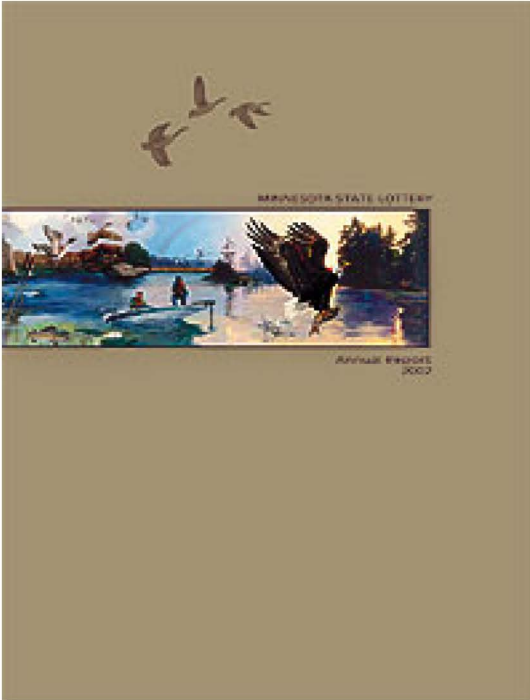


MINNESOTA STATE LOTTERY

# FY 2002 Annual Report

REVIEW OF 2002 GAMES & WINNERS BENEFICIARIES FINANCIALS



Fiscal year 2002 was a landmark year for your Lottery. Cumulative profits for Minnesota surpassed \$1 billion in March 2002 – \$81 million of that was raised during this report period.

Please review our annual report from the milestones to the financials. We have additional information at [www.mnlottery.com](http://www.mnlottery.com), or just ask.

My thanks to our customers, retailers, suppliers, staff and policymakers whose efforts, support, play, participation and insight make all the difference.

Very truly yours,

George R. Andersen  
Director, Minnesota State Lottery



*Proceeds Benefit Our Natural  
and Economic Environments.*

NEXT PAGE ►

MINNESOTA STATE LOTTERY

# FY 2002 Annual Report

[HOME](#)[GAMES & WINNERS](#)[BENEFICIARIES](#)[FINANCIALS](#)

The Lottery reached a milestone in its 12-year history on March 11, 2002 when the money generated for the State of Minnesota reached \$1 billion. Among the recipients of the Lottery funds were the General Fund, Environment and Natural Resources Trust Fund, Game & Fish Fund, Natural Resources Fund, Greater Minnesota Corporation, Infrastructure Development Funds for Capital Improvements and problem gambling treatment and prevention.

[BACK](#)[NEXT PAGE](#) 

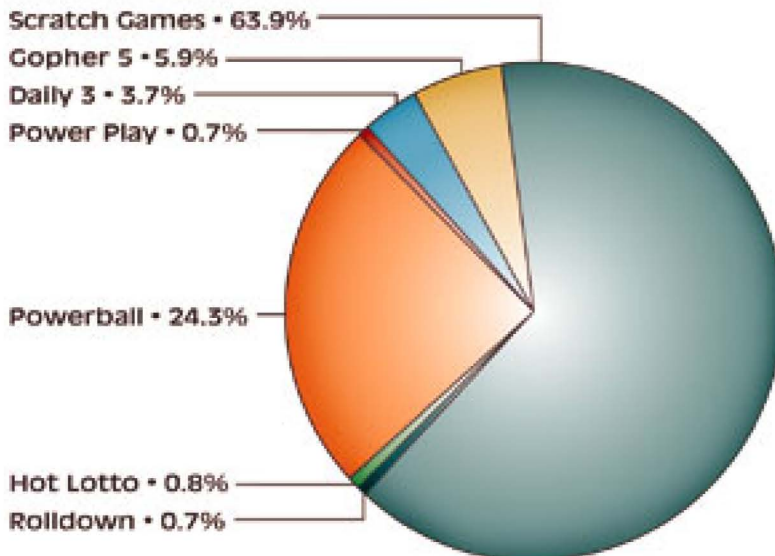
## MINNESOTA STATE LOTTERY

# FY 2002 Annual Report

[HOME](#)
[GAMES & WINNERS](#)
[BENEFICIARIES](#)
[FINANCIALS](#)

Due in part to a near-record Powerball® jackpot of \$295 million in August 2001, lottery sales reached \$377.1 million in fiscal year 2002 (July 1, 2001 through June 30, 2002). This is an increase of 3 percent over the previous year. Online Game sales (Powerball®, Power Play®, Gopher 5®, Daily 3®, Rolldown™ and Hot Lotto™) totaled \$136.1 million, a new sales record in Minnesota, while sales of Scratch Games reached \$241 million. Fiscal year per capita sales were \$76.66, with a high of \$155.54 in Polk County and a low of \$29.88 in Red Lake County.

