
Charitable Gaming in Nebraska

2004
Annual
Report
January 2005



Produced by the
Charitable Gaming Division
Nebraska Department of Revenue

On behalf of the staff of the Charitable Gaming Division and Investigative Services Division, it is our pleasure to present the 2004 Annual Report. This report, which is submitted to the Governor, Legislature, Auditor of Public Accounts, and Attorney General, in accordance with Neb. Rev. Stat. § 9-1,101(1) (R.S.Supp. 2002), summarizes tax revenues received from charitable gaming activities in Nebraska, expenses incurred by the Division in its administration and enforcement activities, and other activities relating to the administration and enforcement of the Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, and the Nebraska Pickle Card Lottery Act.

The Charitable Gaming Division was created in 1986. A number of the original staff of the Division are still involved and have witnessed the dramatic changes which have occurred in the charitable gaming industry over the past 18 years. As evidenced by the statistical information presented in this report, charitable gaming wagering and corresponding tax revenues have continued to decline in Nebraska. However, this phenomenon is not unique to Nebraska, as many other state regulatory jurisdictions have experienced similar reductions. The availability and attractiveness of other forms of gaming and entertainment which compete for the wagering dollar have impacted and will continue to impact charitable gaming in the future. Manufacturers are introducing new and innovative gaming technology all the time in order to attract new players. This new age technology presents an ongoing regulatory challenge to the Division in its administration and enforcement efforts.

Nonprofit organizations which historically have relied on charitable gaming revenues to subsidize their charitable activities within the community have been most affected by recent trends. Bingo and pickle cards no longer represent the largest percentage of charitable gaming wagering in Nebraska and have been supplanted by county/city lottery (keno). In 1993-94 when wagering on bingo and pickle cards was at its peak, nonprofit organizations realized approximately \$22.5 million in net profits. Today, net profits from bingo and pickle cards for nonprofit organizations are less than \$7.5 million. In contrast, county/city lottery (keno) has not been affected to the same degree as other charitable gaming activities.

You will notice the format of this year's annual report is different than past reports. Included on many of the pages is a comparison of current reporting period statistical information to the previous reporting period. We hope you find these changes beneficial and welcome any comments you may have.



Mary Jane Egg
State Tax Commissioner


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

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

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Year in Review

The past year has been dominated by the issue of expanded gambling in Nebraska, culminating in the placement of a constitutional amendment on casino gambling and several initiative measures dealing with expanded gambling on the November 2004 general election ballot. As we now know, these proposals were rejected by Nebraska voters. Leading up to the November election, many county/city lottery operators and other charitable gaming licensees were positioning themselves to take advantage of expanding gambling opportunities should such measures be approved in the election. It remains to be seen what the future holds for charitable gaming now that casino gambling and expanded gambling have been rejected.

OVERVIEW OF WAGERING ACTIVITY

The total dollar amount wagered on charitable gaming activities again declined during 2003-04. Overall, \$259,931,190 were wagered on bingo, pickle cards, lottery/raffle, and county/city lottery for the annual period ending June 30, 2004, as compared to \$263,805,255 in 2002-03. This represents approximately a 1.5 percent decrease from the previous year.

Bingo gross receipts for the year were \$15,370,116, which is almost 7.2 percent less than the prior fiscal year, when \$16,558,843 were wagered on bingo. There was an even greater reduction in the reported number of bingo players on an annual basis, from 683,346 for 2002-03 to 626,305 for the most recent fiscal year. This is more than an 8.3 percent decrease in players.

Pickle card gross proceeds for the year were \$57,510,542, which represents an overall decrease of approximately 8.1 percent, as compared to the previous fiscal year when pickle card gross proceeds were \$62,559,488. The total number of pickle card units sold decreased from 30,572 to 28,073. The declines in the number of nonprofit organizations licensed to conduct a lottery by the sale of pickle cards (23) and of retail locations (pickle card operators) licensed to sell pickle cards (110) were contributing factors.

Lottery and raffle gross proceeds for the year were \$4,860,299, which is almost a 6 percent decline in gross wagering from the prior fiscal year, when \$5,168,480 were wagered. The number of lotteries and raffles licensed each year varies and, accordingly, it is difficult to associate any significance to any increase or decrease in lottery/raffle activity.

County/city lottery (keno) gross proceeds for 2003-04 were \$182,190,233, which is nearly a 1.5 percent increase from the previous year, when \$179,518,444 were wagered. In part, the addition of new communities and keno locations accounts for the overall increase.

The highest dollar amount wagered on charitable gaming activities in Nebraska occurred in 1993-94, just prior to the introduction of casino gaming in Council Bluffs, Iowa, when \$408,222,880 were wagered. Comparing 2003-04 to the peak year, the decreases to date in pickle card gross wagering are almost 68 percent, in bingo over 37 percent, and in county/city lottery (keno) about 11 percent.

LEGISLATION

As noted previously, the possible authorization of casino gambling was at the forefront of legislative activities relating to gambling during the 2004 Legislative Session. The only legislation enacted specifically related to the regulatory responsibilities of the Charitable Gaming Division was a minor change in the gift enterprise law. Whereas nonprofit organizations were previously totally prohibited from operating a gift enterprise activity for business promotion purposes, there is now an exception afforded to any credit union chartered under state or federal law. This statutory change was included in LB 999 and was effective July 16, 2004.

Year in Review (Cont.)

We continue to receive inquiries regarding technological innovations associated with the sale of pickle cards and pickle card dispensing devices. The use of bar code technology on pickle cards to electronically display the winning or losing status of a pickle card continues to be an area of interest. However, the Division continues to rely on an Attorney General’s Opinion (97004) issued in 1997, which concluded the use of bar code technology and a video display was not specifically authorized under the Nebraska Pickle Card Lottery Act and legislation would be required in order to permit their use in Nebraska.

ADMINISTRATION, AUDIT, AND ENFORCEMENT

For the most part, the administrative and enforcement activities of the Charitable Gaming Division during the past year reflected business as usual. However, we have retooled our regulatory focus and placed greater emphasis on county/city lottery, since it represents the largest percentage of charitable gaming wagering in Nebraska — approximately 70 percent for fiscal year 2003-04. The Division’s audit staff has spent considerable time evaluating current keno audit and reporting requirements and has proposed significant changes in this area. Some of these changes will require amending existing regulations in order to implement the changes. We anticipate a regulation hearing in early 2005. Included in the proposed changes is the elimination of the mandatory requirement that a county, city, or village have an independent certified public accountant perform an annual financial and compliance audit of its keno operation.

The Division has received inquiries from nonprofit organizations and bar owners regarding the legality of Texas Hold’em Poker Tournaments. Much of this interest can be attributed to the national exposure such tournaments receive on a regular basis on television. The Division’s policy has been to refer all such inquiries to local prosecutorial authorities for a determination as to their legality.

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

During the 2003-04 reporting period, 123 possible illegal gambling devices were detected in the following counties:

Adams	4	Furnas	6	Howard	5
Boone	1	Garfield	1	Kearney	2
Buffalo	3	Greeley	5	Phelps	11
Chase	5	Hall	6	Red Willow	17
Clay	1	Harlan	30	Saline	4
Dawson	3	Hayes	2	Sherman	1
Franklin	1	Hitchcock	14	Webster	1

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

- ◆ **Licensing** is responsible for the licensing of individuals, businesses, nonprofit organizations, counties, cities, and villages to conduct charitable gaming activities in Nebraska. The number of licenses issued by type is reflected on page 13 of this report, which includes a comparison to the

Year in Review (Cont.)

prior reporting period. There have been a limited number of nonprofit organizations which have discontinued bingo and/or pickle card activities (29). A number of retail establishments (pickle card operators) which sold pickle cards on behalf of nonprofit organizations (110) have discontinued pickle card sales.

- ◆ **Policy** is responsible for the implementation of legislation enacted by the Nebraska Legislature relative to charitable gaming activities, identification of needed legislative changes in the charitable gaming areas which it regulates, recommendation and drafting of proposed legislation relative to charitable gaming, promulgation of administrative regulations and revenue rulings to clarify and supplement statutory provisions, development and publication of information guides and a periodic newsletter for gaming licensees, and for the rendering of day-to-day opinions and interpretations of charitable gaming laws.

Regulation revisions relating to electronic bingo card monitoring devices and county/city lottery (keno) record keeping and reporting requirements, game conduct, and compliance review have been drafted and are being finalized for public hearing purposes.

