

# A WIN FOR MINNESOTA

FY22 ANNUAL REPORT

I'MN.





# ANNUAL REPORT FISCAL YEAR 2022

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# MISSION

The Minnesota Lottery exists to raise money for programs that positively impact the lives of Minnesotans.



Fall 2022

Greetings,

More than 32 years have passed since we sold our first lottery ticket and Minnesotans from all walks of life remain excited by the games we offer. The support we receive from our players allows us to deliver on our mission of raising money to support programs that have a positive impact on the lives of Minnesota residents from Ada to Zumbrota.

Players continue to say “I’MN” to our products, from draw games like Powerball® to annual favorites like our Minnesota Vikings scratch tickets and unique showcases including recent Summer Riches, Bundle Up Bucks, and Go Fish scratch games. With the help of first-time players and longtime fans, the Minnesota Lottery has generated roughly \$3.7 billion in support of essential state services, environmental projects, and the treatment and prevention of problem gambling. Fiscal year 2022 was another amazing year, and as we often say – when Minnesotans play the lottery, everyone in our state wins.



Some fun facts on FY22:

- The Minnesota Lottery had \$740.2 million in sales
- Lottery players across the state won \$469.8 million in prizes
- Nearly 3,000 lottery retailers earned \$49.7 million in commissions and incentives
- The Minnesota Lottery generated \$172.6 million for the state, including:
  - \$92.0 million to the General Fund
  - \$1.5 million for responsible gambling programs
  - \$79.1 million toward programs dedicated to the protection and preservation of Minnesota’s environment and natural resources

The Minnesota Lottery team is committed to the mission and vision of our organization and dedicated to the use of fun, innovative entertainment to help preserve the environment and improve the state in ways that benefit everyone. The lottery’s success would not be possible without the hard work and resilience of our staff. Each day they demonstrate competence, integrity, and commitment through their work, which allows the lottery to deliver a quality product and record-breaking sales numbers year in and year out. It is my honor and privilege to work beside them each day.

On behalf of the lottery family, thank you to each of our players, retail partners, and stakeholders. Your support is crucial to our success, and each play every day makes a difference for Minnesotans.

Sincerely,

Adam Prock  
Executive Director

# VISION

The Minnesota Lottery benefits all Minnesotans by offering fun, secure, innovative entertainment while generating income for the state that is used to preserve, restore, and protect Minnesota’s environment.



# CELEBRATING LOTTERY TRADITIONS

## AND WINS ACROSS MINNESOTA

Folks from all over the state enjoy playing the Minnesota Lottery. One of our favorite parts of the job is hearing lottery stories and traditions from our fans and players. Whether it's daydreaming about the new boat they want to purchase, planning their next trip to the ski lodge, or shared moments with loved ones, it's clear the lottery holds a special place in the heart of many Minnesotans.

Share Your  
Lottery Story  
**#MyIMN**  
@mnlottery



"My mom and I have this tradition of taking a little bit of our paychecks and spending it on some of our favorite scratch offs. I just cherish the time we spend together so there's never really a loser."  
- Terry, Minneapolis



"I wasn't feeling well. My husband and 2 boys went [out fishing] so I asked [them] to grab me a scratch ticket to do while they went. I asked them if they caught anything [when they got back], he said, "no." I told him I caught a \$500 winner! I was feeling better after that!"  
- Sara, Oakdale



"I play for the fun of dreaming of what nice boat I could buy to put in the lake next to my house."  
- Edward, North Oaks

"Some nights we buy scratch games and make a pizza. That's been a great date night during COVID. We love the lottery and surprises!"  
- Pamela, Richville



"Going to the headwaters of the Mississippi River with friends. We always stop and pick up some lottery tickets on our trip up north and take our time in the car scratching to see if anybody has something fun to share with us. All great times, with great friends in the great state of Minnesota with the Minnesota Lottery."  
- Kathleen, Brooklyn Park



"I have vivid memories of checking Powerball® & Northstar Cash® (North 5™) tickets with my dad before school. Ever since I've been old enough to play, I've made sure to call to let him know whether I lost or won and he does the same."  
- Haley, Maplewood

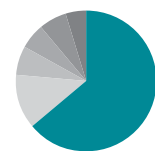


"Everyone in my house wakes up to 10 scratch tickets in their stocking Christmas morning! We scratch off and cash in winners for more tickets until we run out of winners. Sometimes we are able to play until spring! Always fun!"  
- Rose, Sartell

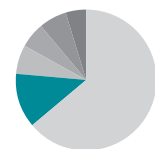
# PLAYING OUR PART

## WHERE THE MONEY GOES

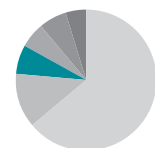
Each year, more Minnesotans are saying “I’MN” to the Minnesota Lottery. When they buy a lottery ticket, they know they are playing their part in ensuring the state’s water, land, and air are maintained for future generations, in addition to all the other causes that benefit from lottery dollars.



