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Fiscal Year 1998  
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**Annual Report**  
MINNESOTA STATE LOTTERY

# Welcome

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Fiscal year 1998 was a year of great change for the Minnesota State Lottery, its retailers and our loyal players. The enormity of the task of installing a new computer system, new terminals for our instant-only retailers, a new player hotline, one entirely new on-line game and two on-line game re-launches in one year was daunting. It required an all-out effort by staff and retailers. Thanks to these efforts, sales rebounded, new excitement was generated and we had a great year.

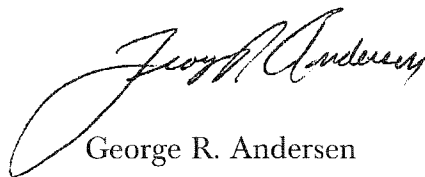
To sustain player appeal, the Lottery must always keep an eye on play style, preferences, themes and service. The technical aspects – from software to printing – can be overwhelming, but teamwork makes it happen. Powerball set a new world record. Gopher 5 re-established its solid “Minnesota’s Own” cash game position. New instant games fulfilled the

new, different and fun-to-play demands of players.

We were also successful in implementing higher retailer commissions. Our retailers are deserving of this higher compensation for their fine efforts. As we move into the last year of the millennium, we are committed to innovation, even better service and large doses of the things we sell – fun and entertainment.

The Lottery is enormously popular – two-thirds of Minnesota’s adults play. We are grateful for the support, for your confidence and for the privilege of working with you for the benefit of our great state of Minnesota.

Very truly yours,



George R. Andersen  
Director

# Highlights

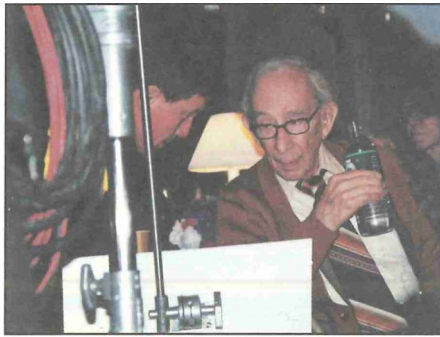
When the clock struck midnight June 30, signaling the end of fiscal year 1998,

one thing was certain: The year was a busy and exciting one for the Minnesota State Lottery, its players and

retailers. There was something for everyone – two Powerball jackpot winners, a new \$1,000-a-week-for-life four-digit game, major improvements to Powerball and Gopher 5, the introduction of a record 25 instant games and a world record \$195 million Powerball jackpot.

But the highlight that stands out most is a credit to the retailers that sell Lottery tickets statewide. Sales for fiscal year 1998 were \$372.9 million, the second highest in Lottery history. Overall sales

received a big boost from numbers games sales, which totaled \$113.1 million, up 18



Actor Earl Schuman, 82, starred in the Lottery's TV commercial that introduced Cash4Life.

percent from the previous year. More specifically, Powerball was redesigned and sales soared, fueled in

part by a \$195 million jackpot in May.

Hefty sales are always good news for the state of Minnesota, and this year was no exception. The Lottery contributed \$87.5 million to the state in fiscal year 1998. Those dollars benefit the Environment and Natural Resources Trust Fund, the state General Fund and compulsive gambling treatment programs.

The news was equally good for players, who cashed in on \$225 million in prizes, or 60 percent of Lottery rev-

enue. The most notable prizes were a \$5 million Powerball jackpot won in August 1997 and a \$14.9 million Powerball cash jackpot won in March.

A major vendor change punctuated the fiscal year for the Lottery. At the end of June, the Lottery hired a new advertising agency, Minneapolis-based Foley Sackett. Foley Sackett has 35 employees and accounts that include Excelsior-Henderson Motorcycle Manufacturing Co., Leeann Chin Chinese Cuisine, Cargill, American Express and Blue Cross Blue Shield of Minnesota. Its contract expires Sept. 1, 2001.

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STATE OFFICE BUILDING  
Billboards advertised the  
May 20 Powerball jackpot at  
\$175 million.



# Beneficiaries

Lottery proceeds mean new environmental projects. Some of the projects are impressive and popular structures like the visitors centers at Gooseberry Falls and Fort Snelling state parks. Others are heavily used, like boat ramps, fishing piers and many miles of recreational trails that meander throughout scenic portions of the state. Still others are

less visible but critical to preserving the state's natural resources, such as measures to clean up the Minnesota

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**The trust fund finances a statewide survey of rare native plants and animals, like the Lapland Buttercup.**



River, reduce pollution and mercury levels in lakes and streams, set aside land for wildlife and natural habitat,



**The visitor center at Fort Snelling State Park received \$638,000 from the trust fund and is a shining example of how Lottery proceeds are making Minnesota a better place.**

and improve fish habitat and hatcheries.

Since 1990, Lottery proceeds have been used to finance more than 130 projects worth \$82 million. Most of the projects have had far-reaching benefits. In fact, Lottery proceeds have been spent across Minnesota to preserve, restore and enhance the state's environment.

The Lottery funds these projects through the

Environment and Natural Resources Trust Fund, which receives 40 percent of Lottery proceeds. In fiscal year 1998, the Lottery contributed \$24.7 million to the trust fund for a total of \$199 million since Lottery start-up. (The trust fund also receives a portion of the unclaimed prize pool.)

