



2011

Annual Report

and Resource Guide

# Annual Report AND RESOURCE GUIDE

**July 1, 2010, through June 30, 2011**

Lottery sales reached a record \$131.9 million, an increase of \$1.3 million over the previous fiscal year. Transfers to our beneficiary funds increased to \$32 million. These are figures to be proud of, and speak to the appeal of our products, the loyalty of our players, and the efficiency of our organization.

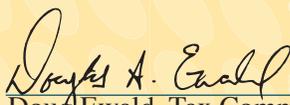
Another highlight of this fiscal year was the conversion to a new unified terminal system. The evaluation and selection of a new vendor, the successful installation of equipment across our retailer network, and the execution of a statewide training program, was a year-long process. We are confident that the new system will provide benefits to the Lottery, our retailers, and players far into the future.

Finally, we continued our longstanding relationships with our retailers, who received \$8.2 million in commissions during the fiscal year.

Other highlights for the fiscal year include:

- Collected \$832,055 in state income taxes from prize winnings;
- Collected \$4,613 in unpaid taxes; and
- Collected \$29,203 in unpaid child support.

We look forward to continuing to serve the citizens of our state by providing them with quality entertainment, and by supporting good causes with Lottery proceeds. Together, we are Helping to Build a Better Nebraska®.

  
\_\_\_\_\_  
Doug Ewald, Tax Commissioner

  
\_\_\_\_\_  
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. A variety of Scratch games were developed and offered during the course of the year.

The Nebraska Lottery sells Lotto (online) 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 and Lotto game products, equipment, and services are provided by GTECH Corporation, which employs more than 30 people across Nebraska. Tickets and equipment are distributed from the Nebraska Lottery warehouse in Lincoln. The Nebraska Lottery contracts with SKAR Advertising of Omaha for advertising development and marketing-related services.

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

There are 22 Nebraska Lottery state employees providing accounting, marketing, communication, systems, and general administrative services.

# Operations

## Terminal System Conversion

During the summer of 2011, the Nebraska Lottery upgraded equipment at approximately 1,200 retail locations as part of a new system contract with GTECH Corporation. These upgrades provide multiple benefits for Lottery retailers and players.

In May 2010, the Nebraska Lottery issued a Request for Proposals for a single vendor to provide Scratch and Lotto products and services. Submitted proposals were evaluated by a team of seven reviewers including representatives from the Lottery, retailers, and beneficiaries. In August 2010, GTECH Corporation was selected to provide all hardware, software, equipment, and services related to the Lottery's Scratch and Lotto gaming activities.

The centerpiece of the new system is the Altura GT1200 lottery terminal provided by GTECH. The Altura is state-of-the-art technology, making it faster for the clerk to select transactions and print Lotto tickets. Each lottery terminal is connected via secure satellite or 3G network wireless links to the central processing system.

A new feature for customers is a 17-inch multimedia display that provides customer transaction details, jackpot amounts, and other lottery information. A new Check-A-Ticket® device allows players to identify winning Lotto and Scratch tickets before presenting them for payment.

Installation of the new system began in May 2011, and 35 training sessions were held across Nebraska to provide retailers some hands-on experience with the new equipment. The new system was activated on June 26, 2011.



# Lotto (Online) Game Developments

The Multi-State Lottery Association, operator of Powerball, the world's best known jackpot lottery game, announced in June 2011 that improvements to the game will be implemented on January 15, 2012.

Changes to Powerball will coincide with its 20th anniversary. Jackpots will start at \$40 million, which is double the current \$20 million starting jackpot. Powerball officials aim to make it easier to win other prizes. The white ball side will remain at 59 numbers, while the red ball side will fall from 39 to 35 numbers. The ticket price will increase to \$2 per play.

“One of the comments we frequently receive from our players is that they want more chances to win a non-jackpot prize,” said Jim Haynes, Nebraska Lottery Director. “The changes that will be made next January will add some exciting elements to the game, and allow us to continue to support good causes across Nebraska.”

The key Powerball improvements include:

- The starting jackpot increases from \$20 million to \$40 million, the world's largest starting lotto game jackpot;
- The odds of winning the jackpot prize and the overall odds of winning will improve to 1 in 175 million and 1 in 31.8, respectively;
- The Match 5 prize will change from \$200,000 to \$1 million;
- The lowest prize will change from \$3 to \$4.



# Scratch Developments

The Nebraska Lottery released its first 3-D Scratch game: Green Lantern®.

Based on the popular DC Comics® character, the \$3 Green Lantern Scratch game features images from the Warner Bros. Pictures “Green Lantern” movie and offers a top prize of \$30,000. Special glasses are provided with the purchase of a Green Lantern ticket in order to experience the groundbreaking 3-D ticket artwork.

The Green Lantern is also the first Scratch game based on a major motion picture. The Lottery partnered with Alchemy3 to license the Green Lantern brand. SKAR Advertising, the Lottery’s advertising agency, developed the game artwork and associated materials.

The April 2011 launch of the Green Lantern Scratch ticket was scheduled to establish the game in the market before the release of the motion picture on June 17, 2011. As promotion for the Green Lantern film began, the game was in stores and ready for purchase.

The Nebraska Lottery also promoted the Green Lantern Scratch game through a variety of online and traditional media. A microsite at [nelottery.com/GreenLantern](http://nelottery.com/GreenLantern) provided information on the Scratch game, the official movie trailer, and a second-chance contest where over 7,770 players entered their non-winning Green Lantern Scratch tickets online for a chance to win a Sony® 3-D home theater system. Links to Facebook and Twitter allowed site visitors to post information about the microsite to their social media accounts. A direct marketing piece was sent to emerging market players along with a pair of 3-D glasses to drive traffic to retailers. Radio and in-theater advertising was also utilized, and the Lottery partnered with a popular Omaha radio station to host a sneak preview of the Green Lantern movie two days before the official release. At the retail level, point-of-sale materials such as door clings and an on-counter standup display were developed to promote the Nebraska Lottery’s first 3-D Scratch game.

Plans are underway to develop additional 3-D Scratch games incorporating the feedback received from players and retailers about the Green Lantern game. “Green Lantern was definitely a new endeavor for us,” said Jim Haynes, Nebraska Lottery Director. “One of the comments we’ve received is that players don’t want the glasses. Only the ticket art is in 3-D, and once you’ve scratched the ticket, the glasses are not necessary. In our next game, we’ll be looking at ways to expand the 3-D experience.”



# 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 to cafés. Nebraska Lottery tickets may not be sold in establishments licensed for the consumption of alcohol. Players must be at least 19 years old to purchase and redeem Nebraska Lottery tickets.

Previous research among retailers found that carrying Lottery tickets is viewed as a customer service by 62% of retailers responding. Another 36% 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**

1. Corner Stop, Columbus
2. Skagway - 5 Points, Grand Island
3. Coffin's Corner, Grand Island
4. Pump & Pantry #16, York
5. Bucky's Express #13, Omaha
6. Trotters Whoa & Go Express, Loup City
7. Gas N Snaks, Seward
8. Express Mart #1, Scottsbluff
9. Foote Convenience Plaza, Kearney
10. Loaf 'N Jug #333, Gering

## **Lotto, Top 10**

1. Hy-Vee Food Store #1465, Omaha
2. Hy-Vee Food Store #1467, Omaha
3. No Frills Supermarket #19, Omaha
4. No Frills Supermarket #3, Bellevue
5. Bakers #311, Omaha
6. Bakers #300, Bellevue
7. Super Store, Bellevue
8. Corner Stop, Columbus
9. Hy-Vee Food Store #1535, Omaha
10. Hy-Vee Food Store #1470, Omaha

# 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 \$413,410,252 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%) is 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 total transfers to the funds as of June 30, 2011, were:

<b>Education Innovation Fund</b>	<b>\$136,405,590</b>
<b>Nebraska Opportunity Grant Fund (formerly known as the Nebraska Scholarship Fund*)</b>	<b>53,538,235</b>
<b>Nebraska Environmental Trust Fund</b>	<b>171,482,827</b>
<b>Nebraska State Fair Support and Improvement Fund</b>	<b>18,993,500</b>
<b>Compulsive Gamblers Assistance Fund</b>	<b>9,529,104</b>
<b>Solid Waste Landfill Closure Assistance Fund (1993–1997)</b>	<b>18,460,996</b>
<b>General Fund Transfer (2004)</b>	<b>5,000,000</b>
<b>TOTAL</b>	<b>\$413,410,252</b>