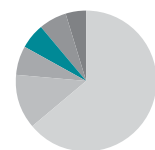
**PLAYER PRIZES**  
63.5 CENTS



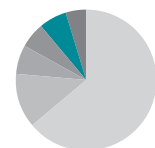
**STATE GENERAL FUND**  
12.4 CENTS



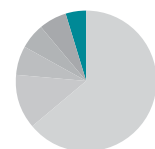
**RETAILER COMMISSIONS AND INCENTIVES**  
6.7 CENTS



**TICKET, VENDOR AND ADMINISTRATIVE COSTS**  
6.6 CENTS



**ENVIRONMENT AND NATURAL RESOURCES TRUST FUND**  
5.9 CENTS



**OTHER PROGRAMS SUPPORTING MINNESOTA'S ENVIRONMENT**  
4.9 CENTS



### EDUCATIONAL OUTREACH

The lottery has funded more than 250 educational projects designed to promote environmental stewardship, natural resource management, and knowledge of Minnesota’s geological, biological, and cultural history.

### HISTORIC PRESERVATION

The ENRTF has committed more than \$4.5 million to initiatives designed to protect areas of historic significance around the state.



### NATURAL RESOURCES

Nearly 600 projects have received \$340 million in lottery funds to help better understand and protect Minnesota’s natural resources.

### RENEWABLE ENERGY

Since the mid-90s, more than 50 renewable energy projects totaling over \$31 million have been funded with lottery dollars. These projects help bring renewable energy into state parks, foster the development of biofuels, and have helped fund renewable energy projects like solar gardens on tribal land.



### WATER QUALITY

Minnesota Lottery dollars have provided more than \$260 million to 450+ projects aimed at protecting and improving the state’s waterways

### BIOLOGICAL DIVERSITY

More than \$415 million in lottery proceeds has been committed to over 600 projects across Minnesota to catalog, protect, and publicize the state’s biological diversity.



### AGRICULTURE, FORESTRY, AND MINING

Lottery proceeds via the ENRTF have funded more than 150 projects to sustain the vital agricultural, forestry, and mining communities that have long been the engines powering Minnesota’s economic success. Additionally, lottery dollars aid these communities in their efforts to be more conscientious participants in natural resource stewardship.

### INVASIVE SPECIES

More than \$57 million in lottery proceeds has been appropriated to 80+ projects aimed at researching and combating the spread of invasive species in Minnesota.



### RECREATION

More than \$300 million in lottery proceeds has funded the expansion and maintenance of state parks and trails as well as increased public access to lakes and rivers.

