



MILLIONS OF WINNERS, BILLIONS IN IMPACT

Fiscal Year 2025
Annual Report



FISCAL YEAR 2025 ANNUAL REPORT

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OUR MISSION & VISION

MISSION: The Minnesota State Lottery exists to generate revenue for programs that will positively impact the lives of Minnesotans.

VISION: The Minnesota State Lottery benefits all Minnesotans by offering, fun, secure, innovative and socially responsible entertainment in order to generate critical funds for the State that are used to preserve, restore, and protect Minnesota's environment.



GREETINGS,

This year, the Minnesota Lottery is celebrating 35 years of fun, excitement, and giving back! Since our very first ticket was sold in 1990, we've been creating millions of winners and generating billions in benefits for Minnesota. Together, we've contributed more than \$4.1 billion to our great state, supporting vital services and helping protect the natural beauty and resources that make Minnesota home. Every ticket sold helps create a win for today and an impact that lasts for tomorrow.

Here's how we made Minnesota a little luckier this year:

- \$448.1 million in prizes won by players across the state
- \$161.6 million returned to Minnesota to support important services, including:
 - › \$82.3 million for the General Fund
 - › \$77.8 million for our environment and natural resources
 - › \$1.5 million for responsible gambling programs
- \$47.2 million in commissions and incentives earned by nearly 3,000 hardworking retail partners

Looking ahead, we're keeping our eyes on the future with key priorities to keep the fun and the impact going strong. We're focused on growing our players and our play by reaching more Minnesotans in new and exciting ways. We're also strengthening our partnerships, because from the Capitol to our corner stores, collaboration keeps us strong and connected. At the same time, we're working smarter by continually finding ways to improve, innovate, and make every dollar and every ticket go further. And most importantly, we're investing in our people, our amazing team who make it all happen by helping them grow and thrive.

From mobile convenience apps to creative local partnerships, we're continuing to make it easier to play while maximizing the good we do for the state we love.

After 35 incredible years, we're proud of what we've accomplished together, and we can't wait to see what the next 35 will bring. Thanks to our players, partners, and legislators for keeping Minnesota winning. The future looks bright, and maybe even a little lucky.

Sincerely,
Adam Prock
Executive Director



WIN
\$100
\$200 or
\$500

CLEOPATRA
TOP PRIZE
\$200,000!

\$50 MINNESOTA LOTTERY
CASINO MILLION
\$1,000,000 TO

MINNESOTA LOTTERY
PLATINUM PAYOUT
WIN UP TO
\$500,000!

MINNESOTA LOTTERY
Northern Lights CROSSWORD
PRIZE LEGEND
3 WORDS \$3
4 WORDS \$5
5 WORDS \$10

MINNESOTA LOTTERY
LUXURY CROSSWORD
YOUR LETTERS
PRIZE LEGEND
3 WORDS \$10
4 WORDS \$20
5 WORDS \$50
6 WORDS \$100

MINNESOTA LOTTERY
Winter Fortune

MINNESOTA LOTTERY
BONUS GAME BINGO
BONUS GAME
BINGO
CARD 1
CARD 2
CARD 3
CARD 4

MINNESOTA LOTTERY
BLACK ICE
WIN UP TO **\$200,000!**
ICE BONUS 1
ICE BONUS 2
ICE BONUS 3
BLACK ICE NUMBERS
YOUR NUMBERS

MINNESOTA LOTTERY
MONEY MULTIPLIER
UP TO
GAMES
PRIZE!

MINNESOTA LOTTERY
SECRET PASSWORD CROSSWORD
PUZZLE 1
MINNESOTA LOTTERY
COUNTRY CROSSWORD

MINNESOTA LOTTERY
COZY CASH
2ND CHANCE





WHERE THE MONEY GOES

PLAYING OUR PART

The Minnesota Lottery is proud to play our part by generating money for the state to protect the natural treasures that make Minnesota so special. When players purchase lottery tickets, they are protecting the state's environment and natural resources for generations to come.

Since 1991, the lottery-funded Minnesota Environment and Natural Resources Trust Fund has provided approximately \$1.1 billion to more than 1,700 projects around the state to help preserve, protect and restore our environment.

In November 2024, voters overwhelmingly approved a constitutional amendment to extend the ENRTF dedication for another 25 years. Over 77 percent of voters approved the extension of the constitutional amendment. This renewal ensures that 40 percent of state lottery proceeds will continue to support conservation efforts across the state, from habitat restoration and water quality research to outdoor education and park development through 2050.

The renewal of the ENRTF amendment demonstrates Minnesotans' deep commitment to environmental preservation. The resounding support for the amendment underscores a collective belief that conservation goes beyond preserving the state's beautiful landscapes — it's about securing a healthy, thriving environment for future generations to experience and appreciate. Minnesotans recognize the intrinsic value of nature in shaping the state's identity, economy, and quality of life. It's clear that protecting our outdoors is more than just a choice; it's part of who we are.

MILLIONS OF WINNERS, BILLIONS IN IMPACT.

For 35 years, the Minnesota Lottery has been changing lives — creating millions of winners while generating billions in funding for the state. From thrilling jackpot moments to vital funding for environmental conservation, education, and local communities, the Lottery has woven itself into the fabric of Minnesota. Every ticket sold isn't just a chance to win — it's an investment in a brighter future. With over three decades of giving back, the Minnesota Lottery continues to make dreams come true while fueling initiatives that strengthen the state for generations to come.