## FY 2002 SALES BY GAME



The Lottery paid \$223 million in prizes this year. Prize payments were made to two Minnesotans who won Powerball jackpots; to the holders of more than 100 tickets over \$50,000; and to players who won millions in small prizes on tickets purchased in Minnesota.

The 3,200 retailers selling lottery tickets earned \$23.9 million in commissions and incentives. Each store receives a commission of 5.5 percent on each ticket sold and 1 percent of prizes (up to \$599) paid to players who redeem tickets in their stores. All retailers are eligible to receive cash incentives throughout the year.

## Top 10 Lottery Retailers in Fiscal Year 2002

1. **M & H Gas, Moorhead**
2. **Metropolitan Public Airport Foundation-  
Minneapolis/St. Paul International Airport**
3. **Wally's Holiday Stationstore,  
East Grand Forks**
4. **Orton's Moorhead Citgo, Moorhead**
5. **East Grand Station, East Grand Forks**
6. **M & H Gas, St. Paul**
7. **Rice Street Spur, St. Paul**
8. **Hornbacher Foods, Moorhead**
9. **SuperAmerica, Anoka**
10. **Bill's Superette, Brooklyn Park**

[BACK](#)

[NEXT PAGE](#) 

## MINNESOTA STATE LOTTERY

# FY 2002 Annual Report

[HOME](#)
[REVIEW OF 2002](#)
[BENEFICIARIES](#)
[FINANCIALS](#)

## SCRATCH GAMES AND WINNERS



Scratch Games were the favorite games for Minnesota lottery players in fiscal year 2002. Sales of these games totaled 63.9 percent of sales, or \$241 million. The Lottery introduced 35 new Scratch Games during the fiscal year. These games featured a variety of themes, play styles, top prizes and price points.

The Beetle Bailey® Scratch Game, based on the Beetle Bailey comic strip, debuted on Nov. 6, 2001. Special donation materials featuring Beetle Bailey were distributed to all lottery retailers and to 1,000 veterans organizations throughout Minnesota to raise funds for the Minnesota WWII Veterans Memorial.

Beetle Bailey is a creation of artist and veteran Mort Walker. ©2001 King Features Syndicate, Inc. ™The Hearst Corporation.



The Lottery's Scratch Games produced many large winners, including (left to right) Kevin Voss of Delano, Tim Donatell of North Branch and Julie Tonn of Hancock. Forty-six Scratch Game prizes of \$30,000 or more were claimed in FY02.

Slingo, a \$3 Scratch Game that combines slots and bingo, was launched in September 2001. Because of player enthusiasm for this game, a second version of Slingo was introduced less than a year later.



Players had the opportunity to play the MONOPOLY Scratch Game for real cash prizes during the fiscal year. Players could purchase a single \$3 MONOPOLY Scratch Game ticket or the \$10 MONOPOLY Scratch Game bonus pack. Each ticket contained a property stub found on a MONOPOLY game board. Players who collected the correct number of property stubs (e.g., Baltic and Mediterranean Avenues) won the prize associated with those properties. All players who purchased the \$10 MONOPOLY Scratch Game bonus pack received a second chance drawing entry. Twenty lucky winners had their choice of a vacation package to Atlantic City, N.J.; a big-screen TV package; pre-paid fuel cards; season tickets to all 2002-2003 Minnesota Timberwolves home games; or a cash prize.

MONOPOLY, the distinctive design of the game board, the four corner squares, the MR. MONOPOLY name and character, as well as each of the distinctive elements of the board and the playing pieces are trademarks of Hasbro, Inc. for its property trading game and game equipment. ©2001 Hasbro, Inc. All rights reserved.

Players could purchase a single \$3 MONOPOLY Scratch Game ticket or a \$10 MONOPOLY Scratch Game bonus pack.



In March 2002, the Lottery introduced Explore Minnesota. The Lottery teamed up with the Minnesota Office of Tourism to offer Minnesota vacation packages to 218 lucky winners of a second chance drawing. The getaways featured golf, fishing or skiing trips; Boundary Waters canoeing; Mississippi River houseboating; and hotel/dining packages across Minnesota. Each package was valued at \$1,000.