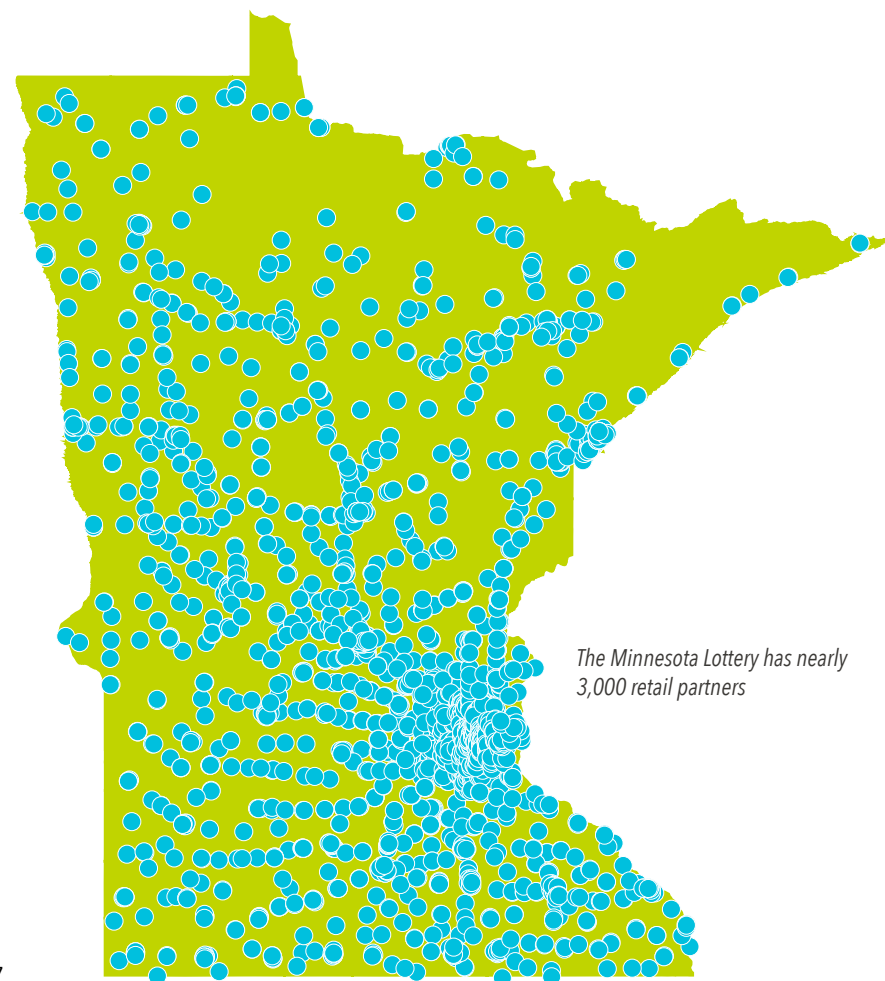
### NATURAL AREAS AND HABITATS

Since 1991, lottery dollars have funded more than 550 projects across the state that have helped preserve, protect, and restore Minnesota’s natural areas and habitats as a safeguard to native plants and animals.



# RETAILERS

From Hallock to Winona, our nearly 3,000 lottery retailers around the state have been key to decades of continued success. We are proud to work closely with our retail partners and allied retailer associations to educate potential customers, build awareness, and provide quality customer service that keeps players coming back year after year.



The Minnesota Lottery has nearly 3,000 retail partners

## TOWN HALLS REACH RETAILERS ACROSS THE STATE

The strong partnership between the Minnesota Lottery and lottery retailers is built on a foundation of hard work, trust, and communication. Despite the ongoing constraints related to the COVID-19 pandemic, the Minnesota Lottery was able to host a virtual town hall for interested parties in the fall of 2021. Virtual or in person, these town halls provide an opportunity for retail partners, lottery staff, and elected officials to discuss the state of the lottery in Minnesota and work together to build consensus on steps to enhance lottery services from retailers while improving the player experience.



## MINNESOTA LOTTERY + RETAILERS

### WINNING COMBINATION

Each year the Minnesota Lottery seeks to acknowledge and highlight the exceptional retailers that make the lottery great. Whether it is stores joining our Million Dollar Sales Club or retailers tucked away on the shores of Lake Pepin and the US/Canadian border, we are thrilled to feature and celebrate the success of our retail partners throughout the year.



## A WIN FOR PLAYERS IS A WIN FOR RETAILERS

In April 2022, Minnesota had its first Mega Millions® jackpot winner. The lucky winner bought the ticket from a Holiday Stationstore in Ramsey. For selling the winning ticket, Holiday received a \$50,000 bonus check from the Minnesota Lottery.



# SCRATCH GAME HIGHLIGHTS

Each day more than 75,000 Minnesotans across the state win scratch game prizes small and large. From perennial favorites to unique partnerships, the variety of Minnesota Lottery scratch tickets available means there is always something for anyone 18+ to enjoy.



## GARDEN SERIES

Agriculture and gardening have long been cornerstones of life in Minnesota since before it became a state. Spring is a time to celebrate life and renewal, and this year's Garden Series scratch ticket was an opportunity for lottery players to grow their luck alongside their tomatoes. With a combination of whimsical art and thematic puns, these tickets were a delight for lottery customers to play.



## GO FISH

Through sources like the Environment and Natural Resources Trust Fund (ENRTF), Minnesota Lottery dollars have been supporting outdoor recreational activities such as angling for more than 30 years. Projects include funding for accessible fishing piers around the state, research into increased production of the popular but scarce Golden Shiner bait minnow, and testing and removal of aquatic invasive species in Minnesota waterways, including efforts to stop the spread of starry stonewort algae and invasive carp.

