
Charitable Gaming in Nebraska

**2006
Annual
Report**
January 2007



Produced by the
**Charitable Gaming Division
Nebraska Department of Revenue**

On behalf of the staff of Charitable Gaming and Investigative Services, it is our pleasure to present the 2006 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. 2006), summarizes tax revenues received from charitable gaming activities in Nebraska, as well as the expenses incurred in the administration, enforcement, and other activities relating to the Nebraska Bingo Act, the Nebraska County and City Lottery Act, the Nebraska Lottery and Raffle Act, and the Nebraska Pickle Card Lottery Act.

Wagering on charitable gaming and the corresponding tax revenues continued to decline in Nebraska during 2005-06. Although the overall percentage decline in wagering as compared to 2004-05 was negligible, pickle card gross proceeds (\$45,943,737) were 9.6 percent less than 2004-05. Overall, pickle card gross proceeds are 74 percent less than 1993-94, when the highest amount was wagered on pickle cards (\$177,359,919). Total tax revenue for charitable gaming activities in 2005-06 was \$5,355,547, which was .8 percent less than 2004-05. In 2005-06, county/city lottery (keno) accounted for 73.9 percent of the total dollars wagered on charitable gaming and 69.2 percent of the total tax revenue realized from charitable gaming activities.

It is our desire to continue providing consistent, effective, and efficient regulation. Moving forward into the future, we know there will be challenges and we will continue looking for new and better ways to educate and serve the charitable gaming community of Nebraska.

Douglas A. Ewald
State Tax Commissioner

James M. Haynes
Director, Charitable Gaming
and Investigative Services

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

Table of Contents

| | |
|---|----------|
| Year in Review | 1 |
| Fiscal Year Ending June 30, 2006 | |
| Revenue, Budget, and Expenditures | 6 |
| Staffing of Charitable Gaming Division and Investigative Services | 7 |
| Comparison of Fiscal Year Ending June 30, 2006, to Prior Years | |
| Summary of Gaming Dollars Wagered, Taxes, and Fees | 8 |
| Gaming Dollars Wagered | 9 |
| Gross Wagering by County | 10 |
| 10-Year Comparison of Gaming Dollars Wagered | 12 |
| Licensing | |
| Licensees Comparison | 13 |
| Licensed Nonprofit Organizations and Pickle Card Operators by County .. | 14 |
| Organizations Participating in Gaming Activities | 16 |
| Number of Licensees by Exemption Code | 17 |
| County/City Lotteries Licensed by County | 18 |
| County/City Lotteries Gross Proceeds | 19 |
| The Games | |
| Bingo | 20 |
| Pickle Cards | 22 |
| County/City Lottery | 24 |
| Lottery and Raffle | 26 |

Year in Review

OVERVIEW OF WAGERING ACTIVITY

There was a negligible decline in the total dollar amount wagered on charitable gaming activities during 2005-06 compared to the previous fiscal year. Overall, \$250,768,496 was wagered on bingo, pickle cards, lottery/raffle and county/city lottery for the annual period ending June 30, 2006, as compared to \$251,889,510 in 2004-05.

Bingo gross receipts for the year were \$14,051,926, which is 1.5 percent less than the previous fiscal year when \$14,268,212 was wagered on bingo. There was also a reduction in the reported number of bingo players from 567,980 for 2004-05 to 555,905 for the most recent fiscal year.

Pickle card gross proceeds for the year were \$45,943,737, which represents an overall decrease of 9.6 percent as compared to the previous fiscal year, when pickle card gross proceeds were \$50,819,571. The total number of pickle card units sold decreased from 24,984 to 23,152. There was a significant reduction in the number of pickle card operators (businesses licensed to sell pickle cards on behalf of nonprofit organizations), which may have been a contributing factor.

Lottery and raffle gross proceeds for the year were \$5,432,488, which is a 2 percent decrease in gross wagering from the previous fiscal year, when \$5,545,781 was wagered.

County/city lottery (keno) gross proceeds for the year were \$185,340,795, which is 2.3 percent more than the previous fiscal year, when \$181,255,946 was wagered.

LEGISLATION

The Department of Revenue did not request the introduction of any new legislation during the 2006 Legislative Session. LB209, a carryover bill from 2005, would have repealed obsolete language relating to annual licensing of charitable gaming activities. LB1086, enacted in 2000, authorized biennial licensing for all charitable gaming activities. Implementation was staggered over two years and has been completed. LB209 was placed on General File by the General Affairs Committee but no further action was taken by the Legislature.

Senator Patrick Bourne introduced LB1048, which was another attempt to authorize the use of electronic pickle card devices. The bill was substantially the same as LB733, which he introduced in 2005, which failed to advance. The function of such devices would have been identical to the traditional paper pickle card game, but the pickle card would have been opened by moving a finger over an electronically displayed card. LB1048 was indefinitely postponed by the General Affairs Committee.

Senator Ray Janssen introduced LB1110 on behalf of several keno lottery operators to authorize another form of county/city lottery referred to as electronic keno. Senator Janssen publicly stated his opposition to the bill during the public hearing, but agreed to offer the legislation to facilitate public input. LB1110 was indefinitely postponed by the General Affairs Committee. LB1110 was a precursor to the video keno initiative petition which appeared on the November 2006 ballot and was subsequently defeated.

ADMINISTRATION, AUDIT, AND ENFORCEMENT

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

- ◆ **Licensing** is responsible for the licensing of individuals, businesses, nonprofit organizations, counties, cities, and villages to conduct charitable gaming activities in Nebraska. The number of licenses issued by type is reflected on page 13 of this report, which includes a comparison to the prior reporting period. Bingo licensees decreased by 5 in 2005-06 and nonprofit organizations licensed to conduct a lottery by the sale of pickle cards decreased by 7. There was a significant

Year in Review (Cont.)

decrease in the number of retail establishments (pickle card operators) which sell pickle cards on behalf of nonprofit organizations (139).

The Division is exploring the replacement of the existing FoxPro license database with an outside software provider or upgrading its database requirements in-house. The FoxPro database has served our license application and tax return processing needs since the 1998-99 license year. However, the Department's Finance and Management Services Division is moving toward conversion of existing FoxPro databases to Oracle and may not continue to support FoxPro in the future. The Division's objectives are to further integrate the various databases relating to charitable gaming activities, eliminate or minimize data redundancy, and better facilitate electronic filing, reporting, and license application processing.

- ◆ **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 for the rendering of day-to-day opinions and interpretations of charitable gaming laws and regulations.

Revised bingo regulations primarily related to electronic bingo card monitoring devices were formally adopted on September 5, 2005. Revised county/city lottery (keno) regulations related to record keeping and reporting requirements, game conduct, and compliance review were formally adopted on November 13, 2005.

As reported last year, the Policy staff still receives numerous inquiries from nonprofit organizations and bar owners regarding the legality of Texas Hold'em Poker Tournaments. All such callers are referred to local prosecutorial authorities for a determination as to the legality of any proposal. Nebraska's lottery and raffle laws are also an area of confusion for many nonprofit organizations and generate a significant portion of the inquiries we receive on charitable gaming activities.

The video keno lottery initiative petition was the focal point for several of the lottery operators during the latter part of the fiscal year culminating in its defeat in the November 2006 election.

- ◆ **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.

The Division has continued to enhance its regulatory effectiveness with respect to county/city lottery (keno) activities. Keno represents over 70 percent of the total dollars wagered on charitable gaming activities. Commencing with the 2005-06 annual reporting period, the performance of an annual audit of a keno lottery by an independent certified public accountant was no longer mandatory. The independent audit was replaced by compliance procedures prescribed by the Department which may be performed by the county, city, or village or by a contracted professional. A report summarizing the findings from the performance of the compliance procedures and a Nebraska County/City Lottery Annual Report, Form 35K, must be filed by the county, city, or village within 90 days of the end of its fiscal year. The compliance review has been supplemented by increased on-site inspections and financial reviews of the keno operations by Division staff. During the upcoming fiscal year, we will evaluate the regulatory effectiveness of these changes and make appropriate modifications as deemed necessary in order to further insure the integrity of these activities.

Year in Review (Cont.)

Audit activities for the reporting period were as follows:

- 548 Pickle card annual reports reviewed
- 168 Bingo annual reports reviewed
- 141 Lottery/raffle annual reports reviewed
- 67 County/city lottery (keno) annual reports reviewed
- 41 Organizations which did not file timely annual reports identified and referred to Legal Services, Inspections Section, and/or Investigative Services
- 22 Annual report shortages or audited losses (field visits) identified and referred to Inspections Section, and/or Investigative Services
- 11 Other annual report violations identified and referred to Inspections Section, Investigative Services, Policy Section, or Legal Services
- 10 Field audits of bingo operations
 - 7 Field audits of pickle card operations
 - 49 Field audits of keno operations (county/city lottery)

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

Inspection activities for the reporting period were as follows:

- 79 Bingo game inspections
- 115 Organization pickle card inspections
- 32 Organization lottery/raffle inspections
- 815 Pickle card operator inspections
- 310 Keno compliance inspections
- 16 Formal presentations to gaming licensees or potential licensees
- 1,067 Mechanical Amusement Device (MAD) inspections
- 83 Annual report reviews and filing follow-ups
- 206 Administrative contacts and inquiries
- 1,669 Nebraska retailer tobacco inspections

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

Investigative Services continues to work closely with the Charitable Gaming Division on gaming related matters in an effort to keep gaming activities as well enforced as possible, and yet flexible enough to accommodate the public. The investigations conducted by the service area are both civil and criminal in nature and, following completion, a large number of those investigations are forwarded to local

Year in Review (Cont.)

prosecuting attorneys for potential criminal prosecution. Investigative Services continues to enjoy an excellent working relationship with various law enforcement agencies and prosecuting attorneys throughout the state.

Activities for the reporting period were as follows:

- 2 Manufacturer, distributor, and lottery operator background investigations
- 115 Investigations resulting from alleged violations and/or complaints (all gaming activities combined)

There were several significant investigations this year which resulted in criminal prosecution:

- ✓ A bingo gaming manager in Lincoln was convicted of theft by unlawful deception and sentenced to 20 months to three years in prison.
- ✓ Several Omaha keno writers/employees devised a scheme to manipulate the ball draw selection of winning numbers and subsequent wagering to ensure winning tickets. Six keno writers/employees were convicted of theft by deception, along with restitution ordered by the courts.
- ✓ A keno writer in Kearney was playing keno while on duty and playing on credit. The individual was convicted of theft by unlawful taking, sentenced to a jail term and 2 years probation with restitution ordered by the courts.
- ✓ A keno writer in Kimball was playing keno while on duty. The individual was convicted of illegal lottery participation, 1st offense, and was fined by the court.

In response to these and similar incidents which have occurred at various keno operations in Nebraska, the Charitable Gaming Division and Investigative Services recently established a toll-free tip line to be used by players and the general public to anonymously report suspicious activity at any location in Nebraska where keno is conducted. Table tents and posters are being distributed to participating keno locations throughout the state to advertise the availability of the tip line. Additional information is available on the Department's Web site. We have requested the voluntary participation of the counties, cities, villages, and lottery operators in disseminating information regarding the tip line.

The use of illegal gambling devices in Nebraska continues to be a problem which impacts 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 2005-06 reporting period, 30 possible illegal gambling devices were detected in the following counties:

| | | | |
|----------|---|--------|---|
| Adams | 6 | Gosper | 1 |
| Buffalo | 3 | Hall | 4 |
| Cheyenne | 1 | Harlan | 2 |
| Dakota | 1 | Howard | 3 |
| Dawson | 4 | Phelps | 5 |

The number of illegal gambling devices detected this fiscal year (30) was considerably less than 2004-05, when 161 possible devices were detected. This reduction may be attributable to the joint effort undertaken by the Attorney General's office and the Nebraska State Patrol to crack down on illegal gambling devices earlier this year.

Year in Review (Cont.)