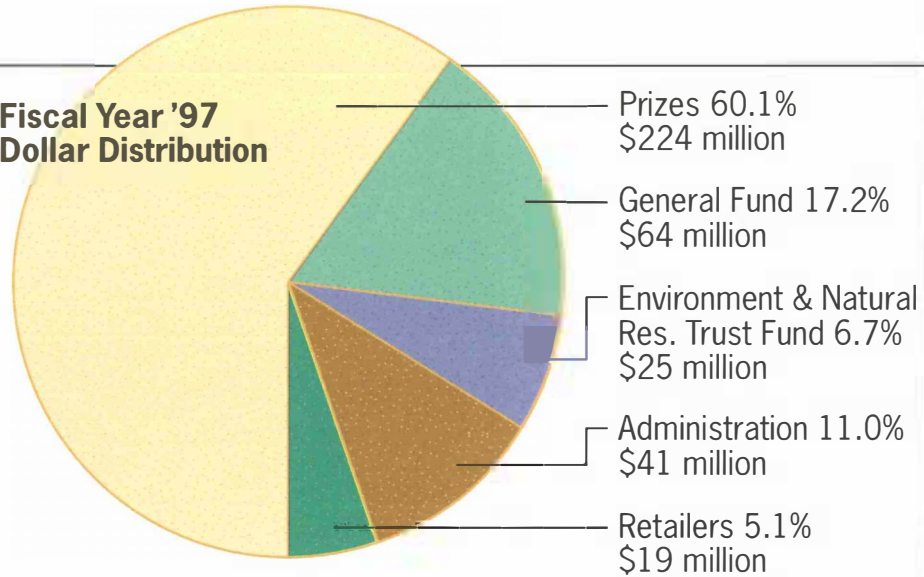
The other 60 percent of Lottery pro-

ceeds goes to the state General Fund, which finances programs like K-12 education, public safety, health and human services, and aid to local governments. In fiscal year 1998, the General Fund received \$61.4 million from the Lottery; that included a 6.5 percent in-lieu-of-sales tax and a portion of unclaimed prizes.

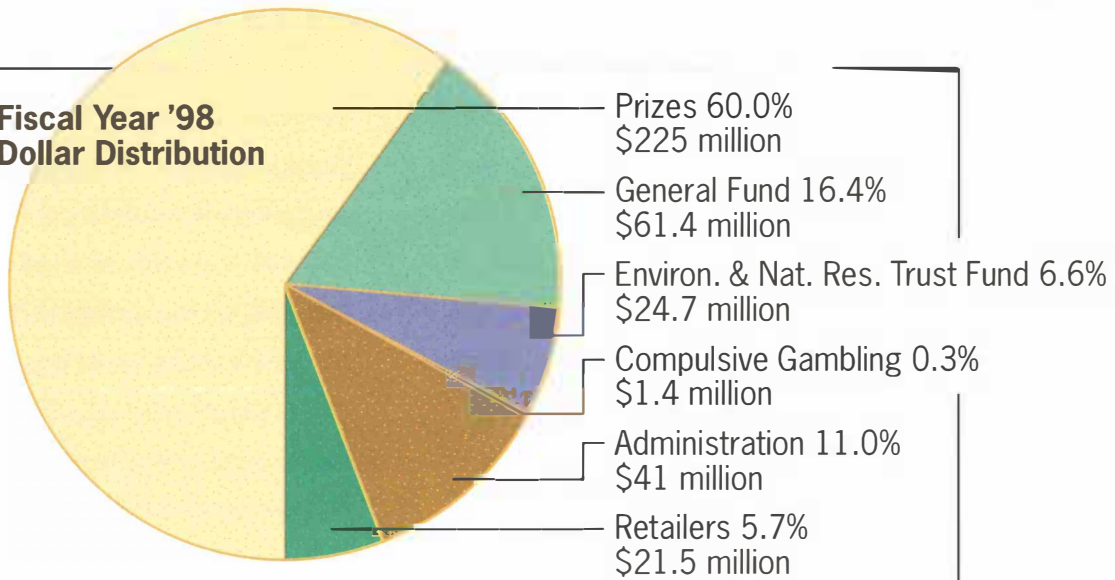
The Lottery also contributed \$1.4 million to the state Department of Human

Services for compulsive gambling treatment programs. Since start-up, compulsive gambling funding has totaled \$6.2 million through June 30, 1998.

**Fiscal Year '97 Dollar Distribution**



**Fiscal Year '98 Dollar Distribution**



A campground and recreational trail were developed at Glendalough State Park with \$392,300 from the trust fund.

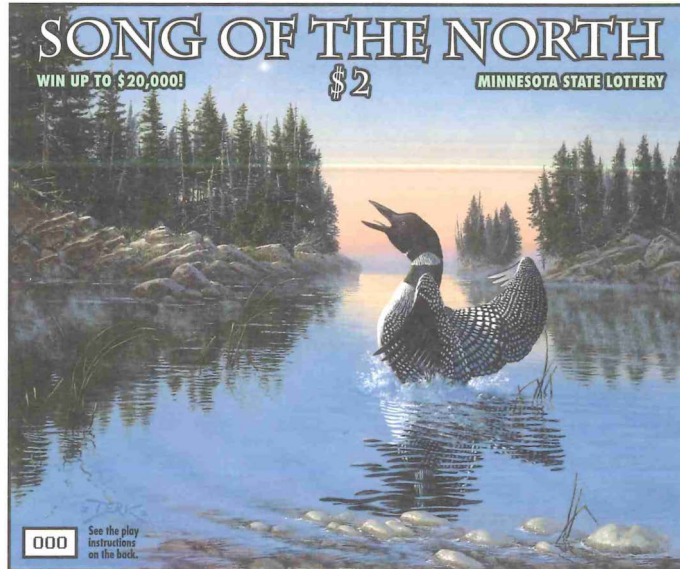


# Games

In the annals of Lottery history, fiscal year 1998 will go down as the Year of the Numbers Game Launch. In the span of five months, the Lottery launched a new daily multi-state drawings game called Cash4Life, redesigned and re-

launched Powerball and Gopher 5, and retired another daily multi-state drawings game, Daily Millions.

