Super Store, Bellevue
Skagway 5-Points, Grand Island



The 37th quarter released in the 50 State Commemorative collection.

Major Prize Winners

Claimed at Nebraska Lottery Claim Centers.

JULY 2008

Powerball - \$20,000
Sherri Eggleston, Lincoln
Powerball - \$10,000
Evelyn Webster, Lincoln
Lora Davis, Omaha
Stephanie Schwaderer, Alliance
Gary Little, Doniphan
Chris Tague, Bellevue
Irvin Kucera, Lawrence
Gabriel Villagomez, Bellevue
Nebraska Pick 5 - \$194,000
Genevieve Johnson, Holdrege
Nebraska Pick 5 - \$58,000
Steve Murcek, Omaha
Nebraska Pick 5 - \$900
Dorothy Thiem, North Platte
Steve Bryant, Nebraska City
2by2 - \$22,000
Annette Carstens, Lincoln
Mike Tagart, Grand Island
Nebraska Pick 3 - \$1,800
Anthony Gladych, De Pere, WI
Nebraska Pick 3 - \$1250
Isaiah Jackson, Jr, Omaha
Nebraska Pick 3 - \$950
Dorothy Thiem, North Platte
Nebraska Pick 3 - \$700
Paul Chatman, Omaha
Nebraska Pick 3 - \$600
Denis Vontz, Lincoln
Michael Harwood, Lincoln
John Swinarski, Omaha
Dennis McMahon, Omaha
Kerry Lauritson, Dannebrog
Beverly Barnes, Yankton
Michael Radnov, Omaha
Robert Botos, Omaha
Paul Mollak, Omaha
Tom Rea, Lincoln
Mary Webber, David City
Larry Livingston, Omaha
Allyson Schneiderwind, Omaha
P D Duensing, Lincoln
Luther Givehard, Nebraska City
Dean Westerhaus, Lexington
Dorothy Balkus, Omaha
Eleanor Kirby, Omaha
Doug Stratton, North Platte
Gloria Jackson, Omaha
Walter Miller, Sutherland
George Maloley, Lexington
John Klement, Ulysses
Jeanna Reimers, Wolbach
Thonglay Saiyavongsa, Grand Island
Clayton Mason, Omaha
Thomas Lombardo, Ralston
Kay Gonzales, Minatare
15th Anniversary Spectacular - \$150,000
James Fitzsimmons, Alliance
15th Anniversary Spectacular - \$1,500
Irma Torres, Scottsbluff
Dazzling Diamonds - \$150,000
Danny Holland, Jr, Lincoln
Super Lucky 7's - \$77,777
Dennis Leinen, York

Super Lucky 7's - \$777
Alfred Schlewder, Jr, Elkhorn
Triple Tripler - \$50,000
Carlos Ramirez, Grand Island
Truck\$ & Buck\$ - Truck
Frank Ricceri, Omaha
3-D Tic-Tac-Toe - \$35,000
Valencia Romero, Lincoln
Winning 7's - \$10,000
Patricia Labrie, Grand Island
Quick 7's - \$7,000
James Brown, Lincoln
Mocha Moolah - \$2,500
Ted Dowler, Alliance
\$50,000 Diamonds & Gold - \$1,000
Gloria Jelinek, Lincoln
\$50,000 Championship Poker - \$1,000
Regis Ryan, Lincoln
Harley-Davidson - \$1,000
Kimberly Cherry, Lincoln
\$35,000 Bingo - \$1,000
Joyce Recker, West Point
Lucky Numbers - \$1,000
Christopher Shinaut, Lincoln
Crown Jewels - \$700
Madeline Drain, Omaha
Ruby Red 7's - \$700
Randall Neidhardt, Albion

AUGUST 2008

Powerball - \$1,000,000
Dianne Rowe, Omaha
Powerball - \$20,000
Dan McDermott, Omaha
Powerball \$10,000
Robert Baker, Torrington, WY
Melanie Kortefay, Lincoln
Joseph Schmitz, Madison
Bob Husmann, Chapman
2by2 - \$20,000
Vincent Gonzales, Scottsbluff
Pick 5 - \$62,000
Wanda Sargent, Grand Island
Pick 3 - \$1,150
Carol J Smith, York
Pick 3 - \$950
Calvin Frazier, Omaha
Pick 3 - \$600
Sharon Christensen, Cozad
Isaac Quarells, Jr, Lincoln (x2)
Adolphe Denovellis, Lincoln
Richard Wade, Pawnee City
Gayle Carey, Blair
Clifford Freeman, Omaha
Ted Harshbarger, Humboldt
David Richards, Omaha
Ronald Allgood, Nebraska City
Shadi French, Lincoln
Connie Olive, Grand Island
Michael Eckley, Winnebago
William Huffman, Omaha
Mark Luellman, Bellevue
Marvin Klassen, Holdrege
Darrell Ries, Papillion
Del Packett, Pawnee City
Janette Austin, Burwell
Carol Steele, Minatare

Fred Alva, Omaha
Velma Miller, Lincoln
Donald Teeters, Omaha
Judith Nedd, Omaha
Manuel Cuero, Houston, TX
Jerry Knapp, Palmer
Michael Rice, Hooper
\$50,000 Diamonds & Gold \$50,000
Gregg Anderson, Omaha
Red Line Doubler Bingo \$35,000
Thomas Soukup, Omaha
\$35,000 Bingo \$35,000
Jacquelyn Ennis, Valley
\$35,000 Bingo - \$1,000
Peggy Fleuren, Omaha
Word Search \$35,000
Larry Teter, Ogallala
Word Search \$1,000
Megan Vasquez, Kearney
\$10,000 Table Stakes - \$10,000
Bobby Patterson, Jr, Lincoln
Ryan Buck, Lincoln
4's Get More - \$10,000
Jason Gomez, Cozad
Quick 7's - \$7,000
Savannah Talkinton, Fairbury
Hot 7's Tripler - \$1,000
Celina Perez, Columbus
Kenneth Stock, Omaha
Harley-Davidson - \$1,000
John Gatzemeyer, Chadron
Bonus Crossword - \$1,000
Charles Muhr, Gering
Betty Barker, Gering
Big Crossword - \$1,000
Franklin Flake, Imperial
Crown Jewel 7s - \$700
Kevin Bodtke, Lincoln
Truck\$ & Buck\$ - Truck
Darrell Penas, Grand Island
2nd Chance Truck\$ & Buck\$
William Nicholson, Hastings - Truck
Marylouise Dean, Lincoln - \$1,000
Richard Voycheske, Lincoln - \$1,000
Dan Esch, Fremont - \$1,000
Neil Thorsen, Ashland - \$1,000
Mark Scheiber, St Edward - \$500
Lynda Wasielewski, Bushnell \$500

SEPTEMBER 2008

Powerball - \$50,000
Ruslan Gumenynk, Lincoln
Powerball - \$40,000
Co V Nguyen, Lincoln
Powerball - \$10,000
Janeen R Moritz, Omaha
Dianne Willadsen, Wheatland, WY
Steven Snover, Fremont
Robert Borgeson, Omaha
Powerball - \$640
Joseph Scott, Omaha
Nebraska Pick 5 - \$190,000
Ronald Peterson, North Platte