ADMINISTRATIVE ACTIONS

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

Activities for the reporting period were as follows:

Administrative Orders Issued:

| | |
|----------------------------|---|
| License application denial | 3 |
|----------------------------|---|

Administrative Actions Initiated and Pending:

| | |
|----------------------------|---|
| License application denial | 6 |
| License suspension | 1 |

Administrative Actions Initiated and Resolved without an Order:

License Application Denial and License Suspension, Cancellation, Revocation

| | |
|---|----|
| Rescinded* | 16 |
| Resolved by operation of law** | 49 |
| Resolved by stipulation, suspension, and/or fine*** | 7 |
| Dismissed | 18 |

Administrative Fine

| | |
|--|---|
| Waiver of hearing and payment of fine*** | 1 |
| Dismissed | 3 |

Temporary Licenses Granted:

Temporary licenses were granted by the State Tax Commissioner to applicants where the Department sought to deny a license application in order to protect the rights of the parties during the pendency of any administrative or court proceedings. As of the close of the annual reporting period, the following temporary licenses and authorizations had been granted:

| | |
|---|---|
| Class II Bingo | 1 |
| Pickle Card Operator | 4 |
| Class I Lottery by the Sale of Pickle Cards | 1 |
| County/City Lottery Sales Outlet Location | 4 |
| County/City Lottery Worker | 8 |

- * 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 \$50.00. 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, 2006

REVENUE

| Receipt Type | General Fund | Cash Fund | Total |
|----------------------|-----------------------------|--------------------|--------------------|
| Tax Revenue | \$3,222,765 | \$2,119,245 | \$5,342,010 |
| Fee Revenue | <u>221,523</u> | <u>148,640</u> | <u>370,163</u> |
| | \$3,444,288 | \$2,267,885 | \$5,712,173 |
| Other Revenue | <u> </u> | <u>42,351</u> | <u>42,351</u> |
| Total Revenue | \$3,444,288 | \$2,310,236 | \$5,754,524 |

BUDGET AND EXPENDITURES

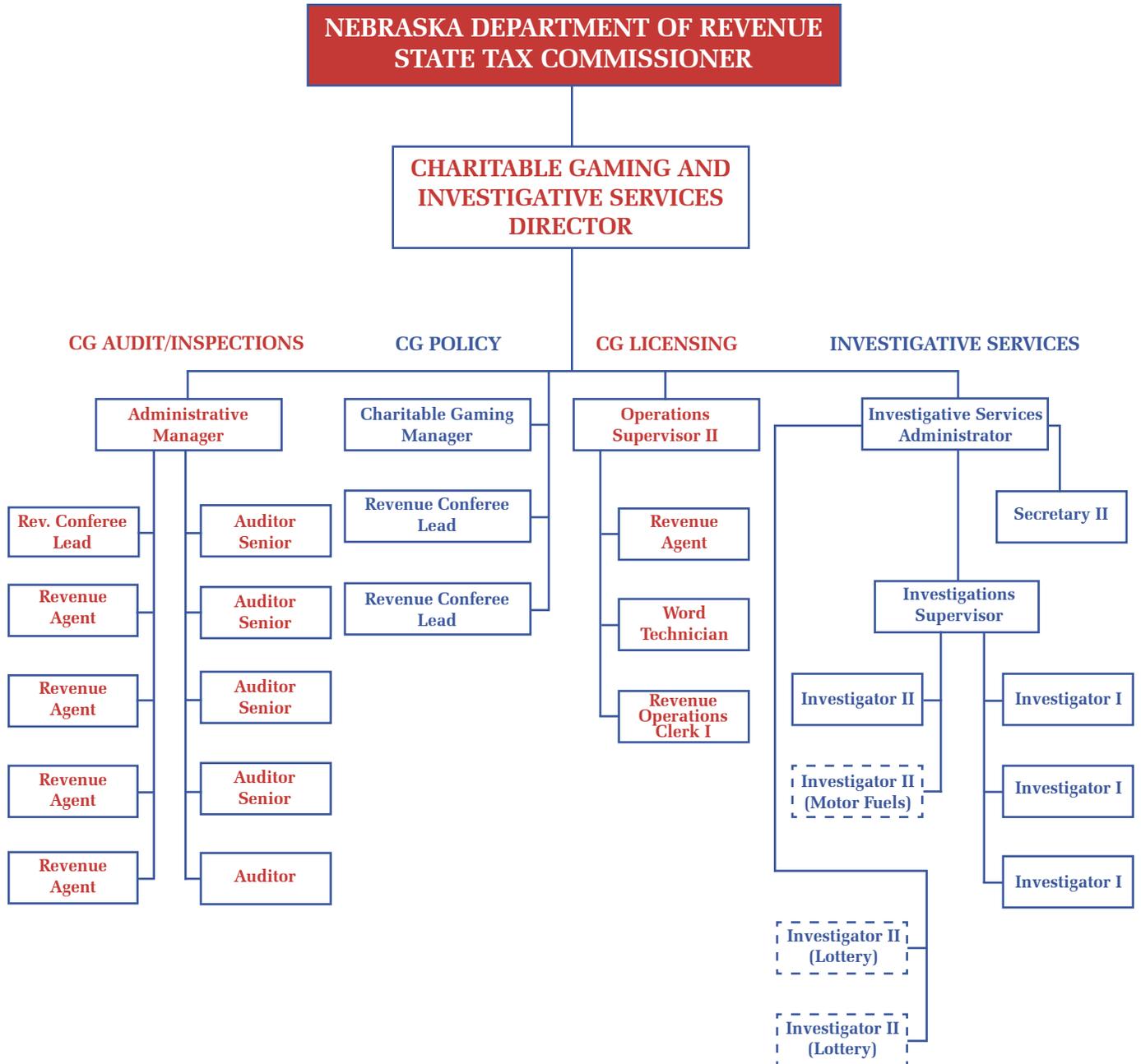
| Expenditure Type | Budgeted Amounts* | Actual Expenditures** |
|--|----------------------|--------------------------|
| Personal Services | \$1,833,890 | \$1,573,906 |
| Salaries | \$1,408,361 | \$1,192,956 |
| Benefits | 425,529 | 380,950 |
| Operating Expenses | 332,980 | 156,031 |
| Travel Expenses | 127,684 | 103,640 |
| Capital Outlay | <u>4,050</u> | <u>0</u> |
| Total Charitable Gaming Expenses | \$2,298,604 | \$1,833,577 |
| Athletic Commission Expenses Included in the Charitable Gaming Budget and Expenditures | <u>42,500***</u> | <u>39,641***</u> |
| Total Expenses From Cash Fund | \$2,341,104 | \$1,873,218 |

* Annual budget amounts for fiscal year 2005-2006.

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

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

Staffing of Charitable Gaming Division and Investigative Services



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

Summary of Gaming Dollars Wagered, Taxes, and Fees

GAMING DOLLARS WAGERED

| | FYE 6/2005 | FYE 6/2006 | Increase (Decrease) | Percentage Change |
|---------------------|----------------------|----------------------|------------------------|----------------------|
| Bingo | \$14,268,212 | \$14,051,926 | (\$216,286) | -1.52% |
| Pickle Cards | 50,819,571 | 45,943,737 | (4,875,834) | -9.59% |
| County/City Lottery | 181,255,946 | 185,340,795 | 4,084,849 | 2.25% |
| Lottery and Raffle | <u>5,545,781</u> | <u>5,432,488</u> | <u>(113,293)</u> | -2.04% |
| Total Wagers | \$251,889,510 | \$250,768,946 | (\$1,120,564) | -0.44% |

TAX REVENUE

| | FYE 6/2005 | FYE 6/2006 | Increase (Decrease) | Percentage Change |
|--------------------------|--------------------|--------------------|------------------------|----------------------|
| Bingo | \$428,046 | \$421,558 | (\$6,488) | -1.52% |
| Pickle Cards | 1,235,083 | 1,118,524 | (116,559) | -9.44% |
| County/City Lottery | 3,625,119 | 3,706,816 | 81,697 | 2.25% |
| Lottery and Raffle | <u>110,917</u> | <u>108,649</u> | <u>(2,268)</u> | -2.04% |
| Total Tax Revenue | \$5,399,165 | \$5,355,547 | (\$43,618) | -0.81% |

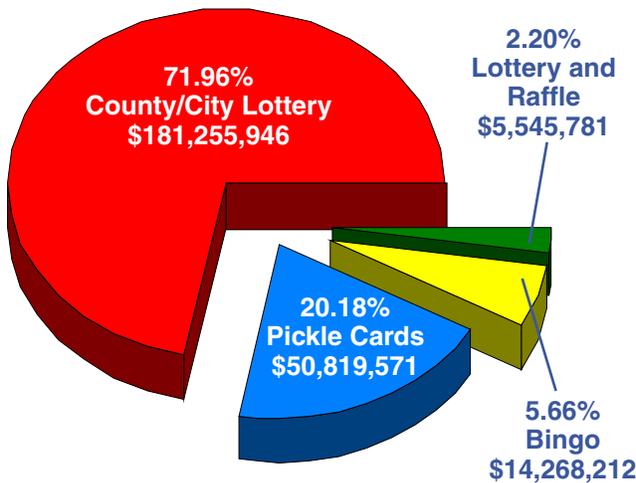
LICENSE FEES

| | FYE 6/2005 | FYE 6/2006 | Increase (Decrease) | Percentage Change |
|---|--------------------|--------------------|------------------------|----------------------|
| Cash Fund | \$97,270 | \$148,490 | \$51,220 | 52.66% |
| General Fund | <u>190,089</u> | <u>217,537</u> | <u>27,448</u> | 14.44% |
| Total License Fees | \$287,359 | \$366,027 | \$78,668 | 27.38% |
| Total Taxes and License Fees | \$5,686,524 | \$5,721,574 | \$35,050 | 0.62% |

Gaming Dollars Wagered

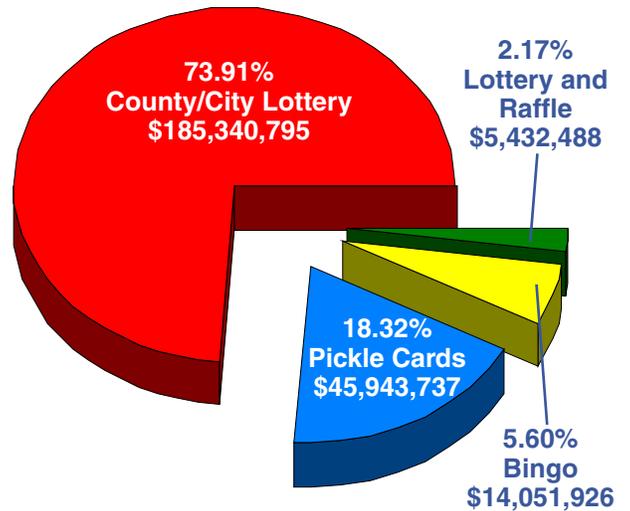
FYE 06/2005

\$251,889,510



FYE 06/2006

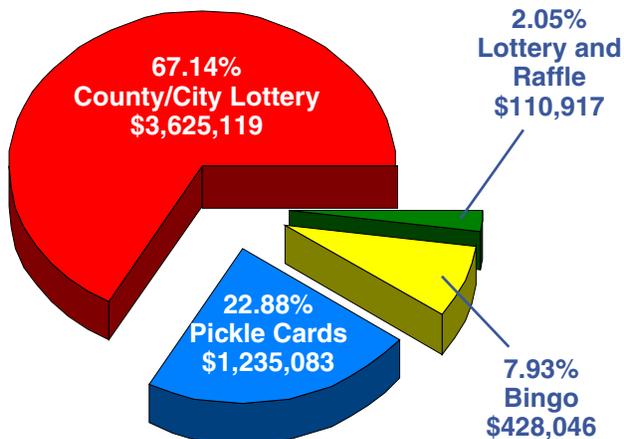
\$250,768,946



Gaming Tax Revenue

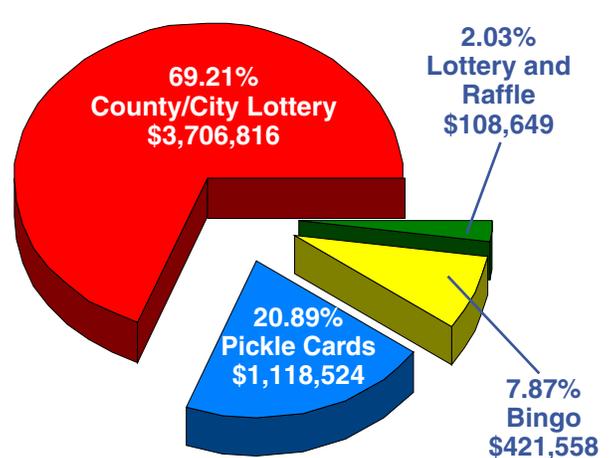
FYE 06/2005

\$5,399,165



FYE 06/2006

\$5,355,547*



*Based upon tax returns filed; actual tax revenue received was \$5,342,010.