BACK

NEXT PAGE ▶

## MINNESOTA STATE LOTTERY

# FY 2002 Annual Report

[HOME](#)
[REVIEW OF 2002](#)
[BENEFICIARIES](#)
[FINANCIALS](#)

## ONLINE GAMES AND WINNERS

The new Online Game sales record of \$136.1 million, set in fiscal year 2002, was fueled by a \$295 million Powerball® jackpot on Aug. 25, 2001. This jackpot was the second-highest jackpot ever recorded. Sheryl Hanuman of Minneapolis was one of four lucky players from the 23 Powerball lotteries to split the near-record jackpot. She selected the cash option of \$41.4 million. Hanuman, who became Minnesota's 14th Powerball jackpot winner, purchased the ticket at Cub Foods, 2850 S. 26th Ave. in Minneapolis while she was shopping for a wedding card.

Sheryl Hanuman of Minneapolis became Minnesota's 14th Powerball jackpot winner when one set of numbers on her five-line ticket matched those drawn on Aug. 25, 2001.



In addition to the jackpot ticket, 10 tickets purchased in Minnesota for the Aug. 25 drawing each won \$100,000 — another Minnesota State Lottery record.



About three months after Hanuman claimed her jackpot prize, Jeff Holmberg of Richfield celebrated a win of his own. The third line on his five-line ticket matched all five white balls plus the Powerball on Dec. 1, 2001, netting Holmberg the \$29.4 million jackpot (he selected the \$16.7 million cash option). Holmberg purchased his winning ticket at Holiday Stationstore, 8920 Penn Ave. S. in Bloomington.

When he won the Powerball jackpot on Dec. 1, 2001, Jeff Holmberg of Richfield became Minnesota's 15th Powerball jackpot winner. He selected the \$16.7 million cash option.

Besides Hanuman and Holmberg, many other players won Powerball® prizes during the fiscal year. Fifty tickets worth \$100,000 each were sold in Minnesota. Powerball produced 2,630,128 winning tickets, paying more than \$77.5 million.

Many Minnesota Powerball players like to pool their money with friends, co-workers and even with their



neighbors. Twenty-two co-workers at Seagate Technology in Shakopee won a \$100,000 prize on Jan. 23, 2002. On Aug. 22, 2001, eight employees of United Properties in Eagan and 14 neighbors in a south Fargo neighborhood each won the \$100,000 Powerball prize.



(Left to right): members of a Fargo, N.D. neighborhood pool; Ken and Cindy Schwartz of Bloomington.

Many players purchased Powerball's Power Play® option that, for an extra \$1 per play, allows them to increase their Powerball prize (except the jackpot) by up to five times the set amount. During the fiscal year, more than 79,000 ticket holders won \$872,899 in Power Play prizes.

Gopher 5®, Minnesota's own cash lotto game, generated 16 jackpot wins in FY02. The jackpots ranged from \$100,000 to \$1,099,097. An Anoka resident won the \$1,099,097 jackpot on Jan. 1, 2002. Gopher 5 paid more than \$12.7 million to 346,106 lucky ticket holders.

Daily 3® has been a very steady performer for the Lottery. The three-digit game paid the holders of 62,695 winning tickets more than \$6.8 million during the fiscal year.



Mark and Jane Theros of Racine won the \$751,915 Gopher 5 jackpot on Oct. 16, 2001.

Players were introduced to Hot Lotto™, the Lottery's newest multi-state lottery game, on April 7, 2002. The Hot Lotto jackpot starts at \$1 million and grows until somebody wins. Players were paid \$755,793 on 190,381 winning tickets. Hot Lotto replaced Rolldown™, the multi-state game that paid more than \$1.3 million to the holders of 152,856 winning tickets from July 1, 2001 through April 6, 2002.

[BACK](#)

[NEXT PAGE](#) ▶

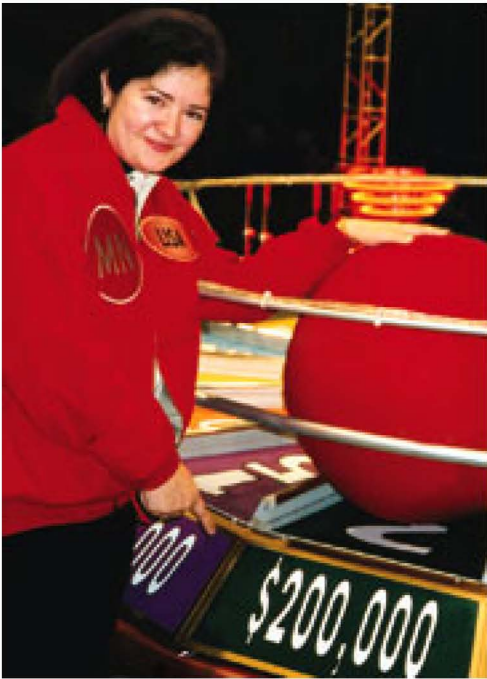
# FY 2002 Annual Report

[HOME](#)
[REVIEW OF 2002](#)
[BENEFICIARIES](#)
[FINANCIALS](#)

