

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, 1997
(Expressed in Thousands)**

	Primary Government Enterprise Funds	Component Unit Proprietary Funds	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Lottery ticket sales	\$1,043,583		\$1,043,583
Charges for services and sales	40,905	\$ 90,342	131,247
Interest and other investment income	232,908		232,908
Other.....	6,445	2,203	8,648
Total operating revenues	1,323,841	92,545	1,416,386
Operating expenses:			
Prizes and claims	551,707		551,707
Commissions and bonuses	57,091		57,091
Cost of sales and services.....	23,406		23,406
Operation and maintenance of facilities.....	9,637	58,197	67,834
General and administrative	57,233	10,410	67,643
Interest.....	170,952		170,952
Depreciation and amortization	2,851	8,379	11,230
Provision for insurance and loan losses.....	41,865		41,865
Other.....	24,791	2,541	27,332
Total operating expenses.....	939,533	79,527	1,019,060
Operating income.....	384,308	13,018	397,326
Non-operating revenues (expenses):			
Investment income.....	737	9,462	10,199
Interest expense	(435)	(16,075)	(16,510)
Other.....	3,705	100	3,805
Operating income before transfers	388,315	6,505	394,820
Operating transfers in	41,966		41,966
Operating transfers in from primary government.....		17,792	17,792
Operating transfers out.....	(398,840)		(398,840)
Operating transfers out to primary government.....		(870)	(870)
Net income.....	31,441	23,427	54,868
Add: Depreciation of assets acquired from contributed capital.....	248	881	1,129
Increase in retained earnings.....	31,689	24,308	55,997
Retained earnings, July 1, 1996	321,044	160,461	481,505
Cumulative effect of accounting change.....	38,697		38,697
Retained earnings, June 30, 1997	\$ 391,430	\$ 184,769	\$ 576,199

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