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

Activities for the reporting period were as follows:

- 584 Pickle card annual reports reviewed
- 183 Bingo annual reports reviewed
- 306 Lottery/raffle annual reports reviewed
- 58 County/city lottery (keno) annual reports reviewed
- 107 Organizations that did not file timely annual reports identified and referred to Legal, Inspections Section, and/or Investigative Services
- 15 Annual report shortages or audited losses (field visits) identified and referred to Inspections Section and/or Investigative Services
- 23 Other annual report violations identified and referred to Inspections Section and/or Investigative Services
- 16 Other annual report violations identified and referred to Policy Section and/or Legal Services
- 3 Field audits of bingo operations
- 20 Field audits of pickle cards operations
- 16 Field audits of keno operations (county/city lottery)
- 8 Organizations remitting additional tax of \$2,814.00 as a result of the annual report review or bingo audit
- ◆ **Inspections** is responsible for the performance of on-site inspections of charitable gaming licensees. In addition to the main office in Lincoln, the inspectors work out of regional offices located in Scottsbluff, Norfolk, and Grand Island. In addition to performing routine inspections of bingo,

Year in Review (Cont.)

pickle card, and lottery/raffle activities, the inspectors have recently emphasized inspections of county/city lottery (keno) operations verifying the license status of lottery workers, performing unannounced keno writer drawer audits, reviewing the sponsoring community's controls, and various compliance issues relating to game conduct. Activities for the reporting period were as follows:

- 109 Bingo Game Inspections
- 104 Organization Pickle Card Inspections
- 35 Organization Lottery/Raffle Inspections
- 1,015 Pickle Card Operator Inspections
- 262 Keno Compliance Inspections
- 70 Formal Presentations to Gaming Licensees or Potential Licensees
- 1,453 Mechanical Amusement Device (MAD) Inspections
- 60 Annual Report Reviews and Filing Follow-ups
- 706 Administrative Contacts and Inquiries

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

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

- 1 Manufacturer Background Investigation
- 5 County/City Lottery Background Investigations
- 147 Investigations resulting from alleged violations and/or complaints (all gaming activities combined)

ADMINISTRATIVE/LEGAL ACTIONS

During the reporting period, the Charitable Gaming Division initiated and/or resolved several administrative actions involving charitable gaming license applicants and licensees. Activities for the reporting period were as follows:

Administrative Orders Issued:

- | | |
|------------------------------|---|
| License Denial | 4 |
| Conditional License Approval | 1 |

Administrative Actions Initiated and Pending:

- | | |
|----------------------------|---|
| License Application Denial | 4 |
| License Suspension | 1 |

Year in Review (Cont.)

Administrative Actions Initiated and Resolved without an Order:

License Application Denial and License Suspension, Cancellation Revocation

Rescinded*	22
Resolved by Operation of Law**	21
Resolved by Stipulation, Suspension, and/or Fine***	3
Dismissed	22
Waiver of Hearing and Voluntary Surrender of License	1

Administrative Fine

Waiver of Hearing and Payment of Fine***	11
Dismissed	1

- * License application denials were rescinded for a number of reasons, including the applicant withdrew the application and the payment of delinquent taxes in instances when the license application denial was based upon nonpayment of taxes.
- ** Resolution by operation of law occurs when a license application denial becomes final because a license applicant does not respond to a Notice of Intent to Deny within the 30-day time period allowed to request an administrative hearing.
- *** Total amount collected \$3,650.00. Monies collected from the administrative fines levied are deposited by the State Treasurer into the permanent school fund.

Revenue, Budget, and Expenditures

FYE June 30, 2004

During the fiscal reporting period July 1, 2003, through June 30, 2004, the Department of Revenue's Bingo and Lottery Control Administration Program was self-supporting through 40 percent of the taxes collected from bingo, lottery by pickle card, county/city lottery, and lottery and raffle activities. In addition, the program received applicable biennial licensing fees for the various licenses issued for the games. The remaining cash fund balance as of June 30, 2004, less \$50,000 transferred to the Compulsive Gamblers Assistance Fund, may be transferred annually by the Legislature to the General Fund. The program revenue accrued to the Charitable Gaming Operations Cash Fund and to the General Fund from July 1, 2003, through June 30, 2004, was as follows:

REVENUE

Receipt Type	General Fund	Cash Fund	Total
Tax Revenue	\$3,385,014	\$2,253,875	\$5,638,889
Fee Revenue	<u>229,805</u>	<u>173,485</u>	<u>403,290</u>
	\$3,614,819	\$2,427,360	\$6,042,179
Other Revenue		<u>55,246</u>	<u>55,246</u>
Total Revenue	\$3,614,819	\$2,482,606	\$6,097,425

BUDGET AND EXPENDITURES

Expenditure Type	Budgeted Amounts*	Actual Expenditures**
Personal Services	\$1,726,553	\$1,487,050
Salaries	\$1,364,470	\$1,155,668
Benefits	362,083	331,382
Operating Expenses	271,898	230,587
Travel Expenses	117,507	80,527
Capital Outlay	<u>63,136</u>	<u>9,070</u>
Total Charitable Gaming Expenses	\$2,179,094	\$1,807,234
Athletic Commission Expenses		
Included in the Charitable Gaming		
Budget and Expenditures	<u>38,961^{***}</u>	<u>38,961^{***}</u>
Total Expenses From Cash Fund	\$2,218,055	\$1,846,195

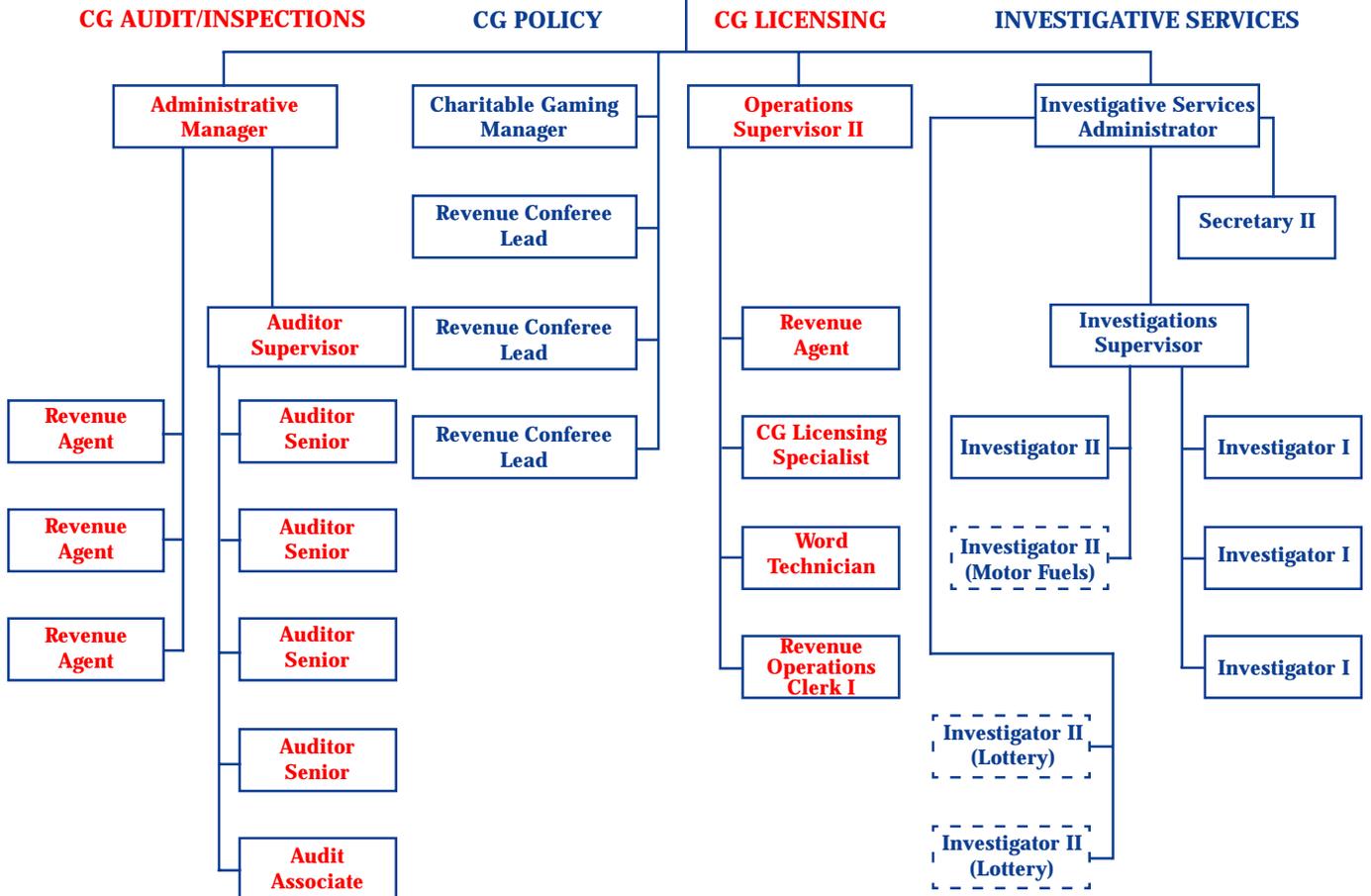
* Annual Budget amounts for fiscal year 2003-2004

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

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

**NEBRASKA DEPARTMENT OF REVENUE
STATE TAX COMMISSIONER**

**CHARITABLE GAMING AND
INVESTIGATIVE SERVICES
DIRECTOR**



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

Summary of Gaming Dollars Wagered, Taxes, and Fees

GAMING DOLLARS WAGERED

	FYE 6/2003	FYE 6/2004	Increase (Decrease)	Percentage Change
Bingo	\$16,558,843	\$15,370,116	(\$1,188,727)	-7.18%
Pickle Cards	62,559,488	57,510,542	(5,048,946)	-8.07%
County/City Lottery	179,518,444	182,190,233	2,671,789	1.49%
Lottery and Raffle	5,168,480	4,860,299	(308,181)	-5.96%
Total Wagers	\$263,805,255	\$259,931,190	(\$3,874,065)	-1.47%

TAX REVENUE

	FYE 6/2003	FYE 6/2004	Increase (Decrease)	Percentage Change
Bingo	\$496,765	\$461,104	(\$35,661)	-7.18%
Pickle Cards	1,527,029	1,401,906	(125,123)	-8.19%
County/City Lottery	3,590,369	3,643,803	53,434	1.49%
Lottery and Raffle	103,379	97,204	(6,175)	-5.97%
Total Tax Revenue	\$5,717,542	\$5,604,017	(\$113,525)	-1.99%