Gross Wagering by County

| COUNTY | Bingo | | Pickle Cards | | Lottery and Raffle | | County/City Lottery | | Total | |
|-----------|------------------------------|------------|------------------------------|-------------|------------------------------|------------|------------------------------|-------------|------------------------------|------------------------------|
| | Gross Receipts FYE 6/2005 | FYE 6/2006 | Gross Proceeds FYE 6/2005 | FYE 6/2006 | Gross Proceeds FYE 6/2005 | FYE 6/2006 | Gross Proceeds FYE 6/2005 | FYE 6/2006 | Gross Wagering FYE 6/2005 | Gross Wagering FYE 6/2006 |
| ADAMS | \$533,500 | \$535,521 | \$1,417,642 | \$1,377,094 | \$131,607 | \$148,125 | \$3,392,813 | \$4,145,937 | \$5,475,562 | \$6,206,677 |
| ANTELOPE | | | 22,932 | 20,322 | 85,664 | 81,744 | 121,147 | 145,532 | 229,743 | 247,598 |
| ARTHUR | | | 19,800 | 15,840 | No Activity | | | | 19,800 | 15,840 |
| BANNER | | | | | No Activity | | | | | |
| BLAINE | | | | | No Activity | | | | | |
| BOONE | 18,294 | 17,697 | 137,528 | 147,407 | 91,282 | 99,394 | 957,445 | 927,231 | 247,104 | 264,498 |
| BOX BUTTE | 295,291 | 301,730 | 185,624 | 169,331 | 21,061 | 21,600 | | | 1,459,421 | 1,419,892 |
| BOYD | | | 151,776 | 35,712 | | | | | 151,776 | 35,712 |
| BROWN | 1,727 | | 48,247 | 71,238 | 95,650 | 34,500 | 340,951 | 225,842 | 486,575 | 331,580 |
| BUFFALO | 521,106 | 515,808 | 2,554,176 | 2,422,037 | 220,005 | 104,705 | 3,896,838 | 4,974,571 | 7,192,125 | 8,017,121 |
| BURT | | | 101,112 | 81,108 | 17,649 | | | | 118,761 | 81,108 |
| BUTLER | 42,286 | 46,101 | 182,443 | 154,932 | 83,954 | 69,326 | 151,619 | 176,598 | 460,302 | 446,957 |
| CASS | 116,802 | 77,604 | 825,818 | 824,052 | 99,657 | 20,987 | 3,877,556 | 3,775,086 | 4,919,833 | 4,697,729 |
| CEDAR | 5,365 | 5,500 | 124,136 | 165,056 | 5,250 | 11,468 | 83,958 | 77,540 | 218,709 | 259,564 |
| CHASE | 31,912 | 27,732 | 19,820 | 10,389 | 62,500 | | 182,263 | 190,518 | 233,995 | 291,139 |
| CHERRY | 6,266 | 5,960 | 244,168 | 168,171 | | | | | 250,434 | 174,131 |
| CHEYENNE | 41,236 | 41,005 | 235,004 | 185,155 | 14,216 | 17,308 | 569,878 | 582,389 | 860,334 | 825,857 |
| CLAY | | | 146,649 | 108,397 | 56,651 | 23,500 | 97,326 | 283,226 | 300,626 | 415,123 |
| COLFAX | 40,012 | 43,631 | 67,802 | 64,855 | 71,957 | 70,456 | 725,894 | 538,378 | 905,665 | 717,320 |
| CUMING | 17,048 | 15,835 | 394,910 | 384,573 | 48,495 | 51,395 | 58,044 | 57,869 | 518,497 | 509,672 |
| CUSTER | 5,280 | 4,272 | 12,950 | 13,876 | | | | | 18,230 | 18,148 |
| DAKOTA | 414,765 | 371,655 | 456,032 | 461,485 | 16,968 | 23,749 | 994,776 | 597,695 | 1,882,541 | 1,454,584 |
| DAWES | | | 8,565 | 4,960 | | | 899,334 | 795,190 | 907,899 | 800,150 |
| DAWSON | 69,478 | 77,100 | 242,933 | 256,605 | 6,310 | 18,520 | 542,453 | 608,372 | 861,174 | 960,597 |
| DEUEL | 10,699 | 11,312 | 9,924 | 8,910 | | | 305,690 | 600,124 | 326,313 | 620,346 |
| DIXON | | | 220,320 | 267,720 | | | | | 220,320 | 267,720 |
| DODGE | 195,773 | 180,124 | 1,714,813 | 1,558,524 | 100,508 | 66,511 | 4,022,825 | 4,465,815 | 6,033,919 | 6,270,974 |
| DOUGLAS | 5,071,397 | 4,869,117 | 10,245,469 | 11,963,955 | 1,888,976 | 2,212,406 | 69,660,173 | 70,093,704 | 86,866,015 | 89,139,182 |
| DUNDY | | | | | No Activity | | | | | |
| FILLMORE | 23,630 | 28,903 | 359,866 | 250,302 | | | 304,704 | 320,053 | 688,200 | 599,258 |
| FRANKLIN | | | 2,970 | | | | 96,239 | 27,157 | 99,209 | 27,157 |
| FRONTIER | 1,138 | | 15,498 | 33,660 | | | 2,280 | 2,603 | 18,916 | 36,263 |
| FURNAS | | | 19,602 | 23,189 | 6,574 | 8,119 | 163,182 | 187,718 | 189,358 | 219,026 |
| GAGE | 196,112 | 168,688 | 689,625 | 699,317 | | 19,480 | 2,100,198 | 1,888,343 | 2,985,935 | 2,775,828 |
| GARDEN | 2,398 | 2,504 | 29,903 | 18,871 | | | 3,872 | 186,753 | 36,173 | 208,128 |
| GARFIELD | 16,984 | 12,454 | 64,168 | 69,494 | | | | | 81,152 | 81,948 |
| GOSPER | | | 61,890 | 23,640 | | | 148,361 | 126,499 | 210,251 | 150,139 |
| GRANT | | | | | No Activity | | | | | |
| GREELEY | 933,188 | 864,694 | 16,889 | 14,914 | 69,142 | 36,308 | 94,921 | 119,291 | 180,952 | 170,513 |
| HALL | | | 2,471,393 | 2,178,603 | 266,151 | 222,783 | 5,807,682 | 6,157,702 | 9,478,414 | 9,423,782 |
| HAMILTON | 16,795 | 18,285 | 170,729 | 74,837 | 9,995 | 9,689 | | | 197,519 | 102,811 |
| HARLAN | 5,037 | 2,535 | 268,120 | 243,994 | | | 249,277 | 222,360 | 522,434 | 468,889 |
| HAYES | | | | | No Activity | | | | | |
| HITCHCOCK | 14,928 | 16,002 | 56,775 | 67,269 | | | 418,394 | 188,307 | 475,169 | 255,576 |
| HOLT | | | 393,153 | 355,861 | 5,000 | 5,000 | 23,072 | 23,311 | 436,153 | 400,174 |

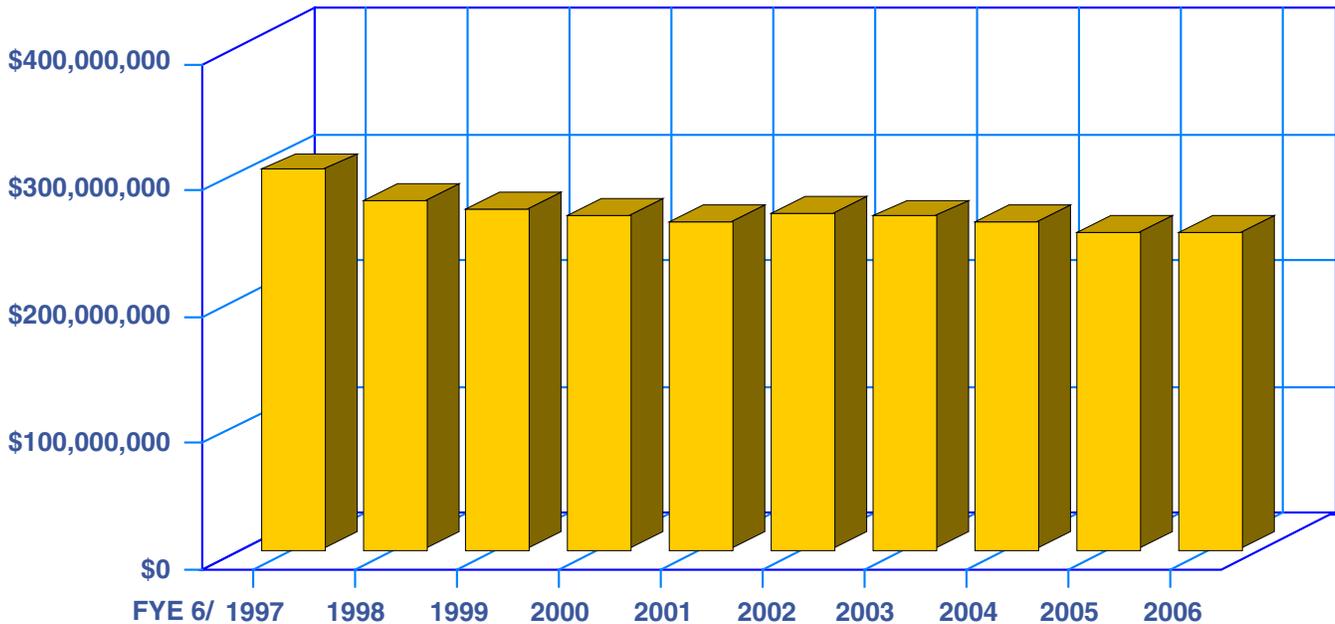
| COUNTY | Bingo Gross Receipts | | Pickle Cards Gross Proceeds | | Lottery and Raffle Gross Proceeds | | County/City Lottery Gross Proceeds | | Total Gross Wagering | |
|---------------|-------------------------|---------------------|--------------------------------|---------------------|--------------------------------------|--------------------|---------------------------------------|----------------------|-------------------------|----------------------|
| | FYE 6/2005 | FYE 6/2006 | FYE 6/2005 | FYE 6/2006 | FYE 6/2005 | FYE 6/2006 | FYE 6/2005 | FYE 6/2006 | FYE 6/2005 | FYE 6/2006 |
| HOOKER | 15,645 | 10,922 | 31,854 | 22,961 | No Activity | No Activity | 289,573 | 538,179 | 565,432 | 700,771 |
| HOWARD | 55,872 | 51,379 | 523,754 | 405,145 | 228,360 | 128,709 | 282,843 | 193,448 | 878,659 | 657,862 |
| JEFFERSON | 2,067 | 1,811 | 48,935 | 28,834 | 16,190 | 7,890 | 243,675 | 381,815 | 294,677 | 412,460 |
| KEARNEY | 57,590 | 35,938 | 378,601 | 276,023 | No Activity | 5,707 | 929,055 | 946,834 | 1,365,246 | 1,264,502 |
| KEYA PAHA | 4,825 | 12,291 | 68,180 | 63,776 | No Activity | No Activity | 703,936 | 804,920 | 776,941 | 880,987 |
| KIMBALL | 15,436 | 14,608 | 68,451 | 89,046 | 13,753 | 5,711 | 243,409 | 219,686 | 341,049 | 329,051 |
| KNOX | 2,208,843 | 2,437,021 | 8,800,462 | 7,203,120 | 406,172 | 354,188 | 31,964,049 | 31,291,685 | 43,379,526 | 41,286,014 |
| LANCASTER | 158,849 | 137,612 | 1,959,660 | 1,753,932 | 131,279 | 81,282 | 6,104,207 | 6,565,569 | 8,353,995 | 8,538,395 |
| LINCOLN | 499,659 | 487,615 | 1,586,387 | 1,223,929 | 9,457 | 7,152 | 375,601 | 410,574 | 20,094 | 12,600 |
| LOUP | 11,148 | 5,971 | 254,286 | 317,669 | No Activity | No Activity | 265,434 | 323,640 | 2,235,674 | 2,235,674 |
| MADISON | 14,073 | 15,205 | 153,079 | 88,626 | 36,000 | 36,000 | 45,815 | 54,845 | 265,434 | 323,640 |
| MCPHERSON | 38,313 | 57,823 | 90,993 | 120,250 | 22,500 | 22,000 | 176,514 | 189,652 | 98,615 | 107,195 |
| MERRICK | 134,630 | 131,434 | 641,490 | 522,459 | 14,975 | 27,165 | 219,202 | 157,929 | 189,652 | 302,345 |
| MORRILL | 3,648 | 14,469 | 131,028 | 109,960 | 8,755 | 5,175 | 335,081 | 274,351 | 348,508 | 342,762 |
| NANCE | 11,773 | 11,700 | 248,604 | 325,375 | 294,154 | 360,943 | 270,049 | 400,434 | 427,484 | 392,431 |
| NEMAHA | 376,586 | 510,443 | 1,672,348 | 1,328,469 | 10,430 | 10,430 | 2,447,945 | 2,264,895 | 1,046,169 | 1,054,327 |
| NUCKOLLS | 86,044 | 101,848 | 300,561 | 613,674 | 37,145 | 38,385 | 17,553 | 70,142 | 72,232 | 44,370 |
| OTOE | 18,993 | 15,489 | 129,163 | 125,126 | 23,094 | 18,000 | 411,638 | 351,706 | 411,638 | 351,706 |
| PAWNEE | 3,473 | 3,185 | 2,077 | 2,160 | 155,779 | 119,709 | 72,398 | 161,350 | 222,049 | 312,944 |
| PERKINS | 8,429 | 5,570 | 410,071 | 512,990 | 70,021 | 50,375 | 453,483 | 560,471 | 722,615 | 902,721 |
| PHELPS | 1,023,374 | 979,415 | 4,117,803 | 2,129,666 | 321,359 | 315,493 | 2,447,945 | 2,264,895 | 4,790,433 | 4,464,750 |
| PIERCE | 59,065 | 55,072 | 685,390 | 354,781 | 95,207 | 107,683 | 17,553 | 70,142 | 183,762 | 189,851 |
| PLATTE | 647,942 | 580,784 | 1,409,595 | 1,086,141 | 149,667 | 145,155 | 8,406 | 0 | 432,156 | 753,907 |
| POLK | 8,429 | 5,570 | 410,071 | 512,990 | 70,021 | 50,375 | 17,553 | 70,142 | 183,762 | 189,851 |
| RED WILLOW | 6,391 | 4,228 | 46,598 | 53,224 | 12,390 | 7,954 | 17,553 | 70,142 | 432,156 | 753,907 |
| RICHARDSON | 13,505 | 15,293 | 68,556 | 107,863 | 5,856 | 2,540 | 8,406 | 0 | 171,250 | 158,615 |
| ROCK | 20,002 | 21,224 | 81,267 | 76,759 | 32,400 | 32,400 | 5,550 | 5,345 | 5,550 | 5,345 |
| SALINE | 6,391 | 4,228 | 46,598 | 53,224 | 12,390 | 7,954 | 602,997 | 655,727 | 1,091,518 | 1,224,662 |
| SARPY | 1,023,374 | 979,415 | 4,117,803 | 2,129,666 | 321,359 | 315,493 | 25,884,275 | 27,538,666 | 31,346,811 | 30,963,240 |
| SAUNDERS | 59,065 | 55,072 | 685,390 | 354,781 | 95,207 | 107,683 | 2,041,658 | 1,282,781 | 2,881,320 | 1,800,317 |
| SCOTT'S BLUFF | 647,942 | 580,784 | 1,409,595 | 1,086,141 | 149,667 | 145,155 | 4,965,146 | 5,562,688 | 7,172,350 | 7,374,768 |
| SEWARD | 6,391 | 4,228 | 46,598 | 53,224 | 12,390 | 7,954 | 539,618 | 551,201 | 592,700 | 590,311 |
| SHERIDAN | 13,505 | 15,293 | 68,556 | 107,863 | 5,856 | 2,540 | 38,819 | 53,565 | 104,198 | 118,971 |
| SHERMAN | 20,002 | 21,224 | 81,267 | 76,759 | 32,400 | 32,400 | 87,917 | 87,917 | 125,696 | 125,696 |
| SIoux | 21,876 | 18,145 | 22,008 | 21,546 | No Activity | No Activity | 101,269 | 97,983 | 32,400 | 97,983 |
| STANTON | 3,253 | 903 | 150,350 | 97,993 | 26,500 | 26,500 | 30,758 | 26,458 | 84,533 | 66,149 |
| THAYER | 35,454 | 31,268 | 390,070 | 192,875 | 7,590 | 7,590 | 309,319 | 117,708 | 502,713 | 246,969 |
| THOMAS | 63,007 | 21,491 | 139,267 | 102,508 | 29,170 | 25,948 | 1,078,934 | 958,565 | 1,532,011 | 1,197,237 |
| THURSTON | 123,810 | 113,190 | 123,810 | 113,190 | 18,641 | 38,517 | 123,810 | 123,810 | 123,810 | 113,190 |
| VALLEY | 17,901 | 7,940 | 17,901 | 7,940 | 30,480 | 30,480 | 18,641 | 38,517 | 36,542 | 46,457 |
| WASHINGTON | 637,421 | 534,275 | 637,421 | 534,275 | 574,916 | 569,059 | 574,916 | 569,059 | 1,212,337 | 1,133,814 |
| WAYNE | 123,810 | 113,190 | 123,810 | 113,190 | 18,641 | 38,517 | 123,810 | 123,810 | 123,810 | 113,190 |
| WEBSTER | 17,901 | 7,940 | 17,901 | 7,940 | 30,480 | 30,480 | 18,641 | 38,517 | 36,542 | 46,457 |
| WHEELER | 637,421 | 534,275 | 637,421 | 534,275 | 574,916 | 569,059 | 574,916 | 569,059 | 1,212,337 | 1,133,814 |
| YORK | 123,810 | 113,190 | 123,810 | 113,190 | 18,641 | 38,517 | 123,810 | 123,810 | 123,810 | 113,190 |
| TOTAL | \$14,268,212 | \$14,051,926 | \$50,819,571 | \$45,943,737 | \$5,545,781 | \$5,432,488 | \$181,255,946 | \$185,340,795 | \$251,889,510 | \$250,768,946 |