## POWERBALL - THE GAME SHOW®



Minnesota players continued to represent the state as contestants on Powerball - The Game Show. Each week, one TV contestant is selected to represent Minnesota on the game show for the chance to win \$1 million, while other players are selected to win cash prizes by playing along at home. Lisa Gressen of St. Paul was Minnesota's biggest game show winner during the fiscal year — she won \$200,000 on the show that aired on Jan. 5, 2002. Bruce Lane of Bloomington was the first player to represent Minnesota twice on the game show. He appeared on the show on July 21, 2001 and again on Nov. 3, 2001.



(Left to right) Lisa Gressen of St. Paul was Minnesota's biggest game show winner during the fiscal year. Patrick Pecchia of Keewatin and Bruce Lane of Bloomington were contestants on Powerball – The Game Show.

[BACK](#)

[NEXT PAGE](#) 

## MINNESOTA STATE LOTTERY

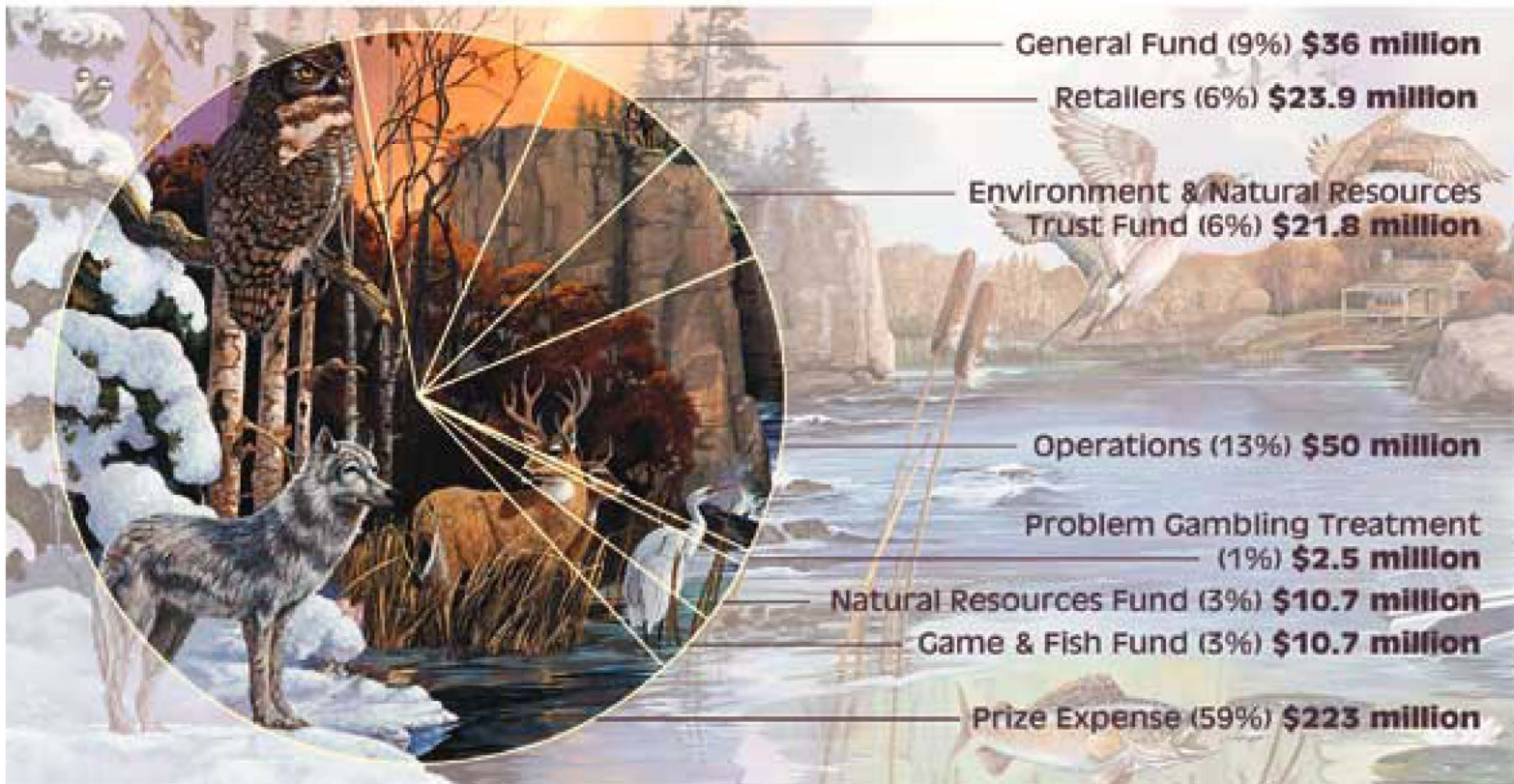
# FY 2002 Annual Report

[HOME](#)
[REVIEW OF 2002 GAMES & WINNERS](#)
[FINANCIALS](#)

## BENEFITS TO STATE THROUGH NET PROCEEDS AND IN-LIEU-OF-SALES TAX

Each time a player purchases a lottery ticket, Minnesota wins. The Minnesota State Lottery transferred over \$81.6 million to the State of Minnesota in FY02. The Legislature determines how this money is distributed. Currently, 6.5 percent of lottery sales is transferred to the State as in-lieu-of-sales tax payments — 87 percent of this money is directed to the Game & Fish Fund for activities that improve, enhance or protect fish and wildlife resources in Minnesota; and to the Natural Resources Fund for state and Twin Cities metropolitan area parks and trails, local trails and the Minnesota Zoological Gardens, Como Zoo and Duluth Zoo. The Game & Fish Fund and Natural Resources Fund each received \$10.7 million in lottery revenue in fiscal year 2002. The General Fund receives the remaining 13 percent of in-lieu-of-sales tax payments.

### FY 2002 Revenue: \$378.6 million



The Lottery transferred more than \$2.5 million to the State of Minnesota for problem gambling treatment and prevention. Included in this record amount was \$750,000 to Project Turnabout, an

addiction recovery center in Granite Falls that provides in-patient treatment for problem gambling, alcohol and drug dependency, domestic abuse and community violence. In 2000 a tornado destroyed most of the buildings on the campus; lottery funds contributed to the rebuilding effort. From April 1990 through June 2002, the Lottery has transferred more than \$14.7 million to the State for problem gambling treatment and prevention; since 1998, the Lottery has been the only source of State funding for this treatment.