Minnesotans are enthusiastic about the Lottery, not only for the entertainment it provides but

also for its contributions to environmental conservation. The Lottery serves a greater purpose beyond the excitement of winning — it helps support and preserve Minnesota's natural resources. By participating, residents are engaging in more than just a game; they are playing a role in giving back to the environment and strengthening their community.

From North to South and East to West, lottery players along with retailers are the best at supporting beneficiaries and the incredible programs positively impacting all Minnesotans.



"I'm a big advocate for our environment and wildlife!"

—Lottery Player



"Thank you to the Lottery players and retailers for the support of funds that literally changed people's lives at Eagle Bluff."

—Colleen Foehrenbacher, Eagle Bluff Environmental Learning Center



"Thank you for the players and retailers' continued support of restoring and managing the natural areas in Dakota County Parks."

-Dr. Tom Lewanski, Dakota County Parks



"Our environment is worth investing in. I'MN!"

-Lottery Player



"A huge thank you to the lottery, retailers and players for their support in keeping Minnesota a leader in natural resources, protection and conservation."

-Sarah Strommen, DNR



"Because of the lottery, players, and retailers, we are able to provide STEM-based education to youth across Minnesota."

-Lori Arent, Raptor Center



"I'MN and supportive of the outdoors."

-Lottery Player



"We are so grateful for the funds and thank the lottery, players and retailers who make it happen."

-Lisa Luukkala, Superior Hiking Trail

WINNERS

A MILLION WAYS TO WIN



In FY25, Minnesota saw a wave of lucky lottery winners. From thrilling jackpots to impressive wins in local scratch games, Minnesotans embraced their newfound fortunes with excitement. This year our Minnesota Millionaire Raffle sold out in just 15 days, setting a record for its fastest-ever ticket sales, a testament to the enthusiasm of our players, their passion for our products, and their dreams of winning big. In the fall we had our first \$2 million Mega Millions with Megaplier win. The winner doubled their prize thanks to the Megaplier!

On average, the Lottery pays out over 76,000 prizes a day. That's 76,000 happy moments across Minnesota every single day!

By participating in the Lottery, winners help generate crucial funding that benefits parks, trails, natural resources, and local communities. Their winnings symbolize the excitement of possibility while reinforcing the Lottery's mission to create a better Minnesota. Ultimately, every jackpot, big or small, contributes to a cycle of play that transforms dreams into tangible impact for the state and its residents, making it more than just a game. By playing today, we preserve tomorrow.



"On my third Print-N-Play ticket I won! The moment I marked the final box I jumped out of my chair in excitement and ran to get my ID and scan the ticket."

-Progressive Print-N-Play Bingo Winner

MORE FUN

MINNESOTA



001 09 30 38 66 68 MB 20 Q6 2X

TUE MAY 20 25

\$5.00



I'MN.

Must be 18+ to play
Odds & prizes available at mnlottery.com.



"I have never won anything; I can't believe it!"

-\$200,000 Chevy Silverado
scratch game winner

"At first I thought it was a mistake! It didn't feel
real until I turned in my winning ticket."

-North 5 jackpot winner



"I turned 38 this year and love the band 38
Special. I've been picking 038 as my set, and
sure enough I won on the 4th of July! I felt like a
firecracker winning on that day. Yay!!"

-Pick 3 winner

FY25 WINNER HIGHLIGHTS

Total number of winners:

25,627,462

Prizes paid:

\$379,818,139.76

Total # of Gopher 5 Jackpot Winners:

9 (8 WINS)

Total # of North 5 Jackpot Winners:

47 (44 WINS)

Print-N-Play Jackpot Winners:

8

Total Winners over \$10,000:

506

In FY25, luck reached every corner of Minnesota. From small towns to big cities, players from across the state took home prizes from a wide variety of Lottery games. This year's wins are a celebration of the fun, excitement, and possibility shared by players all across Minnesota.

MN LOTTERY RETAILERS

Lottery retailers do more than sell tickets, they contribute to the state in a significant way. Each ticket sold helps fund vital programs that support Minnesota's environment and natural resources and problem gambling prevention and treatment. Our retailers are the backbone of the Lottery. By making lottery games accessible to players across the state, they help bring to life our mission to raise money for programs that positively impact the lives of Minnesotans.

The Lottery is proud to partner with approximately 3,000 retailers across the state in all of Minnesota's 87 counties. We coordinate with our retail partners and state retail associations and provide them with the support they need to successfully promote and sell lottery products, while also equipping them with responsible gambling resources. Retailers benefit by attracting customers and earning commissions - boosting their businesses in the process. It's a win-win for everyone.



By The Way, Waseca



Speedway, South St. Paul

"At the Minnesota Grocers Association, we recognize that retail success extends beyond business growth — it encompasses a responsibility to our communities and the overall prosperity of our state. Our partnership with the Minnesota Lottery exemplifies this commitment of supporting initiatives that support the environment and other state services. Together, we empower our members to contribute positively to Minnesota's well-being, ensuring a sustainable and thriving future for all. We look forward to our continued partnership with the Minnesota Lottery for years to come."

-Pat Garofalo, President, Minnesota Grocers Association



Northdale Oil, Bemidji



Kwik Trip, Lake City



Cub Foods, Arden Hills



Holiday Stationstore, Minnetonka

"The Minnesota Lottery's commitment to retailers supports members of the Minnesota Service Station & Convenience Store Association (MSSA) and sets them up for success — now and for years to come. Through our partnership with the Lottery, we are able to support retailers not only economically but also in navigating regulatory compliance and ensuring a thriving business environment. The continued support from the Lottery strengthens local businesses, fosters growth, and reinforces the important role convenience stores and service stations play in communities across Minnesota."