The Lottery also launched 25 new instant games – 18 \$1



games were by far the most popular choice for Lottery players, totaling \$259.8 million, or 70 percent of overall sales. Instant sales were down 4 percent from fiscal year 1997 but were the third highest yearly total in Lottery history.

Numbers games sales showed a dramatic increase during fiscal year 1998. Sales totaled \$113.1 million, an 18 percent increase over the previous year.

Leading the charge was Powerball, which was redesigned and re-launched Nov. 2. The new Powerball gives players the choice of collecting the jackpot over 25 years or in one lump-sum payment that amounts to about half of the

advertised jackpot. The game's overall odds of winning stayed the same, at 1 in 35, with the odds of winning the jackpot increasing to 1 in 80 million. On the other end of the prize structure, the small prizes increased and two are now easier to win.



It could happen.

The \$1, \$2 and \$5 prizes are now \$3, \$4 and \$7.

The new odds were designed to build larger jack-

pots and greater sales. It worked. In May, the jackpot rolled to \$195 million. With the help of that mega-jackpot,

# Cash4Life

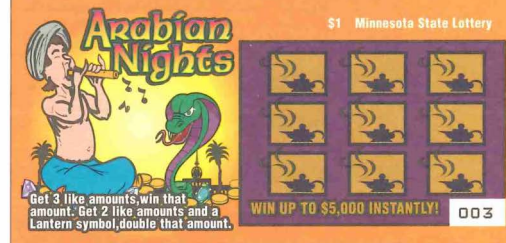
Minnesota's Powerball sales were up 34 percent over the previous year, totaling \$71.3 million, or 19 percent of total sales.

Gopher 5 was redesigned Jan. 31 and, like Powerball, its odds were increased to build larger jackpots. But the changes also included new prize levels with the addition of a Bonus Ball. Players can now win \$5,000 and \$100 in addition to \$10, \$250 and the jackpot, which still starts at \$100,000 and rolls until someone wins. Gopher 5 sales ended the year at a steady \$19.6 million.

Two percent of sales were shared between two daily multi-state games. Cash4Life started March 30 and finished the year with \$4.2 million in sales. It replaced Daily Millions, which was retired March 30

with fiscal year 1998 sales of \$5.1 million.

Daily 3, a perennial steady performer, registered sales of \$12.9 million, or 4 percent of sales.



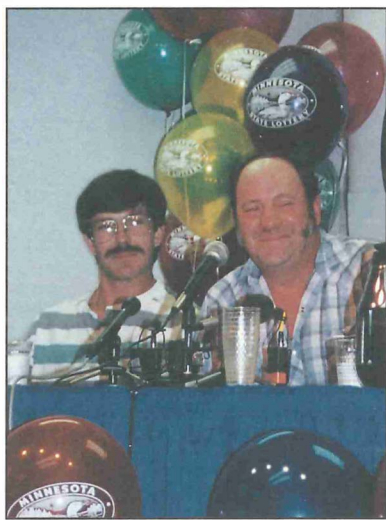
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# Players and Winners

Lottery winners across the state collected \$225 million in prizes during fiscal year 1998. The most notable were Verndale's Charlie Jasmer and Montgomery's Ralph and Darlene Collier. They collected the year's two largest prizes: \$5 million in August 1997 and \$14.9 million in March, respectively.

A milk truck driver and part-time farmer, Jasmer



**Charlie Jasmer was all smiles when he won a \$5 million Powerball jackpot. At left is his son, Tim.**

bought his winning quick-pick ticket at Rife's Stop & Shop in Sebeka. After collecting the first of 20 annual

checks worth \$250,000, he gave up his milk route to spend more time farming and enjoying his family. "I might get a fish house, too. Go fish on the Crow River like I used to when I was a kid," he said.

The Colliers' jackpot win, on the other hand, was a back-to-work situation. Ralph Collier

continued working at Nordic-Track in Chaska and Darlene Collier returned to her position with Montgomery-Lonsdale Public Schools. Ralph Collier bought his lucky ticket at Casey's in New Prague and picked the cash option, becoming the first cash-option jackpot winner in Minnesota (they received a single lump-sum check rather than 25 annual payments). "I am not a lucky individual," Ralph Collier insisted, "but I will occasionally buy a ticket

when it gets up to \$20 million or \$30 million. On [that] Friday, I said, 'What the



**Ralph and Darlene Collier, Montgomery, won the first Powerball cash-option jackpot in Minnesota.**

heck."

Statewide, 40 Powerball players won \$100,000 in fiscal year 1998 by matching five numbers. One of those winning tickets was redeemed in October by a 17-member Lottery pool from Weigh-Tronix in Fairmont. Thirteen of the lucky members piled into three cars for the two-and-a-half hour drive to Roseville to claim the prize.

Gopher 5 also had its share of big winners. In all,



28 tickets matched all five numbers to win jackpots between \$100,000 and \$757,469. Some of those jackpots: \$688,045, \$583,456, \$575,000 and \$489,537.

The Lottery's newest numbers game, Cash4Life, didn't produce any top-prize winners in Minnesota during its first three months of existence (sales began March 30), but two lucky players won \$100,000, seven more collected \$50,000 and another five players claimed \$25,000 prizes during the fiscal year. In the 11-state network,



**Nick and Michelle Casper (with daughter Taylor) of Cambridge won \$100,000 May 20, missing a \$195 million Powerball jackpot by one number.**

Cash4Life produced five top-prize winners of \$1,000 a week for life, 10 \$100,000 winners, 26 \$50,000 winners and 42 \$25,000 winners.

Instant games players were also lucky. In fact, 20 players scratched their way to \$100,000 prizes from the \$5 games Monte Carlo and Night on the Town.