*\* 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 2010

### Powerball - \$200,000

Sandra Havlat, Crete

Carl Rennerfeld, Blair

### Powerball - \$10,000

Pho T. Le, Lincoln

Eric Jones, Omaha

Tho Duo Dinh, Omaha

### Mega Millions - \$20,000

Tom Miller, Wauneta

### Mega Millions - \$10,000

Ryan Richmond, Omaha

### Mega Millions - \$632

Louis Sledge, Omaha

### Mega Millions - \$600

Bill Teel, Indianola

David Newhouse, Omaha

Robert Vargas, Gretna

Teresa Staab, Arcadia

Jim Swerczek, Columbus

Kelly Telecky, Omaha

Charles Keppart III, Omaha

### Nebraska Pick 5 - \$118,000

Angelina Hawkins, Bellevue

### Nebraska Pick 5 - \$82,000

Dan Qualters, Omaha

### 2by2 - \$22,000

Yolanda Alameri, Lincoln

Michael Nienhuser, Sidney

William Anderson, Omaha

### MyDaY - \$5,048

Bruce Amick, Springfield

### MyDaY - \$5,000

Rodger Duvall, Omaha

Diane Hall, Lincoln

Bob Ritonya, Omaha

Stanley Perrien, Sutton

Gary Meyer, Omaha

### Nebraska Pick 3 - \$18,000 (\$600 x 30)

Dewayne Staley, Omaha

### Nebraska Pick 3 - \$1,050

Rosalind Hawkins, Omaha

### Nebraska Pick 3 - \$950

Patricia Nelson, Bellevue

Jeff Gustafson, Omaha

### Nebraska Pick 3 - \$800

Alvin Motley, Bellevue

### Nebraska Pick 3 - \$700

Laurie Heise, Lincoln

### Nebraska Pick 3 - \$600

Walter Malson, Lincoln

Amiee Dreiling, Lincoln

Sharon Haith, Lincoln (x2)

Richard Wade, Auburn

Jody Mendosa, Omaha

Jeffrey Ellison, Torrington, WY

Gary Lindahl, Omaha

Steve Pospisil, Norfolk (x2)

Aisha Wright, Omaha

### Nebraska Pick 3 - \$600 (continued)

Ellen Szekley, Bertrand

Mary O'Brien, Fremont

Michelle Novak, Wahoo

Susan Hike, Omaha

Natasha Keane, Alliance

Suzanne Myers, North Platte (x3)

JoAnna Nedd, Omaha

William Poole, Omaha

Linda Westhold, Norfolk

Bob Butterfield, North Platte

Flordelite White, Omaha

Mary Queen, Fort Calhoun

Christian Dotson, Bellevue

John Klement, Ulysses

Jacqueline Brouillette, North Platte

Jason Helter, Lincoln

Rose Mary Gould, Omaha

### Nebraska Pick 3 - \$550

Suzanne Myers, North Platte (x3)

### 10x The Money - \$10,000

Jean Austin, Edgar

### 10x The Money - \$1,000

Vernell Haggan, Lincoln

### Bases Loaded - \$3,000

David Diaz, Alliance

### Beat the House - \$50,000

Kevin Giles, Lincoln

### Bonus Crossword - \$1,000

Jan Hawkins, Omaha

Cindy Kucera, Kearney

### Caesars High Roller - \$1,000

Justin Christensen, Fremont

### Fabulous Fortune - \$1,000

Joanna Wallace, Scottsbluff

### Full Tank - \$1,500

Larry Hughes, Imperial

### Full Tank - \$250 Fuel Card

William Nielson, Hickman

Michelle Thacker, Lincoln

### Fun 5's - \$30,000

Sheila Moore, Superior

### Fun 5's - \$1,000

Marcus Fisher, Kearney

### Hot 7's - \$777

Julie Reyes, Schuyler

Anthony Drake, Omaha

### Larry the Cable Guy - \$32,000

Kerry Ballagh, Burwell

Reina Borjas, Grand Island

### Larry the Cable Guy - \$1,000

Charles Price, Sr. Omaha

Mitchell May, Lincoln

### Quick 7's Deluxe - \$15,000

David Garza, Alliance

### Quick 7's Deluxe - \$1,000

Tim Pfohl, Dawson

### Truck\$ & Buck\$ - Truck

Michael Kosmicki, Ashton

Clay Duncan, Lincoln

## AUGUST 2010

### Powerball - \$40,000

Lois Thompson, Omaha

### Powerball - \$10,000

Warren Conner, Omaha

Dan Mayhew, Lincoln

Nancy Kuykendall, Omaha

### Powerball - \$1,000

Brendan Katin, Wellington, FL

### Mega Millions - \$10,000

Cecilia Segura, Omaha

### Mega Millions - \$628

Karen Denney, Stanton

### Mega Millions - \$600

Etta Olson, St. Edward

Lucille Lupher, Minatare

Mark Moerles, Bellevue

Ronald Witt, Lyman

Michael Smith, Bellevue

Eric Kurth, Lincoln

John LaVelle, Hickman

### Nebraska Pick 5 - \$118,000

Joel Maska, Axtell

### Nebraska Pick 5 - \$82,000

James Dropinski, Omaha

### 2by2 - \$22,000

Charlotte Cornelius, Omaha

Roger Lampman, Pilger

### MyDaY - \$5,000

Dale Pallett, Shelton

Phong Hoang Le, Lincoln

Cheryl Moody, Purdum

Hoang Phuoc, Lincoln

Donald Schwanke, Norfolk

### Nebraska Pick 3 - \$1,900

Suzanne Myers, North Platte

### Nebraska Pick 3 - \$1,050

Steven Poore, Hastings

### Nebraska Pick 3 - \$950

Robert Perkins, Bellevue

Dorothy Thiem, North Platte

### Nebraska Pick 3 - \$700

Mary Jordan, Omaha

Sherman White, Lincoln (x3)

Steven Poore, Hastings

Stanley Livingston, Lincoln

### Nebraska Pick 3 - \$600

Mark Luellman, Bellevue

Rodney Nance, Lincoln

Leon Syms, Omaha

Suzanne Myers, North Platte (x3)

Tonnie Wright, Omaha

Richard Swanson, Torrington, WY

Mel Irish, North Platte (x2)

Darlene Richardson, Omaha

### Nebraska Pick 3 - \$600 (continued)

Ann Miller, Blair

Shawntay Williams, Lincoln (x2)

James Heflinger, Omaha

Floyd Knodel, Fremont (x2)

Hien Ngoc Nguyen, Lincoln (x2)

Chester Holliman, Omaha

William Nicholson, Hastings

Rafael Jacinto, Omaha

Dale Peterson, Kearney

Terry Weaver, Omaha

Ann Miller, Blair

David Westphalen, Schuyler

Tonya Irish, North Platte

Inthavay Insiengmay,

Grand Island

David Gonzales, Hastings

Marcus Higgins, Bellevue

Jack Hein, Omaha

### Bonus Crossword - \$1,000

Alejandro Cortes, Omaha

### Caesars High Roller - \$1,000

Karen Couch, Omaha

Jannell Koenig, Norfolk

Annette Morgan, Kearney

### Caesars High Roller - \$500

John Myers, Genoa

### Chiefs Cash Fantasy - \$30,000

Beverly Meredith, Clarkson

### Chiefs Cash Fantasy - \$1,000

Susan Zenger, Omaha

### Full Tank - \$250 Fuel Card

Barry James, Lincoln

Scott Miller, Elkhorn

### Fun 5's - \$30,000

JoDee Heskett, Central City

### Fun 5's - \$1,000

Michael Baker, Grand Island

Adrian Cantrel, Jr., Omaha

### Go Nebraska - \$2,000

Nicole Sokolite, Fairbury

### Larry the Cable Guy - \$32,000

Laurie Madsen, Lincoln

### Mad Money Doubler - \$17,500

Tony Dietz, Orleans

### Royal 7's - \$50,000

Rebecca Robinett, Bennet

### Totally Topaz Tripler - \$1,000

David Hennecke, Lincoln

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

Fuel Card

Michael Morrison,

Woodbine, IA

## SEPTEMBER 2010

### Powerball - \$10,000

Donna Sullivan, Lincoln  
Elizabeth Burbach, Kimball  
Armando Leon, Hastings  
**Mega Millions - \$10,000**  
Marshall Kremarik, Lincoln  
James Gifford, Lincoln  
**Mega Millions - \$600**  
Ben Starkey, York  
Cheryl Wampler, Bellevue  
Roger Swenson, Fremont  
Edward Kolesnickov, Omaha  
**Nebraska Pick 5 - \$94,000**  
James Engle, Omaha  
**Nebraska Pick 5 - \$54,000**  
Robert Smith, Paxton  
**2by2 - \$22,000**  
Karla Adler, Hastings  
Benny Covington, North Platte  
Christine Wendell, Grant  
**MyDaY - \$5,000**  
Catherine Irish, LaVista  
Dale Schumacher, Jr., Waverly  
Ben Sheppard, Ayr  
Roxanne Duran, North Platte  
**Nebraska Pick 3 - \$3,000**  
Frank Murphy, Meadow Grove (x2)  
**Nebraska Pick 3 - \$2,500**  
Robert Perkins, Bellevue (x2)

### Nebraska Pick 3 - \$1,650

Karen Ratajski, Omaha  
**Nebraska Pick 3 - \$1,200**  
Victor Wheeler, Omaha  
Lesne St. Arboro, Lincoln  
**Nebraska Pick 3 - \$950**  
Janice Butler, Omaha  
**Nebraska Pick 3 - \$700**  
Victoria Christensen, Columbus  
Steven Poore, Hastings  
Tara Galaviz, Lincoln  
**Nebraska Pick 3 - \$600**  
Judith Helter, Lincoln  
Edward Hahn, Omaha  
Jess Mullanix, Alliance  
Darlene Richardson, Omaha  
Michelle Novak, Wahoo  
William Mills, Grand Island  
John (Giovanni) Gruppo, Omaha  
Robert Ritonya, Omaha  
Mel Irish, North Platte (x4)  
Dennis McMahon, Omaha  
Kenneth Bray, Columbus  
Lee Tinkler, Tecumseh  
William Poole, Omaha (x2)  
Douglas Hardin, Lincoln  
Ryan Schrader, York  
Orlando Allen, Omaha  
Diana Dinan, Lincoln

