

**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, 1996**

(Expressed in Thousands)

	Enterprise Funds	Component Unit Proprietary Funds	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Lottery ticket sales .....	\$1,114,422		\$1,114,422
Charges for services and sales .....	41,814	\$ 66,092	107,906
Interest and other investment income .....	231,345		231,345
Other .....	2,659	1,611	4,270
Total operating revenues .....	1,390,240	67,703	1,457,943
Operating expenses:			
Prizes and claims .....	609,373		609,373
Commissions and bonuses .....	61,749		61,749
Cost of sales and services .....	24,039		24,039
Operation and maintenance of facilities .....	11,422	50,662	62,084
General and administrative .....	69,486	10,667	80,153
Interest .....	177,559		177,559
Depreciation and amortization .....	9,464	6,590	16,054
Provision for insurance and loan losses .....	17,821		17,821
Other .....	15,716	1,817	17,533
Total operating expenses .....	996,629	69,736	1,066,365
Operating income (loss) .....	393,611	(2,033)	391,578
Non-operating revenues (expenses):			
Investment income .....	1,015	14,797	15,812
Interest expense .....	(834)	(12,704)	(13,538)
Other .....	3,932	407	4,339
Operating income before transfers .....	397,724	467	398,191
Operating transfers in .....	30,531		30,531
Operating transfers in from primary government .....		8,428	8,428
Operating transfers out .....	(391,639)		(391,639)
Operating transfers out to primary government .....		(912)	(912)
Net income .....	36,616	7,983	44,599
Add: Depreciation of cost of assets acquired from contributed capital .....	247	1,000	1,247
Increase in retained earnings .....	36,863	8,983	45,846
Retained earnings, as restated .....	284,585	179,105	463,690
Residual equity transfer .....	(404)		(404)
Cumulative effect of accounting change .....		(27,627)	(27,627)
Retained earnings, June 30, 1996 .....	\$ 321,044	\$ 160,461	\$ 481,505

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