10-Year Comparison of Gaming Dollars Wagered

| | FYE 6/1997 | FYE 6/1998 | FYE 6/1999 | FYE 6/2000 | FYE 6/2001 |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Bingo | \$20,166,019 | \$19,355,648 | \$19,229,963 | \$18,965,647 | \$17,641,173 |
| Pickle Cards | 116,790,134 | 100,289,010 | 90,502,926 | 82,866,886 | 71,391,519 |
| County/City Lottery | 160,521,574 | 153,834,783 | 156,068,465 | 159,690,193 | 166,051,868 |
| Lottery and Raffle | 3,343,691 | 3,541,481 | 3,458,815 | 3,811,149 | 4,238,281 |
| Totals | \$300,821,418 | \$277,020,922 | \$269,260,169 | \$265,333,875 | \$259,322,841 |

| | FYE 6/2002 | FYE 6/2003 | FYE 6/2004 | FYE 6/2005 | FYE 6/2006 |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Bingo | \$16,686,076 | \$16,558,843 | \$15,370,116 | \$14,268,212 | \$14,051,926 |
| Pickle Cards | 68,302,524 | 62,559,488 | 57,510,542 | 50,819,571 | 45,943,737 |
| County/City Lottery | 176,912,978 | 179,518,444 | 182,190,233 | 181,255,946 | 185,340,795 |
| Lottery and Raffle | 4,562,701 | 5,168,480 | 4,860,299 | 5,545,781 | 5,432,488 |
| Totals | \$266,464,279 | \$263,805,255 | \$259,931,190 | \$251,889,510 | \$250,768,946 |

GAMING DOLLARS WAGERED — 1997–2006



Licenses Comparison

| | Biennial License Fee | Number of Licenses FYE 6/2005 | Number of Licenses FYE 6/2006 | Number of Changes |
|---|-------------------------|-------------------------------------|-------------------------------------|-------------------------|
| BINGO | | | | |
| Organizations Licensed to Conduct Class I Bingo | \$30 | 119 | 114 | (5) |
| Organizations Licensed to Conduct Class II Bingo | \$100 | 33 | 33 | 0 |
| Gaming Managers | \$100 | 42 | 46 | 4 |
| Lessors of Commercial Bingo Halls | None | 7 | 7 | 0 |
| Commercial Bingo Halls | \$200 | 9 | 10 | 1 |
| PICKLE CARD LICENSES | | | | |
| Organizations Licensed to Conduct Class I Lottery by Pickle Cards | \$200 | 191 | 185 | (6) |
| Organizations Licensed to Conduct Class II Lottery by Pickle Cards | \$300 | 328 | 327 | (1) |
| Pickle Card Operators | \$100 | 1,166 | 1,027 | (139) |
| Pickle Card Operator Authorizations | None | 1,588 | 1,396 | (192) |
| Sales Agents | \$100 | 503 | 487 | (16) |
| COUNTY/CITY LOTTERY (KENO) | | | | |
| Counties, Cities, and Villages Licensed to Conduct Lotteries | \$100 | 145 | 138 | (7) |
| County/City Lottery Operators | \$500 | 141 | 133 | (8) |
| County/City Sales Outlet Locations (includes Satellite Locations) | None | 613 | 620 | 7 |
| County/City Lottery Workers | None | 4,369 | 5,119 | 750 |
| LOTTERY AND RAFFLE | | | | |
| Organizations Licensed to Conduct Lotteries and Raffles | \$30 | 305 | 299 | (6) |
| MANUFACTURERS AND DISTRIBUTORS | | | | |
| Manufacturers of Bingo Equipment and Pickle Cards | \$3,050 | 9 | 9 | 0 |
| Distributors of Bingo Equipment and Pickle Cards | \$3,050 | 3 | 3 | 0 |
| Manufacturer-Distributors of County/City Lottery Supplies and Equipment | \$1,525 | 7 | 6 | (1) |
| OTHER LICENSES AND PERMITS | | | | |
| Special Event Bingo Permits | A \$15 | 96 | 94 | (2) |
| Pickle Card Dispensing Devices Registered | B \$50 | 1,317 | 1,274 | (43) |
| Lottery and Raffle Special Permits | C \$10 | 418 | 373 | (45) |
| Utilization of Funds Members | D \$40 | 1,067 | 1,064 | (3) |
| TOTAL | | 12,476 | 12,764 | 288 |

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 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 6/2005 | Class I FYE 6/2006 | Class II FYE 6/2005 | Class II FYE 6/2006 | Class I FYE 6/2005 | Class I FYE 6/2006 | Class II FYE 6/2005 | Class II FYE 6/2006 | FYE 6/2005 | FYE 6/2006 | FYE 6/2005 | FYE 6/2006 |
| ADAMS | 1 | 1 | 4 | 4 | 7 | 7 | 8 | 8 | 14 | 15 | 5 | 6 |
| ANTELOPE | | | | | 1 | 1 | 2 | 3 | 4 | 3 | 3 | 2 |
| ARTHUR | | | | | | | 1 | 1 | | | | |
| BANNER | | | | | No Activity | | | | | | | |
| BLAINE | | | | | No Activity | | | | | | | |
| BOONE | 2 | 2 | | | 2 | 2 | 4 | 4 | 9 | 8 | 6 | 7 |
| BOX BUTTE | 3 | 3 | 1 | 1 | 3 | 3 | 2 | 2 | 5 | 3 | 2 | 1 |
| BOYD | | | | | | | 1 | 1 | 2 | 3 | | |
| BROWN | 1 | 1 | | | | | 1 | 1 | 4 | 5 | 1 | 1 |
| BUFFALO | 4 | 4 | 1 | 1 | 6 | 6 | 8 | 9 | 23 | 20 | 7 | 5 |
| BURT | | | | | 2 | 2 | 1 | 1 | 4 | 4 | 1 | |
| BUTLER | 1 | 1 | | | 2 | 2 | 8 | 8 | 14 | 12 | 7 | 8 |
| CASS | 2 | 2 | | | 3 | 3 | 8 | 8 | 17 | 15 | 4 | 4 |
| CEDAR | 2 | 2 | | | | | 3 | 3 | 10 | 10 | 2 | 2 |
| CHASE | 4 | 3 | | | 2 | 1 | | | 3 | 3 | 1 | 1 |
| CHERRY | 1 | 1 | | | 1 | 1 | 1 | 1 | 9 | 9 | | |
| CHEYENNE | 1 | 1 | | | 1 | 1 | 3 | 3 | 6 | 6 | 2 | 2 |
| CLAY | | | | | 1 | 1 | 3 | 3 | 9 | 6 | 3 | 2 |
| COLFAX | 6 | 6 | | | 4 | 4 | 2 | 2 | 8 | 5 | 6 | 6 |
| CUMING | 4 | 4 | | | 2 | 2 | 4 | 4 | 13 | 10 | 2 | 2 |
| CUSTER | 1 | 1 | | | | | 2 | 2 | 4 | 2 | | |
| DAKOTA | | | 1 | 1 | 1 | 1 | 6 | 6 | 14 | 12 | 3 | 3 |
| DAWES | | | | | 1 | 1 | | | 3 | 3 | | 1 |
| DAWSON | 4 | 4 | | | 6 | 6 | 4 | 4 | 13 | 11 | 2 | 2 |
| DEUEL | 1 | 1 | | | 1 | 1 | | | 2 | 1 | | |
| DIXON | | | | | | | 1 | 1 | 9 | 8 | 1 | 1 |
| DODGE | 5 | 5 | | | 7 | 7 | 11 | 11 | 44 | 37 | 5 | 5 |
| DOUGLAS | 2 | 2 | 11 | 10 | 35 | 30 | 42 | 44 | 265 | 230 | 100 | 87 |
| DUNDY | | | | | | | | | 1 | 1 | | |
| FILLMORE | 4 | 4 | | | 3 | 3 | 6 | 6 | 10 | 9 | | |
| FRANKLIN | | | | | | | 1 | | 4 | 2 | | |
| FRONTIER | | | | | | | 1 | 1 | 2 | 2 | | |
| FURNAS | | | | | | | 1 | 1 | 2 | 2 | 2 | 2 |
| GAGE | 4 | 4 | | | 2 | 2 | 5 | 6 | 16 | 15 | 2 | 4 |
| GARDEN | 1 | 1 | | | 1 | 1 | | | 1 | 1 | | |
| GARFIELD | 1 | 1 | | | | | 2 | 2 | 6 | 4 | | |
| GOSPER | | | | | | | | | 3 | 3 | | |
| GRANT | | | | | No Activity | | | | | | | |
| GREELEY | | | | | | | 2 | 1 | 5 | 3 | 5 | 5 |
| HALL | 5 | 4 | 2 | 2 | 10 | 9 | 7 | 7 | 30 | 25 | 12 | 10 |
| HAMILTON | 1 | 1 | | | 1 | 1 | 2 | 2 | 6 | 5 | 1 | 1 |
| HARLAN | 1 | 1 | | | | | 2 | 2 | 7 | 9 | | |
| HAYES | | | | | No Activity | | | | | | | |
| HITCHCOCK | | | | | | | 1 | 1 | 4 | 4 | | |
| HOLT | 2 | 2 | | | 1 | 1 | 4 | 5 | 12 | 9 | 1 | 2 |
| HOOKER | | | | | | | | | 1 | | | |