### Nebraska Pick 3 - \$600 (continued)

James Forcucci, Lincoln  
Vanhsy Khanthavixay, Grand Island  
John McLeany, Omaha  
Thu Tran, Lincoln  
Francis Massa, Lincoln  
Ngoc Hein Nuygen, Lincoln  
Jeremy Anzaldo, Omaha  
David Engel, Omaha  
Rosalie Brainard, Cambridge  
James McGraw, Kearney  
**Nebraska Pick 3 - \$550**  
James Victor, Omaha (x2)  
**2x Wild Bingo - \$35,000**  
Andrea Porter, Omaha  
**10x The Money - \$10,000**  
Alice Larsen, Omaha  
**10x The Money - \$1,000**  
Alfred Ripenburg, Lincoln  
**\$3,000,000 Cash Bonanza - \$75,000**  
Laurie Ann Madsen, Lincoln  
**\$150,000 Cash Craze - \$1,000**  
Adolph Vacek, Western  
Marshall Leiting, Omaha  
**Cash Cow - \$2,500**  
Marie Sweley, Litchfield  
**Caesars High Roller - \$1,000**  
Rita Sideris, Flushing, NY  
Courtney Post, Lincoln  
Juana Monroy, Lexington

### Chiefs Cash Fantasy - \$1,000

Bill Allen, Papillion  
**Fabulous Fortune - \$50,000**  
Mike Leise, Norfolk  
**Fun 5's - \$30,000**  
James Bertler, Red Cloud  
**Goal - \$3,000**  
Dulce Barriga, Gibbon  
**Groovy Cash - \$1,000**  
Mike Ladsding, Grand Island  
**Groovy Cash - \$650**  
Eugene Vander Veen, Morrill  
**Hot 7's - \$777**  
Beate Miller, Blair  
**Quick 7's - \$7,000**  
Jimmy Kinney, Council Bluffs, IA  
**Quick 7's Deluxe - \$1,000**  
Gloria Burkey, Lincoln  
**Royal 7's - \$1,000**  
Monte Gracia, McCook  
**Totally Topaz Tripler - \$50,000**  
Michael Lippold, Brule  
**Totally Topaz Tripler - \$1,000**  
Scott Navrkal, Elmwood  
**Truck\$ & Buck\$ - \$1,000 Fuel Card**  
Steve Stutzman, Kearney

## OCTOBER 2010

### Powerball - \$1,000,000

John Grimes, Alliance  
**Powerball - \$20,000**  
Wayne Harris, Fremont  
**Powerball - \$10,000**  
Charlie Volcek, Omaha  
Robert Foster, North Platte  
**Mega Millions - \$10,000**  
Shirley Spenner, Dodge  
**Mega Millions - \$600**  
Robert Moorehouse, Torrington, WY  
DeWayne Blaha, Bellevue  
Nhu H. Nguyen, Lincoln  
Keenan Meyer, Pilger  
Matt Bishop, Ralston  
Wanda Osterbuhr, Lincoln  
Raymond Woksa, Lincoln  
Clark Long, Sr., Bellevue  
Ben Starky, York  
Dale Zimmerman, Lincoln  
Rachelle Bergmann, Omaha  
David Watkins, LaVista  
Michael Hervey, Hyrum, UT  
Ruth Felner, Omaha  
Nathan Schulte, Omaha  
Ted Harshberger, Humbolt  
**Nebraska Pick 5 - \$118,000**  
Tammy Dickey, Spencer  
**Nebraska Pick 5 - \$106,000**  
Rose Wendt, Kenesaw

### 2by2 - \$22,000

Rodney Ezequiel, Lyman  
Michael Gold, Chadron  
Denise Martin, Omaha  
**MyDaY - \$5,000**  
Kathy Edwards, Kearney  
Toni Pankowski, Lewis  
Marie Kozak, Omaha  
**Nebraska Pick 3 - \$1,750**  
Lee Tinkler, Tecumseh (x3)  
**Nebraska Pick 3 - \$1,150**  
Jose Rodriguez, Lincoln  
**Nebraska Pick 3 - \$950**  
Janice Butter, Omaha  
**Nebraska Pick 3 - \$700**  
Lee Tinkler, Tecumseh  
**Nebraska Pick 3 - \$600**  
James Robinson, Omaha (x2)  
Cheryl Schledewitz, Mitchell  
Judy Swim, Lincoln  
William Shawntay, Lincoln  
Cheri Ramirez, Columbus  
Brian Aerni, Columbus  
Donald Tallant, Sterling  
Sandra Gallatin, McCook  
Dana Veneck, Bellevue  
Linda Schumacher, Omaha  
Clark Myers, Scottsbluff  
Robert Kalvoda, Glenvil (x2)  
Marvin Klassen, Phelps

### Nebraska Pick 3 - \$600 (continued)

Henry Straw, Nebraska City  
Bonnie Gilbert, Omaha  
Annette Dolan, Omaha  
Judith Helter, Lincoln  
Nhu Dinh, Lincoln  
Ellen Szekely, Bertrand  
Sharon Haith, Lincoln (x4)  
Jeff Nardouzzo, Omaha  
Rita Hautzenroder, Lincoln  
Karleen Stutzman, Raymond  
Jean Morris, Genoa  
Walter Klusaw, Papillion (x2)  
Ricky Long, Lincoln  
Stanley Harrison, Omaha  
Floyd Knodel, Fremont (x2)  
David Westphalen, Schuyler  
**Nebraska Pick 3 - \$550**  
Kris Mitchell, Louisville  
**2x Bingo - \$35,000**  
Juletta Munson, Cozad  
**5x The Winnings - \$1,000**  
Stacy Springer, Indianola  
**\$150,000 Cash Craze - \$1,000**  
Gloria Jackson, Omaha  
**Billboard - \$1,000**  
LeRoy Zimmer, Omaha  
**Bonus Crossword - \$1,000**  
Danielle Mehner, Omaha

### Caesars High Roller - \$1,000

Ruby Batterman, Ogallala  
**Chiefs Cash Fantasy - \$30,000**  
Craig Killingsworth, Falls City  
**Full Tank - \$250 Fuel Card**  
Aaron Cross, Scottsbluff  
**Groovy Cash - \$1,000**  
Toria Eisenbarth, Alliance  
**Groovy Cash - \$650**  
Teryl Martin, Omaha  
Kelly Lampa, Edison  
**Mad Money Doubler - \$17,500**  
James Bowers, Beatrice  
**Quick 7's - \$7,000**  
Donald McCarthy, Spaulding  
Eugene Spotsanski, Loup City  
**Quick 7's Deluxe - \$1,000**  
Justin Hayes, Omaha  
**Red & Green - \$10,000**  
Leila Ann Dodson, Madrid  
**Royal 7's - \$1,000**  
Kris Delehant, Kearney  
**UNO - \$1,000**  
David Aguiniga, Howells  
Adam Rubottom, Lincoln  
Melissa Lopez, Lincoln

## NOVEMBER 2010

### Powerball - \$50,012

Rex German, Cozad  
**Powerball - \$10,000**  
Donald Josko, Sioux Falls, SD  
Linda Vacek, LaVista  
Pamela Pabian, Morse Bluff

### Mega Millions - \$20,000

William Mills, Grand Island

### Mega Millions - \$628

David Kuszak, Ashton

### Mega Millions - \$600

David Czapla, Columbus  
Dawn Simms, Omaha  
Keith Miller, Broken Bow  
Wayne Harris, Fremont  
Debra Marl, Lincoln  
Shannon Buller, Torrington, WY  
Donna Haugland, Sutherland  
Barbara Vanck, Prague  
Delmar Polacek, Surprise  
Robert Jones, Hickman

### 2by2 - \$22,000

John Burns, Sr., Hastings

### MyDaY - \$5,000

Jeremy Tomczyk, Denton  
Deanna Seller, McCook  
Tod Riley, York  
Clark Myers, Scottsbluff  
Kent Priest, North Platte  
Lynda Wasielewski, Bushnell  
**Nebraska Pick 5 - \$900**  
Richie Brown, Omaha  
Sally Schaaf, Grand Island

### Nebraska Pick 3 - \$1,850

Ashleigh Hams, Lincoln

### Nebraska Pick 3 - \$1,200

Kevin Peters, Omaha (x3)

Michael Holbert, Omaha

### Nebraska Pick 3 - \$950

Janice Butler, Omaha (x2)

Morris Sanders, Omaha

Alvin Motley, Bellevue

### Nebraska Pick 3 - \$826

Vernell Haggan, Lincoln

### Nebraska Pick 3 - \$700

Derrick Moore, Omaha

Victoria Christensen, Columbus

### Nebraska Pick 3 - \$600

Sharon Meyer, Lincoln (x3)  
Jennifer Martinez, Grand Island  
Douglas Woodcook, Omaha (x2)  
Bob Butterfield, North Platte  
Dennis McMahon, Omaha (x2)  
Andrew Wieger, Omaha  
Carolyn Klassen, Holdrege  
R. Jayne Ortgiesen, Atlanta  
William Poole, Omaha  
Larry Banks, Omaha  
Richard Baelberg, Palmer  
Carol Knass, Grand Island  
Gloria Jackson, Omaha  
Jolm Noh, Papillion  
Mel Irish, North Platte (x3)  
Frank Mrsny, Wayne