-Lance Klatt, Executive Director,
Minnesota Service Station & Convenience
Store Association



TOP RETAILERS BY TOTAL SALES

REGION 1:

- Hibbing Short Stop II, Hibbing
- Little Dukes, Big Lake
- Korner Store, Chisholm
- Cub Foods, Elk River
- Kwik Trip, Duluth

REGION 2:

- Orton's Moorhead Holiday, Moorhead
- East Grand Station, East Grand Forks
- M & H Gas, Moorhead
- Holiday, Moorhead
- Blazer Express, Breckenridge

REGION 4:

- Winner's Corner, Newport
- Players Cafe, Minneapolis
- Cub Foods, St. Louis Park
- Cub Foods, West St. Paul
- Cub Foods, Minneapolis

REGION 5:

- Kwik Trip, Winona
- Suraj's Pump and Munch, Austin
- Shell Food Mart, Albert Lea
- Food-N-Fuel, Worthington
- Kwik Trip, Rochester

REGION 6:

- MSP Airport, St. Paul
- Cub Foods, Brooklyn Center
- Cub Foods, Maple Grove
- M & H Gas, St. Paul
- Kwik Trip, North St. Paul

I'MN.

FY25 MILLION DOLLAR SALES CLUB:

19 retailers

Suraj's Pump & Munch in Austin joined the Million Dollar Sales Club in FY25.



INNOVATION AND PRODUCT HIGHLIGHTS



MEGA MILLIONS UPGRADE

There's a new way to play, and it's turning up the thrill!

This year, an all-new \$5 Mega Millions game was introduced, where jackpots start at \$50 million and climb faster than ever before. But that's not all—every non-jackpot prize gets a boost with an automatic multiplier of up to 10X, dialing up the excitement with every ticket.

The ticket price rose from \$2 to \$5, but the enhanced experience and added perks has generated additional sales and fun.

What's to love about the new Mega Millions:

- Bigger jackpots, more often
- Jackpots grow faster than ever
- Bigger local wins at all levels
- Every ticket automatically includes a built-in multiplier! (2X, 3X, 4X, 5X, or 10X)
- Minimum prize increased – win a minimum of \$10, so every win is bigger than the ticket cost!
- Better jackpot odds – 1 in 290 million



NORTH 5 EZ MATCH

This year we added EZ Match, an exciting instant-win option to our popular North 5 game. This \$1 Minnesota-only lotto game now offers instant wins for the best of both worlds with EZ Match. For just an extra \$1, if a player's EZ Match numbers match any of the draw numbers on their ticket, they can win instantly. Plus, players can still win the big jackpot by matching their North 5 numbers in the daily drawing.

What makes EZ Match so exciting?

- Each ticket includes 5 EZ Match numbers, each with a prize value.
- Match any of the North 5 draw numbers to the EZ Match numbers to instantly win the corresponding prize.
- The odds of winning an EZ Match prize are approximately 1 in 5.10.
- With EZ Match, players can win \$2 to \$500 instantly!

SCRATCH GAME HIGHLIGHTS

Minnesota Lottery Classics

The classics are making a comeback!

For our 35th anniversary, we brought back 15 of our beloved throwback tickets, including our very first scratch game, Match Three. The Minnesota Lottery Classic scratch games, which went on sale shortly after our 35th anniversary on April 17, will be available throughout the anniversary year.

"Bringing back some of the classic tickets is such a fun way to recognize our popular older games and highlight how far we've come with our product line-up," says Todd Vodden, Minnesota Lottery scratch game product manager.

Mobile App

Innovation continues to drive the success of the Minnesota Lottery, and the introduction of our mobile app in Fiscal Year 2024 remains a game-changer for players. To date, there have been over 246,752 total downloads. This app has quickly become an essential tool, making the lottery experience smoother, quicker, and easier than ever. Many have embraced the convenience it offers, from instant ticket scanning and digital play slips to 2nd Chance contests and jackpot notifications.

While the app does not allow ticket purchases or cashing winnings remotely, it significantly enhances engagement and streamlined interactions with the Minnesota Lottery. By combining accessibility with ease of use, this successful addition strengthens connections between players and retailers, reinforcing our commitment to innovation and efficiency.

What our players are saying:

"I'MN! It's a great app. I like having the ability to check my own tickets and being able to scan for the 2nd Chance instead of typing the code in. It's a time saver."

"I'm loving the new app and as always I'MN."

"I absolutely love your app! It makes checking tickets so much easier and entering 2nd Chance and prize packs as well. It's Minnesota Nice!"



\$20 MINNESOTA LOTTERY

win \$100, \$200 or \$500

LOADED EXCLUSIVELY WITH \$100, \$200 AND \$500 PRIZES!

WINNING NUMBERS

YOUR NUMBERS

OVER \$25 MILLION IN PRIZES!

Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win PRIZE shown for that number. Reveal a symbol, win that prize automatically!

Total Sales:
\$37,220,120

\$20 MINNESOTA LOTTERY

SECRET PASSWORD CROSSWORD

WIN UP TO \$300,000!