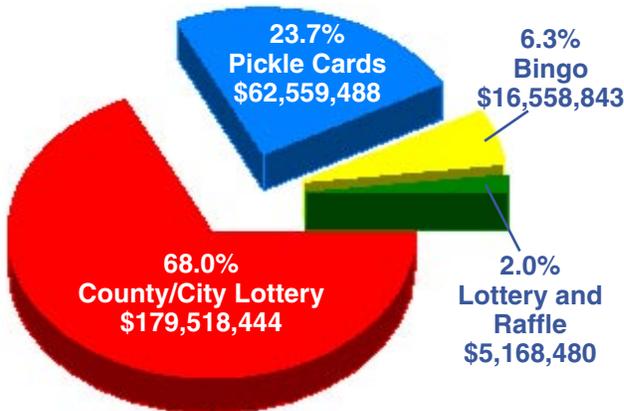
LICENSE FEES

	FYE 6/2003	FYE 6/2004	Increase (Decrease)	Percentage Change
Cash Fund	\$108,340	\$170,585	\$62,245	57.45%
General Fund	193,500	241,780	48,280	24.95%
Total License Fees	\$301,840	\$412,365	\$110,525	36.62%
Total Taxes and License Fees	\$6,019,382	\$6,016,382	(\$3,000)	-0.05%

Gaming Dollars Wagered

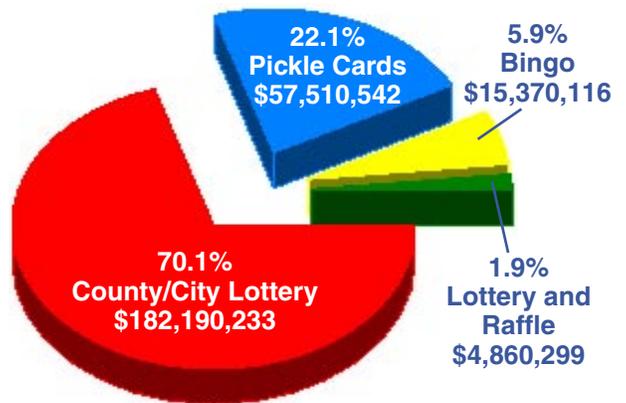
FYE 06/2003

\$263,805,255



FYE 06/2004

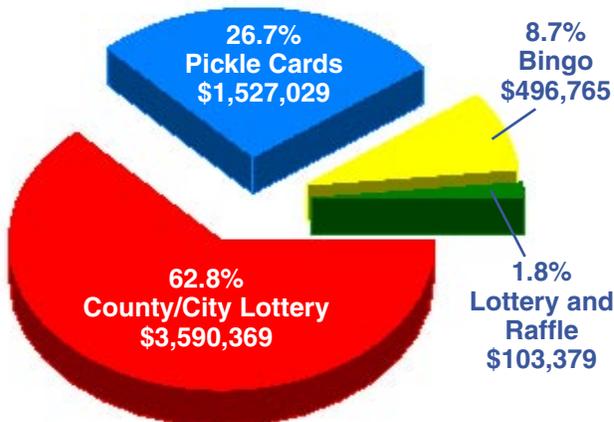
\$259,931,190



Gaming Tax Revenue

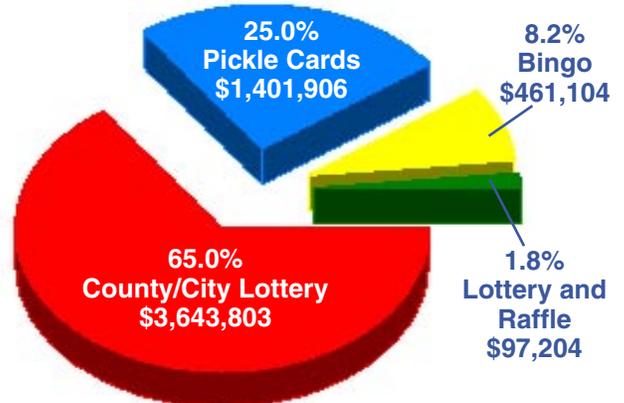
FYE 06/2003

\$5,717,542



FYE 06/2004

\$5,604,017*



*Based upon tax returns filed; actual tax revenue received was \$5,638,889.

Revised Gross Wagering by County

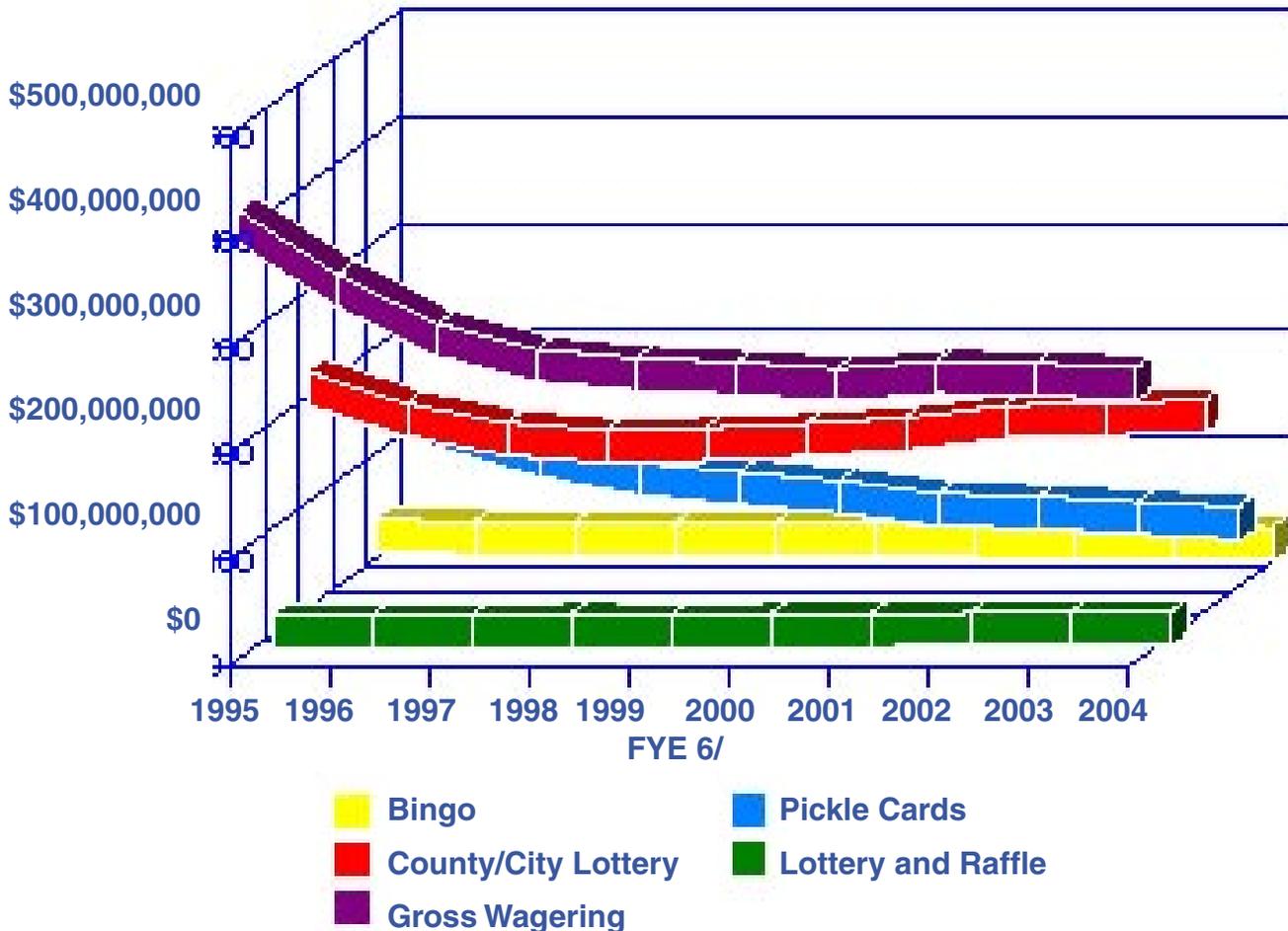
COUNTY	Bingo Gross Receipts		Pickle Cards Gross Proceeds		Lottery and Raffle Gross Proceeds		County/City Lottery Gross Proceeds		Total Gross Wagering	
	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004
ADAMS	\$583,392	\$547,693	\$1,607,705	\$1,506,836	\$146,410	\$153,127	\$2,788,511	\$3,056,563	\$5,126,018	\$5,264,219
ANTELOPE	12,857	11,828	26,849	33,912	73,248	105,130	70,698	124,692	183,652	275,562
ARTHUR			11,880	11,880					11,880	11,880
BANNER										
BLAINE										
BOONE	21,780	16,136	169,446	148,491	58,945	58,969			250,171	223,596
BOX BUTTE	361,948	332,337	311,141	232,990	35,000	35,000	1,093,276	839,527	1,801,365	1,439,854
BOYD			49,104	129,456					49,104	129,456
BROWN	3,607	3,505	35,880	47,793		29,600	163,645	228,978	203,132	309,876
BUFFALO	523,186	517,481	3,338,036	3,018,608	184,807	180,228	3,527,196	3,611,679	7,573,225	7,327,996
BURT	3,267	2,533	58,848	93,714		13,661			62,115	109,908
BUTLER	47,339	42,665	211,578	172,015	52,698	57,848	176,669	155,225	488,284	427,753
CASS	119,700	88,713	1,005,750	1,047,252	64,314	70,856	3,489,001	3,379,703	4,678,765	4,586,524
CEDAR	6,652	5,074	212,324	144,793	5,000	5,250	136,064	130,099	360,040	285,216
CHASE	35,683	34,584	32,992	26,907			207,155	165,541	275,830	227,032
CHERRY	6,697	6,335	239,145	219,391			946		246,788	225,726
CHEYENNE	49,005	37,604	199,791	254,259	11,812	67,228	611,548	600,536	872,156	959,627
CLAY			170,619	188,781	30,231	29,400			200,850	218,181
COLFAX	46,173	44,203	147,015	119,882	68,759	72,881	809,893	745,440	1,071,840	982,406
CUMING	22,447	20,300	462,450	433,118	55,660	46,866	90,082	80,938	630,639	581,222
CUSTER	6,661	6,484	31,405	24,823					38,066	31,307
DAKOTA	556,137	396,104	827,867	440,843	16,271	26,140	753,861	866,536	2,154,136	1,729,623
DAWES			5,472	2,989			867,769	1,072,999	873,241	1,075,988
DAWSON	92,589	75,909	397,247	316,040	5,620	18,490	496,751	555,433	992,207	965,872
DEUEL	16,912	12,324	25,875	14,640			190,407	215,029	233,194	241,993
DIXON			126,152	6,312	6,971				133,123	6,312
DODGE	258,117	227,262	1,957,782	1,811,938	91,218	76,276	4,360,878	4,248,130	6,667,995	6,363,606
DOUGLAS	5,239,653	5,100,863	13,150,983	11,663,270	2,263,425	1,816,726	67,032,861	69,108,069	87,686,922	87,688,928
DUNDY										
FILLMORE	28,157	29,122	403,508	417,956		2,440	426,398	230,402	858,063	679,920
FRANKLIN	3,665		10,932	6,264			249,386	272,011	263,983	278,275
FRONTIER	6,490	4,360	18,916	18,880			6,515	3,816	31,921	27,056
FURNAS			31,029	23,820	13,252	18,179	136,095	147,169	180,376	189,168
GAGE	261,271	238,498	783,451	718,735	21,594	11,221	2,645,076	2,530,723	3,711,392	3,499,177
GARDEN	2,571	2,645	600	13,263					3,171	15,908
GARFIELD	12,374	14,403	77,511	95,266					89,885	109,669
GOSPER			22,086				124,390	104,378	146,476	104,378
GRANT			990	1,500					990	1,500
GREELEY			36,515	37,286	30,012	27,900	179,393	80,109	245,920	145,295
HALL	876,996	812,192	3,636,745	2,994,657	238,282	221,015	7,034,498	6,101,043	11,786,521	10,128,907
HAMILTON	23,397	21,639	219,957	172,741	7,782	8,201			251,136	202,581
HARLAN	3,836	3,657	238,294	228,238			286,005	168,004	528,135	399,899
HAYES										
HITCHCOCK	17,327	5,116	70,288	43,140			186,440	201,378	274,055	249,634
HOLT	15,692	16,274	693,343	555,696	31,375	5,000	17,053	22,622	757,463	599,592