### Nebraska Pick 3 - \$600 (continued)

Janice Butler, Omaha

Nathan Bucholzer, Hebron

Jess Mullanix, Alliance

David Morgan, Omaha

Deborah Hearn, Omaha

James Crow, Lincoln

Merle Dack, Culbertson

Brian Patterson, Fremont

Bill Hoselton, Hastings

Tanya Branson, Omaha

### 2x Bingo - \$1,000

Bradley Kohl, North Platte

### 5x The Winnings - \$1,000

Gary Schulz, Omaha

James Lowery, Glen Ellyn, IL

### Bonus Crossword - \$35,000

Roxanne Meduna, Wahoo

### Bonus Crossword - \$1,000

Claudia Saldana, Omaha

### Caesars High Roller - \$1,000

Glenn DeVries, Trumbull

Ra Ma, Omaha

### Cash Craze - \$1,000

Latisha McMahan, Lincoln

James Fitzsimmons, Alliance

### Deuces Wild - \$3,000

Kimberly Hurt, Grand Island

### Emerald Green 7's - \$17,000

Vicki Dunkeson, Blair

### Full Tank - \$1,500

Miranda Fields, Aurora

### Full Tank - \$250 Fuel Card

Cheryl Obermire, Norfolk

### Go Nebraska - \$2,000

Annette Hesse, Ainsworth

Diana O'Neill, Grand Island

### Groovy Cash - \$30,000

Steve Walker, Gothenburg

### Groovy Cash - \$650

Gary Landen, Gering

Neal Kratochvil, Columbus

Ronald Tillman, Lincoln

### Happy Holidays - \$1,000

Donald Fusselman, Fullerton

Rebecca Jorgensen, Lincoln

### Holiday Cheers Bingo - \$1,000

Jerry Doke, Newport

Charlene Jezbera, Wilcox

Mary Thompson, Ulysses

Ricky Metz, Grand Island

### The Dog - \$1,000

Susan Curtis, Columbus

### UNO - \$35,000

Gloria Jackson, Omaha

### UNO - \$1,000

Fred Sporleder, Pierce

Joseph Skaggs, Dannebrog

Eric Valasek, Spaulding

Dianna Safford, Omaha

William Thurston, Kearney

Marcelino Hernandez, Morrill

## DECEMBER 2010

### Powerball - \$200,000

Jim Wagner, Crete

### Powerball - \$20,000

Bradley Brummels, Winside

### Powerball - \$10,000

Richard Mason, Colorado Springs, CO

### Powerball - \$828

Paul Eaton, Omaha

### Mega Millions - \$10,000

Alicia Estrada, Lexington

### Mega Millions - \$600

Sharon Maynard, Omaha

Robert Hotovy, Omaha

Joni Saathoff, Beatrice

Dennis Sloup, David City

Eric Meyer, Omaha

Brenda Douglas, Humbolt

Marlin White, Sutherland

Dale Sicheneder, Chambers

Aron Geiger, North Platte

Jerry Williams, Henderson

### 2by2 - \$22,000

Linda Schumacher, Omaha

### Nebraska Pick 5 - \$178,000

Larry Rezac, Lincoln

### Nebraska Pick 5 - \$54,000

Elaine Anderson, North Platte

Randy Morris, Cheyenne, WY

### MyDaY - \$5,000

Lorrie Cox, Gering

Brenda Pecor, Aurora

Edward White, Bellevue

### MyDaY - \$1,825

Linda Shaw, Atkinson

### Nebraska Pick 3 - \$2,000

Martha Nash, Omaha

### Nebraska Pick 3 - \$1150

Jennifer Grobe, Grand Island

### Nebraska Pick 3 - \$1,050

Mary Swails, Omaha

### Nebraska Pick 3 - \$950

Typhani McCall, Omaha

Mark Ruhl, Lincoln

### Nebraska Pick 3 - \$800

James Forcucci, Lincoln

### Nebraska Pick 3 - \$700

Robert Jarvis, Omaha

### Nebraska Pick 3 - \$600

Van Pacl, Wahoo

Richard Shockey, Torrington, WY

Hien Ngoc Nguyen, Lincoln

Ross Johnson, Holdrege

Mel Irish, North Platte

Darrell Ries, Papillion

Laurie Heise, Lincoln (x4)

Stephen White, Torrington, WY

William Poole, Omaha

Gary Belders, Broken Bow

P.D. Duensing, Lincoln

Dennis McMahon, Omaha

Linda Schumacher, Omaha

Mary Jordan, Omaha

Daniel Perkins, Seward

Douglas Woodcook, Omaha

James Hefflinger, Omaha

Larry Livingston, Omaha

Debra Williams, Omaha

Ron Coles, Lincoln

### Nebraska Pick 3 - \$600 (continued)

Tammy Colliver, Omaha

David Gonzales, Blue Hill

Sharon Haith, Lincoln (x2)

Rosalie Brainard, McCook

Sylvia Bovia, Omaha

Isaac Quarells, Jr., Lincoln

### 2x Bingo - \$35,000

Marcella Donner, Wausa

### 2x Bingo - \$1,000

John Turner, Lincoln

### 5x The Winnings - \$10,000

Brenda Hoffman, Lincoln

### \$150,000 Cash Craze - \$150,000

Bryan Dowling, Fremont

### \$150,000 Cash Craze - \$1,000

Joseph Skudlarek, Omaha

Jason Miller, Gering

Mona Sohl, Phillips

### \$100,000 Crossword Doubler - \$100,000

James McGraw, Kearney

Mindy Medlock, Omaha

### \$100,000 Crossword Doubler - \$1,000

Sean Wirth, Lincoln

Arlene Miller, Columbus

Judith Sentelle, Lexington

Randy Sear, Kearney

Stephanie Vosik, Omaha

Diana Dinan, Lincoln

### Black Pearls - \$100,000

Ryan Winter, Lincoln

### Caesars High Roller - \$80,000

Joseph Ivester, Broken Bow

### Chiefs Cash Fantasy - \$1,000

James Elliott, Niobrara

Terry Knapp, Fremont

### Extreme Cash Blast - \$1,000

Richard Peetz, Scottsbluff

### Groovy Cash - \$1,000

Jeff Eades, Omaha

### Groovy Cash - \$650

Deb Vavricek, David City

### Holiday Cheers Bingo - \$40,000

Tim Oldehoeft, Battle Creek

### Holiday Cheers Bingo - \$1,000

Mark Hayden, Norfolk

Clarence Wolfe, Lincoln

Mesa Da Sayaloune, Chadron

### Mad Money Doubler - \$17,500

Roy Leibbrandt, Chadron

### Red & Green - \$10,000

Seth Johnson, Omaha

### Royal 7's - \$50,000

Denise Adcock, Ainsworth

### The Dog - \$1,000

Ronald Williams, Fremont

### Totally Topaz Tripler - \$50,000

Anthony Hansen, David City

### UNO - \$35,000

Linda Perrien, Sutton

### UNO - \$1,000

Melanie Grow, Lincoln

King Knowles, III, Lincoln

## JANUARY 2011

### Powerball - \$200,000

William Swearingen, Lincoln

### Powerball - \$30,000

Dale Hornkohl, Ogallala

### Powerball - \$10,000

Josephine Garrison, Omaha

Anthony Mueller, Fremont

Douglas Welch, Beaver Crossing

Lawrence Carranza, Lincoln

### Mega Millions - \$250,000

Paul Gerber, Omaha

### Mega Millions - \$10,000

Charles Huh, Omaha

Ishok Lords, Mason City

Long Mong Huynh, Lincoln

Brenda Landholm, Madison

Ronnie Steward, Lincoln

Allen Clark, Lincoln

### Mega Millions - \$600

Billie Allender, Fremont

Diane Zerbe, Papillion

Bryan Haarmann, Kearney

Seth Kudym, Omaha

Pauline Jensen, Bennington

Brett Bayouth, Oklahoma City, OK

Robert Fonfara, Omaha

Kimberly Arnott, Mitchell

Fred Clough, Omaha

Benjamin Copeland, Omaha

Janice Bolen, Lyons

David Scott, Omaha

Joe Stein, Omaha

### Nebraska Pick 5 - \$162,000

Kimberly Russman, Gothenburg

### Nebraska Pick 5 - \$54,000

Don Kramer, Central City

### Nebraska Pick 5 - \$909

John Klement, Ulysses

### 2by2 - \$44,000

Terry Kenton, Omaha

### 2by2 - \$22,000

David Jones, Omaha

Mary Weaver, Bellevue

Lyle Schuerman, Beatrice

Bill Reed, Hershey

### MyDaY - \$5,000

Charlotte Cornelius, Omaha

### Nebraska Pick 3 - \$3,000

Manivanh Saysavanh, Grand Island (x2)