Forty percent of lottery net proceeds (the money remaining after the in-lieu-of-sales tax, prizes, retailer commissions and operating costs are paid) is directed to the Environment and Natural Resources Trust Fund, a permanent fund established in the Minnesota Constitution. The Trust Fund will receive lottery proceeds through December 2024.

The Trust Fund is used to fund projects of long-term benefit to Minnesota's environment and natural resources. The Trust Fund may not be used as a substitute for traditional sources of environmental or natural resource funding.



The Lottery's Environmental Experience, a traveling environmental education exhibit featuring video clips of Minnesota's natural resources, made its debut in June 2002. The outside of the exhibit displays an original, larger-than-life wildlife print commissioned by Minnesota artist Mario Fernandez. Inside the exhibit, visitors are transferred to a brilliantly restored log cabin complete with interactive touch-screen video exhibits, the sounds of nature and information and fun facts about Minnesota's natural resources.

Lottery proceeds are used to build the principal of the Trust Fund; the Minnesota Constitution provides that up to 5.5 percent of the market value of the fund can be utilized for projects each year. Applications for funding are made to the Legislative Commission on Minnesota Resources (LCMR), which makes project recommendations to the full Legislature. The Legislature must pass a bill allocating the funds. Once passed, the bill may be signed or vetoed by the Governor. The Minnesota State Lottery has no

input into how or where the money is spent.

Each of Minnesota's 87 counties benefits from the Environment and Natural Resources Trust Fund. Some projects are highly visible and heavily used by the public, such as improvements to Fort Snelling State Park in the Twin Cities and Gooseberry Falls State Park and Split Rock Lighthouse near Two Harbors; many miles of walking and biking paths throughout the state; and numerous new fishing piers and boat ramps on popular lakes and rivers. Other projects are less visible but enable governmental agencies to collect and use important environmental information, including a survey of rare plants and animals native to Minnesota; computerized aerial maps of the state; and a geological study of groundwater to protect it from pollution. Other projects protect land from development and improve wildlife habitat.

The Environment and Natural Resources Trust Fund received \$19.8 million in lottery net proceeds and \$2 million from unclaimed prizes in FY02. From April 1990 through June 2002, the Lottery has transferred over \$289.9 million to the Trust Fund, which has provided funding to 239 projects to improve Minnesota's environment and natural resources.