2006 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 6/2005 | Class I FYE 6/2006 | Class II FYE 6/2005 | Class II FYE 6/2006 | Class I FYE 6/2005 | Class I FYE 6/2006 | Class II FYE 6/2005 | Class II FYE 6/2006 | FYE 6/2005 | FYE 6/2006 | FYE 6/2005 | FYE 6/2006 |
| HOWARD | 1 | 1 | | | 1 | 1 | 2 | 2 | 6 | 2 | 2 | 2 |
| JEFFERSON | 2 | 2 | | | 3 | 3 | 4 | 5 | 9 | 9 | 1 | 1 |
| JOHNSON | 1 | 1 | | | 1 | 1 | 1 | 1 | 6 | 5 | | |
| KEARNEY | | | | | | | 1 | 1 | 4 | 3 | | |
| KEITH | 1 | 1 | | | 3 | 3 | 5 | 5 | 17 | 17 | | 1 |
| KEYA PAHA | | | | | | | | | 1 | | | |
| KIMBALL | 1 | 1 | | | 2 | 2 | 1 | 1 | 4 | 3 | | 1 |
| KNOX | 3 | 3 | | | | | 2 | 1 | 5 | 3 | 2 | 2 |
| LANCASTER | 5 | 4 | 4 | 4 | 11 | 10 | 32 | 28 | 124 | 112 | 28 | 28 |
| LINCOLN | 1 | 1 | 1 | 1 | 4 | 4 | 6 | 6 | 28 | 25 | 9 | 8 |
| LOGAN | | | | | 1 | 1 | | | | | | |
| LOUP | | | | | | | 1 | 1 | 2 | 1 | | |
| MADISON | 3 | 2 | 3 | 4 | 5 | 5 | 8 | 8 | 28 | 28 | 7 | 7 |
| MCPHERSON | | | | | | | | | 1 | | | |
| MERRICK | 2 | 1 | | | 2 | 2 | 5 | 5 | 8 | 5 | | |
| MORRILL | | | | | 1 | 1 | | | 1 | 2 | 2 | 2 |
| NANCE | 1 | 1 | | | 2 | 2 | 3 | 3 | 8 | 7 | 2 | 2 |
| NEMAHA | 2 | 2 | | | 2 | 2 | 1 | 1 | 6 | 5 | | 1 |
| NUCKOLLS | | | | | 1 | 2 | 2 | 2 | 3 | 3 | 1 | |
| OTOE | 2 | 2 | | | 1 | 1 | 7 | 8 | 15 | 15 | 1 | 1 |
| PAWNEE | | | | | 1 | 1 | 1 | 1 | 2 | 1 | | |
| PERKINS | | | | | | | | | 3 | 4 | | |
| PHELPS | 1 | 1 | | | 2 | 2 | 3 | 3 | 5 | 5 | 1 | 3 |
| PIERCE | 2 | 2 | | | 1 | 1 | 3 | 3 | 14 | 14 | 1 | 1 |
| PLATTE | 2 | 2 | 1 | 1 | 4 | 4 | 7 | 7 | 37 | 34 | 11 | 13 |
| POLK | | | | | 1 | 1 | 2 | 2 | 11 | 7 | 1 | 1 |
| RED WILLOW | 5 | 5 | | | 4 | 4 | 2 | 2 | 11 | 11 | 3 | 2 |
| RICHARDSON | 1 | 1 | | | 3 | 3 | 4 | 4 | 6 | 4 | 3 | 2 |
| ROCK | 1 | 1 | | | 1 | 1 | | | | | | |
| SALINE | 2 | 2 | | | 3 | 3 | 7 | 7 | 16 | 12 | 5 | 6 |
| SARPY | | | 2 | 2 | 5 | 6 | 14 | 12 | 55 | 53 | 10 | 11 |
| SAUNDERS | 2 | 2 | | | 3 | 3 | 11 | 11 | 19 | 15 | 8 | 7 |
| SCOTTS BLUFF | 3 | 3 | 2 | 2 | 5 | 5 | 3 | 3 | 23 | 23 | 8 | 10 |
| SEWARD | | | | | | | 5 | 5 | 17 | 18 | 4 | 3 |
| SHERIDAN | 1 | 1 | | | 1 | 1 | 1 | 1 | 4 | 3 | 2 | 1 |
| SHERMAN | 2 | 2 | | | 2 | 2 | 4 | 4 | 3 | 2 | 1 | 1 |
| SIOUX | | | | | | | | | | | | 1 |
| STANTON | 1 | 1 | | | 1 | 1 | 1 | 1 | 4 | 4 | | |
| THAYER | 1 | 1 | | | 1 | 1 | 2 | 2 | 3 | 1 | | 1 |
| THOMAS | | | | | | | | | 1 | 1 | | |
| THURSTON | 1 | 1 | | | | | | | 3 | 3 | | |
| VALLEY | 3 | 3 | | | 2 | 2 | 3 | 3 | 4 | 3 | 1 | 1 |
| WASHINGTON | 1 | 1 | | | 2 | 2 | 3 | 3 | 7 | 7 | | 1 |
| WAYNE | 1 | 1 | | | 1 | 1 | 3 | 3 | 9 | 7 | 3 | 3 |
| WEBSTER | | | | | | | 4 | 4 | 5 | 5 | | |
| WHEELER | | | | | | | 1 | 1 | 2 | 2 | | |
| YORK | | | | | 2 | 2 | 3 | 3 | 8 | 8 | 2 | 3 |
| TOTAL | 119 | 114 | 33 | 33 | 191 | 185 | 328 | 327 | 1,166 | 1,027 | 305 | 299 |

Organizations Participating in Gaming Activities

WAGERING BY EXEMPTION CODE

| | Bingo Gross Receipts | |
|--------------|----------------------|---------------------|
| | FYE 6/2005 | FYE 6/2006 |
| 501(c)(3) | \$5,358,769 | \$5,070,210 |
| 501(c)(4) | 1,681,312 | 1,959,983 |
| 501(c)(5) | 57,934 | 97,519 |
| 501(c)(8) | 1,942,741 | 2,070,761 |
| 501(c)(10) | 1,873,405 | 1,798,931 |
| 501(c)(19) | 2,795,424 | 2,568,537 |
| VF&E | 558,627 | 485,985 |
| Total | \$14,268,212 | \$14,051,926 |

| | Pickle Card Gross Proceeds | |
|--------------|----------------------------|---------------------|
| | FYE 6/2005 | FYE 6/2006 |
| 501(c)(3) | \$18,933,489 | \$16,585,915 |
| 501(c)(4) | 6,088,413 | 5,575,183 |
| 501(c)(5) | 311,188 | 268,002 |
| 501(c)(7) | 513,591 | 704,545 |
| 501(c)(8) | 4,435,046 | 4,052,913 |
| 501(c)(10) | 3,283,414 | 3,305,931 |
| 501(c)(19) | 10,184,332 | 8,884,383 |
| VF&E | 7,070,098 | 6,566,865 |
| Total | \$50,819,571 | \$45,943,737 |

| | Lottery and Raffle Gross Proceeds | |
|--------------|-----------------------------------|--------------------|
| | FYE 6/2005 | FYE 6/2006 |
| 501(c)(3) | \$4,390,890 | \$4,583,645 |
| 501(c)(4) | 169,326 | 129,970 |
| 501(c)(5) | 25,200 | 23,148 |
| 501(c)(6) | 50,465 | 104,200 |
| 501(c)(7) | 94,550 | 89,900 |
| 501(c)(8) | 260,825 | 226,465 |
| 501(c)(10) | 262,840 | 140,640 |
| 501(c)(19) | 215,565 | 55,545 |
| VF&E | 76,120 | 78,975 |
| Total | \$5,545,781 | \$5,432,488 |

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).

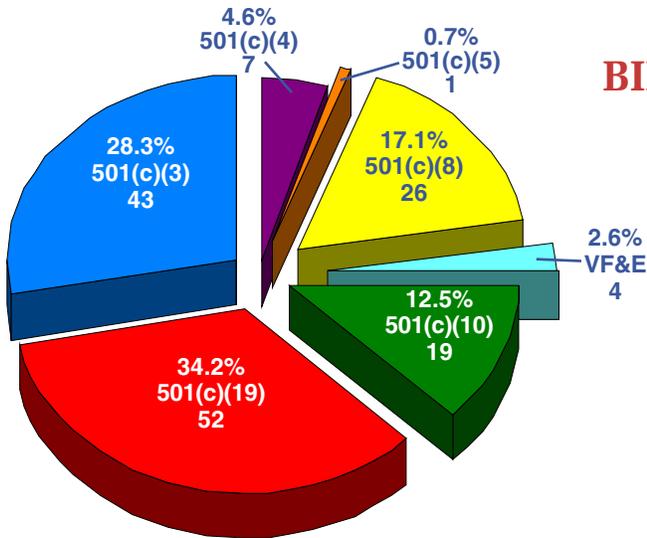
Only those organizations holding an exemption under section 501(c)(3), (4), (5), (8), (10), or (19), or a volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad may apply for a license to conduct bingo or a lottery by the sale of pickle cards.

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.

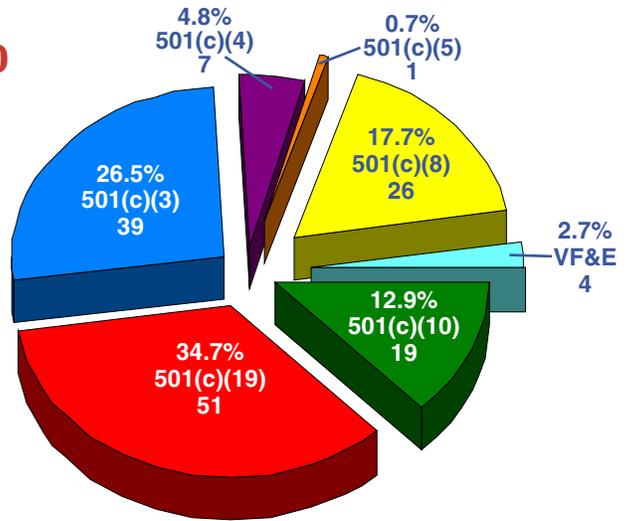
Number of Licensees by Exemption Code

FYE 6/2005

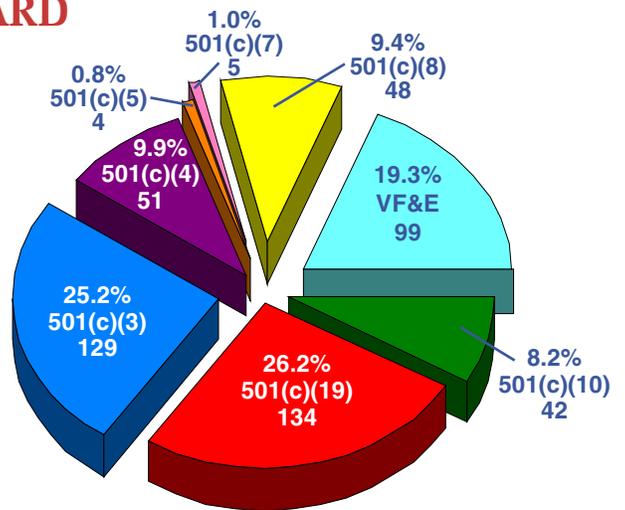
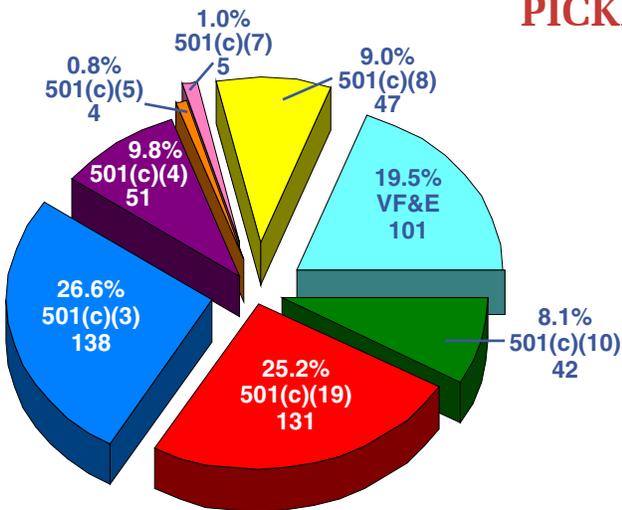