### Nebraska Pick 3 - \$1,400

Wade Stevens, Bellevue

### Nebraska Pick 3 - \$1,150

Daniel Pawlowski, Bellevue

### Nebraska Pick 3 - \$800

Michael Kramer, Lincoln

### Nebraska Pick 3 - \$700

Darlene Richardson, Omaha

### Nebraska Pick 3 - \$600

Michael Kozak, Omaha

Darlene Richardson, Omaha

Rosemary Pasiaka, Murray

Michael Ingensol, Sr., Albuquerque, NM

Glen Leech, Lincoln

Alfred Emmanuel, Omaha

James Porter, Omaha

Norene Naggatz, Omaha

Brian Kopf, Eddyville

Kerry Lauritsen, Dannebrog

Richard Unger, Columbus

Sharen Kallhoff, South Sioux City

Carol Knauss, Grand Island

Jimmie Highshaw, Omaha

James Forcucci, Lincoln (x2)

Gloria Jackson, Omaha (x2)

Gary Little, Doniphan

Van Pacl, Wahoo

Sharon Botos, Omaha

John Ewing, Omaha

Dale Peterson, Kearney

Deanna Anderson, Omaha

### Nebraska Pick 3 - \$600 (continued)

Rose Brinkman, Lincoln

Pam Lepisto, Murray

Meliton Sandoval, Ogallala

Mark Luellman, Bellevue

Tim Casebolt, Hebron

Greg Smith, Lincoln

Barbara Elliott, McCook

### Nebraska Pick 3 - \$550

Melvin Northrup, Lincoln

### 2x Bingo - \$1,000

Joan Martin, Fremont

### \$150,000 Cash Craze - \$1,000

Rose Jarzynka, Lincoln

Tim Wozny, Grand Island

Jim Shaffer, Omaha

### \$100,000 Crossword Doubler - \$1,000

Kimberly Phillips, Fremont

Michelle Sypal, Lincoln

Shana Gabriel, Osceola

Jeffrey Steger, Garber

Anthony Gauthier, Grand Island

Angelia Noll, Falls City

Scott Antala, Omaha

Arthur Hendrickson, Lincoln

Homero Flores, Nebraska City

Clifford Schweitzer, Malcolm

### Bonus Crossword - \$35,000

Jennifer Hodge, Johnstown

Leonel Enriquez, Omaha

### Bonus Crossword - \$1,000

Ivan Moreno, Omaha

### Cherry Twist - \$4,000

MaryLou Anderson, Hastings

### Chiefs Cash Fantasy - \$1,000

Heather Geisbusch, Lincoln

### Extreme Cash Blast - \$100,000

Jenna Knapp, Alliance

### Full Tank - \$250 Fuel Card

Vickie Courange, McCook

### Groovy Cash - \$30,000

Jami Roth, Eagle

### Groovy Cash - \$650

Kevin Woods, Columbus

Qiang Zhao, Omaha

Debra Hnurnung, Davey

### Happy Holidays - \$1,000

Michael Morris, Bellevue

### Holiday Cheers Bingo - \$1,000

Roger Hood, North Platte

Edgar Hayes, Bellevue

Francis One Feather, St. Francis, SD

### Larry the Cable Guy - \$1,000

Ryan Sargent, Kearney

### Lucky Gems Bingo - \$700

Nicholas Henson, Dubuque, IA

### Monopoly - \$1,000

Daphne Longs, Lincoln

### Quick 7's - \$7,000

Vicky Brown, Lyman

### Quick 7's Deluxe - \$15,000

Lisa Formico, Omaha

### Quick 7's Deluxe - \$1,000

Donald Reikofski, Omaha

### Red & Green - \$10,000

Kari Willis, Shelton

### Ruby Riches - \$800

Connie McEvoy, Ralston

Debra Janky, Columbus

James Ramspott, Fort Calhoun

Kent Kettenburg, Garland

Maureen Olofson, Gothenburg

### The Dog - \$25,000

Anna Turgeon, Omaha

### The Dog - \$1,000

Anna Acosta, Omaha

Kimiko Miller, Omaha

Melanie Rowland, Bennington

### UNO - \$35,000

Shelby Dorris, Omaha

### UNO - \$1,000

Angela Payton, Plattsmouth

### UNO - \$500

Janice Holscher, Lincoln

## FEBRUARY 2011

### Powerball - \$10,000

Steve Zerbs, Gretna

Richard Rappe, Bellevue

### Mega Millions - \$600

Colby Wilkinson, Narka, KS

Paul Radtke, Fremont

David Morgan, Omaha

Pat Steenson, Omaha

Bonita Johnson, Beatrice

Cornell Muse, Lincoln

Janet Bogatz, Omaha

Mary Urkevich, Omaha

### Nebraska Pick 5 - \$236,000

Mary Irwin, Gering

### Nebraska Pick 5 - \$450

Melissa Fry, Beaver Crossing

Steven Ardiana, Juniata

### 2by2 - \$22,000

Jackie Finley, Omaha

Joyce Huffman, Fairbury

Richard Smalley, Butte

Merilyn Olsen, Lincoln

### MyDaY - \$5,000

Ronald Howerter, Elm Creek

Ron Henry, Guide Rock

Dawn Hickman, Lincoln

Matthew Payne, Omaha

### MyDaY - \$365

Darlene Fry, Beaver Crossing

### Nebraska Pick 3 - \$1,200

Michelle Novak, Wahoo

### Nebraska Pick 3 - \$1,150

Edward Sanchez, Grand Island

### Nebraska Pick 3 - \$800

James Forcucci, Lincoln

Michael Kramer, Lincoln

### Nebraska Pick 3 - \$600

Kenneth Chadd, Lincoln

Joseph Cabral, Omaha

Tina Kellen, Omaha

Paola Barnett, Bellevue

Alfred Anderson, Grand Island

Adolphe Denovellis, Lincoln

Paulo Cervantes, Omaha

James Minor, Omaha

Karleen Stutzman, Raymond

Mary Jordan, Omaha

Joseph Kurcz, Bellevue

Jeffrey Henning, Crete

Prosper Duensing, Lincoln

Barbara Himmelberg, Friend

William Baas, Alliance

Jean Morris, Genoa

Walter Klusaw, Papillion (x2)

Lee Tinkler, Tecumseh (x2)

Harvey Hughbanks, Bellevue

Alexander Pikelis, Lincoln

Dorothy Balkus, Omaha (x2)

Jerry Knapp, Palmer

Amilcar Pineda, Columbus

Sharon Haith, Lincoln

Mark McChesney, Papillion (x3)