PUZZLE 1

PUZZLE 2

PUZZLE 1 PRIZE LEGEND

WORDS	PRIZE
3 WORDS	\$250
4 WORDS	\$300
5 WORDS	\$500
6 WORDS	\$1,000
7 WORDS	\$1,000
8 WORDS	\$1,000
9 WORDS	\$1,000
10 WORDS	\$250
11 WORDS	\$300
12 WORDS	\$500
13 WORDS	\$1,000
14 WORDS	\$1,000
15 WORDS	\$1,000
16 WORDS	\$300,000

PUZZLE 2 PRIZE LEGEND

WORDS	PRIZE
3 WORDS	\$250
4 WORDS	\$300
5 WORDS	\$500
6 WORDS	\$1,000
7 WORDS	\$1,000
8 WORDS	\$1,000
9 WORDS	\$1,000
10 WORDS	\$250
11 WORDS	\$300
12 WORDS	\$500
13 WORDS	\$1,000
14 WORDS	\$1,000
15 WORDS	\$1,000
16 WORDS	\$300,000

YOUR LETTERS

SECRET PASSWORD PRIZE

Search the SECRET PASSWORD folder. Find the corresponding word in either PUZZLE 1 or PUZZLE 2 above. If all of the SECRET PASSWORD letters are uncovered using YOUR LETTERS, win prize for the SECRET PASSWORD.

See back for play instructions.

EACH PUZZLE PLAYED SEPARATELY.

Total Sales:
\$26,833,040

\$20 MINNESOTA LOTTERY

MAGNIFICENT 7s

WIN UP TO \$500,000!

BONUS

BONUS

BONUS

BONUS

OVER \$6 MILLION IN PRIZES FROM \$100 to \$2,500!

GAME 1: Reveal a symbol, win PRIZE shown for that symbol.

GAME 2: Reveal 3 IDENTICAL amounts, win that amount.

GAME 3: Reveal 2 IDENTICAL amounts plus a symbol, win DOUBLE that amount.

WINNING NUMBERS

YOUR NUMBERS

WIN UP TO 25 TIMES!

GAME 4: Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win that PRIZE shown for that number. Reveal a symbol, win \$75 automatically! Reveal a symbol, win all 15 PRIZES shown!

EACH GAME PLAYS SEPARATELY.

Total Sales:
\$26,817,420

\$50 MINNESOTA LOTTERY

CASINO MILLIONS

SIX \$1,000,000 TOP PRIZES!

GAME 1: Scratch the POWER CHIPS. Reveal a symbol, win \$50!

GAME 2: Scratch the MONEY STACKS. Reveal a symbol, win the prize shown for that symbol.

GAME 3: Scratch each ROLL. Reveal three (3) identical symbols in a ROLL, win the prize shown for that ROLL.

GAME 4: Scratch the CARDS. Reveal three (3) like dollar amounts, win that amount.

WINNING NUMBERS

YOUR NUMBERS

OVER \$50,000,000 IN TOTAL PRIZES!

GAME 5: Scratch entire play area. Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win prize shown below that number. Reveal a symbol, WIN ALL 20 PRIZES!

EACH GAME PLAYS SEPARATELY.

Total Sales:
\$19,642,950

TOP TEN SCRATCH TICKETS



Total Sales: \$18,969,400



Total Sales: \$15,374,250



Total Sales: \$14,529,250



Total Sales: \$12,780,050



Total Sales: \$12,377,560



Total Sales: \$12,201,190



Local events are a great opportunity for lottery staff to engage with the public, provide information on the lottery, and have some fun.



Our presence at local events brings the lottery mission to life: fun, integrity, and giving back to Minnesota.



PARTNERS & EVENTS

The Minnesota Lottery collaborates with a diverse range of organizations across the state, supporting cultural, recreational, and sporting events year-round. These partnerships create valuable opportunities to connect with new players, engage existing customers, and inform Minnesotans about lottery products and the positive impact of lottery funds throughout the state. Each year we seek new opportunities to spread our mission in new and exciting environments.

The logo for HOLIDAZZLE is written in a stylized, metallic, and slightly distressed font.

PARTNERS AND EVENTS

Beer Dabbler
Canterbury Park
Grand Old Day
Holidazzle**
Hopkins, St Paul, and Anoka Food Truck Festivals
Lowertown Sounds**
Mall of America
Minnesota Aurora
Minnesota Gophers
Minnesota Lynx
Minnesota Ice Festival**
Minnesota State Fair
Minnesota Roller Derby
Minnesota Timberwolves
Minnesota Twins
Minnesota United FC
Minnesota Vikings
Minnesota Vixen**
Minnesota Wind Chill**
Minnesota Zoo
St. Cloud Rox Baseball**
Stone Arch Bridge Festival

** Indicates new partners for 2025

RESPONSIBLE GAMBLING

"The Minnesota Lottery and Minnesota Alliance on Problem Gambling have been partnering since 2001 to raise awareness about the harm that can occur with gambling. One such example is our long-standing joint Gift Responsibly campaign during the year-end holidays to remind adults not to buy lottery tickets as gifts for minors. Gambling is an inappropriate activity for young people. Together we remind adult players to keep the fun in the game and to minimize their risks by never betting money they can't afford to lose. As we look to the future, our two organizations will continue to advocate for and to support responsible gambling efforts for all who choose to gamble."

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

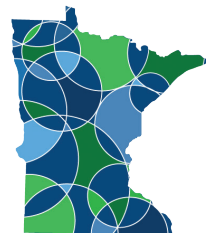
The Lottery remains dedicated to promoting responsible gambling and making sure that playing continues to be an enjoyable and entertaining experience. We strive to encourage healthy gambling habits while aiding in the identification and treatment of problem gambling behaviors. Through our ongoing collaboration with the Minnesota Alliance on Problem Gambling (MNAPG), we deliver impactful educational initiatives—including advertising campaigns, dynamic social media content and informative materials accessible at all Minnesota Lottery retailers and various community events.