**Thirteen of the 17 Lottery pool members from Weigh-Tronix in Fairmont made the trip to Roseville to claim a \$100,000 Powerball prize.**

**Minneapolis brothers Thongsy, left, and Somboune Syonesa split a \$100,000 Cash4Life prize in May.**



# Retailers

Fiscal year 1998 was busy for the 3,341 Lottery retailers across the state. All retailers sell instant tickets; 1,961 sell numbers games. When June 30 rolled around, they reached at least two milestones.

For starters, retailers earned \$21.5 million in commissions and incentives, a 13.1 percent increase over the previous year and the most retailers have ever earned for selling Lottery tickets.

Also, starting July 1, 1998,

**Robin Johnson, owner of Lakeland True Value and General Store in Pelican Rapids, designed a promotion around the Lottery's Hardware Store instant game.**



the commission rate that retailers earn for selling Lottery tickets was increased from 5 percent to 5.5 percent. And, a 1 percent "cashing bonus" was instituted, meaning retailers now receive 1 percent of all prizes players redeem at their store.

Retailers earn every penny they get from the Lottery. They have the difficult task of introducing new games to Lottery players, answering every imaginable type of Lottery question, advertising Lottery games with point-of-sale materials and running occasional promotions to boost sales and educate the public.

Of course, every retailer is different when it comes to promotions and special events. Some retailers, like Lakeland True Value and General Store in Pelican Rapids, offer smaller promotions designed around a theme. Lakeland customers who bought 10 Hardware



**Val Johnson, a.k.a. "The Lottery Queen," owns Val's Quik Mart in the Minneapolis skyway.**

Store instant tickets could pick from a variety of Lottery items or hardware.

Some retailers, like the Blue Moose in East Grand Forks, are fortunate enough to sell Lottery tickets during the state's largest events. The Blue Moose was the official Lottery retailer at WE Fest in Detroit Lakes last summer, helping set an all-time high for Lottery sales of \$122,000 during WE Fest's three-day run.

Other retailers have Lady Luck looking down on them. Rife's Stop & Shop in Sebeka and Casey's General Store in New Prague are two perfect examples. These two convenience stores were respon-



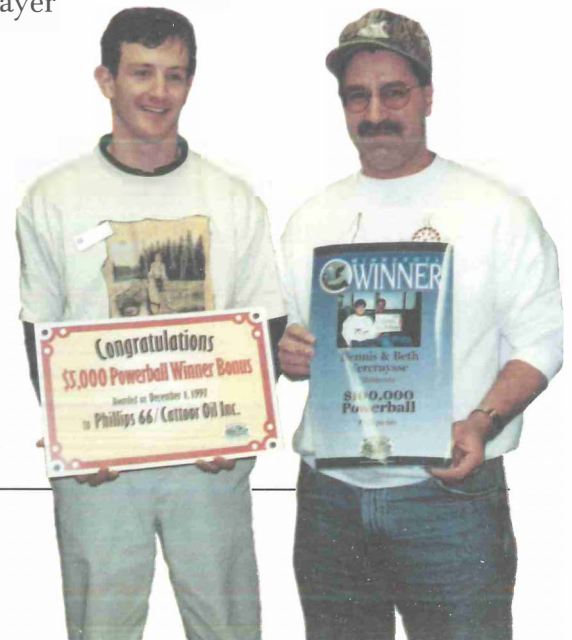
**John and Kim Lind have owned B&B Market in Cloquet for the last 10 years. They bought it from Kim's parents.**

sible for turning their Lottery players into multimillionaires during fiscal year 1998: Rife's sold a winning \$5 million Powerball jackpot ticket and Casey's sold a winning \$14.9 million Powerball cash-option jackpot ticket.

Retailers have fun selling Lottery tickets, but they don't have to do it all by themselves. They get help from the Lottery's team of sales and telemarketing representatives. The retailer network is

a complex collection of store types – mainly convenience stores, supermarkets, restaurants, bars and grocery stores, but also drug stores, bait shops and even a flea market – that cater to diverse player populations with unique needs.

**Jay Cattoor, left, manager of Cattoor's Phillips 66 in Marshall, accepts a \$5,000 bonus for selling a winning \$100,000 Powerball ticket during a special promotion. Dennis Vercruyse of Minnesota was the lucky winner.**



# Financial Statements

## INCOME AND EXPENSES

INCOME	1998	1997
Sales	\$372,872,371	\$368,516,685
Less Tax (In-Lieu-of-Sales Tax)	24,236,714	23,953,615
Total Gross Receipts	348,635,657	344,563,070
Other Income	2,094,293	4,308,808
Total Gross Revenue	350,729,950	348,871,878
<b>EXPENSES</b>		
Direct Costs		
Prize Expense	224,962,901	224,447,929
Compulsive Gambling Contribution from Prize Fund	1,425,000	800,000
Unclaimed Prizes Paid to State	5,008,320	4,396,537
Retailer Commission & Incentives	21,532,246	19,044,874
Total Direct Costs	252,928,467	248,689,340
Operating Expense		
Ticket Costs	3,924,030	4,582,444
On-Line Vendor Commission	7,979,156	7,105,847
Occupancy Costs	1,882,191	1,871,024
Depreciation	1,050,796	687,636
Advertising	8,450,281	8,294,001
Salaries & Benefits	9,725,129	8,952,005
Promotion	3,083,546	4,126,501
Purchased Services	1,477,864	1,336,961
Communications	1,304,766	1,453,067
Computer Maintenance	388,443	217,239
Supplies & Materials	919,553	783,641
Contribution: Compulsive Gambling	0	540,000
Contribution: Gambling Enforcement	150,000	150,000
Other	803,533	784,375
Total Operating Expense	41,139,288	40,884,741
Net Proceeds	56,662,195	59,297,797

The financial statements are excerpts from the Lottery's audited financial statements for the years ending June 30, 1998 and June 30, 1997. Complete financial statements are available upon request.