Nebraska Pick 5 - \$70,000
 Morrell W Wickert, Fremont
Nebraska Pick 5 - \$918
 James Lindsay, Omaha
2by2 - \$22,000
 Francisco Velasquez, Omaha
 William Anderson, Omaha
 Anthony Didier, David City
Nebraska Pick 3 - \$3,000
 Frank Murphy, Meadow Grove
Nebraska Pick 3 - \$1,300
 Wilbert McDowell, Omaha
Nebraska Pick 3 - \$1,200
 David Parker, Bellevue
Nebraska Pick 3 - \$1,050
 Richard Ipock, Grand Island
 Jeremy Anzaldo, Omaha
Nebraska Pick 3 - \$800
 Norrita Chick, Lincoln
Nebraska Pick 3 - \$700
 Steven Poore, Hastings
Nebraska Pick 3 - \$600
 Samuel Hellbusch, Creston
 Jean Morris, Genoa
 Ronnie Foulks, Lincoln
 Gary Little, Doniphan
 Frank Amaya, Gering
 Donald Goos, Gering
 Brian Carnes, Lincoln
 Deanna Bauer, St Paul
 Glen Leech, Lincoln
 Jon Hershey, Papillion
 Ron Matson, Papillion
 Jennifer Martinez, Grand Island
 Floyd Knodel, Fremont
 Rita Hautzenroder, Lincoln
 Georgette McCoy, Lincoln
 Lee Tinkler, Tecumseh
 Art Sehi, Oakdale
 Edward Hahn, Omaha
 Denise Griess, Clay Center
 Michelle Morales, Omaha
 Jerry Smetter, Doniphan
 Peter Neddo, Bellevue
 Sandra Lopez, Scottsbluff
 Jackie Barker, Lincoln
 Tom Meahan, Beaver Crossing
 Chuck Wendt, North Platte
 David Wallace, Bellevue
 Janette Austin, Burwell
 Larry Kennedy, Nebraska City
 Timothy Oler, Lincoln (x2)
 Lanaya Layman, Lincoln
 Patricia Worley, Oakdale
 David Parker, Bellevue (x5)
 Linda Wasielewski, Bushnell
 Sharon Bopp, Grand Island
 George Kistner, Oakdale
 Royce Haines, Hastings (x5)
 Carrol Tetschner, Burwell
 Carla Middleswart, Gibbon
 Laura Jivens, Bellevue
 Jill Weidenbach, Omaha
 Dwight Kumm, Pilger
 Pick 3 - \$600 cont.
 Robert Ritonya, Omaha
 Janice Butler, Omaha
 Dolly Craig, Omaha
 Lisa Akin, Lincoln
 Zachariah Polak, Martell
 Deb Swift, Lincoln
 Gloria Jackson, Omaha (x2)
 Dallas Gerdes, Oconto
 Khanh Nguyen, Lincoln

Nebraska Pick 3 - \$550
 Fred Clough, Omaha
\$50,000 Crossword - \$50,000
 Dan Wilken, Hampton
\$50,000 Crossword - \$1,000
 Shawna Ryan, Norfolk
Big Crossword - \$50,000
 Michael Barton, Lincoln
\$50,000 Championship Poker - \$1,000
 Lowry Engstrom, Lincoln
\$35,000 Bingo - \$35,000
 Joycelyn Schumacher, Kennard
\$35,000 Bingo - \$1,000
 Susan Wilson, Hickman
Bejeweled - \$35,000
 Heather Stark, Cozad
Bejeweled - \$1,000
 Robert Ternus, Humphrey
5 Times the Pay - \$5,000
 Norma Chipperley, Lincoln
4 Times Lucky - \$4,000
 Donovan Criner, Douglas
Go Nebraska - \$2,000
 Vincent Taylor, Norfolk
Harley Davidson - Motorcycle
 Bryan Hulewicz, Malcolm
Truck\$ & Buck\$ - \$1,000 Gas Card
 Gregory Spears, Omaha
 David Mitchell, Douglass, KS
 Jerry McPhillips, Elkhorn
Lucky Numbers - \$500
 Tony Henderson, North Platte
 Donald Morrissey, North Platte

OCTOBER 2008

Powerball - \$40,000
 Richard Johannsen, McLean
Powerball - \$10,000
 William M Saum, Alliance
 Karen Avery, Columbus
Powerball Homestead Promo - \$1,000
 Rebecca Wegner, Lincoln
2by2 - \$22,000
 Catherine O'Connell, Plattsmouth
 Stephen Wiseman, Sutton
Nebraska Pick 5 - \$118,000
 Laurie Devivo, Blair
Nebraska Pick 5 - \$50,000
 Ray Axtell, Axtell
MyDaY - \$5,000
 Monica Shockey, Torrington, WY
 Peggy Edwards, Hershey
 Clyde Thinnes, Omaha
 Jenny Schroeder, Lincoln
 Donita Matthews, Omaha
 Benny Covington, North Platte
 Adam Ellison, Nebraska City
 Kristen Warren, Burwell
Nebraska Pick 3 - \$3,000
 Leonard Monohon, Omaha
Nebraska Pick 3 - \$2,000
 Amos Reed Jr, Omaha
Nebraska Pick 3 - \$1,200
 Josephine McKissick, Papillion
 Frances Buzynski, Columbus
Nebraska Pick 3 - \$1,050
 Jeremy Anzaldo, Omaha
Nebraska Pick 3 - \$1,000
 Albert L Ford, Omaha
Nebraska Pick 3 - \$950
 Curtis Deplanty, Omaha
Nebraska Pick 3 - \$600
 Jennifer Martinez, Grand Island
 Patsy Roenfeldt, Cozad
 Loi Vuong, Fremont
 Dwaine Bauer, Crete (x2)
 Tom Rea, Lincoln

