

**STATE OF MARYLAND**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Retained Earnings**  
**Enterprise Funds**  
**for the year ended June 30, 1998**  
(Expressed in Thousands)

	Economic Development		Maryland State Lottery Agency	State Use Industries	Total
	Insurance Programs	Loan Programs			
<b>Operating revenues:</b>					
Lottery ticket sales .....			\$1,072,632		\$1,072,632
Charges for services and sales .....	\$ 8,374	\$ 3,849		\$30,003	42,226
Interest and other investment income .....	6,069	246,431			252,500
Other.....	4	8,303			8,307
<b>Total operating revenues .....</b>	<b>14,447</b>	<b>258,583</b>	<b>1,072,632</b>	<b>30,003</b>	<b>1,375,665</b>
<b>Operating expenses:</b>					
Prizes and claims .....			571,137		571,137
Commissions and bonuses .....			60,198		60,198
Cost of sales and services.....				24,501	24,501
Operation and maintenance of facilities.....		11,586			11,586
General and administrative .....	2,212	30,355	40,364	4,043	76,974
Interest.....		166,089			166,089
Depreciation and amortization .....	14	1,070	890	883	2,857
Provision for insurance and loan losses.....	14,928	832			15,760
Other.....		21,729	1,516		23,245
<b>Total operating expenses.....</b>	<b>17,154</b>	<b>231,661</b>	<b>674,105</b>	<b>29,427</b>	<b>952,347</b>
<b>Operating (loss) income .....</b>	<b>(2,707)</b>	<b>26,922</b>	<b>398,527</b>	<b>576</b>	<b>423,318</b>
<b>Non-operating revenues (expenses):</b>					
Investment income.....		1,722			1,722
Interest expense .....		(16)	(190)		(206)
Other.....		23,943		13	23,956
<b>(Loss) income before transfers .....</b>	<b>(2,707)</b>	<b>52,571</b>	<b>398,337</b>	<b>589</b>	<b>448,790</b>
Operating transfers in .....		55,045			55,045
Operating transfers out.....	(1,158)	(4,398)	(400,126)		(405,682)
<b>Net (loss) income.....</b>	<b>(3,865)</b>	<b>103,218</b>	<b>(1,789)</b>	<b>589</b>	<b>98,153</b>
Add: Depreciation of assets acquired from contributed capital.....				252	252
<b>Increase (decrease) in retained earnings.....</b>	<b>(3,865)</b>	<b>103,218</b>	<b>(1,789)</b>	<b>841</b>	<b>98,405</b>
Retained earnings, July 1, 1997 .....	31,932	340,335	4,239	14,924	391,430
<b>Retained earnings, June 30, 1998 .....</b>	<b>\$ 28,067</b>	<b>\$443,553</b>	<b>\$ 2,450</b>	<b>\$15,765</b>	<b>\$ 489,835</b>