March is nationally recognized as Problem Gambling Awareness Month. To mark it, the Lottery introduced the "Know Your Limits" campaign, featuring a character known as the "plaid guy," dressed entirely in plaid. The campaign highlights the idea there can be too much of a good thing. Additional ads were filmed and are set to debut next March.



NCPG

National Council on Problem Gambling



**Minnesota Alliance
on Problem Gambling**

HOW MUCH IS TOO MUCH?



**MINNESOTA
LOTTERY**

If you are concerned about your gambling habits or those of someone close to you, there is always someone available to help. Call 1-800-333-HOPE, text HOPE to 53342, or go to getgamblinghelp.com for free and confidential assistance.

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, 2025 and comparison for the two previous fiscal years ended June 30, 2024 and June 30, 2023. 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, 2025, 2024 and 2023. GASB Statement No. 101 "Compensated Absences" was issued June 2022. This statement updates the recognition and measurement guidance for compensated absences. See footnotes 2, 7 and 17.

FINANCIAL HIGHLIGHTS

The Minnesota State Lottery had operating revenues of \$708.4 million in fiscal year 2025 and contributed \$161.6 million to the State. Contributions to the State were down compared to last year, due to decreasing operating revenues.

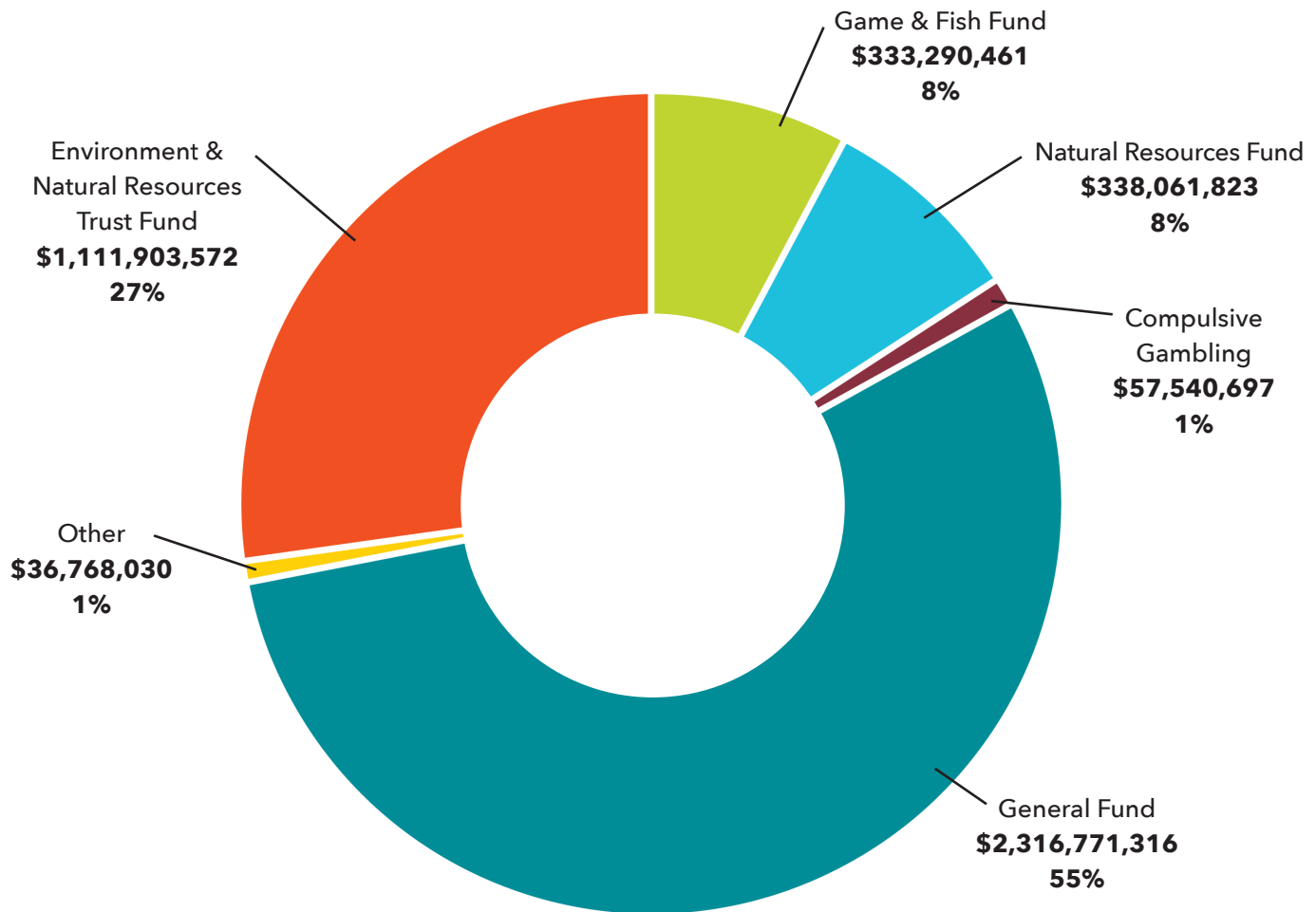
SUMMARY OF CONTRIBUTIONS TO THE STATE

The Lottery contributed \$161.6 million to the State in fiscal year 2025. This was a \$34.9 million or a 17.7% decrease from 2024. 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	2025	2024	2023
Net proceeds to the state	\$97,327,129	\$126,801,973	\$129,739,366
In-lieu-of-sales tax	46,039,523	50,422,811	51,165,544
Compulsive gambling contribution	1,499,891	1,513,205	1,459,580
Unclaimed prizes to the state	16,783,025	17,786,515	13,723,549
Total paid to state	<u>\$161,649,568</u>	<u>\$196,524,504</u>	<u>\$196,088,039</u>