The remaining 60 percent of lottery net proceeds is transferred to the State General Fund. K-12 and higher education, health and human services and criminal justice are just a few of the programs that receive funding from the General Fund. The Lottery transferred \$38.5 million to the General Fund in FY02. This amount included a portion of the 6.5 percent in-lieu-of-sales tax and unclaimed prizes, along with funds used for problem gambling treatment and prevention. The Lottery has transferred \$648.2 million to the General Fund since 1990.

Minnesota companies received more than \$15.9 million for products and services they provided to the Lottery in fiscal year 2002. These companies range from the St. Cloud company that delivers lottery tickets to the sheltered workshops in the Twin Cities that package point of purchase items placed in each store. The Lottery is proud to support local businesses throughout the state.



[BACK](#)

[NEXT PAGE](#) ►

# FY 2002 Annual Report

[HOME](#)

[REVIEW OF 2002 GAMES & WINNERS](#)

[FINANCIALS](#)

## THE ENVIRONMENT AND NATURAL RESOURCES TRUST FUND

The Legislature allocated \$33 million from the Environment and Natural Resources Trust Fund for fiscal years 2002 and 2003. This money is to be spent as follows:

Restoring Minnesota's Fish and Wildlife Corridors - \$11,745,000

Metropolitan Regional Parks Acquisition, Rehabilitation and Development - \$5,645,000

Local Outdoor Recreation Grants - \$3,379,000

Metro Greenways - \$2,730,000

State Park and Recreation Area Acquisition - \$1,110,000

Gitchi Gami State Trail - \$1,000,000

Big Rivers Partnership: Helping Communities to Restore Habitat - \$910,000

Water Recreation Projects - \$910,000

Grays Bay, Lake Minnetonka Public Water Access - \$850,000

Minnesota County Biological Survey - \$800,000

Land Acquisition at the Minnesota Landscape Arboretum - \$730,000

Forest and Prairie Stewardship of Private Lands - \$545,000

Sustainable Inner-City Communities Through Environmental Literacy - \$500,000

Updating Outmoded Soil Surveys - \$500,000

Acquisition of Land as Scientific and Natural Areas - \$455,000

Hydraulic Impacts of Quarries and Gravel Pits - \$320,000



Waterscapes: Outdoor Nonpoint Source Pollution Education - \$265,000

Outdoors for Everyone: Accessing Recreational Trails and Facilities - \$230,000

Denitrification Strategies for Minnesota's Contaminated Aquifers - \$230,000

Burn, Plant and Learn: Restoring Upland Habitats - \$230,000

Agricultural Land Preservation - \$205,000

Biological Control of Eurasian Water Milfoil and Purple Loosestrife - \$90,000

## **THE NATURAL RESOURCES FUND**

The Legislature allocated \$22.8 million of the in-lieu-of-sales tax to the Natural Resources Fund for FY 2002 and 2003. This money funds the following programs:

Metropolitan Parks and Trails - \$9,260,000

State Park Operations - \$3,610,000

State Park and Recreation Area Acquisition - \$1,990,000

State Trail Operations - \$1,704,000

Local Trails - \$1,368,000

State Recreation Areas - \$1,075,000

Como Lake - \$1,000,000

State Park Resource Management - \$826,000

State Park Emergency Maintenance - \$570,000

Como Zoo and Conservatory - \$304,000

Duluth Zoo - \$304,000

Minnesota Zoological Gardens - \$304,000

State Park Information - \$200,000

Campground Management System - \$185,000

Computer Upgrades in Field and Regional Offices - \$100,000

[BACK](#)

[NEXT PAGE](#) 

# FY 2002 Annual Report

[HOME](#)

[REVIEW OF 2002 GAMES & WINNERS](#)

[FINANCIALS](#)

## THE GAME AND FISH FUND

The Legislature allocated \$22.8 million of the in-lieu-of-sales tax to the Game & Fish Fund for FY 2002 and 2003. This money funds the following programs:

Fishing Habitat Improvements - \$3,960,000

Wildlife Management Areas - \$2,000,000

Enforcement Equipment - \$1,328,000

Minnesota County Biological Survey - \$1,300,000

Enforcement Officers - \$1,200,000



Accelerated Walleye Stocking - \$1,106,000

Aquatic Plant Restoration - \$1,036,000

Fish Hatcheries and Rearing Ponds - \$1,000,000

Fisheries Land Acquisition - \$1,000,000

Improving Wildlife Habitat on Private Land - \$950,000

Stream Protection and Improvement Loans - \$850,000

Oak Wilt Protection - \$600,000

Wildlife Population Research - \$600,000

Wetland Restoration - \$525,000

Twin Cities Lakes and Ponds - \$500,000

Prescribed Burns - \$500,000

Wolf Management - \$495,000

Prairie Grassland Development - \$475,000

Nongame Wildlife Program - \$440,000

Forest Habitat Improvement - \$400,000

Ecological Information Management - \$374,000

Birds as Ecological Indicators - \$350,000

Enforcement Fuel Costs - \$350,000

Aquatic Habitat Restoration - \$300,000

Fish Management - \$300,000

Brushland Shearing and Burning - \$250,000

Natural Resource Education - \$200,000

Prairie Stewardship on Private Lands - \$148,000

Powderhorn Lake Restoration - \$134,000

Waterfowl Development - \$70,000

## Prairie Chicken Reintroduction - \$60,000

[BACK](#)

[NEXT PAGE](#) 

## MINNESOTA STATE LOTTERY

# FY 2002 Annual Report

[HOME](#)
[REVIEW OF 2002](#)
[GAMES & WINNERS](#)
[BENEFICIARIES](#)

## INCOME STATEMENT

	2002	2001
<b>Operating Revenues</b>		
Sales	\$377,132,055	\$366,183,765
Less In-Lieu-of-Sales Tax	24,513,584	23,801,945
Total Gross Receipts	352,618,471	342,381,820
<b>Direct Costs:</b>		
Prize Expense	223,032,780	218,564,734
Retailer Commissions & Incentives	23,945,926	23,532,411
Total Direct Costs	246,978,706	242,097,145
<b>Gross Profit</b>	105,639,765	100,284,675
<b>Operating Expenses</b>		
Online Vendor Commission	10,827,918	8,514,219
Ticket Costs	6,155,242	4,797,685
Advertising	7,550,392	8,064,407
Salaries & Benefits	11,603,278	11,163,470
Promotion	4,748,377	3,295,251
Purchased Services	1,772,269	1,805,884
Communication	963,867	1,023,762
Occupancy Costs	1,947,856	1,925,085
Supplies & Materials	889,743	911,137
Computer and OmniLink Maintenance	590,845	521,425
Depreciation	1,393,370	1,507,594
Public Safety	—	150,000
Other Expense	1,563,094	1,336,558
Total Operating Expenses	50,006,251	45,016,477

Operating Income	55,633,514	55,268,198
<b>Non-Operating Revenue</b>		
Investment Income	1,342,906	2,302,631
Other Income	189,616	218,780
Total Non-Operating Revenues	1,532,522	2,521,411
<b>Income Before Transfers</b>	<b>57,166,036</b>	<b>57,789,609</b>
Transfers		
Net Proceeds	49,507,584	50,140,301
Unclaimed Prizes to State	5,115,452	5,761,308
Problem Gambling Contribution from Prize Fund	2,543,000	1,888,000
Total Transfers	\$57,166,036	\$57,789,609
Net Income	0	0
Net Assets at Beginning of Year	0	0
Net Assets at End of Year	\$0	\$0

Year ending June 30, 2002 compared to June 30, 2001

[BACK](#)

[NEXT PAGE](#) ►

## MINNESOTA STATE LOTTERY

# FY 2002 Annual Report

[HOME](#)
[REVIEW OF 2002](#)
[GAMES & WINNERS](#)
[BENEFICIARIES](#)

## BALANCE SHEET

	2002	2001
<b>Assets</b>		
Cash and Cash Equivalents	\$17,144,787	\$15,827,041
Accounts Receivable	3,081,883	3,571,550
Interest Receivable	47,378	85,193
Scratch Ticket Inventory	822,065	843,107
Prepaid Expense	525,625	388,738
Tourism Prize Inventory	3,109	—
Prize Annuity Investments	3,085,863	3,028,869
Fixed Assets, Net	2,428,763	3,279,838
<b>Total Assets</b>	<b>27,139,473</b>	<b>27,024,336</b>
 <b>Liabilities and Retained Earnings</b>		
<b>Liabilities</b>		
Net Proceeds Due to State	3,010,933	5,265,079
Unclaimed Prizes Due to State	5,115,452	5,761,308
Due to Other State Agencies	21,627	0
Accounts Payable	3,030,964	1,658,084
In-Lieu-of-Sales Tax Payable	1,751,274	1,767,933
Prize Liability	8,989,963	8,110,944
Promotions Payable	0	67,697
Compensated Absences Payable	1,156,003	1,106,903
Deferred Revenue	227,818	165,846
Prize Annuity Payable	3,835,439	3,120,542
<b>Total Liabilities</b>	<b>27,139,473</b>	<b>27,024,336</b>
 Retained Earnings	 0	 0
<b>Total Liabilities and Retained Earnings</b>	<b>\$27,139,473</b>	<b>\$27,024,336</b>



