

Michigan

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2008

(In Thousands)

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	MAJOR			NON-MAJOR	TOTALS	
	STATE LOTTERY FUND	MICHIGAN UNEMPLOYMENT COMPENSATION FUNDS				
OPERATING REVENUES						
Operating revenues	\$ 2,351,082	\$ 1,998,292	\$ 772,970	\$ 5,122,344	\$ 1,399,957	
Total Operating Revenues	<u>2,351,082</u>	<u>1,998,292</u>	<u>772,970</u>	<u>5,122,344</u>	<u>1,399,957</u>	
OPERATING EXPENSES						
Salaries, wages, and other administrative	282,421	3	64,489	346,913	521,168	
Interest expense	-	-	-	-	1	
Depreciation	134	-	9	143	47,770	
Purchases for resale	-	-	561,269	561,269	82,328	
Purchases for prison industries	-	-	-	-	17,826	
Lottery prize awards	1,323,341	-	-	1,323,341	-	
Premiums and claims	-	-	38	38	659,085	
Unemployment benefits	-	2,063,969	-	2,063,969	-	
Other operating expenses	-	324,624	1,161	325,785	50,264	
Total Operating Expenses	<u>1,605,896</u>	<u>2,388,596</u>	<u>626,967</u>	<u>4,621,458</u>	<u>1,378,441</u>	
Operating Income (Loss)	<u>745,186</u>	<u>(390,303)</u>	<u>146,003</u>	<u>500,885</u>	<u>21,516</u>	
NONOPERATING REVENUES (EXPENSES)						
Specific tax on spirits	-	-	13,663	13,663	-	
Interest revenue	3,063	-	2,192	5,255	-	
Investment revenue (expense) - net	39,972	1,227	-	41,199	-	
Other nonoperating revenues	-	-	-	-	3,629	
Amortization of prize award obligation discount	(20,700)	-	-	(20,700)	-	
Interest expense	(10,262)	(14,448)	-	(24,709)	(624)	
Other nonoperating expense	-	-	-	-	(13)	
Total Nonoperating Revenues (Expenses)	<u>12,073</u>	<u>(13,221)</u>	<u>15,854</u>	<u>14,707</u>	<u>2,992</u>	
Income (Loss) Before Transfers	<u>757,259</u>	<u>(403,524)</u>	<u>161,857</u>	<u>515,592</u>	<u>24,508</u>	
TRANSFERS						
Transfers from other funds	-	-	-	-	14,093	
Transfers To:						
School Aid Fund	(740,735)	-	-	(740,735)	-	
Other funds	(11,628)	(13,670)	(161,730)	(187,028)	(1,333)	
Total transfers to other funds	<u>(752,364)</u>	<u>(13,670)</u>	<u>(161,730)</u>	<u>(927,763)</u>	<u>(1,333)</u>	
Change in net assets	<u>4,895</u>	<u>(417,194)</u>	<u>127</u>	<u>(412,171)</u>	<u>37,267</u>	
Total net assets - Beginning of fiscal year - restated	<u>31,877</u>	<u>326,834</u>	<u>5,165</u>	<u>363,877</u>	<u>132,578</u>	
Total net assets - End of fiscal year	<u>\$ 36,772</u>	<u>\$ (90,359)</u>	<u>\$ 5,293</u>	<u>\$ (48,294)</u>	<u>\$ 169,845</u>	

The accompanying notes are an integral part of the financial statements.