To create an eye-catching scratch ticket that celebrates time-honored fishing traditions in Minnesota, the lottery partnered with local graphic designer Meghan Albers to create the Go Fish scratch game.



## SUMMER RICHES

The beauty of Minnesota can be experienced in any season. However with more than 10,000 lakes, 87 state parks, hundreds of miles of paths and trails and countless restaurant and brewery patios in all corners of the state, the summer months in Minnesota are truly rich in adventures to be had and experiences to be shared.

This year's Summer Riches ticket and campaign celebrated all that summertime in Minnesota has to offer while giving players the opportunity to win big and add to their summer riches.



Reel in up to  
**\$15,000!**

# WINNERS

We all know the old saying – those that buy lottery tickets together, stay together. OK, that may not be a saying, but for one lucky Minnesota couple, it has proven to be true.

Their first date was more than 30 years ago on April 17, 1990 – the day the first Minnesota Lottery scratch tickets went on sale. They went out for pizza and scratched some lottery tickets, and the rest is history. The couple is still together and still playing the lottery, including a Mega Millions ticket purchased in April that won them \$110 million, the first Mega Millions jackpot won in Minnesota. Congratulations to the lucky couple, and here's to many more years of happiness.



# RESPONSIBLE GAMBLING

Since 1990 the Minnesota Lottery has invested more than \$50 million in efforts around the state to encourage responsible gambling habits and prevent problem gambling. Each year a substantial portion of lottery dollars returned to the state is earmarked for problem gambling treatment and prevention services administered by the Minnesota Department of Human Services in partnership with the Minnesota Alliance on Problem Gambling (MNAPG). Our nearly 3,000 lottery retailers are provided with materials on responsible gambling resources, the warning signs of problem gambling, and how to seek help for yourself or a loved one. The Minnesota Lottery is committed to actively supporting responsible gambling habits and the treatment of gambling disorders.

In fiscal year 2022 Minnesota Lottery winners took home \$470 million in prizes. From a few dollars to bigger jackpots or other prizes, winners around the state from all walks of life were able to enjoy the feeling of being a winner. While we often say that everyone wins due to the great projects and services funded by lottery dollars, at the end of the day our success would not be possible without the unique joy, excitement, and passion of our winners.

*The Minnesota Alliance on Problem Gambling has enjoyed a long-lasting relationship with the Minnesota Lottery. Over the 20 years MNAPG has been advocating on behalf of those harmed by gambling, the Minnesota Lottery has provided leadership from within by serving on our board of directors. Having the gambling industry represented provides opportunities to hear first-hand of MNAPG's efforts to meet its mission of reducing the numbers of Minnesotans negatively impacted by gambling...We appreciate the partnership and the Lottery's efforts in promoting responsible gambling.*

*- Susan Sheridan Tucker, Executive Director  
Minnesota Alliance on Problem Gambling*

**\$470M  
PRIZES**

**34.6M  
WINNERS**



Throughout the year, the lottery engages in marketing and communications campaigns designed to bring attention to the issue of problem gambling and promote responsible gambling habits. Around the holiday season the Minnesota Lottery partners with MNAPG to produce and share "gift responsibly" messaging to remind players that while a fun holiday treat, lottery tickets are not an appropriate stocking stuffer for those under age 18. In addition, each year digital, print, TV, and radio marketing campaigns remind players that help is just a click or phone call away.

If you are concerned about your gambling habits or those of a loved one, someone is always available to help. Call 1-800-333-HOPE, text HOPE to 53342, or go to [getgamblinghelp.com](http://getgamblinghelp.com) for free and confidential assistance.

# PARTNERS AND EVENTS

The Minnesota Lottery is fortunate to partner with a wide variety of organizations around the state involved in numerous cultural, recreational, and sports events throughout the year. These events and broader partnerships provide ample opportunity to engage potential players, interact with existing customers, and educate people on lottery products and the benefits of lottery dollars across Minnesota.