Ron Matson, Papillion

Colleen Hughbanks, Bellevue

Hien Ngoc Nguyen, Lincoln

Gloria Jackson, Omaha

Janice Lloyd, Omaha

### 2x Bingo - \$35,000

Carl Foltz, Norfolk

### \$150,000 Cash Craze - \$1,000

David Kaiser, Blair

Johnnie Mills, Jr., DeQuincy, LA

### \$100,000 Crossword Doubler - \$1,000

Janet Arnold, Cedar Rapids

Uriah Flood, Alliance

Kyle Anderson, Syracuse

Stephen Nosal, Omaha

Karen Morrison, Valentine

Debra McGrew, Omaha

Amber Ihde, Omaha

Kenneth Reed, Wymore

Bob Sherwood, Doniphan

Jana Losee, Lincoln

### Bases Loaded - \$3,000

Julie Sherwood, Oxford

### Bonus Crossword - \$35,000

Lisa Alexander, Lincoln

### Bonus Crossword - \$1,000

Debra Bliven, Gothenburg

### Cherry Twist - \$4,000

David Bailey, Alda

### Dazzling Gem 7's - \$700

Amber Buss, North Platte

### Extreme Cash Blast - \$1,000

John Leamen, Omaha

Fay Kapke, Lincoln

Earl Hendrix, Lincoln

### Golden Riches - \$100,000

Travis Stearns, North Platte

### Golden Goose - \$50,000

Douglas Hicks, Sioux City, IA

### Golden Goose - \$1,000

Kristin Sunday, Superior

James Riley, Seward

### Groovy Cash - \$1,000

Dustin Amack, Gothenburg

### Groovy Cash - \$650

Dustin Amack, Gothenburg

### Harley Davidson - \$25,000

Bob Cameron, Burr

### Holiday Cheers Bingo - \$40,000

Tammy Krumrei, Omaha

### Larry the Cable Guy - \$32,000

Mike Slater, Plattsmouth

### Larry the Cable Guy - \$1,000

Julie Hopkins, Omaha

Timmy Thomas, Avoca

### Lucky Gems Bingo - \$17,000

Judy Hernandez, Scottsbluff

### Lucky Gems Bingo - \$700

Angel Maldonado, Crete

### Moolah - \$10,000

Florinda Teague, North Loup

### Quick 7's - \$7,000

Lynsey Yost, Lincoln

Rodrothy Munhall, Omaha

### Royal 7's - \$1,000

Colman Bieber, Columbus

### The Dog - \$1,000

Daphne Darcy, Memphis, MO

## MARCH 2011

### Powerball - \$200,000

Sonja Ford, North Platte

### Powerball - \$20,000

Joe Pekarek, Holdrege

### Powerball - \$10,000

John Nicolaisen, Omaha

Richard Harris, Bellevue

### Mega Millions - \$1,000,000

Richard Evans, Lincoln

### Mega Millions - \$250,000

Charles Franklin, Scottsbluff

### Mega Millions - \$10,000

Larry Pasco, Davey

Jessica Kier, Hildreth

### Mega Millions - \$600

Yvonne Hurt, Omaha

Richard Johannson, McLean

Joni Saathoff, Beatrice

Doug Daehling, Lincoln

Annette Wiles, Plattsmouth

Cory Schwaar, Fremont

Tony Roman, Grand Island

George Joy, Ravenna

Gene Waddle, Norfolk

Betty Desterhouse, Valley

Frank Cervantes, Gering

Randal Garrison, Beatrice

Ray Carter, Omaha

LaVonne Hohenfeldt, Lincoln

David Riggs, Omaha

Jacqueline Lynn, Scottsbluff

### Nebraska Pick 5 - \$106,000

Victor Clarke, White Clay

André Flott, Omaha

### Nebraska Pick 5 - \$94,000

Douglas Wickert, Fremont

### Nebraska Pick 5 - \$82,000

Steven Ernst, Omaha

### Nebraska Pick 5 - \$50,000

Steven Bolter, Omaha

### Nebraska Pick 5 - \$900

Rodney Anderson, Omaha

### 2by2 - \$22,000

Kristopher Delehant, Kearney

Judith Schwisow, Beatrice

Thu Nguyen, Lincoln

Roger Crow, Wauneta

### MyDaY - \$5,000

Gary Schoenrock, Lincoln

Barbara Vos, Omaha

Robert Lottman, Beatrice

Bobbie Collison, Hildreth

Vickie Edmondson, Omaha

### Nebraska Pick 3 - \$2,400

Walter Klusaw, Papillion

### Nebraska Pick 3 - \$1,600

Deborah Abram, Omaha (x2)

### Nebraska Pick 3 - \$1,400

Deborah Abram, Omaha

### Nebraska Pick 3 - \$1,200

Roger McNiel, Utica

### Nebraska Pick 3 - \$1,100

Tammy Haynes, Bellevue

### Nebraska Pick 3 - \$950

Deborah Marion, Omaha

Sharon Christenen, Cozad

### Nebraska Pick 3 - \$700

Marcus Smith, Grand Island

William Bedinger, Hampton

### Nebraska Pick 3 - \$600

Richard Wade, Auburn

Darrell Neal, Lincoln

Orlando Allen, Omaha

Mary Jordan, Omaha (x2)

Michelle Jimerson, Omaha

Ethel Williams, Omaha (x3)

Dwayne Coleman, Omaha

Fidel Ruz-Nuglo, Lincoln

David Westphalen, Schuyler

Colleen Hughbanks, Bellevue

Jan Nieman, Lincoln

Stephanie Norris, Torrington, WY

Brenda Losey, Republican City

R. Jayne Orgiesen, Atlanta

Larry Orgiesen, Atlanta

J.D. Duncan, Omaha

### Nebraska Pick 3 - \$600 (continued)

James Forcucci, Lincoln

Gloria Jackson, Omaha

Evelyn Rost, Bellevue

Roger McNeil, Utica

Sandra Hall, Lincoln

LeRoy Bollwitt, Fremont

Joaquin Beltran, Crete

Hien Nguyen, Lincoln (x2)

Michael Kingery, Omaha

Walter Klusaw, Papillion (x3)

Doug Woodcook, Omaha

Michael Wiese, Omaha

Dennis McMahon, Omaha

Ronald Matson, Papillion

Edward Dubas, Omaha

Amelia Dahlke, Grand Island

Lee Tinkler, Tecumseh

Wilbra Malagon, Lincoln

Gerbert McDowell, Omaha (x2)

### 2x Bingo - \$35,000

Juan Mejia, Omaha

### 3 Play - \$10,000

James Jacobsen, Laurel

### \$150,000 Cash Craze - \$1,000

Peggy Tuttle, Scottsbluff

Holly Le, Lincoln

### \$100,000 Crossword Doubler - \$1,000

April Kittredge, Omaha

### Aces & 8's - \$5,000

Bob Meyer, Lincoln

### Blazing Hot 7's - \$15,000

Rebecca Nichols, Omaha

### Bonus Crossword - \$1,000

John Dearth, Bellevue

Jennifer Slattey, O'Neill

### Cash Connection - \$35,000

Juoy Skorniak, Loup City

### Dazzling Gem 7's - \$77,777

Gregory Killin, Lincoln

### Extreme Cash Blast - \$1,000

Chole Markham, Platte

### Golden Goose - \$50,000

Jerry Schurr, Farnam

### Groovy Cash - \$1,000

Ginny Ullrich, Omaha

### Groovy Cash - \$650

Leah Splichal, Lincoln

Melanie Hansen, St. Paul

Sherry Hyland, Columbus

Carolyn Schwarz, Lincoln

Chauncy Bates, Cozad

Michelle Dieter, Weeping Water

Wayne Abel, Bellevue

Darrell Norwood, Scottsbluff

Harold Fox, Gering

### Harley Davidson - \$25,000

Robert Forbes, Creighton

### Harley Davidson - \$1,000

Edwin Weaver, Lincoln

### Hook, Line, & Sinker - \$2,000

Ivette Delgado, LaVista

### Hot 7's - \$777

Kristi Long, Lincoln

### Larry the Cable Guy - \$1,000

Anthony Arena, Beatrice

Teri Eurek, Madison

### Monopoly - \$35,000

Denise Schumacher, Fremont

### Monopoly - \$1,000

Chantle Lautenschlager, Lincoln

### Moolah - \$10,000

Cory Smith, Whitney

### Quick 7's - \$7,000

Tracy Karr, Grand Island

### Ruby Riches - \$2,000

Tricia Uehling, Norfolk

### Royal 7's - \$50,000

Trisha Fowler, Bruning

### Ruby Riches - \$800

Alice Golter, Gothenburg

Peggy Nodean, Bellevue

Bessie Goode, Bellevue

Dana Fredrick, Grand Island

Gary Shedeed, Cambridge

Cathy Egbarts, Firth

### The Dog - \$25,000

Cornell Hiemke, Kearney

## APRIL 2011

### Powerball - \$10,000

Terry Wiseman, Norfolk

Sandra Luther, Fremont

Dennis Christensen, Lincoln

Trinidad Rodriguez, Lincoln

Morgan Kelly, Omaha

Michael Olsen, Alliance

### Powerball - \$500

Morgan Bevan, Lincoln

### Mega Millions - \$600

Charles Brockmon, Papillion

Charlotte Hickman, Kimball

Mary Baker, Crete

Brook Vincent, Doniphan

### Nebraska Pick 5 - \$102,000

Melinda Tolston, Omaha

Randal Warren, Sidney

### Nebraska Pick 5 - \$927

Dale White, North Platte

### Nebraska Pick 5 - \$900

Janice Pavelka, Blue Hill

### 2by2 - \$22,000

Martha Cardona, Lincoln

Michael Lynch, St. Paul

### MyDaY - \$5,000

Michael Slatten, Omaha

Lorriane DeGlopper, Blue Springs

Anani Dalmeida, Omaha

### Nebraska Pick 3 - \$726

Sarah Weah, Lincoln

### Nebraska Pick 3 - \$700

Steven Williamson, Omaha

### Nebraska Pick 3 - \$600

Sharon Haith, Lincoln (x3)

Jim Harrison, Loup City

Carol Cordova, Norfolk

Debra Williams, Omaha

Jason Hrbek, Norfolk

Gloria Jackson, Omaha

Amelia Dahlke, Grand Island

Mike Karnes, Omaha

Leroy Bollwitt, Fremont

Isaiah Jackson, Jr., Omaha

Chauncy Hoffman, Bellevue

Jeanna Reimers, Wolbach

Kenneth Dahlke, Lincoln

David Morgan, Omaha

Tammi Tate, Bellevue

Rosemary Pasieka, Murray

### Nebraska Pick 3 - \$600 (continued)

Prosper Duensing, Lincoln

Morris Sanders, Omaha

David Mac, Omaha

Dan Putnam, O'Neill

Patty Jestes, Axtell

Ronald Bray, Holdrege

Sharen Kallhoff, South Sioux City

Gary Little, Doniphan

Charles Thompson, Grand Island

Phuong Loan Thi Ho, Lincoln

Dawn Peetz, Lincoln

Patricia Krause, Lincoln

Marilee Gunning, Lincoln (x2)