COUNTY	Bingo Gross Receipts		Pickle Cards Gross Proceeds		Lottery and Raffle Gross Proceeds		County/City Lottery Gross Proceeds		Total Gross Wagering	
	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004
HOOKER					No Activity					
HOWARD	15,742	16,958	46,970	39,041	57,367	49,080	429,642	464,489	549,721	569,568
JEFFERSON	66,426	65,813	433,332	528,614			217,247	295,640	717,005	890,067
JOHNSON	2,071	1,957	123,348	70,111			38,267	106,066	163,686	178,134
KEARNEY			197,761	160,970					197,761	160,970
KEITH	74,945	60,781	404,627	404,155			879,561	850,748	1,359,133	1,315,684
KEYA PAHA					No Activity					
KIMBALL	2,235		132,908	87,513	11,000		764,472	725,463	910,615	812,976
KNOX	21,860	20,375	95,898	106,674		8,551	299,830	239,691	417,588	375,291
LANCASTER	3,176,274	3,081,024	10,268,981	10,244,995	390,066	345,771	32,453,195	32,491,119	46,288,516	46,162,909
LINCOLN	177,449	175,675	2,740,019	2,301,161	79,376	90,727	4,860,180	5,309,353	7,857,024	7,876,916
LOGAN			17,092	7,622					17,092	7,622
LOUP			20,190	24,228					20,190	24,228
MADISON	479,004	506,924	1,817,204	1,684,780	114,957	153,025	346,817	509,783	2,757,982	2,854,512
MCPHERSON					No Activity					
MERRICK	8,865	8,410	260,897	258,014					269,762	266,424
MORRILL			37,023	26,706	36,000	36,000	56,031	70,859	129,054	133,565
NANCE	16,641	16,690	110,559	121,986	23,700	37,200			150,900	175,876
NEMAHA	31,178	47,793	159,867	176,618			309,118	277,241	500,163	501,652
NUCKOLLS			82,006	90,962			226,353	238,615	308,359	329,577
OTOE	141,832	140,182	726,240	650,858	7,193	5,820	430,290	293,080	1,305,555	1,089,940
PAWNEE			80,342	89,961					80,342	89,961
PERKINS						1,790	386,590	348,366	386,590	350,156
PHELPS	14,081	15,627	166,519	170,358	6,145	6,450	178,179	91,899	364,924	284,334
PIERCE	17,339	15,664	269,904	278,792	4,900	1,745			292,143	296,201
PLATTE	415,634	417,794	1,856,374	1,773,349	253,856	253,514	1,929,584	2,021,290	4,455,448	4,465,947
POLK	7,198	7,381	196,283	158,607			20,403	13,052	223,884	179,040
RED WILLOW	109,152	104,858	369,419	317,143	9,757	56,623	32,995	24,179	521,323	502,803
RICHARDSON	52,466	32,765	170,456	151,501	23,750	19,200			246,672	203,466
ROCK	4,222	3,826	1,864	1,080					6,086	4,906
SALINE	7,244	6,044	557,722	496,837	33,530	58,248	646,790	812,473	1,245,286	1,373,602
SARPY	1,504,583	1,022,720	5,292,914	4,522,233	260,935	282,669	27,312,635	28,402,738	34,371,067	34,230,360
SAUNDERS	60,200	56,991	637,184	785,836	126,426	121,081	2,570,120	2,495,696	3,393,930	3,459,604
SCOTTS BLUFF	651,849	666,772	1,579,864	1,442,269	105,369	117,960	4,699,302	4,898,472	7,036,384	7,125,473
SEWARD			726,477	739,207	15,349	12,280			741,826	751,487
SHERIDAN	10,233	7,530	36,528	42,317	30,275	6,270	33,478	44,898	110,514	101,015
SHERMAN	11,161	12,559	92,681	82,478			32,644	5,516	136,486	100,553
SIOUX					No Activity					
STANTON	26,339	24,286	124,773	106,048					151,112	130,334
THAYER	41,992	36,840	54,697	37,605			130,523	35,012	227,212	109,457
THOMAS					No Activity					
THURSTON			3,060						3,060	
VALLEY	39,733	39,409	205,549	220,747	9,715	18,460	62,078	162,077	317,075	440,693
WASHINGTON	77,244	78,625	414,502	730,343	18,478		1,077,245	1,158,884	1,587,469	1,967,852
WAYNE			130,205	161,968	32,275	20,203			162,480	182,171
WEBSTER			118,264	139,334					118,264	139,334
WHEELER			1,080	23,087			60,417	47,236	61,497	70,323
YORK	28,073		740,404	616,059	5,375		875,998	709,526	1,649,850	1,325,585
TOTAL	\$16,558,843	\$15,370,116	\$62,559,488	\$57,510,542	\$5,168,480	\$4,860,299	\$179,518,444	\$182,190,233	\$263,805,255	\$259,931,190

10-Year Comparisons of Gaming Dollars Wagered

	FYE 6/1995	FYE 6/1996	FYE 6/1997	FYE 6/1998	FYE 6/1999
Bingo	\$23,218,067	\$21,327,226	\$20,166,019	\$19,355,648	\$19,229,963
Pickle Cards	172,747,356	144,343,073	116,790,134	100,289,010	90,502,926
County/City Lottery	208,670,897	179,430,240	160,521,574	153,834,783	156,068,465
Lottery and Raffle	3,258,517	3,066,071	3,343,691	3,541,481	3,458,815
Totals	\$407,894,837	\$348,166,610	\$300,821,418	\$277,020,922	\$269,260,169

	FYE 6/2000	FYE 6/2001	FYE 6/2002	FYE 6/2003	FYE 6/2004
Bingo	\$18,965,647	\$17,641,173	\$16,686,076	\$16,558,843	\$15,370,116
Pickle Cards	82,866,886	71,391,519	68,302,524	62,559,488	57,510,542
County/City Lottery	159,690,193	166,051,868	176,912,978	179,518,444	182,190,233
Lottery and Raffle	3,811,149	4,238,281	4,562,701	5,168,480	4,860,299
Totals	\$265,333,875	\$259,322,841	\$266,464,279	\$263,805,255	\$259,931,190



