

**STATE OF MARYLAND**

**Combined Statement of Revenues, Expenses and  
Changes in Retained Earnings  
Enterprise Funds and Component Unit Proprietary Funds  
for the year ended June 30, 1998  
(Expressed in Thousands)**

	Primary Government Enterprise Funds	Component Unit Proprietary Funds	Total Reporting Entity (Memorandum Only)
<b>Operating revenues:</b>			
Lottery ticket sales .....	\$1,072,632		\$1,072,632
Charges for services and sales .....	42,226	\$ 88,604	130,830
Interest and other investment income .....	252,500		252,500
Other .....	8,307	944	9,251
<b>Total operating revenues .....</b>	<b>1,375,665</b>	<b>89,548</b>	<b>1,465,213</b>
<b>Operating expenses:</b>			
Prizes and claims .....	571,137		571,137
Commissions .....	60,198		60,198
Cost of sales and services .....	24,501		24,501
Operation and maintenance of facilities .....	11,586	57,716	69,302
General and administrative .....	76,974	12,116	89,090
Interest .....	166,089		166,089
Depreciation and amortization .....	2,857	8,937	11,794
Provision for insurance on loan losses, net .....	15,760	(98)	15,662
Other .....	23,245	617	23,862
<b>Total operating expenses .....</b>	<b>952,347</b>	<b>79,288</b>	<b>1,031,635</b>
<b>Operating income .....</b>	<b>423,318</b>	<b>10,260</b>	<b>433,578</b>
<b>Non-operating revenues (expenses):</b>			
Investment income .....	1,722	8,346	10,068
Interest expense .....	(206)	(16,950)	(17,162)
Other .....	23,956	21,093	45,049
<b>Operating income before transfers .....</b>	<b>448,790</b>	<b>22,743</b>	<b>471,533</b>
Operating transfers in .....	55,045		55,045
Operating transfers in from primary government .....		21,371	21,371
Operating transfers out .....	(405,682)		(405,682)
Operating transfers out to primary government .....		(167)	(167)
<b>Net income .....</b>	<b>98,153</b>	<b>43,947</b>	<b>142,100</b>
Add: Depreciation of assets acquired from contributed capital .....	252	940	1,192
<b>Increase in retained earnings .....</b>	<b>98,405</b>	<b>44,887</b>	<b>143,292</b>
Retained earnings, July 1, 1997 .....	391,430	184,769	576,199
<b>Retained earnings, June 30, 1998 .....</b>	<b>\$ 489,835</b>	<b>\$ 229,656</b>	<b>\$ 719,491</b>

The accompanying notes to the general purpose financial statements are an integral part of these financial statements.