### \$150,000 Cash Craze - \$1,000

Scott Schleicher, Grand Island

### \$100,000 Crossword Doubler - \$1,000

Carol Dzingle, Grand Island

Gisela Rozzell, Lincoln

Michelle Dieter, Weeping Water

Dennis Johnson, Exeter

Cynthia Linder, Grand Island

Stephani Chase, Grand Island

Timothy Jarzynka, Prosser

Dennis Jackson, Omaha

### Blazing Hot 7's - \$15,000

Krystal Jarrett, Bellevue

### Bonus Crossword - \$35,000

Henry Seeman, Blue Hill

Mike Nissen, Hastings

### Bonus Crossword - \$1,000

Ronald Langgle, Omaha

### Cherry Twist - \$4,000

Howard Simons, Grand Island

### Chiefs Cash Fantasy - \$30,000

Terrance Narofsky, Lincoln

### Diamonds 2x - \$5,000

Michael Jordan, Omaha

### Moolah - \$10,000

Wanda Moody, Alliance

### Quick 7's - \$7,000

Dean Steahr, Ashland

James Morris, Bennet

### The Dog - \$25,000

Gabriel Schachta, Grand Island

## MAY 2011

**Powerball - \$200,000**  
Thomas Anderson, Jr., Bellevue

**Powerball - \$10,000**  
Kristopher Hubbard, Denver, CO  
Michael Long, Blair  
Gerald Wantulok, North Platte

**Powerball - \$642**  
Melvin Waters, Hastings

**Mega Millions - \$20,000**  
Arvey Kruse, Scottsbluff

**Mega Millions - \$600**  
Micheel Schultz, Western  
David Coudeyras, Crete  
Delbert Coomes, Bellevue  
James Fleming, Plattsmouth  
Ron Schultz, Lincoln  
Ruth Fox, Bassett  
Jose Santos-DeJesus, Gretna  
Joc Rios, Kearney  
Jan Higgins, Bayard  
Kenneth McGee, Papillion

**Nebraska Pick 5 - \$106,000**  
John Fishler, Central City

**Nebraska Pick 5 - \$78,000**  
Judith Brandt, Omaha

**Nebraska Pick 5 - \$909**  
Bruce Piller, Elkhorn

**Nebraska Pick 5 - \$450**  
Nancy Hansen, Aurora  
Elizabeth Rafferty, Lincoln

**MyDaY - \$5,000**  
Randy Beck, Randolph  
Sherry Raymond, Ames  
Randy Hunt, Holdrege  
Hien Ngoc Nguyen (x2), Lincoln  
Marilyn Pike, Omaha

**Nebraska Pick 3 - \$3,000**  
Lee Tinkler, Tecumseh (x2)

**Nebraska Pick 3 - \$2,750**  
Thomas Tesmer, St. Paul  
Randy Feusner, Holdrege

**Nebraska Pick 3 - \$2,500**  
Diane Franklin, Omaha

**Nebraska Pick 3 - \$1,750**  
Lee Tinkler, Tecumseh (x2)

**Nebraska Pick 3 - \$1,300**  
James White, Lincoln

**Nebraska Pick 3 - \$1,200**  
Crystal Nguyen, Omaha

**Nebraska Pick 3 - \$1,150**  
Darlene Jensen, Omaha

**Nebraska Pick 3 - \$1,050**  
Joe Shediak, Omaha

**Nebraska Pick 3 - \$950**  
Teresa Books, Stuart

**Nebraska Pick 3 - \$950**  
Carolyn White, Torrington, WY

**Nebraska Pick 3 - \$750**  
Alfaro Radames, Columbus  
Chester Stotler, Fairbury

**Nebraska Pick 3 - \$700**  
Patricia Krause, Lincoln  
Kristy Petersen, Scottsbluff  
Edward Jones, Lincoln  
Joseph Kurcz, Bellevue

**Nebraska Pick 3 - \$676**  
Elma Wisdom, Bellevue

**Nebraska Pick 3 - \$650**  
Shirley Spahn, McCook

**Nebraska Pick 3 - \$600**  
Robert Ritonya, Omaha (x2)  
Stephanie Barnett, LaVista  
Melvin Northup, Lincoln  
Lee Vannurden, Bellevue  
Karen Andrew, Columbus  
Shirlene Omer, Lincoln  
Steve Pospisil, Norfolk (x2)  
David Rivera, Lincoln  
Walter Klusaw, Papillion  
Kenneth Williams, Omaha  
Sandi Coutts, Hastings  
Kim Then Huynh, Lincoln

**Nebraska Pick 3 - \$600 (continued)**  
Joseph Fox, Omaha  
Robert Harbour, Omaha (x3)  
Michael Short, Bellevue  
Colleen Hughbanks, Bellevue  
Elizabeth Vaughn, LaVista  
Rose Brinkman, Lincoln  
Jennifer Martinez, Grand Island  
Van Pacl, Wahoo  
Amber Patterson, Lincoln  
Clifford Hill, North Platte  
Greg Smith, Lincoln  
Randall Cauffman, North Platte  
Jaron Cannon, Omaha  
Jasper Clark, Omaha  
Laurie Heise, Lincoln  
Kenneth Stock, Omaha

**Nebraska Pick 3 - \$550**  
Patricia Nelson, Omaha

**Nebraska Pick 3 - \$500**  
Randy Feusner, Holdrege

**3 Play - \$10,000**  
Jeannine Romsa, Thurston

**\$150,000 Cash Craze - \$1,000**  
Larry Teter, Ogallala  
Tyler Britt, Cozad

**\$100,000 Crossword Doubler - \$1,000**  
Catherine Garretson, Bellwood  
David Novotny, Omaha  
Cynthia Kapke, Lincoln  
Kayla Wehrle, Madison  
Larry Iversen, Grand Island  
Bruce Woodley, Omaha  
James Nelson, McCook  
Daniel Long, Ashland  
Kenneth Reed, Wymore  
Randy Waters, Hastings  
Tracie Boyr, Ashland  
Rudy Virgil, Sidney

**Black - \$50,000**  
Linda Pflaster, Cozad

**Black - \$1,000**  
Gloria Chidester, Charlottesville, VA  
Martin Weber, Lincoln

**Blazing Hot 7's - \$15,000**  
Cecil Scarrow, McCook

**Dazzling Gem 7's - \$77,777**  
Joel Barratt, Omaha

**Dazzling Gem 7's - \$700**  
Leah Springer, Scribner  
Patricia Buck, Virginia

**Extreme Cash Blast - \$1,000**  
Mitchell Leiting, Omaha

**Full Tank - \$1,500**  
Terry Johnson, Lincoln

**Full Tank - \$250 Fuel Card**  
Stacy Reiss, Lincoln

**Green Lantern - \$500**  
Brenda Allen, Bellevue

**Groovy Cash - \$650**  
Leon Igo, Jr., Lincoln

**Larry the Cable Guy - \$32,000**  
Andrew Pietzyk, Cook  
Kenneth Priesner, Ogallala

**Larry the Cable Guy - \$1,000**  
Mark Verbeck, David City

**Lucky Gems Bingo - \$17,000**  
Cheng Hui Pan, Grand Island

**Match & Win - \$1,000**  
Mary Owens, Lincoln

**Precious Jewels - \$10,000**  
Denise Finken, Omaha

**Red Hot & Blue - \$10,000**  
Eugene Kobler, Omaha

**Ruby Riches - \$2,000**  
Marcia Monzu, Omaha

**Ruby Riches - \$800**  
Cherith Reinwald, Hebron  
Lonnie McDonald, North Platte

**Tick-Tack-Toe Rodeo - \$1,000**  
Louise Warnsholz, Seward

## JUNE 2011

**Powerball - \$10,000**  
Daniel Wagner, Elkhorn  
Nancy Pekny, Lincoln

**Powerball - \$700**  
Ana Vargas, Omaha

**Powerball - \$400**  
Danny D'Orio, Summerville, SC

**Mega Millions - \$600**  
Justin Zahl, North Platte  
Craig Thran, Omaha  
Arvey Kruse, Scottsbluff  
Karen Washa, Omaha  
Sanford Taylor, Niobrara  
Rex German, Cozad  
Allen Hitz, Lincoln

**Nebraska Pick 5 - \$166,000**  
Ronald Buchhammer, Torrington, WY

**Nebraska Pick 5 - \$62,000**  
Steve Robak, Columbus

**Nebraska Pick 5 - \$54,000**  
Leonard Soucie, Sidney

**Nebraska Pick 5 - \$900**  
Angela Richardson, Omaha

**Nebraska Pick 5 - \$450**  
Sharon Hontz, Palmyra  
Helene Baustian, Gretna  
Jennifer Matthies, Stanton  
Richard Kirby, LaVista

**2by2 - \$22,000**  
Devin Steele, Columbus  
Eleanor Styeck, Red Cloud  
Marion McConahay, Ashland

**MyDaY - \$5,000**  
Adela Lopez, Crete  
Nelson McKee, Omaha  
Jason Schrader, David City  
Nancy Nystrom, Omaha  
Rosemary Lang, West Point  
DeAnn Schlecht, West Point

**Nebraska Pick 3 - \$1,750**  
Minh Tran, Lincoln

**Nebraska Pick 3 - \$1,050**  
Lois Kaup, Stuart

**Nebraska Pick 3 - \$800**  
David Wiggins, Omaha

**Nebraska Pick 3 - \$700**  
David Beisner, Bellevue

**Nebraska Pick 3 - \$600**  
Michael Agostino, Elkhorn (x5)  
Marilyn Knapp, Palmer  
Karleen Stutzman, Raymond  
Sandra Albright, Bellevue  
Thomas Anderson, Omaha  
Darrell Ries, Papillion  
Ivan Crandell, Lincoln  
Stephen Zorkowski, Jr., Louisville  
Margaret Sutherland, Lincoln  
Randall Cauffman, North Platte  
Susan Knapp, St. Paul  
Eric Ling, Omaha  
Thomas Zimmerer, Omaha  
Hien Nguyen, Lincoln  
Richard Holgate, Homer