Licenses Comparison

	Biennial License Fee	Number Licenses FYE 6/2003	Number Licenses FYE 6/2004	Number of Changes
BINGO				
Organizations Licensed to Conduct Class I Bingo	\$30	131	127	(4)
Organizations Licensed to Conduct Class II Bingo	100	37	35	(2)
Gaming Managers	100	46	48	2
Lessors of Commercial Bingo Halls	0	10	7	(3)
Commercial Bingo Halls	200	14	9	(5)
PICKLE CARDS				
Organizations Licensed to Conduct Class I Lottery by Pickle Card	200	194	187	(7)
Organizations Licensed to Conduct Class II Lottery by Pickle Card	300	369	353	(16)
Pickle Card Operators	100	1,263	1,153	(110)
Pickle Card Operator Authorizations	0	1,763	1,608	(155)
Sales Agents	100	590	537	(53)
COUNTY/CITY LOTTERY (KENO)				
Counties, Cities, and Villages Licensed to Conduct Lotteries	100	138	136	(2)
County/City Lottery Operators	500	137	130	(7)
County/City Sales Outlet Locations (includes Satellite Locations)	0	569	589	20
County/City Lottery Workers	0	4,696	5,580	884
LOTTERIES AND RAFFLES				
Organizations Licensed to Conduct Lotteries and Raffles	30	296	283	(13)
MANUFACTURERS AND DISTRIBUTORS				
Manufacturers of Bingo Equipment and Pickle Cards	3,050	8	8	0
Distributors of Bingo Equipment and Pickle Cards	3,050	3	3	0
Manufacturers-Distributors of County/City Lottery Supplies and Equipment	1,525	8	7	(1)
OTHER LICENSES AND PERMITS				
Special Event Bingo Permits	A 15	87	85	(2)
Pickle Card Dispensing Devices Registered	B 50	1,371	1,348	(23)
Lottery and Raffle Special Permits	C 10	340	186	(154)
Utilization of Funds Members	D 40	<u>1,174</u>	<u>1,110</u>	<u>(64)</u>
TOTAL		13,244	13,529	285

KEY:

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

Licensed Nonprofit Organizations and Pickle Card Operators by County

County	Bingo				Pickle Cards				Pickle Card Operators		Lottery and Raffle	
	Class I FYE 6/2003	Class I FYE 6/2004	Class II FYE 6/2003	Class II FYE 6/2004	Class I FYE 6/2003	Class I FYE 6/2004	Class II FYE 6/2003	Class II FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004
ADAMS	3	2	3	4	7	7	8	8	14	14	7	7
ANTELOPE	1	1					3	3	5	4	3	4
ARTHUR							1	1				
BANNER					No Activity							
BLAINE					No Activity							
BOONE	2	2			3	3	4	4	7	7	4	5
BOX BUTTE	3	4	1	1	3	3	2	2	5	5	1	1
BOYD							1	1	3	3		
BROWN	1	1					1	1	3	2	1	1
BUFFALO	4	4	1	1	5	6	8	8	23	23	5	5
BURT	1	1			2	2	1	1	5	4		1
BUTLER	1	1			1	1	9	9	15	14	7	7
CASS	3	3			4	4	10	10	19	17	5	5
CEDAR	2	2					3	3	12	10	2	1
CHASE	4	4			2	2			3	3		
CHERRY	1	1			1	1	1	1	11	9		
CHEYENNE	1	1			1	1	3	3	7	7	3	3
CLAY					1	1	4	4	9	8	2	2
COLFAX	6	6			3	5	3	2	8	8	6	6
CUMING	4	4			2	2	4	4	15	14	3	2
CUSTER	1	1					2	2	5	3		
DAKOTA			2	1	1	1	7	6	14	13	2	2
DAWES					1	1			3	3		
DAWSON	4	5			5	5	5	5	13	13	2	2
DEUEL	1	1			1	1	1	1	3	3		
DIXON							2	2	13	8	1	1
DODGE	6	5			7	6	14	12	49	42	9	7
DOUGLAS	5	4	11	11	37	33	52	45	290	271	94	92
DUNDY									1	1		
FILLMORE	4	4			2	2	6	7	9	10		1
FRANKLIN	1						1	1	4	3		
FRONTIER	1	1					1	1	3	2		
FURNAS							1	1	4	4	2	1
GAGE	3	3	1	1	2	2	5	5	20	17	3	2
GARDEN	1	1			1	1			1	1		
GARFIELD	1	1			1		1	2	4	5		
GOSPER									3	3		
GRANT					1	1						
GREELEY							2	1	6	6	3	3
HALL	5	5	2	2	10	10	8	8	33	29	9	10
HAMILTON	1	1				1	3	3	7	5	1	1
HARLAN	1	1					2	2	9	7		
HAYES					No Activity							
HITCHCOCK	1				1		1	1	6	5		
HOLT		2					5	5	14	11	2	1
HOOKER									1	1		

2004 CG Annual Report

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

County	Bingo				Pickle Cards				Pickle Card Operators		Lottery and Raffle	
	Class I FYE 6/2003	Class I FYE 6/2004	Class II FYE 6/2003	Class II FYE 6/2004	Class I FYE 6/2003	Class I FYE 6/2004	Class II FYE 6/2003	Class II FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004
HOWARD	1	1			1	1	4	4	5	6	2	3
JEFFERSON	2	2			3	3	4	4	10	8		
JOHNSON	1	1			1	1	1	1	7	6		
KEARNEY							1	1	5	4		
KEITH	2	2			3	3	5	5	15	16	1	
KEYA PAHA									1	1		
KIMBALL					1	1	1	1	5	4	1	1
KNOX	4	4					2	2	9	5	1	
LANCASTER	5	4	7	5	10	9	40	35	131	121	29	27
LINCOLN	1	2	1	1	5	5	6	6	29	28	9	9
LOGAN					1	1			1			
LOUP							1	1	2	2		
MADISON	3	4	3	3	5	5	8	8	29	27	7	5
MCPHERSON	No Activity											
MERRICK	2	2			2	2	5	5	9	8		
MORRILL					1	1			2	1	2	2
NANCE	1	1			2	2	3	3	8	8	2	2
NEMAHA	2	2			2	2	1	1	6	6		
NUCKOLLS					2	2	2	2	3	3		
OTOE	3	3			1	1	7	7	20	14	1	1
PAWNEE	1	1	1	1	2	2						
PERKINS									2	3	1	1
PHELPS	2	1			2	2	3	3	5	5	2	2
PIERCE	2	2			1	1	3	3	11	13	1	1
PLATTE	2	2	1	1	5	4	6	7	37	36	11	11
POLK					1	1	2	2	11	10		
RED WILLOW	5	3			4	4	2	2	13	11	4	4
RICHARDSON	1	1			3	3	4	4	7	6	2	2
ROCK	1	1			1	1						
SALINE	1	2			3	3	8	7	18	17	5	4
SARPY			2	2	4	4	20	16	55	53	10	8
SAUNDERS	2	2			3	3	10	12	22	20	8	8
SCOTTSBLUF	3	2	2	2	5	5	3	3	23	21	8	8
SEWARD							5	5	19	18	2	2
SHERIDAN	1	1			1	1	1	1	3	3	2	2
SHERMAN	2	2			2	2	4	4	5	3	1	
SIOUX	No Activity											
STANTON	1	1			1	1	1	1	4	4		
THAYER	2	2			2	2	3	3	6	3		
THOMAS									1	1		
THURSTON							1	1	4	2		2
VALLEY	3	3			2	2	3	3	5	4	1	2
WASHINGTON	1	1			4	3	2	3	8	7	3	
WAYNE	1	1			1	1	3	3	10	10	2	2
WEBSTER							4	4	8	5		
WHEELER							1	1	2	3		
YORK	1				3	2	3	3	6	7	1	1
TOTALS	131	127	37	35	194	187	369	353	1,263	1,153	296	283

Organizations Participating in Gaming Activities

WAGERING BY EXEMPTION CODE

Bingo Gross Receipts

	FYE 6/2003	FYE 6/2004
501c10	\$2,385,385	\$2,323,800
501c19	2,838,776	2,846,528
501c3	5,783,556	5,477,710
501c4	2,358,600	1,831,697
501c5	266,975	279,664
501c8	2,151,441	2,039,009
VF&E	774,110	571,708
Total	\$16,558,843	\$15,370,116

Pickle Card Gross Proceeds

	FYE 6/2003	FYE 6/2004
501c10	\$3,894,747	\$3,892,046
501c19	12,529,574	11,295,251
501c3	23,546,159	21,683,217
501c4	7,560,203	6,962,693
501c5	652,101	596,470
501c7	193,849	168,855
501c8	5,368,905	4,907,290
VF&E	8,813,950	8,004,720
Total	\$62,559,488	\$57,510,542

Lottery and Raffle Gross Proceeds

	FYE 6/2003	FYE 6/2004
501c10	\$173,800	\$41,585
501c19	110,171	133,304
501c3	4,211,800	3,969,724
501c4	231,467	256,744
501c5	27,000	26,640
501c6	122,837	73,452
501c7	47,900	86,800
501c8	210,360	228,820
VF&E	33,145	43,230
Total	\$5,168,480	\$4,860,299

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

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

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

Only those organizations holding an exemption under section 501(c)(3), (4), (5), (8), (10), or (19), or a volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad may apply for a license to conduct bingo or a lottery by the sale of pickle cards. Additionally, a section 501(c)(7) organization is eligible to apply for a pickle card license.

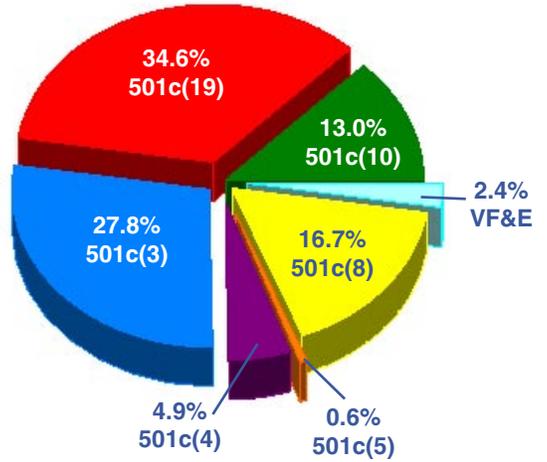
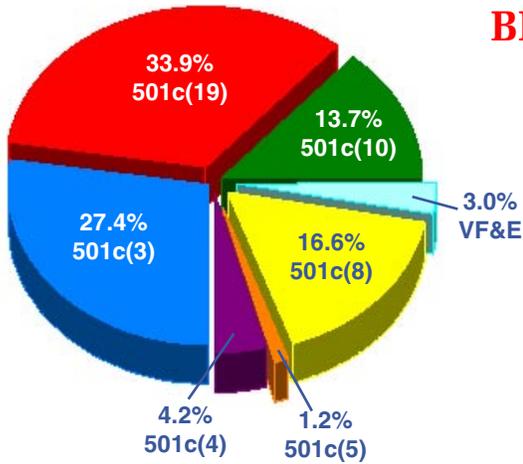
An organization holding any section 501(c) exemption, or a volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad may apply for a license to conduct lotteries or raffles.