Year ending June 30, 2002 compared to June 30, 2001

[BACK](#)

[NEXT PAGE](#)



# FY 2002 Annual Report

[HOME](#)
[REVIEW OF 2002](#)
[GAMES & WINNERS](#)
[BENEFICIARIES](#)

## TOTAL PAID TO STATE BENEFICIARIES

	2002	2001
<b>General Fund</b>		
In-lieu-of-sales Tax	\$3,186,766	\$714,058
Net Proceeds	29,704,551	30,084,181
Unclaimed Prizes	3,069,271	3,456,785
Problem Gambling from Prize Fund	2,543,000	1,888,000
Total General Fund	38,503,588	36,143,024
<b>Environment and Natural Resources Trust Fund</b>		
Net Proceeds	19,803,034	20,056,121
Unclaimed Prizes	2,046,181	2,304,523
Total Environment & Nat. Resources Trust Fund	21,849,215	22,360,644
<b>Game and Fish Fund</b>		
In-Lieu-of-Sales Tax	10,663,409	11,543,943
<b>Natural Resources Fund</b>		
In-Lieu-of-Sales Tax	10,663,409	11,543,943
Transfer for Gambling Enforcement from Operating Fund	0	150,000
<b>Total Paid to State</b>	<b>\$81,679,620</b>	<b>81,741,554</b>

Year ending June 30, 2002 compared to June 30, 2001

[BACK](#)
[NEXT PAGE](#)

## MINNESOTA STATE LOTTERY

# FY 2002 Annual Report

[HOME](#)
[REVIEW OF 2002](#)
[GAMES & WINNERS](#)
[BENEFICIARIES](#)

## STATEMENTS OF CASH FLOWS

	2002	2001
<b>Cash Flows From Operating Activities:</b>		
Cash Received from Customers	\$377,683,695	\$366,354,891
Cash Received from Other Income	227,431	273,713
Payments to State (In-Lieu-of-Sales Tax)	(24,530,243)	(24,289,025)
Payments to Employees	(11,554,178)	(11,089,423)
Payments to Suppliers	(35,801,748)	(33,283,186)
Payments to Retailers	(23,945,926)	(23,532,411)
Payments to Prize Winners	(221,438,864)	(222,596,286)
Net Cash Provided by Operating Activities	60,640,167	51,838,273
<b>Cash Flows From Non-Capital Financing Activities:</b>		
Net Proceeds Paid to State	(51,761,730)	(48,670,217)
Problem Gambling Contribution Transfer	(2,543,000)	(1,888,000)
Unclaimed Prizes Transfer	(5,761,308)	(6,642,803)
Net Cash Used by Non-Capital Financing Activities	(60,066,038)	(57,201,020)
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchases of Fixed Assets	(542,295)	(519,535)
Net Cash Used by Capital Financing Activities	(542,295)	(519,535)
<b>Cash Flows From Investing Activities:</b>		
Proceeds from Redemption of Prize Annuity Investments	232,000	232,000
Investment Income	1,053,912	1,963,238
Net Cash Provided by Investing Activities	1,285,912	2,195,238
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,317,746</b>	<b>(3,687,044)</b>

<b>Beginning of Year Cash and Cash Equivalents</b>	<u>15,827,041</u>	<u>19,514,085</u>
<b>End of Year Cash and Cash Equivalents</b>	<u>\$17,144,787</u>	<u>\$15,827,041</u>
<b>Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income	\$55,633,514	\$55,268,198
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:		
Depreciation	1,393,370	1,507,594
Other Income	189,616	218,780
Net Change in Assets and Liabilities:		
Inventory	17,933	(410,151)
Other Assets	390,595	188,112
Current Liabilities	1,421,223	(902,708)
Prize Awards Payable	<u>1,593,916</u>	<u>(4,031,552)</u>
Net Cash Provided by Operating Activities	<u>\$60,640,167</u>	<u>\$51,838,273</u>
<b>Noncash Investing Activities</b>		
Net Increase in the Fair Value of Investments	<u>\$288,994</u>	<u>\$339,393</u>

Year ending June 30, 2002 compared to June 30, 2001

These financial statements are excerpts from the Lottery's audited financial statements for the years ending June 30, 2002 and June 30, 2001. Complete financial statements are available upon request.

Year ending June 30, 2002 compared to June 30, 2001