## STATEMENTS OF CASH FLOWS

	1998	1997
Cash Flows from Operating Activities		
Operating Income	\$54,567,902	\$54,988,989
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	1,050,796	687,636
Other Income	159,769	2,480,077
Changes in Assets and Liabilities:		
Accounts Receivable	4,163,657	(3,867,103)
Interest Receivable	(5,693)	47,261
Instant Ticket Inventory	(211,610)	224,964
Merchandise Prize Inventory	0	281,858
Prepaid Expenses	(29,174)	34,080
Unclaimed Prizes Due to State	611,783	1,840,359
Due to Other State Agencies	(6,283)	(41,971)
Accounts Payable	(30,843)	(5,327,289)
Tax (in-Lieu-of-Sales Tax) Payable	(109,738)	225,758
Prize Liability	(1,447,523)	261,956
Retailer Incentives Payable	469,513	(875,440)
Compensated Absences Payable	97,144	25,754
Deferred Revenue	96,383	(75,932)
Prize Annuities	(2,155,164)	2,335,164
Prize Reserve	(131,195)	0
Promotions Payable	58,831	0
Net Cash Provided by Operating Activities	57,148,555	53,246,121
Cash Flows from Noncapital Financing Activities		
Net Proceeds Paid to State	(58,250,019)	(56,024,855)
Net Cash Used by Noncapital Financing Activities	(58,250,019)	(56,024,855)
Cash Flows from Capital Financing Activities		
Purchases of Fixed Assets	(3,797,919)	(1,213,640)
Disposal of Fixed Assets	0	15,615
Interest Expense	0	(11)
Net Cash Used by Capital Financing Activities	(3,797,919)	(1,198,036)
Cash Flows from Investing Activities		
Interest Income	1,934,524	1,828,742
Net Cash Provided by Investing Activities	1,934,524	1,828,742
Net Increase (Decrease) in Cash and Cash Equivalents	(2,964,859)	(2,148,028)
Beginning-of-Year Cash and Cash Equivalents	22,680,105	24,828,133
End-of-Year Cash Equivalents	19,715,246	22,680,105
Year ending June 30, 1998, compared to June 30, 1997		

# Financial Statements

## BALANCE SHEETS

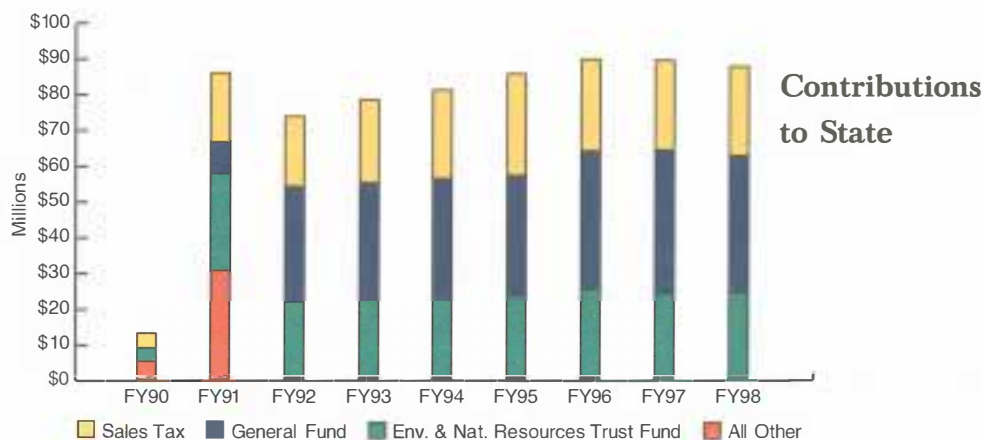
ASSETS	1998	1997
Cash and Cash Equivalents	\$19,715,246	\$22,680,105
Accounts Receivable	3,642,966	7,806,623
Interest Receivable	142,296	136,603
Instant Ticket Inventory	621,797	410,187
Prize Annuity Investments	3,281,360	717,200
Prepaid Expenses	29,174	0
Fixed Assets, Net	4,731,667	1,984,543
<b>Total Assets</b>	<b>32,164,506</b>	<b>33,735,261</b>

## LIABILITIES AND RETAINED EARNINGS

### Liabilities:

Net Proceeds Due to State	5,089,874	6,677,698
Unclaimed Prizes Due to State	5,008,320	4,396,537
Due to Other State Agencies	37,900	44,183
Accounts Payable	2,257,345	2,288,188
Tax in-Lieu-of-Sales Tax Payable	2,240,498	2,350,236
Prize Liability	9,590,488	11,038,011
On-Line Prize Reserve	868,805	1,000,000
Retailer Incentives Payable	2,469,513	2,000,000
Promotions Payable	58,831	0
Compensated Absences Payable	877,073	779,929
Deferred Revenue	204,498	108,115
Prize Annuity Payable	3,461,361	3,052,364
<b>Total Liabilities</b>	<b>32,164,506</b>	<b>33,735,261</b>
Retained Earnings	0	0
<b>Total Liabilities and Retained Earnings</b>	<b>32,164,506</b>	<b>33,735,261</b>

Year ending June 30, 1998, compared to June 30, 1997



**TOTAL PAID TO STATE BENEFICIARIES**

**1998**

**1997**

**General Fund**

Tax in-Lieu-of-Sales Tax	\$24,236,714	\$23,953,615
Net Proceeds	33,997,317	35,578,678
Unclaimed Prizes	3,004,992	2,637,922
Compulsive Gambling from Prize Fund	1,425,000	800,000
Compulsive Gambling from Operations	0	540,000
Gambling Enforcement from Operations	150,000	150,000
<b>Subtotal General Fund</b>	<b>62,814,023</b>	<b>63,660,215</b>