Number of Licensees by Exemption Code

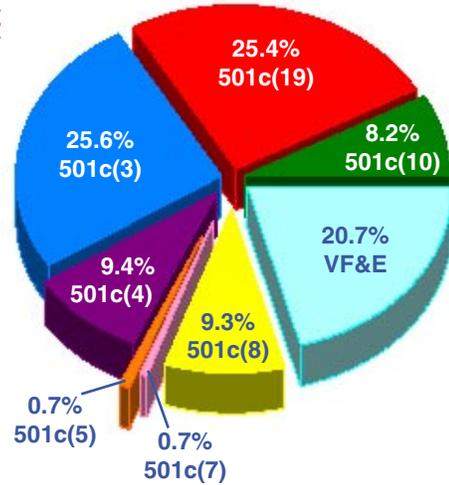
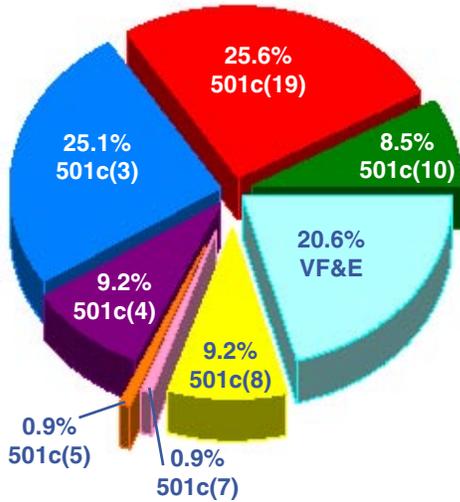
FYE 6/2003

FYE 6/2004

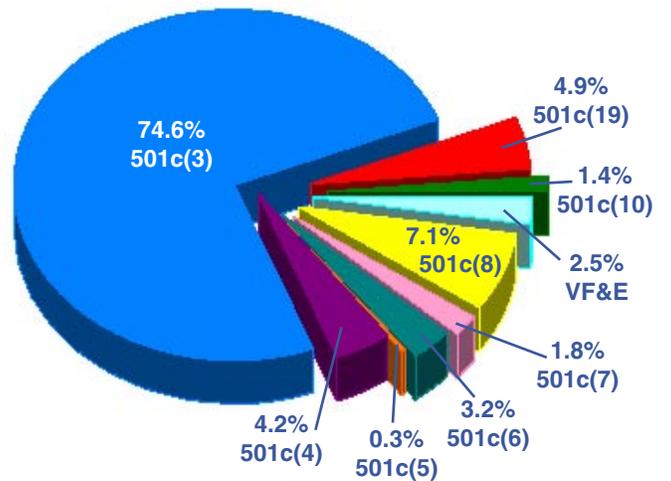
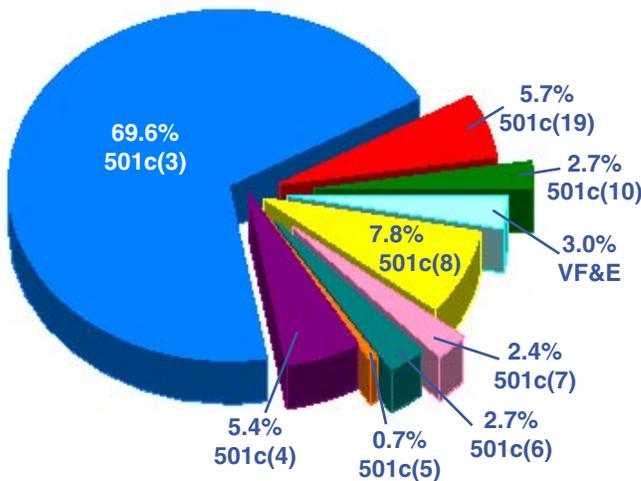
BINGO



ICKLE CAI



LOTTERY AND RAFFLE



County/City Lotteries Licensed by County*

County	Counties, Cities, & Villages		Lottery Operators		Sales Outlets	
	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004	FYE 6/2003	FYE 6/2004
ADAMS	1	1	1	1	2	2
ANTELOPE	2	2	2	2	2	2
ARTHUR	1	1	1			
BOX BUTTE	2	2	2	2	6	6
BROWN	1	1	1	1	2	2
BUFFALO	2	2	2	2	5	6
BUTLER	2	2	1	1	1	1
CASS	2	3	2	3		2
CEDAR	2	2	2	2	2	3
CHASE	2	2	2	2	3	2
CHERRY	1		1			
CHEYENNE	3	3	3	3	6	5
COLFAX	3	3	3	3	7	6
CUMING	1	1	1	1	2	2
DAKOTA	2	2	2	2	10	5
DAWES	2	2	2	2	6	6
DAWSON	1	1	1	1	5	6
DEUEL	1	1	1	1	2	2
DODGE	3	3	3	3	17	15
DOUGLAS	7	7	7	7	298	316
FILLMORE	3	2	3	2	3	2
FRANKLIN	4	3	4	3	3	3
FRONTIER	1	1	1	1	1	1
FURNAS	3	3	2	2	3	3
GAGE	4	5	3	5	9	11
GOSPER	1	1	1	1	1	2
GREELEY	3	2	3	2	3	2
HALL	2	2	2	2	6	6
HARLAN	1	1	1	1	3	3
HITCHCOCK	3	3	3	3	3	3
HOLT	2	1	2	1	1	2
HOWARD	2	2	2	2	2	2
JEFFERSON	1	1	1	1	2	2
JOHNSON	1	1		1		1
KEITH	1	1	1	1	6	6
KIMBALL	1	1	1	1	2	2
KNOX	3	3	3	3	3	3
LANCASTER	7	7	7	6	63	66
LINCOLN	5	5	5	5	9	10
MADISON	1	1	1	1	1	1
MORRILL	1	1	1	1		1
NEMAHA	1	1	1	1		
NUCKOLLS	2	2	2	2	1	2
OTOE	3	3	3	3	2	2
PERKINS	2	2	2	2	3	3
PHELPS	2	2	2	2	2	2
PLATTE	3	3	3	3	6	7
POLK	1	1	1	1	1	1
RED WILLOW	1	1	1	1	1	1
SALINE	3	3	3	3	4	4
SARPY	6	6	6	6	26	26
SAUNDERS	6	7	6	6	3	3
SCOTTS BLUFF	5	5	8	7	9	9
SHERIDAN	1	2	1	1	1	1
SHERMAN	1		1			2
THAYER	3	3	3	2	2	1
VALLEY	1	1	1	1	1	3
WASHINGTON	2	2	2	2	5	1
WHEELER	2	2	2	1	2	
YORK	2	2	2	2		
TOTAL	138	136	137	130	569	589

*Only those counties with keno licenses in these years are listed.