BINGO

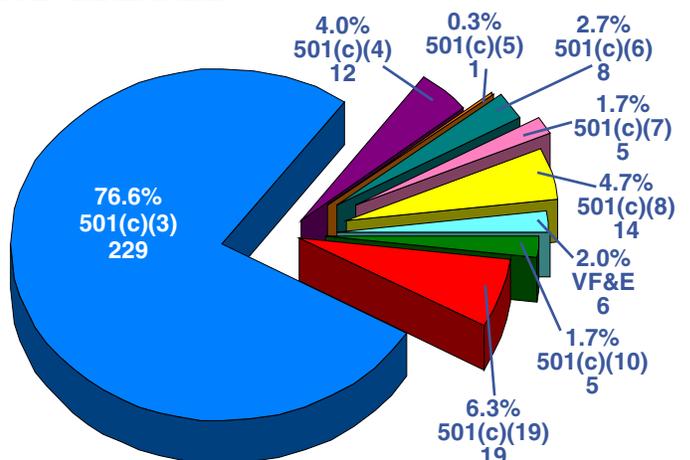
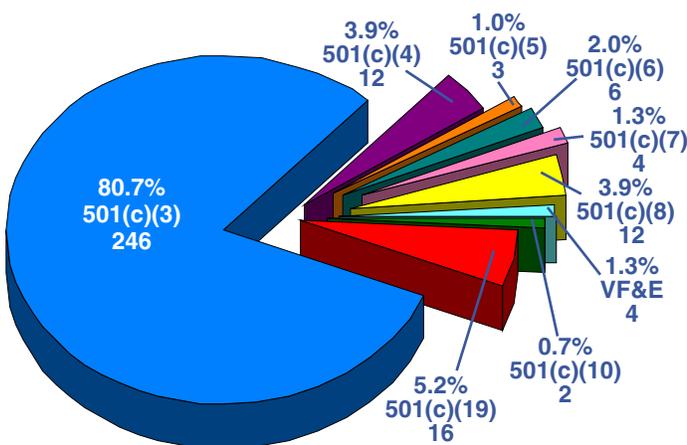
FYE 6/2006



PICKLE CARD



LOTTERY AND RAFFLE



County/City Lotteries Licensed by County*

| County | Counties, Cities, & Villages | | Lottery Operators | | Sales Outlets | |
|--------------|------------------------------|------------|-------------------|------------|---------------|--------------|
| | FYE 6/2005 | FYE 6/2006 | FYE 6/2005 | FYE 6/2006 | FYE 6/2005 | FYE 6/2006 |
| ADAMS | 1 | 1 | 1 | 1 | 2 | 2 |
| ANTELOPE | 2 | 2 | 2 | 2 | 2 | 2 |
| ARTHUR | 1 | 1 | | | | |
| BOX BUTTE | 2 | 2 | 2 | 2 | 6 | 5 |
| BROWN | 1 | 1 | 1 | 1 | 2 | 2 |
| BUFFALO | 2 | 3 | 2 | 3 | 5 | 7 |
| BUTLER | 2 | 2 | 1 | 1 | 1 | 1 |
| CASS | 4 | 5 | 4 | 5 | 3 | 4 |
| CEDAR | 2 | 2 | 2 | 2 | 2 | 2 |
| CHASE | 2 | 2 | 2 | 2 | 2 | 2 |
| CHEYENNE | 3 | 3 | 3 | 3 | 5 | 5 |
| CLAY | 1 | 1 | 1 | 1 | 1 | 1 |
| COLFAX | 3 | 3 | 3 | 3 | 6 | 5 |
| CUMING | 1 | 1 | 1 | 1 | 2 | 2 |
| DAKOTA | 2 | 2 | 2 | 2 | 7 | 4 |
| DAWES | 2 | 2 | 2 | 2 | 6 | 5 |
| DAWSON | 1 | 1 | 1 | 1 | 6 | 5 |
| DEUEL | 1 | 1 | 1 | 1 | 2 | 3 |
| DODGE | 3 | 4 | 3 | 4 | 20 | 19 |
| DOUGLAS | 7 | 7 | 7 | 7 | 317 | 327 |
| FILLMORE | 3 | 2 | 3 | 2 | 2 | 2 |
| FRANKLIN | 3 | 3 | 3 | 2 | 3 | 1 |
| FRONTIER | 1 | 1 | 1 | 1 | 1 | 1 |
| FURNAS | 3 | 3 | 2 | 2 | 3 | 3 |
| GAGE | 6 | 3 | 6 | 3 | 7 | 6 |
| GARDEN | 1 | 1 | 1 | 1 | 2 | 3 |
| GOSPER | 1 | 1 | 1 | 1 | 2 | 2 |
| GREELEY | 2 | 2 | 2 | 2 | 2 | 3 |
| HALL | 2 | 2 | 2 | 2 | 6 | 7 |
| HARLAN | 1 | 1 | 1 | 1 | 2 | 2 |
| HITCHCOCK | 3 | 2 | 3 | 2 | 2 | 2 |
| HOLT | 1 | 1 | 1 | 1 | 2 | 2 |
| HOWARD | 2 | 2 | 2 | 2 | 2 | 3 |
| JEFFERSON | 1 | 1 | 1 | 1 | 2 | 2 |
| JOHNSON | 1 | 1 | 1 | 1 | 1 | 1 |
| KEITH | 1 | 1 | 1 | 1 | 8 | 8 |
| KIMBALL | 1 | 1 | 1 | 1 | 3 | 3 |
| KNOX | 3 | 3 | 3 | 3 | 3 | 3 |
| LANCASTER | 8 | 6 | 7 | 6 | 73 | 72 |
| LINCOLN | 5 | 5 | 5 | 5 | 10 | 11 |
| MADISON | 1 | 1 | 1 | 1 | 1 | 1 |
| MORRILL | 1 | 1 | 1 | 1 | 1 | 1 |
| NANCE | | 1 | | 1 | | 1 |
| NEMAHA | 1 | 1 | 1 | 1 | | |
| NUCKOLLS | 2 | 2 | 2 | 2 | 2 | 2 |
| OTOE | 3 | 4 | 3 | 4 | 3 | 4 |
| PERKINS | 2 | 2 | 2 | 2 | 3 | 3 |
| PHELPS | 2 | 2 | 2 | 2 | 2 | 2 |
| PIERCE | 2 | 2 | 2 | 2 | 2 | 2 |
| PLATTE | 3 | 3 | 3 | 3 | 9 | 9 |
| POLK | 1 | 1 | 1 | 1 | 1 | 1 |
| RED WILLOW | 1 | | 1 | | | |
| SALINE | 3 | 2 | 3 | 2 | 3 | 2 |
| SARPY | 6 | 6 | 6 | 6 | 28 | 31 |
| SAUNDERS | 7 | 6 | 8 | 5 | 5 | 2 |
| SCOTTS BLUFF | 6 | 6 | 8 | 8 | 11 | 11 |
| SHERIDAN | 1 | 1 | 1 | 1 | 1 | 1 |
| SHERMAN | 1 | 1 | | | | |
| THAYER | 3 | 1 | 2 | 1 | 2 | 1 |
| VALLEY | 1 | 1 | 1 | 1 | 1 | 1 |
| WASHINGTON | 2 | 2 | 2 | 2 | 4 | 4 |
| WHEELER | 2 | 2 | 1 | 1 | 1 | 1 |
| YORK | 2 | 2 | 2 | 2 | | |
| TOTAL | 145 | 138 | 141 | 133 | 613 | 620** |

* Only those counties with county/city lottery licensees in these years are listed.

** Actual number of physical locations is 437.

County/City Lotteries Gross Proceeds

| County/City | FYE 6/2005 | FYE 6/2006 | County/City | FYE 6/2005 | FYE 6/2006 |
|-----------------------|---------------|---------------|-------------------------------|----------------------|----------------------|
| ALLIANCE | \$611,689 | \$586,423 | INDIANOLA | \$8,406 | |
| ASHLAND | 874,727 | 949,021 | KEARNEY | 3,737,624 | \$4,628,902 |
| AUBURN | 219,202 | 157,929 | KEITH CO. | 929,055 | 946,834 |
| AVOCA | 136,930 | 149,375 | KIMBALL | 703,936 | 804,920 |
| BARNESTON | 350,545 | 187,999 | LAVISTA | 12,240,890 | 12,365,957 |
| BARTLETT | 18,641 | 38,517 | LINCOLN ² | 21,065,985 | 19,530,004 |
| BATTLE CREEK | 375,601 | 410,574 | LINDSAY | 61,545 | 45,905 |
| BAYARD | 45,815 | 54,845 | LODGEPOLE | 22,204 | 8,065 |
| BEATRICE ¹ | 1,112,288 | 874,186 | LONG PINE | 340,951 | 225,842 |
| BEEMER | 58,044 | 57,869 | LORTON | 119,369 | 99,277 |
| BELLEVUE | 5,745,046 | 6,336,189 | LYMAN | 32,333 | 12,205 |
| BELVIDERE | 806 | | MADRID | 159,092 | 104,670 |
| BENEDICT | 65,398 | 32,191 | MCGREW | 110,052 | 81,908 |
| BENNINGTON | 515,359 | 492,299 | MEMPHIS | 131,896 | 144,930 |
| BERTRAND | 54,198 | 56,979 | MINATARE | 28,955 | 118,582 |
| BLAIR | 857,101 | 685,527 | MORSE BLUFF | 25,984 | 26,853 |
| BLOOMFIELD | 73,059 | 114,968 | MURDOCK | | 83,156 |
| BLOOMINGTON | 58,451 | | NAPONEE | 21,851 | 8,353 |
| BLUE SPRINGS | 629,986 | 810,643 | NELIGH | 74,869 | 76,153 |
| BRADY | 52,350 | 13,999 | NIOBRARA | 50,050 | 46,997 |
| CEDAR CREEK | 466,116 | 517,990 | NORTH BEND | 114,062 | 80,129 |
| CHADRON | 94,717 | 164,393 | NORTH LOUP | 309,319 | 117,708 |
| CHASE CO. | 29,695 | 62,382 | NORTH PLATTE | 5,476,318 | 6,112,265 |
| CHEYENNE CO. | 462,996 | 476,981 | OMAHA | 53,419,130 | 53,259,453 |
| CLARKSON | 17,545 | 15,693 | ORCHARD | 46,278 | 69,379 |
| COLUMBUS | 2,385,800 | 2,218,990 | OSCEOLA | 17,553 | 70,142 |
| CORTLAND | | 15,515 | OXFORD | 139,104 | 166,704 |
| CRAWFORD | 804,617 | 630,797 | PALMYRA | 9,618 | 11,634 |
| CRETE | 505,546 | 559,455 | PAPILLION | 6,224,068 | 6,303,254 |
| DANNEBROG | 38,315 | 43,331 | PLAINVIEW | 104,109 | 109,624 |
| DAVID CITY | 151,619 | 176,598 | PLATTSMOUTH | 3,272,357 | 2,967,887 |
| DAWSON CO. | 542,453 | 608,372 | POTTER | 84,678 | 97,343 |
| DENTON | 5,395,932 | 5,569,571 | PRAGUE | 2,294 | 29 |
| DEUEL CO. | 305,690 | 600,124 | RALSTON | 13,815,450 | 13,899,246 |
| DONIPHAN | 444,081 | 518,025 | RANDOLPH | 46,997 | 24,248 |
| DORCHESTER | 27,655 | | RAVENNA | | 51,452 |
| EAGLE | 2,153 | 56,678 | RAYMOND | 132,020 | 58,751 |
| ELKHORN | 1,733,206 | 1,800,942 | SARPY CO. | 958,903 | 1,712,779 |
| ELM CREEK | 159,214 | 294,217 | SCHUYLER | 634,162 | 482,560 |
| EUSTIS | 2,280 | 2,603 | SCOTTS BLUFF CO. | 3,116,163 | 3,629,984 |
| EXETER | 29,626 | | SCRIBNER | | 5,628 |
| FAIRBURY | 282,843 | 193,448 | SOUTH SIOUX CITY ³ | 994,776 | 597,695 |
| FILLMORE CO. | 231,446 | 284,732 | SPALDING | 38,035 | 43,069 |
| FORT CALHOUN | 221,833 | 273,038 | SPRAGUE | 300,824 | 211,557 |
| FRANKLIN | 15,937 | 18,804 | SPRINGFIELD | 50,528 | 244,874 |
| FREMONT | 3,908,763 | 4,380,058 | ST. PAUL | 251,258 | 494,848 |
| GARDEN CO. | 3,872 | 186,753 | STUART | 23,072 | 23,311 |
| GENOA | | 176,514 | SUPERIOR | 333,221 | 273,787 |
| GERING | 967,680 | 959,152 | SUTHERLAND | 195,773 | 148,465 |
| GOSPER CO. | 148,361 | 126,499 | SYRACUSE | 141,062 | 233,651 |
| GRAFTON | 43,632 | 35,321 | TECUMSEH | 243,675 | 381,815 |
| GRANT | 252,546 | 247,036 | TERRYTOWN | 709,963 | 760,857 |
| GRETNA | 664,840 | 575,613 | TRENTON | 395,646 | 164,523 |
| HADAR | 349,374 | 450,847 | UNADILLA | | 55,872 |
| HALL CO. | 5,363,601 | 5,639,677 | VALLEY | 107,417 | 559,724 |
| HARDY | 1,860 | 564 | VALPARAISO | 88,225 | 62,205 |
| HARLAN CO. | 249,277 | 222,360 | VERDIGRE | 120,300 | 57,721 |
| HARVARD | 97,326 | 283,226 | WACO | 509,518 | 536,868 |
| HASTINGS | 3,392,813 | 4,145,937 | WAHOO | 918,532 | 99,743 |
| HAY SPRINGS | 38,819 | 53,565 | WATERLOO | 69,611 | 82,040 |
| HEBRON | 29,952 | 26,458 | WAUNETA | 152,568 | 128,136 |
| HEMINGFORD | 345,756 | 340,808 | WAVERLY | 5,069,288 | 5,921,802 |
| HERSHEY | 379,766 | 290,840 | WILBER | 69,796 | 96,272 |
| HITCHCOCK CO. | 22,748 | 23,784 | WOLBACH | 56,886 | 76,222 |
| HOLBROOK | 24,078 | 21,014 | WYMORE | 7,379 | |
| HOLDREGE | 18,200 | 104,371 | WYNOT | 36,961 | 53,292 |
| HOWELLS | 74,187 | 40,125 | TOTALS | \$181,255,946 | \$185,340,795 |