Dennis Faiella, Maumee, OH (x5)
 David Westphalen, Schuyler
 Josephine McKissick, Papillion
 Nancy Caruso, Springfield
 Hoang Dinh Mong, Lincoln
 Linda Schumacher, Omaha
 Calvin Williams, Lincoln
 Bruce Lemmert, Holdrege
 Michelle Morales, Omaha (x2)
 Marilee Gunning, Lincoln
 Floyd Knodel, Fremont
 Dawn Thumser, Plattsmouth
 Shiela Robinson, Omaha (x2)
 Velvetee Dillard, Jacksonville, FL (x2)
 Kaieva Williams, Bellevue
 Judy Kumm, Pilger
 Janice Butler, Omaha
 Carrol Tetschner, Burwell (x2)
 Lamont Robinson, Omaha (x3)
 Sharon Bopp, Grand Island (x2)
 Gloria Jackson, Omaha (x3)
 Cherri Wegner, Omaha
 Valerie Pember, Plattsmouth
 Sanford Ratzlaff, Benedict
 Ladonna Cole, Ainsworth
 Raymond Holmes, Jr, Lincoln
 Deboria Fisher, Lincoln
 Bobby Freeman, Hastings
 Kerry Lee Wynne, Scottsbluff
 Rita Hautzenroder, Lincoln
 Paul Vecchio, Omaha
 Randall Lesenburg, LaVista
 Dan Spargen, Papillion
 Mel Irish, North Platte
 David Grundman, Oakdale
 Denise Hernandez, Omaha
 Isaac Quarells, Jr, Lincoln
 Lana Black, Fairfield
 Dan Rhiley, Bennington
 Jody Brown, Lincoln
 Wilson Danquah, Omaha
 Cindy Montgomery, Wilber
 Bernice Devers, Omaha
 Blanca Gonzalez, Norfolk
 Larry Kennedy, Sr, Nebraska City (x2)
 Troy Wicken, Cortland
 Robert Ritonya, Omaha
 Dorothy Thiem, North Platte
 Shadi French, Lincoln
 Bob Hancock, Omaha
 Bill Erickson, Hastings
 Mark Luellman, Bellevue
 Sharon Pasco, Louisville
 Melvin Rein, Gering
 Lem Bates, Nebraska City
Dazzling Diamonds - \$150,000
 Minh Tran, Lincoln
\$50,000 Championship Poker - \$50,000
 Kenneth Reed, Wymore
15th Anniversary Spectacular - \$15,000
 Richard Cherek, Bellevue
Wild Cherries - \$10,000
 Luke Ohlrich, Bellevue
Truck\$ & Buck\$ - Truck
 David Kusazk, Ashton
Quick 7's - \$7,000
 Diana Farfan, Grand Island
Double Doubler - \$4000
 Scott Farmer, Lincoln
Go Nebraska - \$2,000
 Basin Ali, Grand Island
Mega Slots - \$1,000
 Jo Ellyn Neeman, Auburn
 Clarence Stephens, North Platte
Deal or No Deal - \$1,000
 Karl Pischmann, Omaha
\$35,000 Bingo - \$1,000

Brooke Berney, Spalding
Bonus Crossword - \$1,000
Kevin Maly, Cambridge
Crown Jewel 7's - \$700
John Spires, Omaha
Glenn Landreth, Wilsonville
Nadine Kern, Lincoln
Garey Young, Lincoln
Lucky Numbers - \$500
Eric Hopps, Syracuse
Pat Roark, Grand Island

NOVEMBER 2008

Powerball - \$200,000
Tanya Prokop, Ralston
Powerball - \$10,000
Patricia Haack, Omaha
Charles Policky, Yutan
Faron Hines, Waco
Douglas Cotant, Kearney
Nebraska Pick 5 - \$118,000
Angela Huston, Omaha
2by2 - \$22,000
Woodrow King, Linwood
Janelle Maynard, Lincoln
MyDaY - \$5,000
Jay Nickolite, Columbus
Angela Oliver, Clarks
Luetta Versaw, Lincoln
Carolyn Schliep, Fairfield
Nebraska Pick 3 - \$1,202
Dawn Thumser, Plattsmouth
Nebraska Pick 3 - \$1,050
Jeremy Anzaldo, Omaha
Nebraska Pick 3 - \$950
Thomas Tesmer, St. Paul
Frances Clayborn, Omaha
Nebraska Pick 3 - \$778
Andrea Carter, Gering
Nebraska Pick 3 - \$700
Jodi Novak, Dorchester
Donna Hastings, Hastings
Taj Tyler, Omaha
Nebraska Pick 3 - \$600
Craig Keith, Omaha
Rita Draper, Bellevue
Gary Little, Doniphan
Mattie Tenner, Omaha
Dale Peterson, Kearney
Dennis McMahon, Omaha
Cherri Wegner, Omaha
Jeanna Reimers, Wolbach
Alfred Emmanuel, Omaha
William Fogel, Milligan
Angele Smith, Omaha
Fred Clough, Omaha
John Swinarski, Omaha
Dwight Kumm, Pilger
Lamont Robinson, Omaha (x2)
Rickey Meyer, Lincoln
Jess Mullanix, Alliance
Denise Griess, Hastings
David Grundman, Oakdale
Robert Spears, Omaha
Michael Rice, Hooper
Wynne Norsworthy, Gothenburg (x2)
Vincent Okowmuo, Lincoln
Championship Poker - \$50,000
Andy Slizoski, LaVista
Deal or No Deal - \$20,000
Timothy Wear, Lexington
Deal or No Deal - \$1,000
Tammy Colliver, Omaha
4 Seasons - \$10,000
Don McCutchen, Omaha
Mega Cash - \$1,500

Linda Breazeale, Chappell
15th Anniversary Spectacular - \$1,500
Suzanne Myers, North Platte
Bejeweled - \$1,000
Joshua Page, Crete
Holiday Grab Bag - \$1,000
Larry Easter, Wymore
Fabulous Fortune - \$1,000
Tracy Hightshoe, Fairbury
\$35,000 Bingo - \$1,000
Jolene Schrock, Grand Island
Crown Jewel 7's - \$700
Kenneth Madison, Bellevue
Mark Owen, Omaha

DECEMBER 2008

Powerball - \$200,000
Deanna Powers, Omaha
Powerball - \$20,000
Nicolas Schrage, Gretna
Powerball - \$10,000
Scott Wilbur, Omaha
Robert Foley, Omaha
Mark Thurber, Omaha
Lori Gower, Ainsworth
Nebraska Pick 5 - \$114,000
Angelina Hawkins, Bellevue
Nebraska Pick 5 - \$94,000
Richard Thomas, Kearney
Nebraska Pick 5 - \$82,000
Ann Troester, Omaha
Nebraska Pick 5 - \$70,000
Marilyn Roueche, Plattsmouth
Nebraska Pick 5 - \$66,000
Donna Hastings, Hastings
2by2 - \$22,000
Willie Chandler, Omaha
Dawn Thumser, Plattsmouth
John Kaup, Dodge
Reid Dawson, Lincoln
Pamela Pierce, Pleasant Dale
Dena Hare, Lincoln
MyDaY - \$5,000
Larry Kennedy, Nebraska City
Dawn Thumser, Plattsmouth
Bonnie Janssen, Beatrice
Diane Stevenson, Omaha
Virginia Kelley, Ogallala
Todd Howard, Norfolk
Henry Brandt, Council Bluffs, IA
Nebraska Pick 3 - \$1,050
Cat Nguyen, Lincoln
Nebraska Pick 3 - \$1,000
Wordie Wright, Lincoln
Nebraska Pick 3 - \$950
Charles Verges, Omaha
Frances Clayborn, Omaha
NE Pick 3 - \$700
Margie Wiestler, Kearney
Nebraska Pick 3 - \$600
David Westphalen, Schuyler
Robert Tonack, Lincoln
P D Duensing, Lincoln
Dennis McMahon, Omaha
Adele Chavez, Alliance
Mark Luellman, Bellevue
Darrell Ries, Papillion
Terence Powell, Omaha
Greg Smith, Lincoln
Robert Meyer, Scotia
Rodney Sutton, Grand Island
Linda Schumacher, Omaha
Gary Little, Doniphan
Chirsta Spry, Gretna
Suzanne Myers, North Platte (x2)
Nancy Rondon, Lexington