**Nebraska Pick 3 - \$600 (continued)**  
David Engel, Omaha  
Mercedes Mathews, Elkhorn  
Richard Wade, Auburn  
Henry Greir, Omaha  
Barbara Allee, Omaha  
Vickie Teeters, Omaha  
Chad Beckstrom, Lincoln  
Calvin Williams, Lincoln  
Debra Wozniak, Omaha  
Steve Pospisil, Norfolk  
Gloria Jackson, Omaha

**Nebraska Pick 3 - \$505**  
Carol Skidmore, Fairbury

**Nebraska Pick 3 - \$350**  
Chris Wood, Friend

**2x Bingo - \$1,000**  
Lee Davis, Watertown, SD

**3 Play - \$10,000**  
Ronald Christ, Norfolk

**5x The Winnings - \$10,000**  
Clayton Whiting, Page

**\$150,000 Cash Craze - \$150,000**  
Tomas Casanova, Humphrey

**\$150,000 Cash Craze - \$1,000**  
Trent Tullberg, Emerson

**\$100,000 Crossword Doubler - \$1,000**  
Pam Jacobsen, Norfolk  
Steve Drda, Lincoln  
Donna Meyer, Rogers  
Carolyn Schwarz, Lincoln

**Billboard - \$20,000**  
Christen Ferro, Omaha

**Black - \$50,000**  
James Foreman, Jr., Omaha

**Bonus Crossword - \$1,000**  
Peg Crawford, Hastings

**Cherry Twist - \$4,000**  
Gretel Davenport, Auburn

**Dazzling Gem 7's - \$700**  
Lorie Merrill, Martinsville, IN

**Deuces Wild - \$3,000**  
Michael Anderson, Omaha

**Green Lantern - \$30,000**  
Jacqueline Gallegos, Fairbury

**Truck\$ & Buck\$ - Truck**  
Lyla Wheeler, Norfolk

**Truck\$ & Buck\$ - \$1,000 Fuel Card**  
Michael Roach, Hickman

# Financial Statements



## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley  
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, 2011, 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, 2011, 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, 2011, 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 20, 2011, 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the statistical information.

Signed Original on File

October 20, 2011

Timothy J. Channer, CPA  
Assistant Deputy Auditor

*(The Nebraska Lottery has not included the Management's Discussion and Analysis (MD&A), the statistical information, 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 statistical information, 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, 2011

## ASSETS

### CURRENT ASSETS

Cash and Cash Equivalents	\$ 5,371,770
Accounts Receivable, Net of Allowance (Note 4)	4,891,575
Prepaid Prizes	134,774
Prepaid Contract Costs - Instant	446,675

**TOTAL CURRENT ASSETS** 10,844,794

### NONCURRENT ASSETS

Reserves on Deposit (Note 6)	2,247,177
Capital Assets	
Furniture, Fixtures, and Equipment (Note 5)	365,760
Less: Accumulated Depreciation	328,107
Total Capital Assets, Net	<u>37,653</u>

**TOTAL NONCURRENT ASSETS** 2,284,830

**TOTAL ASSETS** \$ 13,129,624

## LIABILITIES

### CURRENT LIABILITIES

Accounts Payable	\$ 476,887
Vendors Payable	1,443,503
Compensated Absences Payable (Note 7)	19,341
Accrued Payroll Payable	48,650
Withheld Taxes on Prizes Paid	45,474
Prizes Payable	5,389,684
Due to Other Funds	27,057
Other Accrued Liabilities	140,980

**TOTAL CURRENT LIABILITIES** 7,591,576

### NONCURRENT LIABILITIES

Compensated Absences Payable (Note 7)	<u>256,955</u>
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**TOTAL NONCURRENT LIABILITIES** 256,955

**TOTAL LIABILITIES** 7,848,531

## NET ASSETS

Invested in Capital Assets	37,653
Restricted for Future Prizes (Note 6)	2,247,177
Unrestricted (Note 10)	<u>2,996,263</u>

**TOTAL NET ASSETS** 5,281,093

**TOTAL LIABILITIES AND FUND EQUITY** \$ 13,129,624

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, 2011

<b>OPERATING REVENUE</b>	
Sales	\$ 134,421,586
Less: Sales Returns	<u>2,502,267</u>
<b>TOTAL OPERATING REVENUE</b>	<u>131,919,319</u>
<b>OPERATING EXPENSES</b>	
Prize Expense	76,871,012
Retailer Commissions	8,208,650
Contractual Services Expense	9,685,334
Marketing	4,907,040
Lottery Operating	<u>1,952,861</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>101,624,897</u>
<b>OPERATING INCOME</b>	<u>30,294,422</u>
<b>NONOPERATING REVENUES</b>	
Interest Income	356,898
Multi-State Lottery Association Income	<u>20,000</u>
<b>TOTAL NONOPERATING REVENUES</b>	<u>376,898</u>
<b>INCOME BEFORE OPERATING TRANSFERS</b>	30,671,320
<b>TRANSFERS TO OTHER FUNDS</b> (Note 9)	<u>(32,055,328)</u>
<b>CHANGE IN NET ASSETS</b>	(1,384,008)
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	<u>6,665,101</u>
<b>TOTAL NET ASSETS, END OF YEAR</b>	<u>\$ 5,281,093</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, 2011

## **CASH FLOWS FROM OPERATING ACTIVITIES**

Ticket Sales	\$ 131,563,699
Prizes Paid to Winners	(76,765,927)
Commissions Paid to Retailers	(8,212,769)
Paid to Contractors for Goods and Services	(15,041,291)
Paid to Employees	(1,415,927)
Other Operating Expenses	(499,018)
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>29,628,767</u>

## **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Paid to Education Innovation Fund	(6,232,176)
Paid to Nebraska Opportunity Grant Fund	(7,809,942)
Paid to State Fair Improvement Fund	(3,155,534)
Paid to Environmental Trust Fund	(14,042,122)
Paid to Compulsive Gamblers Assistance Fund	(815,554)
Net Cash Used in NonCapital Financing Activities	<u>(32,055,328)</u>

## **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchase of Property and Equipment	(33,943)
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## **CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Cash	356,898
Multi-State Lottery Association Income	125,480
Net Cash Provided by Investing Activities	<u>482,378</u>

## **NET DECREASE IN CASH AND CASH EQUIVALENTS**

(1,978,126)

## **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR**

7,349,896

## **CASH AND CASH EQUIVALENTS AT END OF YEAR**

\$ 5,371,770

## **RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$ 30,294,422
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	17,356
Changes in Assets (Increase) Decrease in:	
Reserves on Deposit	(357,217)
Prepaid Prizes	(220)
Accounts Receivable (Net)	(607,896)
Prepaid Contract Costs - Instant	(157,433)
Changes in Liabilities Increase (Decrease) in:	
Other Accrued Liabilities	37,065
Accounts Payable and Due to Other Funds	4,871
Prizes Payable	502,766
Compensated Absences and Accrued Payroll Payable	38,761
Withheld Taxes on Prizes Paid	18,072
Vendor Payable	(161,780)
Total Adjustments	<u>(665,655)</u>
Net Cash Provided by Operating Activities	\$ <u>29,628,767</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, 2011

## 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 (Cum. Supp. 2010) are to be transferred to the Education Innovation Fund, the Nebraska Opportunity Grant 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, 2011, were \$1,858,666.

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, 2011, 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 \$5,000,000 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 \$31,000,000 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 eighteen 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, 2011, employees contributed \$53,675 and the Nebraska Lottery contributed \$83,734. 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](http://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 \$43,765.

<b>Accounts Receivable:</b>	
Retailers (net)	\$4,571,183
Other	320,392
Total	<u>\$4,891,575</u>

#### 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Total Capital Assets	\$ 331,817	\$ 33,943	\$ -	\$ 365,760
Total Accumulated Depreciation	310,751	17,356	-	328,107
Total Capital Assets, Net	<u>\$ 21,066</u>	<u>\$ 16,587</u>	<u>\$ -</u>	<u>\$ 37,653</u>

#### 6. ON-LINE LOTTO GAMES

During the fiscal year ended June 30, 2011, 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	\$1,974,035
Nebraska Pick 5®	Nebraska Lottery	n/a
Nebraska Pick 3®	Nebraska Lottery	n/a
MyDaY®	Nebraska Lottery	n/a
Mega Millions®	MUSL	145,460
2by2®	MUSL	127,682
		<u>\$2,247,177</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, 2011, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated Absences	\$246,414	\$47,131	\$17,249	\$276,296	\$19,341

## 8. LEASE COMMITMENTS

The minimum annual lease payments for operating leases as of June 30, 2011, are as follows:

Year	Amount
2012	59,953
2013	61,621
2014	62,732
2015	63,881
2016	65,066
2017	\$ 66,289
Total	\$379,542

The minimum annual lease commitments shown above differ from what was reported in the prior audit because Lottery changed the allocation between Lottery and the State of Nebraska Charitable Gaming Division during fiscal year 2011.

Total operating lease payments for the year ended June 30, 2011, were \$54,853.

## 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 (Cum. Supp. 2010), 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 (Cum. Supp. 2010), 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 Opportunity Grant 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 \$32,055,328 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 \$4,613 in delinquent State taxes and \$29,203 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.