

**STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2006
(In Thousands of Dollars)**

	Business-Type Activities – Enterprise Funds					
	Major Funds				Totals	Governmental Activities – Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2006	
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 918,031	\$ 579,701	\$ 24,691	\$ 39,745	\$ 1,562,168	\$ 732,166
Payments to Suppliers	(648,397)	---	(3,583)	(16,288)	(668,268)	(129,022)
Payments to Employees	(8,856)	---	(1,028)	(47,140)	(57,024)	(49,534)
Payments Made for Program Expense	---	(462,961)	(12,772)	(273)	(476,006)	(521,389)
Other Receipts (Payments)	(8,311)	---	13	(340)	(8,638)	2,568
Net Cash Provided (Used) by Operating Activities	<u>252,467</u>	<u>116,740</u>	<u>7,321</u>	<u>(24,296)</u>	<u>352,232</u>	<u>34,789</u>
Cash Flows from Non-Capital Financing Activities:						
Due to/from Other Funds	29	---	(12)	13	30	(1,850)
Contributions and Intergovernmental	---	(2,922)	---	26,187	23,265	238
Transfers to/from Other Funds	(260,340)	---	---	1,567	(258,773)	(561)
Other Receipts (Expenses)	11,393	---	---	13	11,406	---
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(248,918)</u>	<u>(2,922)</u>	<u>(12)</u>	<u>27,780</u>	<u>(224,072)</u>	<u>(2,173)</u>
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	---	---	---	---	---	(294)
Purchases and Construction of Capital Assets	(592)	---	(13)	(1,112)	(1,717)	(10,060)
Bonds and Notes Payable	---	---	---	---	---	4,047
Capital Lease Downpayment/Obligations	---	---	---	---	---	(1,413)
Disposal of Capital Assets	15	---	---	1,719	1,734	29
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(577)</u>	<u>---</u>	<u>(13)</u>	<u>607</u>	<u>17</u>	<u>(7,691)</u>
Cash Flows from Investing Activities:						
Proceeds from Investment Maturities	---	---	---	444	444	859,322
Purchase of Investments	6,260	---	(2,543)	(2,991)	726	(925,664)
Interest and Dividends Received	1,459	---	2,341	261	4,061	8,280
Other Receipts	---	---	---	1	1	---
Net Cash Provided (Used) by Investing Activities	<u>7,719</u>	<u>---</u>	<u>(202)</u>	<u>(2,285)</u>	<u>5,232</u>	<u>(58,062)</u>
Net Increase (Decrease) in Cash	10,691	113,818	7,094	1,806	133,409	(33,137)
Cash and Cash Equivalents, Beginning of Year	11,265	74,378	15,420	2,043	103,106	171,359
Cash and Cash Equivalents, End of Year	<u>\$ 21,956</u>	<u>\$ 188,196</u>	<u>\$ 22,514</u>	<u>\$ 3,849</u>	<u>\$ 236,515</u>	<u>\$ 138,222</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 247,801	\$ 167,525	\$ 11,271	\$ (27,212)	\$ 399,385	\$ 17,609
Depreciation Expense	819	---	19	2,890	3,728	15,092
Changes in Assets and Liabilities:						
Accounts Receivable	4,513	(761)	197	(219)	3,730	(9,012)
Inventories	---	---	---	76	76	450
Prepaid Items	599	---	---	2	601	(79)
Accounts Payable	371	(50,024)	7	368	(49,278)	3,197
Accrued Payroll	9	---	(31)	(48)	(70)	(66)
Unearned Revenue	---	---	(1)	53	52	1,414
Grand Prize Winner Liability	(1,666)	---	---	---	(1,666)	---
Claims Liability	---	---	(4,125)	---	(4,125)	6,564
Compensated Absences	21	---	(16)	(206)	(201)	(380)
Net Cash Provided (Used) by Operating Activities	<u>\$ 252,467</u>	<u>\$ 116,740</u>	<u>\$ 7,321</u>	<u>\$ (24,296)</u>	<u>\$ 352,232</u>	<u>\$ 34,789</u>

Non-Cash Financing Activities:

During fiscal year 2006, the Office of Administration Revolving Fund executed a capital lease buyout for \$323,000 less than the original lease agreement.

The notes to the financial statements are an integral part of this statement.