Daniel Garcia, Omaha
Janice Baker, Hastings
Natalie Meyer, Grand Island
Wordie Wright, Lincoln
Frank Milacek, Omaha
Nebraska Pick 3 - \$550
Wordie Wright, Lincoln
Suzanne Myers, North Platte
15th Anniversary Spectacular - \$150,000
Todd Schaecher, Monroe
15th Anniversary Spectacular - \$1,500
Courtney Hupke, Madison
Michele Neuhaus, Dodge
Mega Cash - \$100,000
David Rhoades, Torrington, WY
Mega Cash - \$1,500
Nicole Brown, Neligh
Steven Tracy, Kearney
Fabulous Fortune - \$50,000
Camden Frieze, Council Bluffs, IA
Gale Sonnenfeld, Grand Island
Mega Slots - \$40,000
Kyle Stainbrook, Omaha
Naughty or Nice - \$35,000
Clarence Wolfe, Lincoln
Naughty or Nice - \$1,000
Cheryl Wippering, Norfolk
Crown Jewel 7's - \$17,000
Sheila Taylor, Lexington
Crown Jewel 7's - \$700
George Hamilton, Hartington
Jennifer Cunningham, Ewing
Lawrence Sattley, Grand Island
Tabitha Klingenberg, Lincoln
4 Get More - \$10,000
Richard Hanson, Gretna
Double Diamonds - \$4,000
Kelvin Collins, Omaha
Holiday Cash - \$3,000
Colleen Robb, Lincoln
Steven Otte, Wahoo
Ace of Spades - \$3,000
Linda Perrien, Sutton
Bonus Crossword - \$1,000
Jamison Giddings, Hastings
\$35,000 Bingo - \$1,000
Rozella Erb, Norfolk
Lucky Numbers - \$1,000
Walter Malson, Lincoln

JANUARY 2009

Powerball - \$200,000
Chuck Hemmer, Lincoln
Powerball - \$20,000
Eltan Tsabari, Omaha
Powerball - \$10,000
Whitney Engle, Omaha
Craig Crews, Kearney
Terry Sindelar, Lincoln
Chris Knudsen, Elwood
Wendell Bailey, Lincoln
Powerball - \$570
Nicholas Jordan, Bellevue
Nebraska Pick 5 - \$70,000
Mary Lehr, Duncan
Violet Wiese, Pleasanton
Nebraska Pick 5 - \$58,000
Karen Strasser, Omaha
2by2 - \$22,000
Jack Cavanaugh, Fremont

MyDaY - \$5,000

William Hocking, Hooper
 Larry Nolan, Omaha
 Stoy Bonner, Omaha
 Perry Russell, Weeping Water
 Glenda Jonas, Wahoo
 Steve Pelster, La Vista
 Justin Rudloff, Omaha
Nebraska Pick 3 - \$1,150
 Steven Gastineau, North Platte
Nebraska Pick 3 - \$1,000
 Judy Kumm, Pilger
Nebraska Pick 3 - \$800
 Lynda Hepburn, Omaha
Nebraska Pick 3 - \$700
 Earnestine Albert, Omaha
 Ronald Miller, Lincoln
Nebraska Pick 3 - \$600
 Tom Rea, Lincoln (x2)
 Bob Ritonya, Omaha
 Evelyn Ham, Council Bluffs, IA
 Anita Klement, Ulysses
 John Klement, Ulysses (x2)
 A Malcom Green, Papillion
 Suzanne Myers, North Platte (x2)
 Anna McCoy, North Platte
 Tam T Vu, Lincoln
 Lisa Cerveny, Hampton
 Patti Cochran-Crites, Elm Creek
 Doug Stratton, North Platte (x2)
 Rayma Meyers, Omaha
 Marvin Klassen, Holdrege
 Jess Mullanix, Alliance
 Art Sehi, Oakdale
 Clark Myers, Broadwater
 Helene Baustian, Gretna
 Fred Clough, Omaha
 Bobby Freeman, Hastings
 Walter Gillund, Lincoln
 Zoila Mendoza, Cozad
 Mel Irish, North Platte
 Robert Perkins, Bellevue
 Gary Little, Doniphan
 Eric Stevens, Omaha
Nebraska Pick 3 - \$550
 Michael Hamilton, Bellevue
Lucky Numbers - \$150,000
 Rex Luebbe, Central City
Holiday Grab Bag - \$40,000
 Linda Moses, Imperial
Holiday Grab Bag - \$1,000
 Karla Cassels, Omaha
Mega Slots - \$40,000
 Doran Beatty, Douglas
Mega Slots - \$1,000
 Amaryllis Magnuson, Emerson
Naughty or Nice Crossword - \$35,000
 Gayle Dodd, Lincoln
Naughty or Nice Crossword - \$1,000
 Patti Lounsberry, Blair
Deal or No Deal - \$20,000
 Kathy Dowding, Palmyra
Deal or No Deal - \$1,000
 Janis Dmytriw, Omaha
Crown Jewel 7's - \$17,000
 Mike Leise, Norfolk
Crown Jewel 7's - \$700
 Bill Heiz, Alliance
 Karen Johnson, Burwell
 Tisa Kesselring, Bellevue
American Idol - \$12,000
 Karen Gentry, North Platte
Quick 7's - \$7,000

Josh Brooks, Stamford
Line 'Em Up - \$5,000
 Billy Layman, Beatrice
Holiday Cash - \$3,000
 Loren Havekost, Blair
 Gary Rohner, Kearney
Black Jack - \$2,500
 Jack Kassebaum, Lincoln
Mega Cash - \$1,500
 Dean Chedel, Omaha
\$150,000 High Stakes - \$1,500
 Jackie Kotrous, Verdigre
\$30,000 Slots - \$1,000
 Harry Hoffman, La Vista
\$50,000 Crossword - \$1,000
 Daniel Nehls, Ansley
Blazing Cash - \$1,000
 Larry Collins, Bellevue
Gem 7's - \$600
 Pamela Broxterman, Grand Island
 Vicki Wysocki, Grand Island
 Destiny Maxwell, Lincoln
\$35,000 Bingo - \$500
 Helen Hollowell, Omaha

FEBRUARY 2009

Powerball - \$10,000
 Ryan Stigge, Lincoln
 Ronald Hansen, Sargent
Powerball - \$1,000
 Scott Hevelone, Blair
Powerball - \$856
 Scott Harmon, Trumbull
Nebraska Pick 5 - \$188,000
 Tom Graber, Norfolk
Nebraska Pick 5 - \$156,000
 William McCain, Waterbury
Nebraska Pick 5 - \$116,000
 Nahn Danh, Lincoln
Nebraska Pick 5 - \$100,000
 George Crone, Loup City
Nebraska Pick 5 - \$900
 Jim McCartney, Omaha
2by2 - \$22,000
 Robert Schubert, Lincoln
 Ross Harrison, Plattsmouth
 Anna Miller, Omaha
MyDaY - \$5,000
 Tammie Keener, Columbus
 Robert Lottman, Beatrice
 Karen Keating, Ogallala
 Scott Kalk, Beatrice
 David Canada, Jr.
 Roy Tipler, Omaha
 Wayne Klusaw, Papillion
 Karla Adler, Hastings
 William Saum, Alliance
 David Wallace, Bellevue
 Lynn Shemek, Columbus
Nebraska Pick 3 - \$1,250
 Bruce Peeks, Chappell
Nebraska Pick 3 - \$1,150
 Walter Ide, Plattsmouth
 Isaiah Jackson, Jr, Omaha
Nebraska Pick 3 - \$900
 Amos Reed, Jr, Omaha
Nebraska Pick 3 - \$800
 Jeri Hayes, Kimball
Nebraska Pick 3 - \$700
 Thomas Meahan, Beaver Crossing
 Steven Poore, Hastings
Nebraska Pick 3 - \$650
 Sean Wirth, Lincoln
Nebraska Pick 3 - \$600
 Tom Rea, Lincoln (x4)
 Jerry Grashorn, Fremont