## NOTABLE EVENTS AND PARTNERS

- Canterbury Park
- Hockey Day Minnesota
- Mall of America
- Minnesota Gophers
- Minnesota Lynx
- Minnesota State Fair
- Minnesota Timberwolves
- Minnesota Twins
- Minnesota United FC
- Minnesota Vikings
- Minnesota Whitecaps
- Minnesota Wild
- Minnesota Zoo
- Saint Paul Winter Carnival
- Stone Arch Bridge Festival
- The Beer Dabbler



# FINANCIAL OVERVIEW

## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis include an overview of financial activities regarding the financial performance of the Minnesota State Lottery (the Lottery) for the fiscal year ended June 30, 2022 and comparison for the one previous fiscal year ended June 30, 2021. The management discussion and analysis should be read in conjunction with the transmittal letter and supplementary information included in this report. This report consists of three parts: management’s discussion and analysis, the basic financial statements and the notes to the financial statements. Included below and on the following pages are the financial highlights, summary of contributions to the State, summary results of operations and a condensed statement of net position for the years ended June 30, 2022 and 2021.

## FINANCIAL HIGHLIGHTS

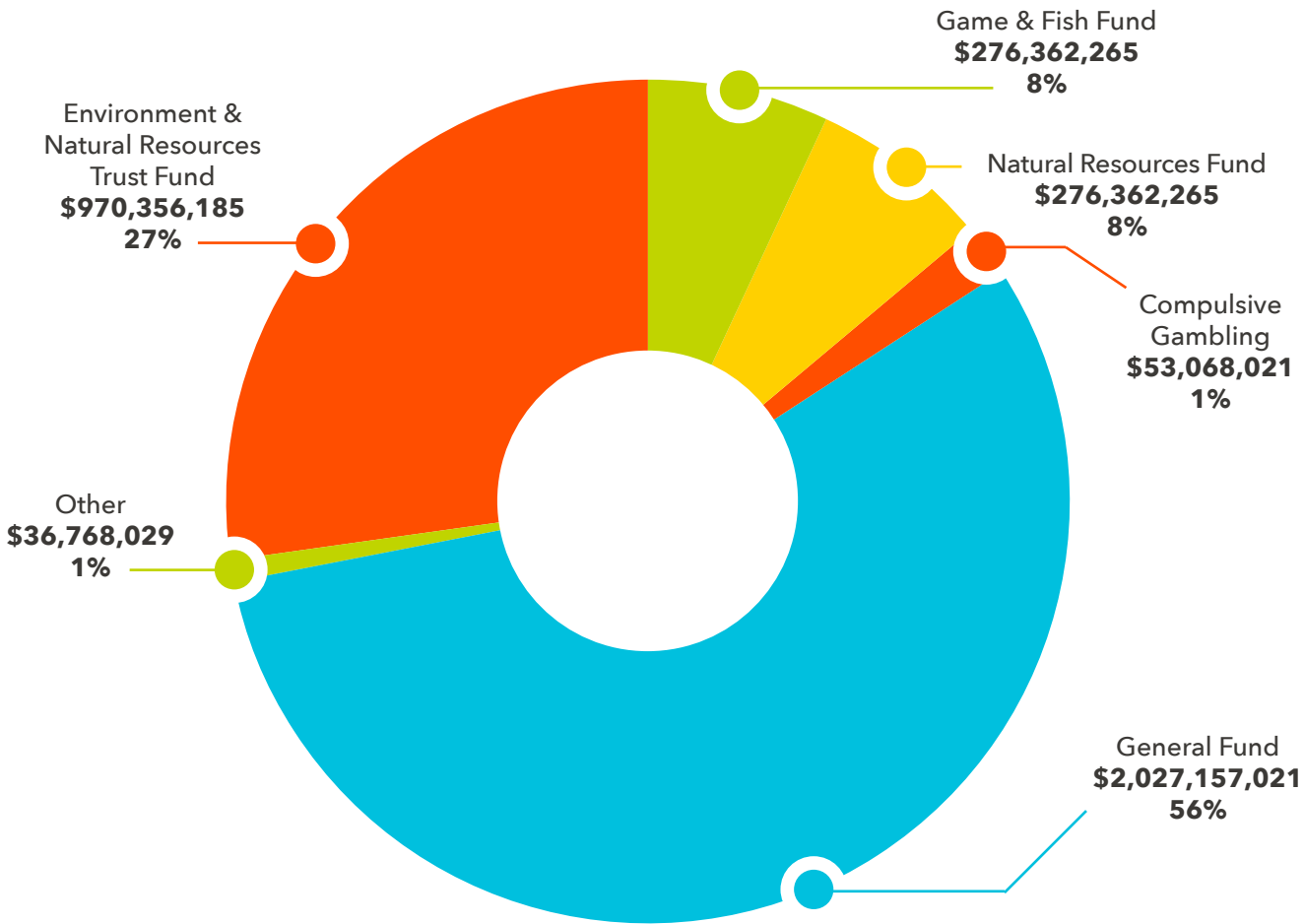
The Minnesota State Lottery had operating revenues of \$740.2 million in fiscal year 2022 and contributed \$172.6 million to the State. Both revenues and contributions to the State were down compared to last year which was the best year in the history of the Lottery. However, fiscal year 2022 was our second-best year in the history of the Lottery with scratch sales of \$561.6 million and lotto sales of \$178.6 million.