¹ Includes the Village of Odell² Includes the Village of Malcolm³ Includes the City of Dakota City

The Games

BINGO

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

| BINGO | Number of Licenses FYE 6/2005 | Number of Licenses FYE 6/2006 |
|---|-------------------------------------|-------------------------------------|
| Organizations Licensed to Conduct Class I Bingo | 119 | 114 |
| Organizations Licensed to Conduct Class II Bingo | 33 | 33 |
| Gaming Managers | 42 | 46 |
| Lessors of Commercial Bingo Halls | 7 | 7 |
| Commercial Bingo Halls | 9 | 10 |
| Special Event Bingo Permits | 96 | 94 |
| Utilization of Funds Members* | 1,067 | 1,064 |
| Manufacturers of Bingo Equipment and Pickle Cards** | 9 | 9 |
| Distributors of Bingo Equipment and Pickle Cards | 3 | 3 |

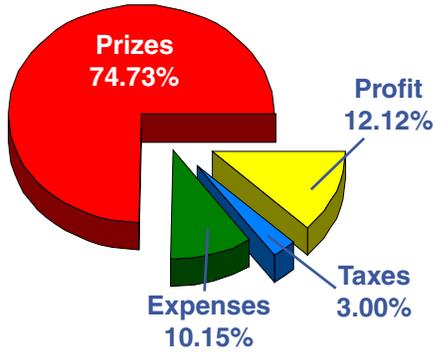
* Total Utilization of Funds Members for all licensed organizations (bingo, pickle cards, and/or lottery and raffle)

** Not all necessarily manufacture bingo equipment

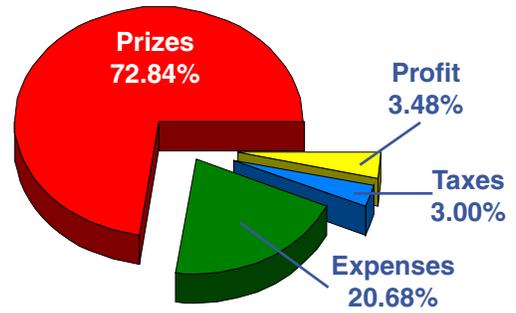
Bingo Gross Receipts, Expenses, Taxes, and Profit Fiscal Years Ending June 2006 and June 2005

| | FYE 6/2006 Class I | FYE 6/2006 Class II | FYE 6/2006 Total | FYE 6/2005 Total | Increase (Decrease) |
|-----------------------|--------------------------|---------------------------|------------------------|------------------------|------------------------|
| Gross Receipts | \$2,893,098 | \$11,158,828 | \$14,051,926 | \$14,268,212 | (\$216,286) |
| Prizes | 2,162,085 | 8,128,196 | 10,290,281 | 10,085,165 | 205,116 |
| Expenses | 293,592 | 2,307,557 | 2,601,149 | 2,923,461 | (322,312) |
| Taxes | 86,793 | 334,765 | 421,558 | 428,046 | (6,488) |
| Profit | \$350,628 | \$388,310 | \$738,938 | \$831,540 | (\$92,602) |

Class I — FYE 6/2006

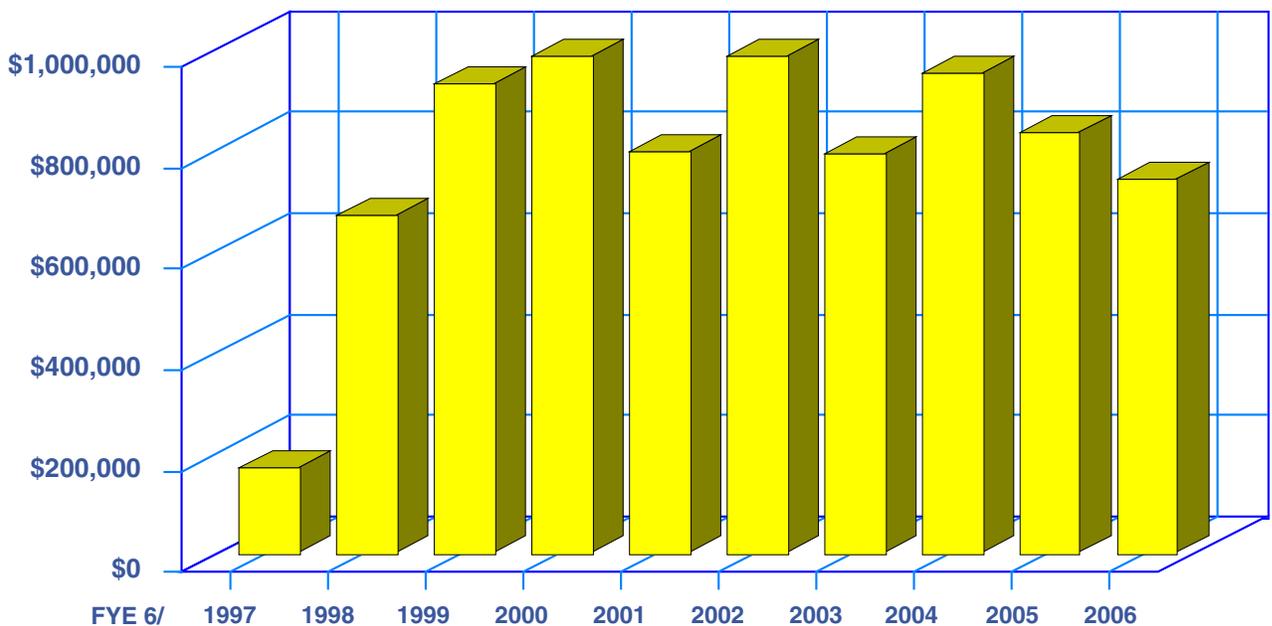


Class II — FYE 6/2006



| | FYE 6/2006 | FYE 6/2005 |
|--|------------|------------|
| Number of Occasions Conducted..... | 9,454 | 10,140 |
| Attendance Reported | 555,905 | 567,890 |
| Average Player Spend Per Occasion..... | \$25.28 | \$25.12 |

BINGO PROFITS — 1997-2006



The Games

PICKLE CARDS

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

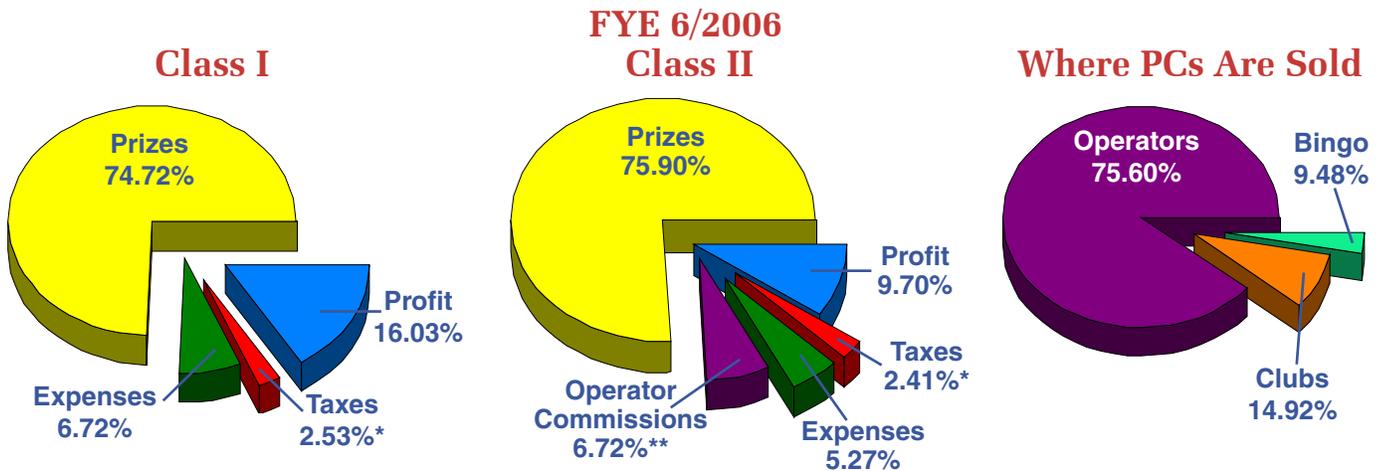
| PICKLE CARDS | Number of Licenses FYE 6/2005 | Number of Licenses FYE 6/2006 |
|--|-------------------------------------|-------------------------------------|
| Organizations Licensed to Conduct Class I Lottery by Pickle Cards | 191 | 185 |
| Organizations Licensed to Conduct Class II Lottery by Pickle Cards | 328 | 327 |
| Pickle Card Operators | 1,166 | 1,027 |
| Pickle Card Operator Authorizations | 1,588 | 1,396 |
| Sales Agents | 503 | 487 |
| Utilization of Funds Members* | 1,067 | 1,064 |
| Pickle Card Dispensing Devices Registered | 1,317 | 1,274 |
| Manufacturers of Bingo Equipment and Pickle Cards** | 9 | 9 |
| Distributors of Bingo Equipment and Pickle Cards | 3 | 3 |

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

** Not all necessarily manufacture pickle cards

Pickle Card Gross Proceeds, Expenses, Taxes, and Profit Fiscal Years Ending June 2006 and June 2005