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

THE LOTTERY HAS CONTRIBUTED \$4.2 BILLION TO THE STATE SINCE INCEPTION



SUMMARY RESULTS OF OPERATIONS	2025	2024	2023
Gross receipts	\$662,347,740	\$725,429,560	\$736,137,171
Prizes, commissions and ticket costs	510,788,736	548,963,049	561,230,421
Gross profit	151,559,004	176,466,511	174,906,750
Operating expenses	35,670,749	33,258,620	30,125,372
Operating income	115,888,255	143,207,891	144,781,378
Non-operating revenues (expenses):			
Interest earned on investments	2,188,790	2,976,801	1,851,121
Unused compulsive gambling contribution	736,109	722,795	776,420
Payments to state (not including in-lieu-of-sales tax)	(116,346,154)	(146,824,488)	(145,698,915)
Total non-operating expense	(113,421,255)	(143,124,892)	(143,071,374)
Change in net position	2,467,000	\$82,999	\$ 1,710,004
Net position at beginning of year	(4,225,000)	(4,307,999)	(6,018,003)
Net position at end of year	\$(1,758,000)	\$(4,225,000)	\$(4,307,999)

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

OPERATING INCOME

Operating Income has decreased by \$27.3 million in 2025 from 2024. Gross receipts decreased by \$63.1 million or 8.7% due to decreased lotto sales by \$67.0 million. Direct costs which include prizes, commissions and ticket costs as a percent of gross were 77.1% in 2025 as compared to 75.7% in 2024.

Operating Income has decreased by \$1.6 million in 2024 from 2023. Gross receipts decreased by \$10.7 million or 1.4% due to decreased scratch sales by \$20.7 million. As a result of lower gross receipts operating income decreased by \$1.6 million. Direct costs which include prizes, commissions and ticket costs as a percent of gross were 75.7% in 2024 compared to 76.2% in 2023.

OPERATING EXPENSES

Operating Expenses increased by \$2.4 million in 2025 from 2024. The increase is primarily due to additional amortization and depreciation expense associated with new headquarters lease at Roseville and the way it is accounted for through GASB 87., along with furniture other costs related to the remodel which were capitalized.

Operating Expenses increased by \$3.1 million in 2024 from 2023. This is primarily due to higher salaries and benefit costs due to cost-of-living adjustments and staffing closer to budgeted levels which resulted in a \$3.1 million increase along with restating GASB 101 for Compensated Absences.

GROSS RECEIPTS BY GAME	2025	2024	2023
Scratch ticket sales	\$524,463,742	\$524,928,373	\$ 545,670,840
Lotto ticket sales:			
Pick 3™	21,171,854	21,539,047	20,829,926
Gopher 5®	19,466,098	22,824,352	18,612,995
Powerball®	44,514,528	104,042,194	89,002,098
Powerball® Power Play®	3,545,530	6,259,623	4,809,386
Mega Millions®	38,758,960	53,554,894	60,529,874
Mega Millions® Megaplier®	2,313,261	3,363,454	3,211,102
North 5®	12,032,795	9,618,093	10,726,284
Minnesota Millionaire Raffle®	7,998,860	7,999,380	6,999,050
Lotto America®	16,807,096	9,793,383	16,009,153
Lotto America® All Star Bonus®	2,600,055	1,628,910	2,278,671
Progressive Print-N-Play®	14,627,576	10,183,845	8,482,843
Total lotto ticket sales	183,836,613	250,807,175	241,491,382
Operating revenue	708,300,355	775,735,548	787,162,222
Other income	86,908	116,823	140,493
Total operating revenue	708,387,263	775,852,371	787,302,715
Less in-lieu-of-sales tax	46,039,523	50,422,811	51,165,544
Gross receipts	\$662,347,740	\$725,429,560	\$736,137,171

SCRATCH GAMES

Scratch games sales accounted for 74.0% of operating revenue in fiscal year 2025, up from 67.7% in 2024. Total scratch sales were flat compared to 2024.

Scratch game sales accounted for 67.7% of operating revenue in fiscal year 2024, down from 69.3% in 2023. Total scratch sales were down \$20.7 million compared to 2023. The decrease in scratch sales was all in the first six months of the fiscal year. The last six months exceeded fiscal year 2022 by \$8.8 million. The first three months of the fiscal year scratch sales were outperforming 2023 then sales dropped off. Most US Lotteries saw a reduction in scratch sales during fiscal year 2024.

LOTTO GAMES

Lotto sales saw a drastic decrease of \$67.0 million in 2025 compared to 2024. This was attributed to five large jackpot runs in fiscal year 2024 and only one large jackpot run during fiscal year 2025 between Powerball and Mega Millions.

Lotto sales saw a modest increase of \$9.3 million in 2024 from 2023.