Revised County/City Lotteries Gross Proceeds

County/City	FYE 6/2003	FYE 6/2004	County/City	FYE 6/2003	FYE 6/2004
ALLIANCE	\$779,779	\$508,555	KEARNEY	\$3,428,182	\$3,516,952
ASHLAND	921,305	1,047,743	KEITH CO.	879,561	850,748
AUBURN	309,118	277,241	KILGORE	946	
AVOCA		59,427	KIMBALL	764,472	\$725,463
BARNESTON	380,440	397,700	LAVISTA	12,774,492	13,449,042
BARTLETT	46,739	47,236	LINCOLN	21,989,346	23,182,798
BATTLE CREEK	346,817	509,783	LINDSAY	127,641	81,955
BAYARD	56,031	70,859	LODGEPOLE	57,122	53,335
BEATRICE	1,596,537	1,507,098	LONG PINE	163,645	228,978
BEEMER	90,082	80,938	LORTON	131,742	151,415
BELLEVUE	7,136,221	6,619,352	LOUP CITY	32,644	5,516
BELVIDERE	13,284	9,704	LYMAN	71,219	48,049
BENEDICT	89,488	85,415	MADRID	180,691	148,775
BENNINGTON	511,222	484,808	MCGREW	121,228	121,821
BERTRAND	138,244	72,333	MEMPHIS	94,872	154,924
BLAIR	800,742	897,455	MILLIGAN	55,540	
BLOOMFIELD	70,149	64,039	MORSE BLUFF	40,965	34,780
BLOOMINGTON	218,631	213,198	NAPONEE	18,245	43,720
BLUE SPRINGS	668,099	548,694	NELIGH	58,314	77,860
BRADY	81,535	73,233	NIOBRARA	124,295	100,626
CHADRON	307,238	241,636	NORTH BEND	234,612	156,606
CHASE CO.	28,181	23,868	NORTH LOUP	62,078	162,077
CHEYENNE CO.	492,498	440,548	NORTH PLATTE	4,246,499	4,740,234
CLARKSON	11,459	9,397	OMAHA	50,564,994	51,938,034
COLUMBUS	1,801,943	1,939,335	ORCHARD	12,384	46,832
CRAWFORD	560,531	831,363	OSCEOLA	20,403	13,052
CRETE	472,180	519,106	OXFORD	53,775	134,499
DANNEBROG	49,687	108,942	PALISADE	1,717	668
DAVID CITY	176,669	155,225	PALMYRA	8,900	6,137
DAWSON CO.	496,751	555,433	PAPILLION	5,582,309	6,499,033
DENTON	4,880,010	4,819,686	PLATTSMOUTH	3,446,752	3,302,610
DEUEL CO.	190,407	215,029	POTTER	61,928	106,653
DONIPHAN	408,343	438,454	PRAGUE	666	1,834
DORCHESTER	76,234	228,086	RALSTON	13,965,825	14,552,112
EAGLE	42,249	17,666	RANDOLPH	81,277	80,131
ELKHORN	1,765,123	2,000,345	RAYMOND	161,064	156,917
ELM CREEK	99,014	94,727	ROCA	167	56
ERICSON	13,678		SARPY CO.	1,103,485	836,709
EUSTIS	6,515	3,816	SCHUYLER	667,008	649,276
FAIRBURY	217,247	295,640	SCOTTS BLUFF CO.	2,544,841	2,969,052
FILLMORE CO.	296,009	173,130	SOUTH SIOUX CITY	753,861	866,536
FORT CALHOUN	276,503	261,429	SPALDING	90,244	17,549
FRANKLIN	12,510	15,093	SPRAGUE	221,863	124,871
FREMONT	4,126,266	4,091,524	SPRINGFIELD	153,884	142,187
GERING	763,739	859,473	ST. PAUL	379,955	355,547
GOSPER CO.	124,390	104,378	STUART	17,053	22,622
GRAFTON	74,849	57,272	SUPERIOR	222,698	235,700
GRANT	205,899	199,591	SUTHERLAND	352,808	291,229
GREELEY	21,698	4,989	SYRACUSE	289,648	135,528
GRETNA	562,244	856,415	TECUMSEH	38,267	106,066
HALL CO.	6,626,155	5,662,589	TERRYTOWN	1,198,275	900,077
HARDY	3,655	2,915	TRENTON	157,437	183,022
HARLAN CO.	286,005	168,004	VALLEY	220,752	101,647
HASTINGS	2,788,511	3,056,563	VALPARAISO	124,739	91,176
HAY SPRINGS	33,478	44,898	VERDIGRE	105,386	75,026
HEBRON	107,166	25,308	WACO	786,510	624,111
HEMINGFORD	313,497	330,972	WAHOO	1,387,573	1,165,239
HERSHEY	179,338	204,657	WATERLOO	4,945	31,123
HITCHCOCK CO.	27,286	17,688	WAUNETA	178,974	141,673
HOLBROOK	82,320	12,670	WAVERLY	5,200,745	4,206,791
HOLDREGE	39,935	19,566	WILBER	98,376	65,281
HOWELLS	131,426	86,767	WOLBACH	67,451	57,571
HUBBELL	10,073		WYMORE		77,231
INDIANOLA	32,995	24,179	WYNOT	54,787	49,968
			TOTALS	\$179,518,444	\$182,190,233

The Games

BINGO

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

BINGO	Number of Licenses FYE 6/2004	Number of Licenses FYE 6/2003
Organizations Licensed to Conduct Class I Bingo	127	131
Organizations Licensed to Conduct Class II Bingo	35	37
Gaming Managers	48	46
Lessors of Commercial Bingo Halls	7	10
Commercial Bingo Halls	9	14
Special Event Bingo Permits	85	87
Utilization of Funds Members*	1,110	1,174
Manufacturers of Bingo Equipment and Pickle Cards**	8	8
Distributors of Bingo Equipment and Pickle Cards***	3	3

* Total Utilization of Funds Members for all licensed organizations who may handle bingo, pickle cards, and/or lottery and raffle activities

** Not all necessarily manufacture bingo equipment

*** Not all necessarily distribute bingo equipment

Bingo Gross Receipts, Expenses, Taxes, and Profit Fiscal Years Ended June 2004 and June 2003

	FYE 6/2004 Class I	FYE 6/2004 Class II	FYE 6/2004 Total	FYE 6/2003 Total	Increase (Decrease)
Gross Receipts	\$2,976,646	\$12,393,470	\$15,370,116	\$16,558,843	(\$1,188,727)
Prizes	2,256,686	8,728,189	10,984,875	12,010,129	(1,025,254)
Expenses	157,510	2,816,765	2,974,275	3,260,436	(286,161)
Taxes	89,299	371,805	461,104	496,765	(35,661)
Profits	\$473,151	\$476,711	\$949,862	\$791,513	\$158,349

Class I — FYE 6/2004

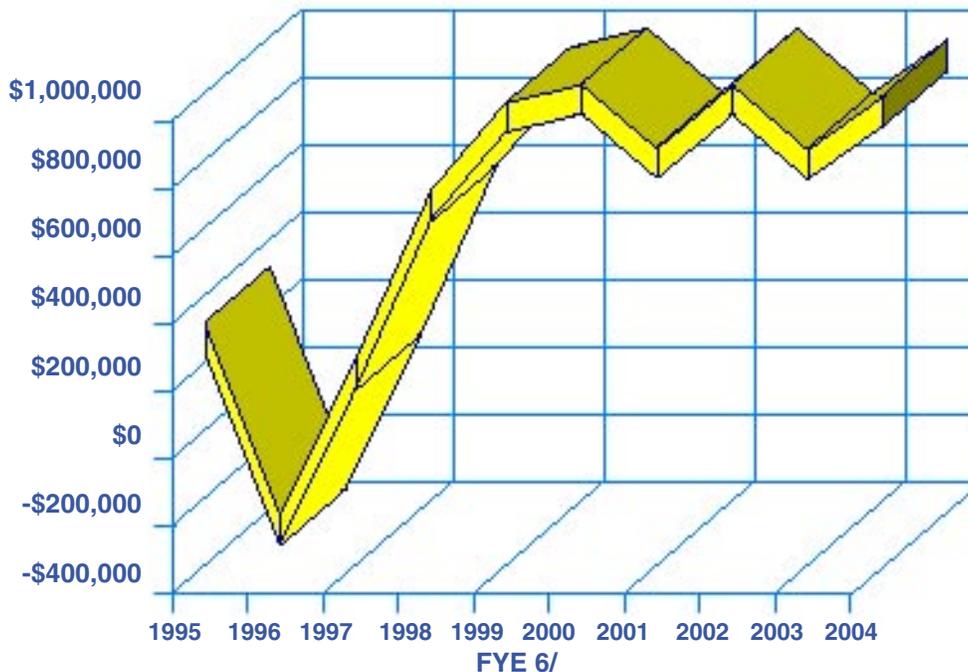


Class II — FYE 6/2004



	FYE 6/2004	FYE 6/2003
Number of Occasions Conducted.....	9,916	10,660
Attendance Reported	626,305	683,346
Average Player Spend Per Occasion.....	\$24.54	\$24.23

BINGO PROFITS — 1995–2004



The Games

PICKLE CARDS

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

PICKLE CARDS	Number of Licenses FYE 6/2004	Number of Licenses FYE 6/2003
Organizations Licensed to Conduct Class I Lottery by Pickle Cards	187	194
Organizations Licensed to Conduct Class II Lottery by Pickle Cards	353	369
Pickle Card Operators	1,153	1,263
Pickle Card Operator Authorizations	1,608	1,763
Sales Agents	537	590
Utilization of Funds Members*	1,110	1,174
Pickle Card Dispensing Device Decals Issued	1,348	1,371
Manufacturers of Bingo Equipment and Pickle Cards**	8	8
Distributors of Bingo Equipment and Pickle Cards***	3	3

* Total Utilization of Funds Members for all licensed organizations who may handle bingo, pickle cards, and/or lottery and raffle activities

** Not all necessarily manufacture pickle cards

*** Not all necessarily distribute pickle cards

Pickle Card Gross Proceeds, Expenses, Taxes, and Profit Fiscal Years Ended June 2004 and June 2003

	FYE 6/2004 Class I	FYE 6/2004 Class II	FYE 6/2004 Total	FYE 6/2003 Total	Increase (Decrease)
Gross Proceeds	\$11,612,662	\$45,897,880	\$57,510,542	\$62,559,488	(\$5,048,946)
Prizes	8,682,436	34,806,729	43,489,165	47,285,796	(3,796,631)
Operator Commissions	0	3,069,423	3,069,423	3,337,218	(267,795)
Expenses	673,006	2,383,591	3,056,597	3,320,405	(263,808)
Taxes	293,023	1,108,883	1,401,906	1,527,029	(125,123)
Profit	\$1,964,197	\$4,529,254	\$6,493,451	\$7,089,040	(\$595,589)