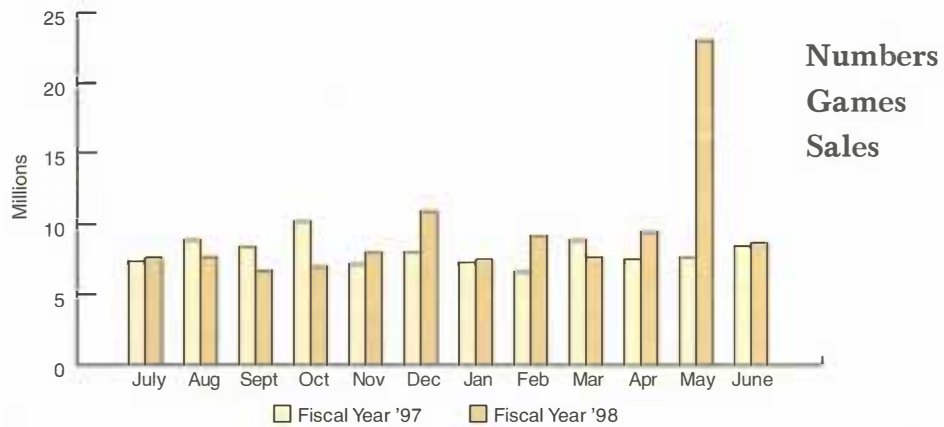
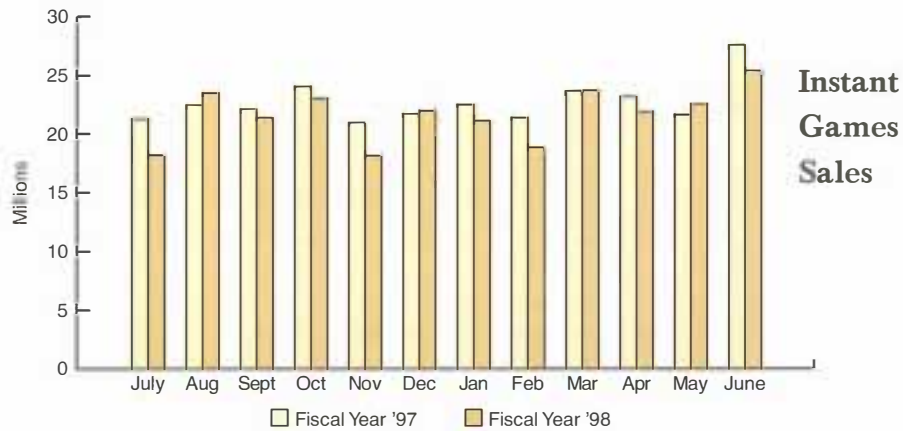
**Environment and Natural Resources Trust Fund**

Net Proceeds	22,664,878	23,719,119
Unclaimed Prizes	2,003,328	1,758,615
<b>Subtotal Environmental Trust Fund</b>	<b>24,668,206</b>	<b>25,477,734</b>

**Total Paid to State**

<b>87,482,229</b>	<b>89,137,949</b>
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Year ending June 30, 1998, compared to June 30, 1997



# Trust Fund Projects

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State Park and Recreation Area Acquisition, Development, Betterment and Rehabilitation – \$3.5 million

Metropolitan Regional Parks Acquisition, Rehabilitation and Development – \$3.5 million

Protecting Rural Historic Landscapes in High Development Areas – \$80,000

Developing the Birch Coulee State Historic Site – \$253,000

Nitrate Education and Testing – \$150,000

Snake River Watershed Improvements – \$100,000

Red River Valley Planning and Management – \$375,000

Sustainable Lake Plans – \$270,000

Minneapolis Chain of Lakes Lake Shore Restoration – \$300,000

Pollution Trends in Minnesota – \$325,000

Biological Control of Agricultural Pests – \$200,000

Crop Management to Minimize Pesticide Use – \$300,000

Sustainable Farming Systems – \$560,000

Prairie-Grassland Landscapes – \$125,000

Toxic Emissions from Fire Department Training – \$65,000

New Models for Land-use Planning – \$530,000

Metropolitan Area Groundwater Model to Predict Contaminant Movement – \$300,000

Minnesota River Basin Natural Resource Data Project – \$250,000

Land Use Development and Natural Resource Protection Model – \$400,000

Fillmore County Soil Survey – \$65,000

Renewable Energy Demonstration and Education in State Parks – \$80,000

School Nature Area Project – \$250,000

Minnesota Frog Watch – \$300,000

Partners in Accessible Recreation and Environmental Responsibility – \$550,000

A Public School Partnership: Environmental Service Learning – \$100,000

State Wolf Management – \$100,000

Electronic Environmental Education Raptor Network – \$222,000

Environmental Indicators Initiative – \$250,000

Minnesota's Forest Bird Diversity Initiative – \$350,000

Water Quality Indicators – \$250,000

Stream Habitat Protection – \$225,000

Loons: Indicators of Mercury in the Environment – \$230,000

Training and Research Vessel for Lake Superior – \$130,000

Minnesota Rare Mussel Conservation – \$91,000

Sand Dunes State Forest Acquisition – \$400,000

Arboretum Land Acquisition – \$450,000

Prairie Heritage Fund – \$500,000

Phalen Area Wetland Restoration, Phase II – \$600,000

Reinvest in Minnesota Critical Habitat Match Program – \$630,000

Reinvest in Minnesota Wildlife Habitat Stewardship – \$400,000

Reinvest in Minnesota Scientific and Natural Area Acquisition – \$200,000

Reinvest in Minnesota Wildlife Habitat Acquisition – \$500,000

Reinvest in Minnesota Fisheries Land Acquisition – \$567,000

Minnesota County Biological Survey – \$1.2 million

Fishing Piers and Public Shore Access – \$355,000

Public Boat Access – \$350,000

Fisheries Statewide Hatchery Rehabilitation – \$400,000

Restoring White Pine in the Minnesota Landscape – \$120,000

Oak Savannah Restoration in St. Paul Regional Parks – \$200,000

Biological Control of Eurasian Water Milfoil and Purple Loosestrife – \$150,000

Legislative Commission on Minnesota Resources – \$472,000

*\*These projects were funded entirely or in part by the Environment and Natural Resources Trust Fund during 1997-99 with proceeds from the sale of Lottery tickets.*



# Revenue Distribution

The Minnesota State Lottery works for all Minnesotans.