Donald Hall, Lincoln
 Charles Kenton, Thedford
 Lee Tinkler, Tecumseh (x2)
 Jacquelyn Moore, Omaha
 Mel Irish, North Platte
 Paul Peister, Norfolk
 Kim Schwaninger, Lincoln
 Olis Garcia, So Sioux City
 Jan Nieman, Lincoln
 Javier Martinez Cardova, Lincoln
 Chris Bartling, Omaha
 Jolene Karel, Howells
 Bob Butterfield, North Platte
 Dave Hammons, Columbus
 Edwinna Boyd, Omaha
 Jess Mullanix, Alliance (x3)
 Amos Reed, Jr, Omaha
 Pauline Mathews, Cozad
 Sanford Ratzlaff, Benedict
 Lori Newsham, Wolbach
 Lory Gosselin, Friend
 Julianna Fleming, Omaha
 Terence Powell, Omaha
 Jeffrey Ellison, Torrington, WY
 Lonnie Chamberlain, Omaha
Holiday Grab Bag - \$40,000
 Travis Array, Gering
Bejeweled - \$35,000
 Brenda Bosak, Bellevue
Bejeweled - \$1,000
 Brenda Walburn, Kearney
Gem 7's - \$17,000
 Lisa Spittler, Omaha
Gem 7's - \$600
 Dionne Foulks, Lincoln
 Scott Williams, Allen
 Danielle Thompson, Wausa
\$150,000 High Stakes - \$15,000
 Terry Olinger, Bellevue
\$150,000 High Stakes - \$1,500
 Amber Scholer-Schwalm
Quick 7's - \$7,000
 Ron Belding, Beatrice
Mega Cash - \$3,000
 Norm Davenport, Scottsbluff
 Patrick Dougherty, Hershey
Super 7 Jackpot - \$2,700
 Harold Oelschlager, Lincoln
Moolah Money - \$2,500
 Sandra Wiedeman, Fremont
Go Nebraska - \$2,000
 Virginia Kingsbury, Norfolk
Mountains of Money - \$2,000
 Ella Barbee, Lincoln
Blazing Cash - \$1,000
 Brian Slansky, Hastings
Bonus Crossword - \$1,000
 Sandra Petree, Omaha
NASCAR - \$1,000
 Leon Igo, Jr, Lincoln
Crown Jewel 7's - \$700
 Bradley Roch, Broadwater
\$35,000 Bingo - \$500
 Betti Jo Driscoll, Dunbar

MARCH 2009

Powerball - \$10,000
 James Heafey, Omaha
Nebraska Pick 5 - \$156,000
 Scott Odvarka, Lincoln
Nebraska Pick 5 - \$74,000
 Peggy Jeffries, Waverly
 Ronald Davis, Grand Island
Nebraska Pick 5 - \$54,000
 Tucker Ferguson, Wahoo
 Niels Nielsen, North Platte

Nebraska Pick 5 - \$900
Glenn Blohm, Omaha
2by2 - \$22,000
Michael Hall, Norfolk
Matthew Bartak, Ewing
Stacy Thacker, Bellevue
Sidney TraBaugh, McCook
Charity Cherek, Plattsmouth
MyDaY - \$5,000
Anthony Cottone, Omaha
Michael Church, Lincoln
Cory Coutts, Ainsworth
Martin Prachar, Omaha
Nebraska Pick 3 - \$3,000
Valerie Pember, Plattsmouth
Nebraska Pick 3 - \$1,250
Connie Munh, Newport
Isaiah Jackson, Jr, Omaha
Nebraska Pick 3 - \$1,150
Kenneth Schneider, Ulysses
Nebraska Pick 3 - \$1,050
Steven Poore, Hastings
Nebraska Pick 3 - \$950
William Jones, Columbus
Madeline Stebbins, Omaha
Nebraska Pick 3 - \$700
Eugene Markowski, Oshkosh
Lanaya Layman, Lincoln
Steven Poore, Hastings
Nebraska Pick 3 - \$650
Everett Smith, Lincoln
Nebraska Pick 3 - \$600
Jacqueline Burkink, Cozad
Rita Hautzenroder, Lincoln
Paul Mollak, Omaha
David Piontek, LaVista
David Gonlaies, Hastings
Steve Pospisil, Norfolk
Debbie Tallant, Sterling
Donald Hall, Lincoln
Rodney Anderson, Omaha
Henry Greir, Omaha
Gary Stroud, Omaha
Cynthia Hanson, Gretna
Gail Phipps, Omaha
Joe Heard, Omaha
Edward Wilson, Omaha
Francis Coffey, Crete
Francisco De La Garza, Bellevue
Kenneth Schneider, Ulysses (x2)
Melanie Vanya, Kearney
Robert Ritonya, Omaha
Emanuel Hulinsky, Burwell
David Westphalen, Schuyler
Dean Mathews, Cozad
Cheryl Butters, Bellwood
Ron Matson, Papillion
Paul Mollak, Omaha
Raymond Collins, Omaha
Evelyn Ham, Council Bluffs, IA
Randy Persinger, So Sioux City
Nebraska Pick 3 - \$550
Melvin Northrup, Lincoln
Lucky Number - \$150,000
Raymond Marshall, Cozad
Mega Cash - \$100,000
Mark Dahlsten, Lincoln
Beat the House - \$50,000
Janis Knight, North Platte
Bonus Crossword - \$35,000
Hung Van Ngo, Lincoln
Bonus Crossword - \$1,000
Gary Rabbuss, Norfolk
Wild Cherry - \$10,000
Kevin Edwards, Papillion
NASCAR - NASCAR Trip

Gene Demaray, Grand Island
NASCAR - \$1,000
Kelli Solway, Sutton
Shelli Laursen, Lincoln
Quick 7's - \$7,000
Charley Endo, Omaha
Mary Lou Hickey, Elkhorn
Double Diamonds - \$4,000
Tera Christensen, Grand Island
9 Ball - \$3,600
Cindy Schluter, Lincoln
Big Dog Bucks - \$3,000
Anthony Hasenpflug, Creighton
\$150,000 High Stakes - \$1,500
David Schmidt, Hastings
Consuelo Straw, Bellevue
Word Search - \$1,000
Mindi Burke, Valley
American Idol - \$1,000
Maria Nieto, Grand Island
Sapphire Blue 7's - \$700
Donovan Tolle, Maxwell
Gem 7's - \$600
Devereaux Wachtel, Lincoln
Orville Hilton, Gothenburg
Dave Buser, Diller
Linda Cochrane, Lexington