## SUMMARY OF CONTRIBUTIONS TO THE STATE

The Lottery contributed \$172.6 million to the State in fiscal year 2022. This was a \$16.2 million or a 8.5% decrease from 2021. The following table provides detail on the total amounts transferred to the State as well as the source of the transfers provided to the State.

SUMMARY OF CONTRIBUTIONS TO THE STATE	2022	2021
Net proceeds to the state	\$110,742,164	\$124,018,491
In-lieu-of-sales tax	48,110,394	52,236,645
Compulsive gambling contribution	1,519,142	1,606,471
Unclaimed prizes to the state	12,256,846	10,968,007
Total paid to state	<u>\$172,628,546</u>	<u>\$188,829,614</u>

## THE LOTTERY HAS CONTRIBUTED APPROXIMATELY \$3.7 BILLION TO THE STATE SINCE INCEPTION



SUMMARY RESULTS OF OPERATIONS	2022	2021
Gross receipts	\$692,051,433	\$751,405,158
Prizes, commissions and ticket costs	538,427,884	586,933,166
Gross profit	153,623,549	164,471,992
Operating expenses	22,152,863	28,185,410
Operating income	131,470,686	136,286,582
Non-operating revenues (expenses):		
Interest earned on investments	181,462	184,388
Unused compulsive gambling contribution	716,859	629,529
Payments to state (not including in-lieu-of-sales tax)	(125,235,011)	(137,222,498)
Total non-operating expense	(124,336,690)	(136,408,581)
Change in net position	7,133,996	(121,999)
Net position at beginning of year	(13,151,999)	(13,030,000)
Net position at end of year	<u>\$(6,018,003)</u>	<u>\$(13,151,999)</u>

For the complete Minnesota Lottery Annual Comprehensive Financial Report, including referenced Notes, please visit [mnlottery.com](http://mnlottery.com).

OPERATING INCOME

Operating Income has decreased by \$4.8 million in 2022 from 2021. Gross receipts decreased by \$59.3 million or 7.9% due to decreased scratch sales by \$54.0 million. As a result of lower gross receipts operating income decreased by \$4.8 million. Direct costs which include prizes, commissions and ticket costs as a percent of gross were 77.8% in 2022 compared to 78.1% in 2021.

OPERATING EXPENSES

Operating Expenses decreased by \$6.0 million in 2022 from 2021. This was primarily due to recognizing the change in the pension valuation.

GROSS RECEIPTS BY GAME	2022	2021
Scratch ticket sales	\$561,636,704	\$615,569,031
Lotto ticket sales:		
Daily 3®	22,406,621	22,153,895
Gopher 5®	17,002,602	22,533,322
Powerball®	68,928,118	55,513,954
Powerball® Power Play®	3,875,694	2,839,036
Mega Millions®	23,837,710	39,029,262
Mega Millions® Megaplier®	1,603,213	2,047,185
Northstar 5™	9,700,106	10,480,827
Minnesota Millionaire Raffle®	6,999,390	6,999,390
Lucky for Life™		7,862,160
Lotto America®	9,605,978	7,670,045
Lotto America® All Star Bonus®	1,345,669	1,021,076
Progressive Print-N-Play®	13,218,036	9,921,507
Total lotto ticket sales	178,523,207	188,071,659
Operating revenue	740,159,911	803,640,690
Other income	1,916	1,113
Total operating revenue	740,161,827	803,641,803
Less in-lieu-of-sales tax	48,110,394	52,236,645
Gross receipts	\$ 692,051,433	\$751,405,158

SCRATCH GAMES

Scratch game sales accounted for 75.9% of operating revenue in fiscal year 2022, down slightly from 76.6% in 2021. Total scratch sales were down \$54.0 million compared to 2021. The decrease in scratch sales was recognized in the last six months of the fiscal year to inflationary pressures.