Every time you scratch a Lottery instant ticket or choose digits for a numbers game, you're helping improve the quality of life in Minnesota. It's that simple.

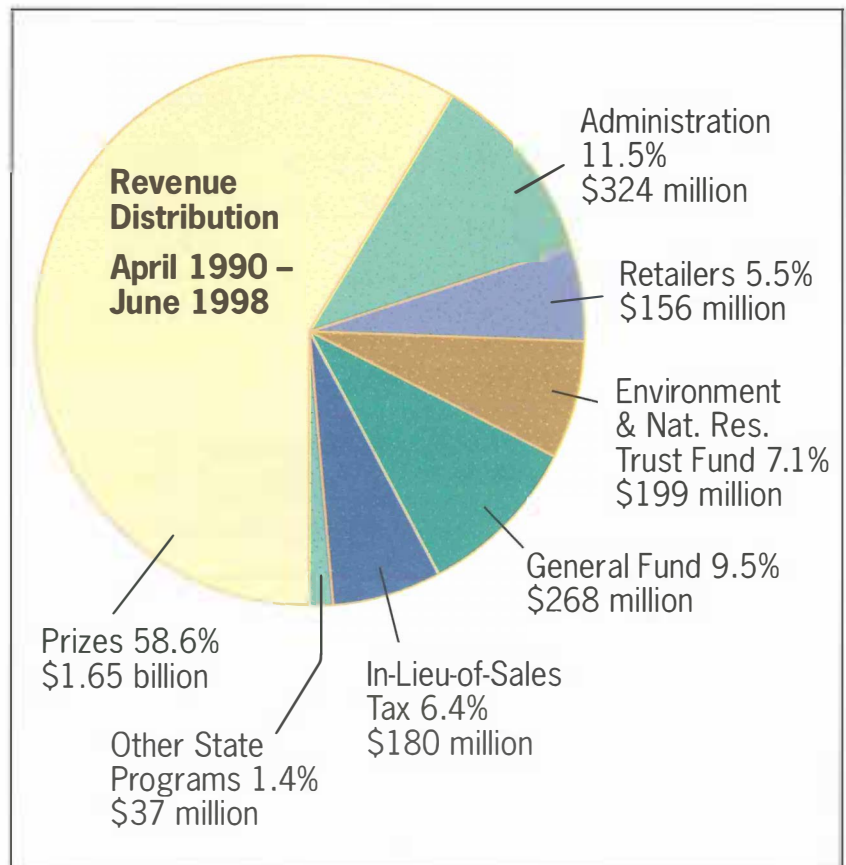
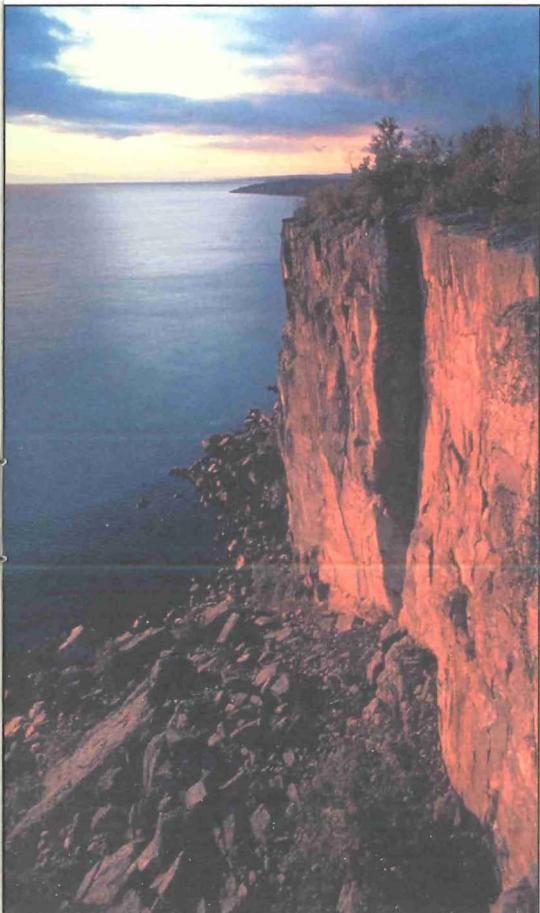
A portion of every dollar

spent on the Lottery goes toward preserving and protecting the state's environment and for state General Fund services like K-12 education, public safety and health and human services.

Almost 88 percent of Lottery revenue is returned to Minnesotans in the form

of prize money, retailer commission and contributions to the state for environmental projects, public services and compulsive gambling treatment programs.

Palisade Head on the North Shore of Lake Superior is one of the many natural wonders of the Minnesota environment.