APRIL 2009

Powerball - \$200,000
Leroy Bochnicek, Papillion
Powerball - \$10,000
Mark Hansen, Lincoln
Tabitha Matchett, Albion
Nebraska Pick 5 - \$102,000
Pamela Makovicka, Lincoln
Nebraska Pick 5 - \$86,000
Huong Thi Dang, Lincoln
Nebraska Pick 5 - \$62,000
Norma Leland, Fremont
Nebraska Pick 5 - \$58,000
Bruce Amick, Lincoln
Nebraska Pick 5 - \$54,000
Michelle Wood, Maywood
2by2 - \$22,000
Earl Carr, Omaha
Aaron Doty, Omaha
Lynwood White, Lincoln
MyDaY - \$5,000
Sonya Rising, Lincoln
Ivars Augstums, Lincoln
Robert Harrison, Omaha
Alethea Hicks, Lincoln
Donna Mach, Lincoln
Sheila Kennedy, Kearney
Kenneth Fowler, Plattsmouth
Wayne Forsgren, Lincoln
Jo E Sedlak, Omaha
Cynthia Steffen, Lincoln
Nebraska Pick 3 - \$1,800
Josephine McKissick, Papillion
Nebraska Pick 3 - \$1,200
Jeffrey Ellison, Torrington, WY (x2)
Jodi Novak, Dorchester
Marilee Gunning, Lincoln
Nebraska Pick 3 - \$1,150
Karen Honeycutt, North Platte
Nebraska Pick 3 - \$950
Gloria Jackson, Omaha
Nebraska Pick 3 - \$800
William Bedinger, Hampton (x2)
Nebraska Pick 3 - \$700
Steven Poore, Hastings
Lynda Hepburn, Omaha

Nebraska Pick 3 - \$600
Tom Rea, Lincoln (x2)
Richard Mosier, Spalding
Benjamin Artatis, Columbus (x2)
Mel Irish, North Platte (x2)
Suzanne Myers, North Platte (x2)
Paul Mollak, Omaha (x3)
Adele Chavez, Alliance
Howard Walker, Springfield
William Bedinger, Hampton
Judy Kumm, Pilger (x2)
Evelyn Kulhanek, Fremont
Donald Thompson, Omaha
Lynda Hepburn, Omaha (x9)
Jose Gomez, Omaha
Pamela Brown, Lincoln
John Swinarski, Omaha
Jess Mullanix, Alliance (x2)
Brian Nielsen, Blair
Harriet Peterson, Bellevue
Amos Reed, Jr, Omaha
David Richards, Omaha
Rick Garrow, Lincoln
William Huffman, Omaha
Richard Hamblen, LaVista
Lisa Akin, Lincoln
William Hoselton, Hastings
Melanie Parker, Bellevue (x3)
Tammie Layton, Omaha
Bill Erickson, Hastings
Jodi Novak, Dorchester
Lyle Meyer, Norfolk
Harold Heiser, Lincoln
Markita Smith, Omaha
Aisha Wright, Omaha
Jill Weidenbach, Omaha
Troy Wicken, Cortland
Jim Heflinger, Omaha
Wilson Danquah, Omaha
Gloria Jackson, Omaha (x2)
Lanaya Layman, Lincoln
Jacque Rue, Crete
Katie DeVore, Edgar
Johnny Monroe, Jr, Norfolk
Doug Stratton, North Platte
Wallace Magsby, Lincoln
Marilee Gunning, Lincoln
Mel Irish, North Platte
Suzanne Myers, North Platte
Blazing Cash - \$50,000
Pamela Gage, Gothenburg
Blazing Cash - \$1,000
E Jean Clark, Grand Island
\$50,000 Crossword - \$50,000
Larry Iversen, Grand Island
\$35,000 Winning Combination - \$35,000
Bonnie Ruiz, Morrill
\$35,000 Winning Combination - \$1,000
Kristie Swanson, Omaha
\$35,000 Bingo - \$35,000
Brenda Krantz, Bayard
\$35,000 Bingo - \$1,000
Laura Rodriguez, Omaha
3x Diamond Dazzler - \$10,000
Lynda Wasielewski, Bushnell
Linda Nathan, Norfolk
Big Dog Bucks - \$3,000
Jo Neemann, Auburn
Mountains Of Money - \$2,000
Sara Ritchie, Omaha
\$150,000 High Stakes - \$1,500
Deena Polak, Cortland

Beat The House - \$1,000
Tony Scheibhofer, Omaha
Crown Jewels - \$1,000
David Brooks, Lincoln
American Idol - \$1,000
John Demler, Omaha
Sapphire Blue 7'S - \$700
Scott Morgan, Lexington, KY
Jennifer Wolford, Kearney
Gem 7'S - \$600
Ronald Sempke, Columbus
Henry Frye, Jr, Morrill
Angela Miller, Omaha
Karen Kraft, Hastings

MAY 2009

Nebraska Pick 5 - \$126,000
Ronald Spence, Aurora
Nebraska Pick 5 - \$927
James Lindsay, Omaha
2by2 - \$22,000
Timothy Mihulka, Columbus
Powerball - \$10,000
Noutsu Phone Malavong, South Sioux City
Lavina Mody, Geneva
MyDaY - \$5,000
Donna Mach, Lincoln
Nebraska Pick 3 - \$1,150
Denise Griess, Hastings
Nebraska Pick 3 - \$1,050
Susan Knapp, St Paul
Nebraska Pick 3 - \$700
Carol Meedel, Lincoln
Nebraska Pick 3 - \$600
Dawn Thumser, Plattsmouth
Norvell Ware, Omaha
Robert Ritonya, Omaha
Edgar Hayes, Bellevue
Peter Neddo, Bellevue
Adolphe Denovellis, Lincoln
Carrol Tetschner, Burwell
Sanford Ratzlaff, Benedict
Floyd Knodel, Fremont
George Roasch, North Platte
Luther Givehand, Nebraska City
Jean-Albert Azehko, Omaha
Richard Zayas, Omaha
Alvin Motley, Bellevue (x4)
Hien Ngoc Nguyen, Lincoln
John Barker, Lincoln
Sharon Westphalen, Schuyler
Dorothy Klanecky, Hastings
Jess Mullanix, Alliance (x3)
Edwinna Boyd, Omaha
Dorothy Balkus, Omaha
MaryAnn Faller, Hiawatha, KS
Gary Little, Doniphan (x2)
Emanuel Hulinsky, Burwell (x3)
Donald R Smith, Elwood
Ronald Black, York
Johnnie Arnold, Lincoln
Alice Quintana, Denver, CO
Suzanne Myers, North Platte
Lorraine Hill, North Platte
Roxanne Duran, North Platte
Stanley Harrison, Omaha
Sharon Christensen, Cozad
Roxane Miller, Imperial
Fred Clough, Omaha
Sapphire Blue 7's - \$50,000
Linda Thagard, Superior
\$35,000 Bingo - \$35,000
Cynthia Willadsen, Eagle
\$35,000 Bingo - \$1,000

Amber Jeffres, Thornton, CO
Lynne Clear, Omaha
Nebraska Wildlife - \$10,000
Marcelino Hernandez, Morrill
NASCAR - Race Track Trip
Scott Geist, Kearney
NASCAR - \$1,000
Aleksy Chebanenko, Waverly
Quick 7's - \$7,000
Eileen Anderson, Papillion
\$150,000 High Stakes - \$1,500
Nicholas Nelson, Blair
Bonus Crossword - \$1,000
Mirna Duran, Grand Island
Super Crossword - \$1,000
Amber Bednar, Lincoln
Crown Jewels - \$1,000
Martin Ceballos, Lexington
Wild 10's - \$1,000
Kami Feinblatt, Columbus
\$35,000 Winning Combination
Diana Want, Columbus
Word Search - \$1,000
Stacie Jording, McCook