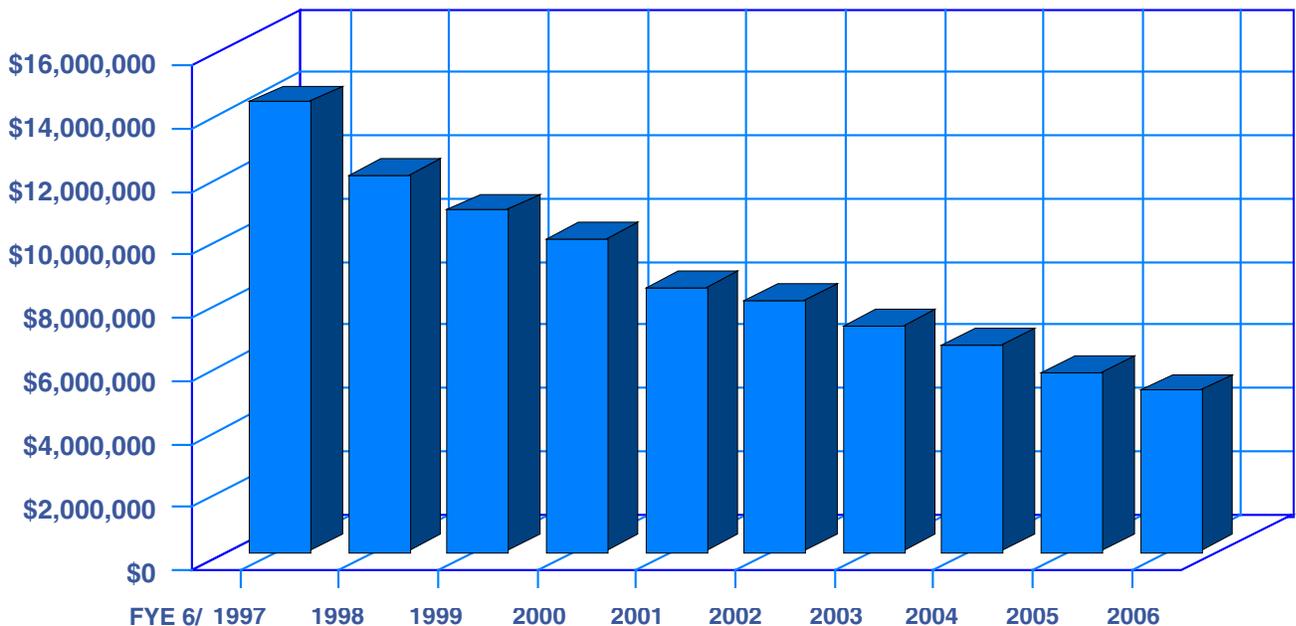
| | FYE 6/2006 Class I | FYE 6/2006 Class II | FYE 6/2006 Total | FYE 6/2005 Total | Increase (Decrease) |
|-----------------------|-----------------------|------------------------|---------------------|---------------------|------------------------|
| Gross Proceeds | \$9,606,993 | \$36,336,744 | \$45,943,737 | \$50,819,571 | (\$4,875,834) |
| Prizes | 7,178,058 | 27,580,439 | 34,758,497 | 38,474,796 | (3,716,299) |
| Operator Commissions | 0 | 2,440,724 | 2,440,724 | 2,707,395 | (266,671) |
| Expenses | 645,996 | 1,913,690 | 2,559,686 | 2,783,572 | (223,886) |
| Taxes | 242,893 | 875,631 | 1,118,524 | 1,235,083 | (116,559) |
| Profit | \$1,540,046 | \$3,526,260 | \$5,066,306 | \$5,618,725 | (\$552,419) |



* 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 6/2006 | FYE 6/2005 |
|--|------------|------------|
| Number of Pickle Card Units Sold | 23,152 | 24,984 |

PICKLE CARD PROFITS — 1997–2006



The Games

COUNTY/CITY LOTTERY (KENO)

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

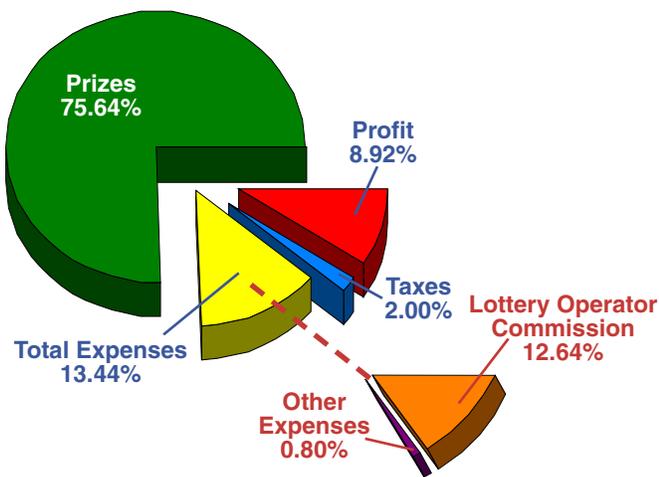
| COUNTY/CITY LOTTERY (KENO) | Number of Licenses FYE 6/2005 | Number of Licenses FYE 6/2006 |
|---|--|--|
| Counties, Cities, and Villages Licensed to Conduct Lotteries | 145 | 138 |
| County/City Lottery Operators | 141 | 133 |
| County/City Sales Outlet Locations (includes Satellite Locations) | 613 | 620* |
| County/City Lottery Workers | 4,369 | 5,119 |
| Manufacturer-Distributors of County/City Lottery Supplies and Equipment | 7 | 6 |

* Actual number of physical locations is 437

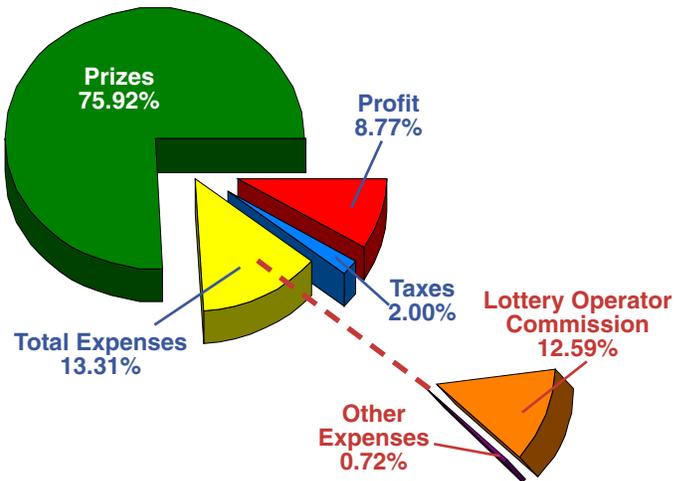
County/City Lottery (Keno) Gross Proceeds, Expenses, Taxes, and Profit Fiscal Years Ending June 2006 and June 2005

| | FYE 6/2006 | FYE 6/2005 | Increase (Decrease) |
|-----------------------------|----------------------|----------------------|------------------------|
| Gross Proceeds | \$185,340,795 | \$181,255,946 | \$4,084,849 |
| Prizes | 140,189,022 | 137,607,061 | 2,581,961 |
| Lottery Operator Commission | \$23,429,360 | \$22,820,471 | 608,889 |
| Other Expenses | <u>1,476,196</u> | <u>1,313,585</u> | 162,611 |
| Total Expenses | \$24,905,556 | \$24,134,056 | |
| Taxes | <u>3,706,816</u> | <u>3,625,119</u> | <u>81,697</u> |
| Profit | \$16,539,401 | \$15,889,710 | \$649,691 |

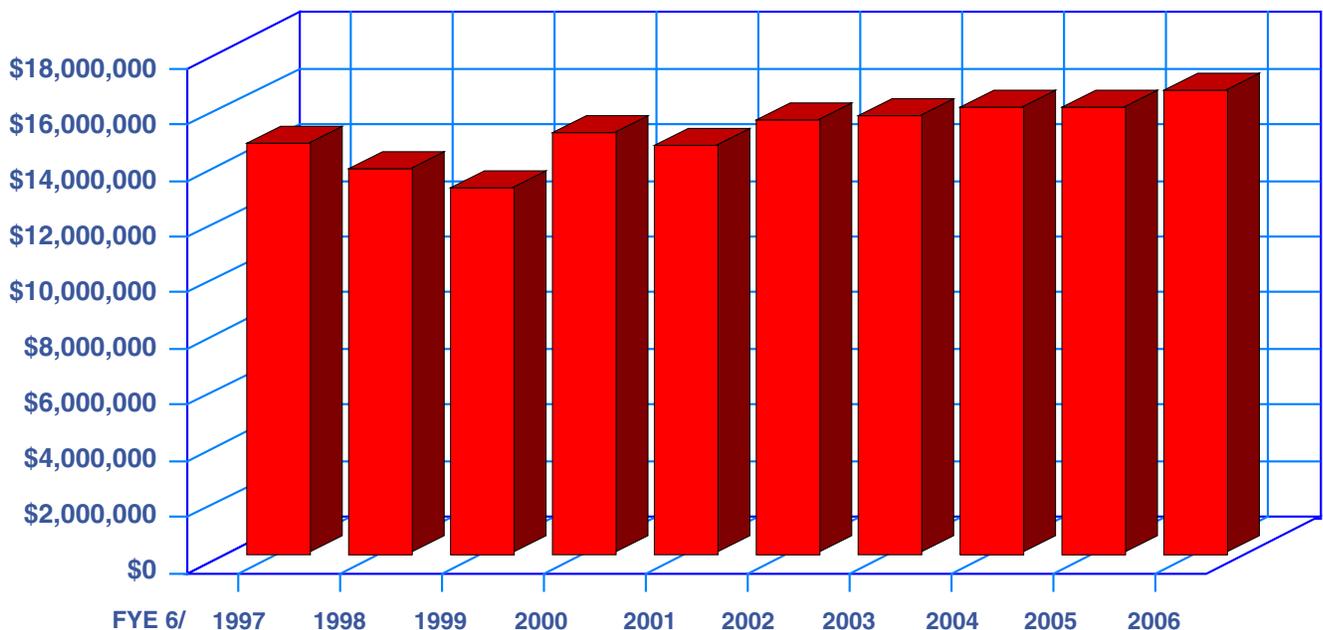
FYE 6/2006



FYE 6/2005



COUNTY/CITY LOTTERY (KENO) PROFITS — 1997–2006



The Games

LOTTERY AND RAFFLE

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

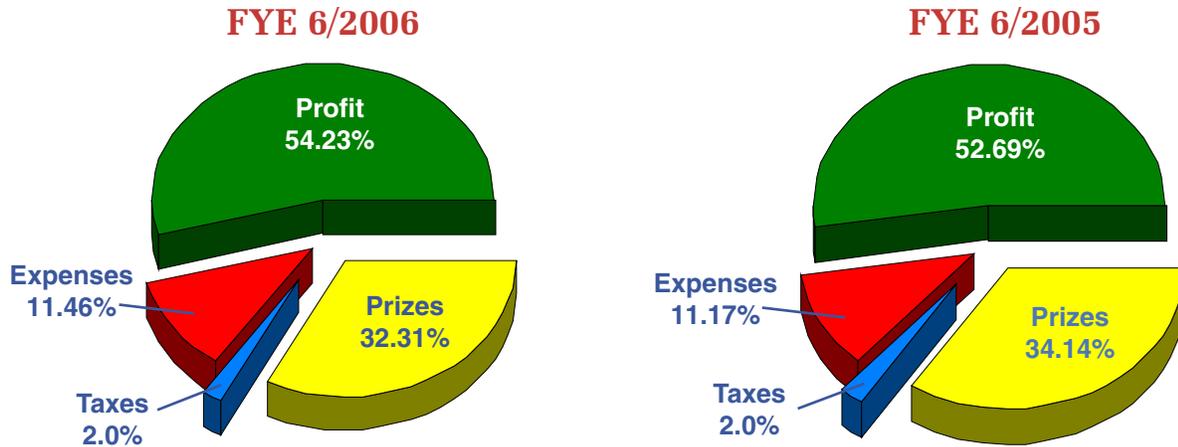
| LOTTERIES AND RAFFLES | Number of Licenses FYE 6/2005 | Number of Licenses FYE 6/2006 |
|---|--|--|
| Organizations Licensed to Conduct Lotteries and Raffles | 305 | 299 |
| Lottery and Raffle Special Permits | 418 | 373 |
| Utilization of Funds Members* | 1,067 | 1,064 |

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

Lottery and Raffle Gross Proceeds, Expenses, Taxes, and Profit Fiscal Years Ending June 2006 and June 2005

| | FYE 6/2006 | FYE 6/2005 | Increase (Decrease) |
|-----------------------------|--------------------|--------------------|------------------------|
| Lottery Gross Proceeds | \$3,517,536 | \$3,545,972 | (\$28,436) |
| Raffle Gross Proceeds | <u>1,914,952</u> | <u>1,999,809</u> | <u>(84,857)</u> |
| Total Gross Proceeds | \$5,432,488 | \$5,545,781 | (\$113,293) |
| Prizes | 1,755,237 | 1,893,499 | (138,262) |
| Expenses | 622,563 | 619,482 | 3,081 |
| Taxes | <u>108,650</u> | <u>110,917</u> | <u>(2,267)</u> |
| Profit | \$2,946,038 | \$2,921,883 | \$24,155 |

Actual prizes awarded equaled 42 percent of the total gross proceeds; however, of this 42 percent, 10 percent of the prizes were donated.



LOTTERY AND RAFFLE PROFITS — 1997–2006