# Directory

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**George R. Andersen**  
Director

**Don Masterson**  
Director for Operations

**John Mellein**  
Director for Marketing

**Mary Ellen Hennen**  
Director for Administration

**Dick Bacon**  
Chief of Security

**Don Feeney**  
Director for Research

**Kate McCarthy**  
Public Relations Manager

**Debbie Hoffmann**  
Executive Assistant

**Dale McDonnell**  
Legal Counsel

**Web site**  
[www.lottery.state.mn.us](http://www.lottery.state.mn.us)

**E-mail**  
[lottery@winternet.com](mailto:lottery@winternet.com)

**Headquarters**  
2645 Long Lake Rd.  
Roseville, MN 55113  
(651) 635-8100  
(651) 635-8268 TDD

**Customer Service**  
Weekdays 8 a.m. - 5 p.m.  
1-800-475-4000  
(651) 297-7456

**24-hour Player Hotline**  
1-800-657-3946  
(651) 297-7371

## **Regional Offices**

**Virginia**  
5463 17th Ave. W.  
Virginia, MN 55792  
(218) 749-9650  
Tom Durheim  
Regional Manager

**Detroit Lakes**  
1111 Highway 10 E.  
Detroit Lakes, MN 56501  
(218) 846-0700

Jerry Ouren  
Regional Manager

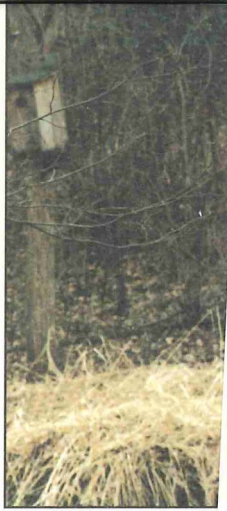
**Marshall**  
750 W. College Drive  
Marshall, MN 56258  
(507) 537-6041  
Doug Landsman  
Regional Manager

**Brainerd**  
523 S. Sixth St.  
Brainerd, MN 56401  
(218) 828-2722  
Gloria Vande Brake  
Regional Manager

**Owatonna**  
1836 S. Cedar Ave.  
Owatonna, MN 55060  
(507) 444-2400  
Mark Heiling  
Regional Manager

**Eagan**  
1060 Lone Oak Road  
Eagan, MN 55121  
(651) 688-1800  
Sylvia Cruz,  
Terrie Watters  
Regional Managers

*The Lottery employs 144 people at its Roseville headquarters and 67 people in its six regional offices.*



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 Minnesota State Lottery.  
 Annual report

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 Minnesota State Lottery.  
 Annual report

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Minnesota led the environmental movement when **Joe Alex**, commissioner of the Department of Natural Resources (DNR) and the Lottery's "Environmental Journal" radio show, died from complications following a heart attack at the age of 75.

Joe had the honor of having the longest tenure as any DNR commissioner (1978-1990) and also served under both political parties.

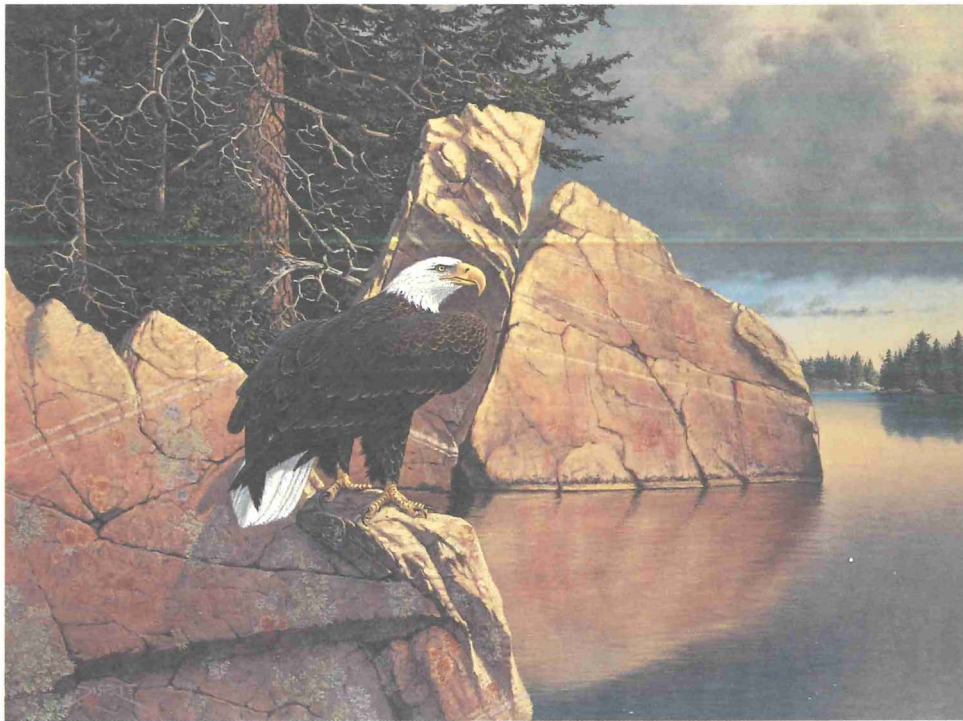
He was the host of the Lottery's "Environmental Journal" radio show, a two-minute daily program that features a wide range of environmental topics and is broadcast by stations across the state. He taped 364 segments since the program began in December 1991.

state's abundant natural resources with the need to ensure that those resources were available to all Minnesotans.

Joe oversaw the decentralization of the agency from a St. Paul-based, decision-making entity to one in which the organization was brought closer to the people it served and the resources it managed.

He was also a key figure in delicate negotiations with national concerns on boundary issues, statewide industries and diverse special-interest groups. Joe was also instrumental in the negotiation and non-violent implementation of the Leech Lake hunting and fishing agreement. And he took an active role in ensuring that resources were accessible to the handicapped community.

From his humble beginnings as a game warden in a small town to his rise through the DNR ranks, Joe touched many people's lives. His genuine respect for natural resources and his compassion for the people he came in contact with will always be remembered.



*Cover painting by Derk Hansen*



*Proceeds Benefit Our Natural  
and Economic Environments.*