LOTTO GAMES

Lotto sales saw a slight decrease of \$9.5 million in 2022 from 2021. There were various increases and decreases in all lotto game sales across the board.

CONDENSED STATEMENTS OF NET POSITION	2022	2021
Assets:		
Cash and cash equivalents	\$42,631,461	\$31,535,212
Receivables	4,492,659	8,745,072
Inventory and prepaid expenses	2,143,672	2,771,045
Capital assets	731,716	1,122,333
Right of use asset	1,500,735	-
Total Assets	51,500,243	44,173,662
Deferred Outflows	5,880,000	1,211,000
Liabilities:		
Due to State and State Agencies	19,398,247	17,248,325
Accounts payable & current accrued expenses	9,430,620	9,416,118
Prize liability	20,043,939	16,370,172
Long-term accrued expenses	1,953,146	6,040,046
Total Liabilities	52,480,169	\$49,074,661
Deferred Inflows	10,918,077	9,462,000
Net Position:		
Unrestricted net position	(6,749,719)	(14,274,332)
Net investment in capital assets	731,716	1,122,333
Net Position	(\$6,018,003)	(\$13,151,999)

NET POSITION

Minnesota State Lottery’s net position at the end of fiscal year 2022 was \$(6.0) million compared to \$(13.2) million in fiscal year 2021. The negative net position is attributable to the offset of the net pension liability in all six years and recognition of post-employment benefits over the last five years.

CASH AND CASH EQUIVALENTS AND RECEIVABLES

Cash and cash equivalents and receivables increased by \$6.8 million from 2021 to 2022. This was primarily due to spending less on financing from non-capital activities.

CAPITAL ASSETS AND OTHER ASSETS

Net Capital assets decreased by \$391 thousand in 2022 versus 2021. Purchase of capital assets totaled \$87 thousand comprised of \$50 thousand in computer equipment, \$8 thousand in leasehold improvements and \$29 thousand in vehicles. For a more detailed explanation see Footnote 5.

STATEMENTS OF NET POSITION - JUNE 30, 2022		2022
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)		\$42,631,461
Accounts Receivable, net (Note 4)		4,459,911
Interest Receivable		32,748
Scratch Ticket Inventory		1,571,744
Prepaid Expense		571,928
Total Current Assets		49,267,792
Right of us Assets, net		1,500,735
Capital Assets, net (Note 5)		731,718
Total Assets		51,500,245
Deferred Outflows (Notes 13 and 14)		\$5,880,000

During the fiscal year the Lottery adopted GASB 87 Accounting for Leases which the \$1.5 million represents the future commitments on seven leases for space rentals for offices and warehouse space. For a more detailed explanation see Footnotes 2 and 9.

DUE TO STATE AND STATE AGENCIES

Payment due to state at the end of fiscal year 2022 was \$2.1 million higher than fiscal year 2021. This was due to \$1.3 million increase in unclaimed prizes and \$800 thousand increase in net proceeds due.

PRIZE LIABILITY

Prize Liability increased by \$3.7 million from 2021 to 2022 due to mid and high tier scratch game prizes.

ACCOUNTS PAYABLE AND CURRENT ACCRUED EXPENSES

Accounts payable and current accrued expenses increased by \$1.6 million during fiscal year 2022. This was primarily due to the lease liability for adopting GASB 87.

STATEMENTS OF NET POSITION - JUNE 30, 2022		2022
LIABILITIES AND NET POSITION		
Current Liabilities:		
Net Proceeds Due to State (Note 8)		\$7,141,401
Unclaimed Prizes Due to State (Note 6)		12,256,846
Due to Other State Agencies		0
Accounts Payable		2,962,383
In-Lieu-of-Sales Tax Payable		3,681,863
Prize Liability		20,043,938
Accrued Salaries and Benefits Payable, current (Note 7)		2,089,361
Defined Revenue		697,013
Lease Lianility		1,604,006
Total Current Liabilities		50,476,811
Accrued Benefits Payable, net of current portion (Notes 7)		1,696,146
Lease liability, net of current portion (Note 9)		50,211
Net Pension Liability (Note 13)		257,000
Total Non-Current Liabilities		2,003,357
Total Liabilities		52,480,168
Deferred Inflows (Notes 13 and 14)		10,918,077
Net Position:		
Net Invested in Capital Assets (Note 8)		731,718
Unrestricted		(6,749,718)
Total Net Position		\$(6,018,000)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEARS ENDED JUNE 30, 2022		2022
Operating Revenues:		
Scratch Ticket Sales		\$561,636,704
Online Ticket Sales		178,523,207
Other Income		1,916
Total Operating Revenues		740,161,827
Less: In-Lieu-of-Sales Tax		48,110,394
Gross Receipts		692,051,433
Direct Costs:		
Scratch Ticket Prizes		379,065,468
Online Ticket Prizes		90,707,673
Online vendor expense		11,730,201