JUNE 2009

Powerball - \$1,000,000
Scott Leatherman, Wallace
Powerball - \$200,000
Ervon McGinnes III, Omaha
Powerball - \$10,000
Josephine Harris, St Paul
Dorothy Gotschall, Columbus
Duane Cooper, Lincoln
Richard Mitchell, Omaha
Kenneth Versaw, Bennett
Nebraska Pick 5 - \$138,000
Don Frey, Kearney
Nebraska Pick 5 - \$900
Daniel Martin, Bellevue
Tatjana Sutej, Omaha
2by2 - \$22,000
Tiffany Seager, Omaha
Jeanne Walter, Waverly
MyDaY - \$5,000
Kenneth Sabata, Valparaiso
Jocelyn Davis, Strang
Jaime Hinton, Plattsmouth
Mary Harrison, Plattsmouth
Roseann Stillmock, Omaha
Nebraska Pick 3 - \$1,200
Jose Blanco Castillo, Omaha
Josephine McKissick, Papillion
Nebraska Pick 3 - \$700
Kim Bilstein, Battle Creek
Nebraska Pick 3 - \$600
Stan Kubec, Elkhorn
Golda McConnell, Lincoln
William Askew, Omaha
Tom Rea, Lincoln (x3)
Jeffrey Phelps, Bellville OH
John Barker, Lincoln
Edwinna Boyd, Lincoln
Paul Mollak, Omaha
Ngoc Doan, Lincoln (x2)
Ann Wilson, Lincoln
Pedro Cordova, Clovis NM
Deboria Fisher, Lincoln
Dorothy Klanecky, Hastings
Ed Klanecky, Hastings
Ron Matson, Papillion
Stanley Harrison, Omaha
Charles Morris, North Platte

Jess Mullanix, Alliance
Glen Leech, Lincoln
Mary Barr, Wolbach
Katie DeVore, Edgar
Geraldine Sugden, Oakdale
Jennifer Martinez, Grand Island
Jacque Rue, Crete
William Hoselton, Hastings
Eddie Mae Elem, Omaha
Sanford (Sandy) Ratzlaff, Benedict
Angi Hautzenroder, Lincoln
Rodney Mason, Bellevue
Lyle Meyer, Norfolk
Wallace Magsby, Lincoln
Dawn Thumser, Plattsmouth
Georgette McCoy, Lincoln
Lanaya Layman, Lincoln
Carrol Tetschner, Burwell
Colleen Puffer, Herman
Robert Ritonya, Omaha
Lyle Meyer, Norfolk
Mary Hancock, Omaha
Melvin Rein, Gering
Jim Heflinger, Omaha
Harold Heiser, Lincoln
Melvin Northrup, Lincoln
Michele Ballagh, Burwell
Wilson Danquah, Omaha
NE Pick 3 - \$600 cont.
Melanie Parker, Bellevue (x2)
Gloria Jackson, Omaha (x2)
Deanna Reed, Lincoln
Diane Dees, Omaha
Sharon Bopp, Grand Island
Markita Smith, Omaha
Gregg Huerta, Hastings
Velma Miller, Lincoln
Ana Morales, Norfolk (x2)
Wild 10's - \$100,000
John McRae, McCook
Crown Jewels - \$50,000
Jeffery Mielak - Columbus
Blazing Cash - \$50,000
Gary Little - Doniphan
Sapphire Blue 7's - \$50,000
Debra Novotny, Neligh
Truck\$ & Buck\$ - Truck
Bryan Brogren, Lincoln
Dwayne Coleman, Omaha
Truck\$ & Buck\$ - \$1,000 Ethanol Gas Card
Jackie Brown, Lincoln
Bonus Crossword - \$35,000
Laura Tournade, McCook
Bonus Crossword - \$1,000
Vollie Penrod, Omaha
Jami Engelhardt, Kearney
\$35,000 Bingo - \$35,000
Kim Phoung Nguyen, Omaha
\$35,000 Bingo - \$1,000
Betty Naylor, Sioux City, IA
8 Times Lucky - \$8,000
Arthur Mackey, Falls City
Quick 7's - \$7,000
Eileen Matthies, Norfolk
Lucky Numbers - \$4,000
Pamela Ward, Norfolk
Super 7 Jackpot - \$2,700
Marilyn Anderson, Ainsworth
Gem 7's - \$600
Kevin Haase, Norfolk

Financial Statements



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

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NEBRASKA LOTTERY

INDEPENDENT AUDITOR'S 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 fiscal year ended June 30, 2009, 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, 2009, 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, 2009, 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 15, 2009, 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 15, 2009

Timothy J. Channer, 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, 2009

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 6,487,100
Accounts Receivable, Net of Allowance (Note 4)	5,590,168
MUSL Receivable	574,643
Prepaid Prizes	91,418
Prepaid Contract Costs - Instant	264,880

TOTAL CURRENT ASSETS

13,008,209

NONCURRENT ASSETS:

Reserves on Deposit (Note 6)	1,895,995
Capital Assets:	
Furniture, Fixtures, and Equipment (Note 5)	359,947
Less: Accumulated Depreciation	(324,979)
Total Capital Assets, Net	<u>34,968</u>

TOTAL NONCURRENT ASSETS

1,930,963

TOTAL ASSETS

\$14,939,172

LIABILITIES

CURRENT LIABILITIES:

Accounts Payable	\$90,603
Vendors Payable	1,418,114
Compensated Absences Payable (Note 7)	17,239
Accrued Payroll Payable	88,278
Withheld Taxes on Prizes Paid	45,143
Prizes Payable	6,236,908
Due to Other Funds	22,444
Other Accrued Liabilities	155,028

TOTAL CURRENT LIABILITIES

8,073,757

NONCURRENT LIABILITIES:

Compensated Absences Payable (Note 7)	229,035
---------------------------------------	---------

TOTAL NONCURRENT LIABILITIES

229,035

TOTAL LIABILITIES

8,302,792

NET ASSETS

Invested in Capital Assets	34,968
Restricted for Future Prizes (Note 6)	1,895,995
Unrestricted (Note 10)	4,705,417

TOTAL NET ASSETS

6,636,380

TOTAL LIABILITIES AND FUND EQUITY

\$ 14,939,172

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

Statement Of Revenue Expenses And Changes In Net Assets

For The Year Ended June 30, 2009

OPERATING REVENUE:	
Sales	\$126,801,727
Less: Sales Returns	<u>3,550,795</u>
TOTAL OPERATING REVENUE	<u>123,250,932</u>
 OPERATING EXPENSES:	
Prize Expense	71,860,963
Retailer Commissions	7,673,738
Contractual Services Expense	8,840,094
Marketing	4,454,810
Lottery Operating	<u>1,846,409</u>
TOTAL OPERATING EXPENSES	<u>94,676,014</u>
 OPERATING INCOME	 <u>28,574,918</u>
 NONOPERATING REVENUES:	
Interest Income	532,551
Multi-State Lottery Association Income	<u>177,832</u>
TOTAL NONOPERATING REVENUES	<u>710,383</u>
 INCOME BEFORE TRANSFERS	 29,285,301
 TRANSFERS TO OTHER FUNDS (Note 9)	 <u>(30,245,118)</u>
 CHANGE IN NET ASSETS	 (959,817)
 TOTAL NET ASSETS, BEGINNING OF YEAR	 <u>7,596,197</u>
 TOTAL NET ASSETS, END OF YEAR	 <u>\$ 6,636,380</u>