CONDENSED STATEMENTS OF NET POSITION	2025	2024	2023
Assets:			
Cash and cash equivalents	\$33,451,368	\$42,323,363	\$37,580,849
Receivables	6,213,125	4,924,193	8,676,284
Inventory and prepaid expenses	2,236,188	2,863,724	2,615,655
Capital assets	4,268,617	1,279,616	916,953
Right-to-use asset	13,784,466	14,876,259	3,105,784
Total Assets	\$59,953,764	\$66,267,155	\$52,895,525
Deferred Outflows	\$2,728,000	\$3,382,000	\$4,573,000
Liabilities:			
Due to State and State Agencies	\$20,611,240	\$ 24,295,169	\$ 21,090,907
Accounts payable & current accrued expenses	8,625,736	9,209,639	10,599,689
Prize liability	13,745,667	17,360,012	18,400,681
Lease and subscription liability	14,896,164	14,876,259	3,105,784
Long-term accrued expenses	2,846,000	5,442,592	6,598,805
Total Liabilities	\$60,724,807	\$71,183,671	\$59,795,866
Deferred Inflows	\$3,714,957	\$2,690,485	\$1,980,658
Net Position:			
Unrestricted net position	(\$4,914,918)	(\$5,504,617)	(\$5,224,952)
Net investment in capital assets	3,156,918	1,279,616	916,953
Net Position	<u>\$(1,758,000)</u>	<u>\$(4,225,000)</u>	<u>\$(4,307,999)</u>

NET POSITION

Minnesota State Lottery's net position at the end of fiscal year 2025 was \$(1.8) million, 2024 was \$(4.2) million and 2023 was \$(4.3) million. All negative net position is attributable to the offset of the net pension liability and recognition of post-employment benefits liability.

CASH AND CASH EQUIVALENTS AND RECEIVABLES

The total of cash and cash equivalents and receivables decreased by \$7.6 million from 2025 to 2024. This decrease was all due to lower sales volume and operational activities.

The total of cash and cash equivalents and receivables increased by \$990 thousand from 2024 to 2023. This was primarily due to operational activities.

CAPITAL ASSETS AND OTHER ASSETS

Net Capital assets increased by \$3.0 million. Purchase of capital assets totaled \$3.8 million comprised of \$529 thousand in office equipment, \$2.1M in office furniture and equipment, \$218 thousand in computer equipment, \$1.1 million in vehicles and \$377 thousand in leasehold improvements offset by \$830 thousand in depreciation.

During fiscal year 2025 Net Right-to-Use Assets decreased by \$1.0 million due to payments and amortization of those assets. See footnotes 2, 5, 9 and 16.

Net Capital assets increased by \$363 thousand in 2024 versus 2023. Purchased of capital assets totaled \$767 thousand comprised of \$5 thousand in office equipment, \$289 thousand in software, \$434 thousand in computer equipment and \$39 thousand in warehouse equipment.

During fiscal year 2024 Net Right to Use Assets increased by \$11.8 million due to entering into a new long term building lease arrangement. See footnotes 2, 5, 9 and 16.

DUE TO STATE AND STATE AGENCIES

Payment due to state at the end of fiscal year 2025 was \$3.6 million lower than fiscal year 2024. This was primarily due to lower net proceeds due.

Payment due to state at the end of fiscal year 2024 was \$3.1 million higher than fiscal year 2023. This was primarily due to higher unclaimed prizes.

PRIZE LIABILITY

Prize Liability decreased by \$3.6 million from 2024 to 2025 due to mid and high tier scratch game prizes.

Prize Liability decreased by \$1.0 million from 2023 to 2024 due to mid and high tier scratch game prizes.

ACCOUNTS PAYABLE AND CURRENT ACCRUED EXPENSES

During fiscal year 2025 accounts payable and accrued expenses decreased by \$583 thousand from 2024 due to recognizing slight decreases in prizes payable and sales tax payable.

Accounts payable and current accrued expenses decreased slightly by \$1.4 million from fiscal year 2024 to 2023.

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

STATEMENTS OF NET POSITION - JUNE 30, 2025 AND 2024		2025	2024
ASSETS			
Current Assets:			
Cash and Cash Equivalents (Note 3)		\$33,451,368	\$42,323,363
Accounts Receivable, Net (Note 4)		6,039,897	4,685,109
Interest Receivable		173,228	239,084
Scratch Ticket Inventory		1,684,645	2,157,465
Prepaid Expense		551,543	706,259
<i>Total Current Assets</i>		<u>41,900,681</u>	<u>50,111,280</u>
Capital Assets, Net (Note 5)		4,268,617	1,279,617
Right-to Use Assets, Net (Note 5)		13,784,466	14,876,259
<i>Total Assets</i>		<u>59,953,764</u>	<u>66,267,156</u>
Deferred Outflows (Notes 14 and 15)		<u>2,728,00</u>	<u>3,382,000</u>
LIABILITIES			
Current Liabilities:			
Net Proceeds Due to State (Note 8)		\$3,828,215	\$6,508,654
Unclaimed Prizes Due to State (Note 6)		16,783,025	17,786,515
Accounts Payable		2,304,501	2,855,177
In-Lieu-of-Sales Tax Payable		3,529,457	3,637,604
Prize Liability		13,745,667	17,360,012
Accrued Salaries and Benefits Payable, current (Note 7)		2,398,758	2,201,634
Lease and Subscription Liability (Note 9)		2,352,398	1,822,104
Deferred Revenue		393,019	515,224
<i>Total Current Liabilities</i>		<u>45,335,040</u>	<u>52,686,924</u>
Accrued Benefits Payable, net of current portion (Note 7)		2,755,000	2,788,592
Lease and Subscription Liability, net of current portion (Note 9)		12,543,767	13,054,155
Net Pension Liability (Note 14)		91,000	2,654,000
<i>Total Non-Current Liabilities</i>		<u>15,389,767</u>	<u>18,496,747</u>
<i>Total Liabilities</i>		<u>60,724,807</u>	<u>71,183,671</u>
Deferred Inflows (Notes 14, 15 and 16)		<u>3,714,957</u>	<u>2,690,485</u>
Net Position:			
Net Invested in Capital Assets (Note 8)		3,156,918	1,279,617
Unrestricted		(4,914,918)	(5,504,617)
<i>Total Net Position</i>		<u><u>\$(1,758,000)</u></u>	<u><u>\$(4,225,000)</u></u>