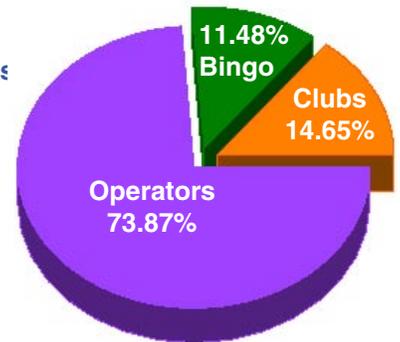
FYE 6/2004 Class I



FYE 6/2004 Class II



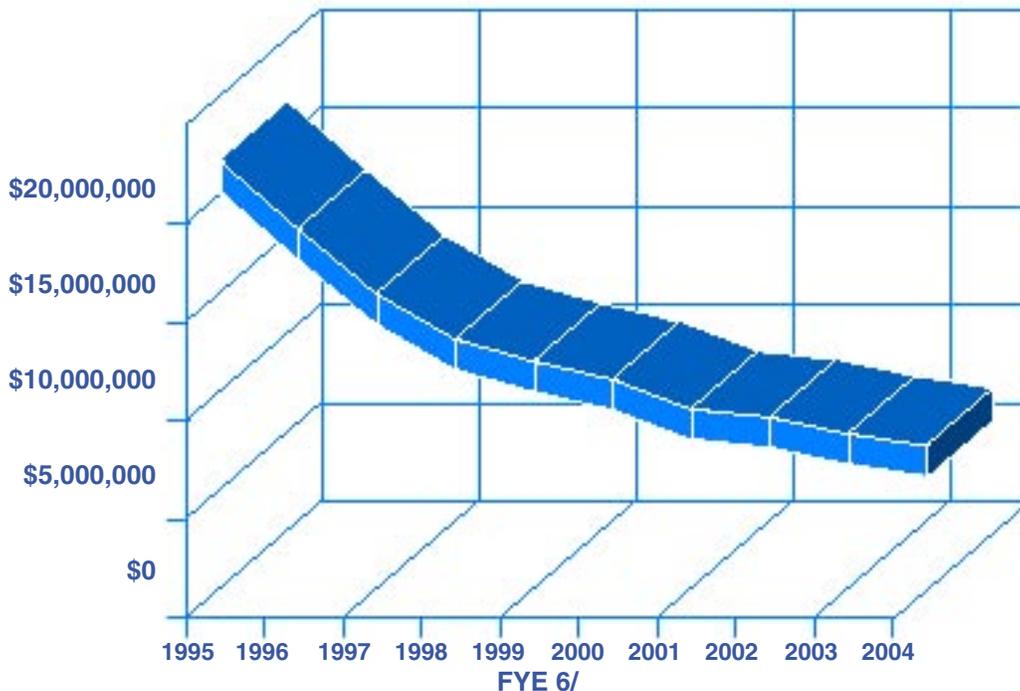
Where PCs Are Sold



* The statutory pickle card tax rate is 10 percent of definite profit, which translates to approximately 2.44 percent of gross proceeds.
 ** The statutory maximum allowed for a pickle card operator commission is 30 percent of definite profit, which translates to approximately 7 percent of gross proceeds.

	FYE 6/2004	FYE 6/2003
Number of Pickle Card Units Sold	28,073	30,572

PICKLE CARD PROFITS — 1995–2004



The Games

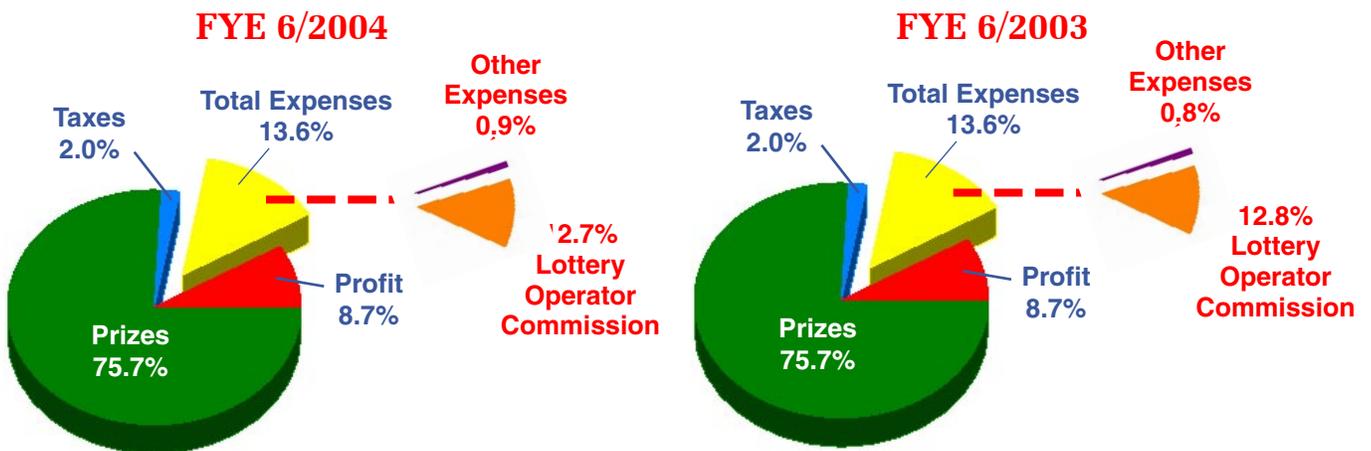
COUNTY/CITY LOTTERY (KENO)

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

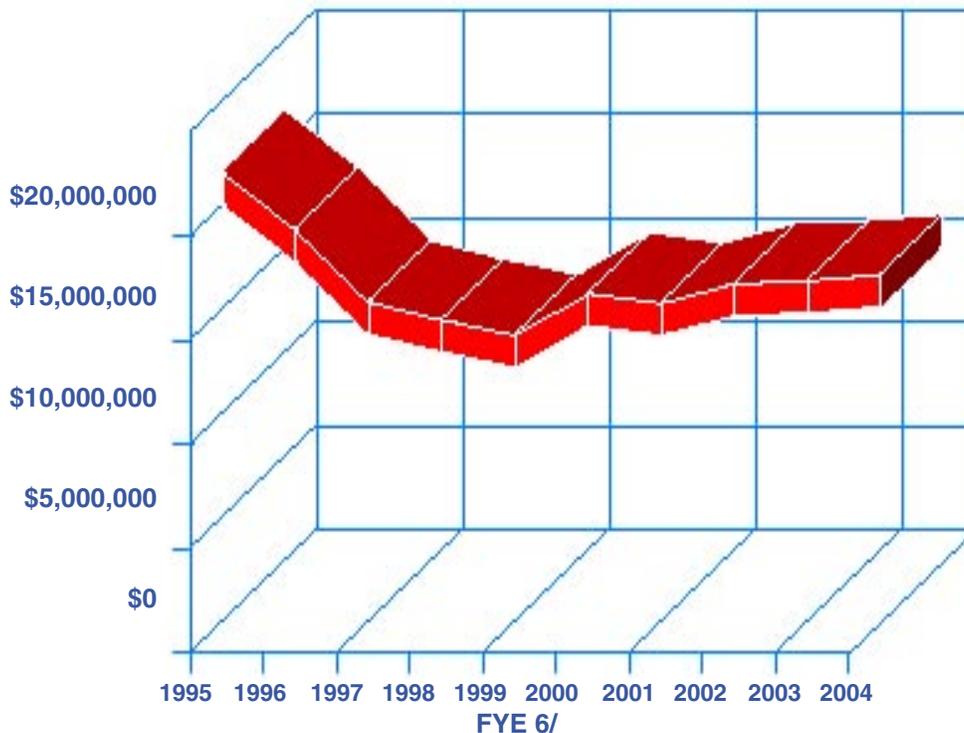
COUNTY/CITY LOTTERY (KENO)	Number of Licenses FYE 6/2004	Number of Licenses FYE 6/2003
Counties, Cities, and Villages Licensed to Conduct Lotteries	136	138
County/City Lottery Operators	130	137
County/City Sales Outlet Locations (includes Satellite Locations)	589	569
County/City Lottery Workers	5,580	4,696
Manufacturer-Distributors of County/City Lottery Supplies and Equipment	7	8

County/City Lottery (Keno) Gross Proceeds, Expenses, Taxes, and Profit

	FYE 6/2004	FYE 6/2003	Increase (Decrease)
Gross Proceeds	\$182,190,233	\$179,518,444	\$2,671,789
Prizes	137,916,582	135,904,277	2,012,305
Lottery Operator Commissions	\$23,192,210	\$22,936,012	256,198
Other Expenses	1,533,429	1,476,186	57,243
Total Expenses	\$24,725,639	\$24,412,198	
Taxes	3,643,803	3,590,369	53,434
Profit	\$15,904,209	\$15,611,600	\$292,609



COUNTY/CITY LOTTERY (KENO) PROFITS — 1995–2004



The Games

LOTTERY AND RAFFLE

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

LOTTERIES AND RAFFLES	Number of Licenses FYE 6/2004	Number of Licenses FYE 6/2003
Organizations Licensed to Conduct Lotteries and Raffles	283	296
Lottery and Raffle Special Permits	186	340
Utilization of Funds Members*	1,110	1,174

* Total Utilization of Funds Members for all licensed organizations who may handle bingo, pickle cards, and/or lottery and raffle activities

Lottery and Raffle Gross Proceeds, Expenses, Taxes, and Profit Fiscal Years Ended June 2004 and June 2003

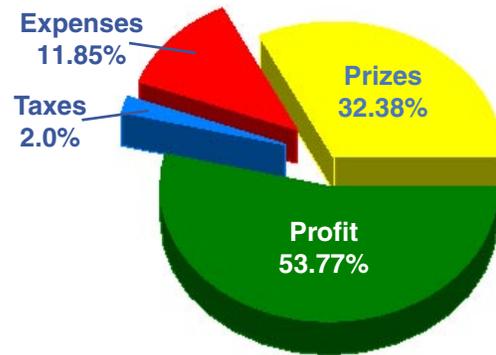
	FYE 6/2004	FYE 6/2003	Increase (Decrease)
Lottery Gross Proceeds	\$3,261,502	\$3,307,789	(\$46,287)
Raffle Gross Proceeds	1,598,797	1,860,691	(261,894)
Total Gross Proceeds	\$4,860,299	\$5,168,480	(\$308,181)
Prizes	2,029,253	1,673,615	355,638
Expenses	224,637	612,544	(387,907)
Taxes	97,204	103,379	(6,175)
Profit	\$2,509,205	\$2,778,942	(\$269,737)

Actual Prizes awarded equaled 51 percent of the total gross proceeds; however, of this 51 percent, 9 percent of the prizes were donated prizes.

FYE 6/2004



FYE 6/2003



LOTTERY AND RAFFLE PROFITS — 1995–2004