For the complete Minnesota Lottery Annual Comprehensive Financial Report, including referenced Notes, please visit mnlottery.com.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEARS ENDED JUNE 30, 2022		2022
<b>Direct Costs Continued:</b>		
Ticket Costs		7,257,392
Retailer Commissions and Incentives (Note 11)		49,667,148
Total Direct Costs		<u>538,427,882</u>
Gross Profit		<u>153,623,551</u>
<b>Operating Expenses:</b>		
Advertising (Note 12)		7,408,554
Salaries and Benefits (Note 13)		7,046,555
Promotion		810,670
Purchased Services		1,658,371
Communication		480,963
Occupancy Costs (Note 9)		1,800,463
Supplies and Materials		1,351,735
Computer and Omnipoint Maintenance		872,996
Depreciation		475,220
Other Expense		247,335
Total Operating Expenses		<u>22,152,862</u>
<b>Operating Income</b>		<u>131,470,689</u>
<b>Nonoperating Revenue (Expenses):</b>		
Interest Earned on Investments		181,463
Compulsive Gambling Contribution from Prize Fund (Note 10)		(1,519,142)
Unclaimed Prizes to State (Note 6)		(12,256,846)
Net Proceeds to State (Note 8)		<u>(110,742,164)</u>
Total Nonoperating Revenue (Expense)		<u>(124,336,689)</u>
<b>Change in Net Position</b>		7,134,000
<b>Net Position at Beginning of Year (Note 8)</b>		<u>(13,152,000)</u>
<b>Net Position at End of Year (Note 8)</b>		<u><u>\$(6,018,000)</u></u>

STATEMENTS OF CASH FLOWS — YEARS ENDED JUNE 30, 2022		2022
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers		\$744,917,075
Cash Received from Other Income		1,916
Payments to State (In-Lieu-of-Sales Tax)		(48,486,285)
Payments to Employees		(14,394,053)
Payments to Suppliers		(33,018,892)
Payments to Retailers		(49,667,148)
Payments to Prizewinners		<u>(466,099,376)</u>
Net Cash Provided by Operating Activities		<u>133,253,237</u>

STATEMENTS OF CASH FLOWS — YEARS ENDED JUNE 30, 2022		2022
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Net Proceeds Paid to State		(109,881,081)
Compulsive Gambling Contribution Transfer		(1,519,142)
Unclaimed Prizes Transfer		<u>(10,968,007)</u>
Net Cash Used by Non-Capital Financing Activities		<u>(122,368,230)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchases of Capital Assets		(87,453)
Capital Leases		0
Proceeds on sale of Capital Assets		<u>139,312</u>
Net Cash Used by Capital and Related Financing Activities		51,859
<b>Cash Flows from Investing Activities:</b>		
Gain (Loss) on Sale Investments		
Investment Income		159,383
Net Cash Provided by Investing Activities		159,383
<b>Net Increase (decrease) in Cash and Cash Equivalents</b>		
		11,096,249
<b>Beginning of Year Cash and Cash Equivalents</b>		<u>31,535,212</u>
<b>End of Year Cash and Cash Equivalents</b>		<u><u>\$42,631,460</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income		\$131,470,689
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:		
Depreciation		475,220
Gain on the disposal of capital assets		(136,464)
Change in retirement activity		(7,134,000)
Net Change in Assets and Liabilities:		
Inventory		692,355
Accounts Receivable		4,399,570
Prepaid Expenses		(64,982)
Current Liabilities		(276,398)
Right of use asset		(1,500,735)
Lease Liability		1,654,217
Prize Awards Payable		3,673,765
Capital Leases		<u>0</u>
Net Cash Provided by Operating Activities		<u><u>\$133,253,237</u></u>

For the complete Minnesota Lottery Annual Comprehensive Financial Report, including referenced Notes, please visit [mnlottery.com](http://mnlottery.com).

## LOTTERY HEADQUARTERS

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LOTTERY**