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

Statement Of Cash Flows

For The Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

Ticket Sales	\$123,087,823
Prizes Paid to Winners	(71,992,581)
Commissions Paid to Retailers	(7,676,719)
Paid to Contractors for Goods and Services	(13,293,213)
Paid to Employees	(1,330,433)
Other Operating Expenses	(386,879)
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>28,407,998</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Paid to Education Innovation Fund	(5,874,663)
Paid to Nebraska Scholarship Fund	(7,361,918)
Paid to State Fair Support and Improvement Fund	(2,974,509)
Paid to Environmental Trust Fund	(13,236,576)
Paid to Compulsive Gamblers Assistance Fund	(797,451)
Net Cash Used in NonCapital Financing Activities	<u>(30,245,117)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of Property and Equipment	<u>(13,646)</u>
------------------------------------	-----------------

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on Cash	532,551
Multi-State Lottery Association Income	86,222
Net Cash Provided by Investing Activities	<u>618,773</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (1,231,992)

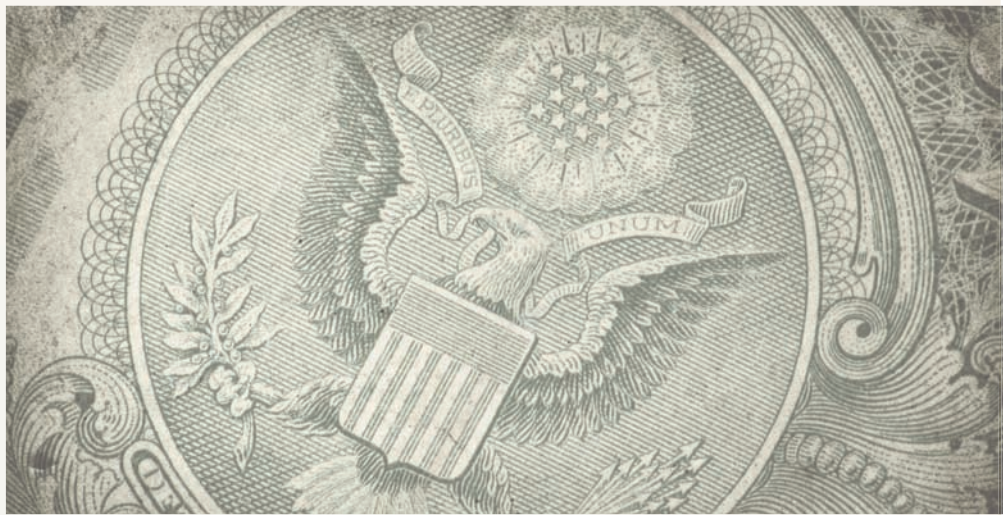
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 7,719,092

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 6,487,100

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating Income	\$ 28,574,918
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	14,368
Changes in Assets (Increase) Decrease in:	
Reserves on Deposit	(126,434)
Prepaid Prizes	110,312
Accounts Receivable (Net)	(372,532)
Prepaid Contract Costs - Instant	63,684
Changes in Liabilities Increase (Decrease) in:	
Other Accrued Liabilities	25,686
Accounts Payable and Due to Other Funds	(743,371)
Prizes Payable	723,847
Compensated Absences and Accrued Payroll Payable	29,592
Withheld Taxes on Prizes Paid	5,218
Vendor Payable	102,710
Total Adjustments	<u>(166,920)</u>
Net Cash Provided by Operating Activities	<u>\$ 28,407,998</u>

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



Notes To The Financial Statements

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 Nebraska Department of Administrative Services (DAS).

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, which is a State agency 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 (Reissue 2007), are to be transferred to the Education Innovation Fund, the Nebraska Scholarship Fund, 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, 2009, was \$2,222,611.

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, 2009, 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) for the fiscal year ended June 30, 2009.

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 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 a certain labor contract 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 Division of Risk Management. 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. Additionally, on or after November 1, 2007, but before January 1, 2008, members who were employed and participating in the retirement system could elect to continue participation in the defined contribution option or elect to participate in the cash balance benefit. Members who elected to participate in the cash balance benefit during this timeframe commenced participation in the cash balance benefit on January 1, 2008. 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, 2009, employees contributed \$50,198 and the Nebraska Lottery contributed \$78,309. 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 DAS 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 retailer's accounts receivable is net of allowance for uncollectible in the amount of \$56,474.

Accounts Receivable:

Retailers (net)	\$4,969,815
Other	1,194,996
Total	<u>\$6,164,811</u>

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Total Capital Assets	\$ 422,256	\$ 13,646	\$ 75,955	\$ 359,947
Total Accumulated Depreciation	386,566	14,368	75,955	324,979
Total Capital Assets, Net	<u>\$ 35,690</u>	<u>\$ (722)</u>	<u>\$ 0</u>	<u>\$ 34,968</u>

6. ON-LINE GAMES

During the fiscal year ended June 30, 2009, 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	\$ 1,768,313
Nebraska Pick 5®	Nebraska Lottery	n/a
Nebraska Pick 3®	Nebraska Lottery	n/a
MyDaY®	Nebraska Lottery	n/a
2by2®	MUSL	127,682
		<u>\$ 1,895,995</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® grand prize 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, 2009, 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	\$224,583	\$37,412	\$15,721	\$246,274	\$17,239

8. LEASE COMMITMENTS

The minimum annual office lease payments for operating leases as of June 30, 2009, are as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 49,753
2011	49,754
2012	49,754
2013	51,137
2014	52,060
2015-2017	162,022
Total	<u>\$414,480</u>

Total operating lease payments for the fiscal year ended June 30, 2009, 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 (Reissue 2007), as amended, identifies the specific requirement and

they are as follows: Beginning October 1, 2003, and until July 1, 2009, 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, except that the dollar amount transferred shall not be less than the dollar amount transferred to the funds in fiscal year 2003. Neb. Rev. Stat. § 9-812 (Reissue 2007), 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, 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 \$30,245,118 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 \$4,938 in delinquent State taxes and \$49,301 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.

11. RECONCILIATION OF BANK RECORDS TO THE STATE'S GENERAL LEDGER

Through their bank reconciliation procedures, DAS State Accounting identified a variance between the State Treasurer's bank statements and the State's balances in the general ledger (NIS). The bank records were short as compared to the accounting records. Monthly reconciliations were completed by DAS State Accounting for July 2005 through May 2009. The variance between the bank records and the balance in NIS was consistent at \$1,065,210 for all the months noted. DAS State Accounting reduced the total Operating Investment Pool (OIP) interest distributed to each agency in June 2009. The total OIP interest distributed was reduced by \$897,282, which consisted of the net of the \$1,065,210 variance between the bank records and accounting records, and \$167,928 of other miscellaneous adjustments. As of June 30, 2009, there was no variance between the bank records and the accounting records. The effect on the Nebraska Lottery's financial statements was not significant.