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEARS ENDED JUNE 30, 2025 AND 2024			2025	2024
Operating Revenues:				
Scratch Ticket Sales			\$524,463,742	\$524,928,373
Online Ticket Sales			183,836,613	250,807,175
Other Income			86,908	116,823
	Total Operating Revenues		708,387,263	775,852,371
	Less: In-Lieu-of-Sales Tax		46,039,523	50,422,811
	Gross Receipts		662,347,740	725,429,560
Direct Costs:				
Scratch Ticket Prizes			355,235,128	352,737,038
Online Ticket Prizes			89,550,265	123,430,640
Online Vendor Expense			10,770,703	14,369,675
Ticket Costs			7,995,948	7,448,072
Retailer Commissions and Incentives (Note 12)			47,236,692	50,977,624
	Total Direct Costs		510,788,736	548,963,049
	Gross Profit		151,559,004	176,466,511
Operating Expenses:				
Advertising (Note 13)			7,765,822	7,609,301
Salaries and Benefits (Note 14)			16,251,059	16,100,887
Promotion			1,244,954	1,318,051
Purchased Services			2,512,620	1,984,814
Communication			549,258	513,979
Occupancy Costs			348,722	286,343
Supplies and Materials			1,379,461	1,082,966
Computer and Omnipoint Maintenance			907,601	916,533
Depreciation/Amortization			4,167,603	2,892,258
Other Expense			543,649	553,488
	Total Operating Expenses		35,670,749	33,258,620
Operating Income			115,888,255	143,207,891
Nonoperating Revenue (Expense):				
Interest Earned on Investments			2,188,790	2,976,801
Compulsive Gambling Contribution from Prize Fund (Note 10)			(1,499,891)	(1,513,205)
Unclaimed Prizes to State (Note 6)			(16,783,025)	(17,786,515)
Net Proceeds to State (Note 8)			(97,327,129)	(126,801,973)
	Total Nonoperating Revenue (Expense)		(113,421,255)	(143,124,892)
Change in Net Position			2,467,000	82,999
Net Position at Beginning of Year (Note 8)			(4,255,000)	(4,307,999)
Net Position at End of Year (Note 8)			\$(1,758,000)	\$(4,225,000)

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**STATEMENTS OF CASH FLOWS —
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
Cash Flows from Operating Activities:		
Cash Received from Customers	\$707,034,834	\$779,246,499
Cash Received from Other Income	86,908	116,823
Payments to State (In-Lieu-of-Sales Tax)	(46,147,670)	(50,594,467)
Payments to Employees	(17,183,527)	(16,001,627)
Payments to Suppliers	(33,993,583)	(36,645,710)
Payments to Retailers	(47,236,692)	(50,977,624)
Payments to Prizewinners	(448,399,738)	(477,208,347)
Net Cash Provided by Operating Activities	114,160,532	147,935,547
Cash Flows from Non-Capital Financing Activities:		
Net Proceeds Paid to State	(100,007,568)	(127,660,677)
Compulsive Gambling Contribution Transfer	(1,499,891)	(1,513,205)
Unclaimed Prizes Transfer	(17,786,515)	(13,723,549)
Net Cash Used by Non-Capital Financing Activities	(119,293,974)	(142,897,431)
Cash Flows from Capital and Related Financing Activities:		
Payments on Lease and Subscription Liabilities	(2,225,183)	(2,487,508)
Purchases of Capital Assets	(3,825,584)	(767,414)
Proceeds on sale of Capital Assets	57,568	6,670
Net Cash Used by Capital Financing Activities	(5,993,199)	(3,248,252)
Cash Flows from Investing Activities:		
Investment Income	2,254,646	2,952,650
Net Increase (decrease) in Cash and Cash Equivalents	(8,871,995)	4,742,514
Beginning of Year Cash and Cash Equivalents	42,323,363	37,580,849
End of Year Cash and Cash Equivalents	\$33,451,368	\$42,323,363
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$115,888,255	\$142,069,891
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:		
Depreciation/Amortization	4,167,603	2,892,258
Gain on the Disposal of Capital Assets	(51,705)	(6,670)
Change in Retirement Activity	(1,121,000)	1,159,000
Net Change in Assets and Liabilities:		
Inventory	472,820	(190,205)
Accounts Receivable	(1,354,788)	3,776,242
Prepaid Expenses	154,716	(57,864)
Other Current Liabilities	(592,496)	(681,263)
Change in Deferred – Lease	211,471	14,826
Prize Awards Payable	(3,614,344)	(1,040,668)
Net Cash Provided by Operating Activities	\$114,160,532	\$147,935,547
Supplemental non-cash capital and related financing activities:		
Right-to-use assets acquired through lease/subscription liabilities	\$12,766,794	\$14,257,000
Right-to-use remeasurement deletions	(\$10,820,452)	
Right-to-use remeasurement additions	\$298,746	
Lease receivable additions	\$258,183	

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