

# MISSISSIPPI

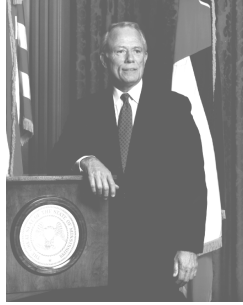


Fiscal Year Ended June 30, 1996

**Department of Finance and Administration**

Post Office Box 267  
Jackson, MS 39205

**Edward L. Ranck**  
Executive Director



December 31, 1996

To the Members of the Legislature and the Citizens of Mississippi:

With immense pride in our extraordinary progress and optimism for the future, I submit the State of Mississippi's Comprehensive Annual Financial Report for the fiscal year ended, June 30, 1996. The years 1992 through 1996 mark a watershed in Mississippi history. Since January 1992, business and industry have invested more than \$8 billion in the State of Mississippi. We have successfully restored our state to fiscal integrity; emphasized accountability in public education as a quid pro quo for the highest-ever funding levels; and initiated nationally heralded innovations in privatization, civil justice (tort) reform, and workers' compensation. We have diminished the role of government-fostering personal responsibility, integrity, and accountability.

In welfare reform, Mississippi is a national leader. From 1993 to 1996, we successfully decreased the number of Mississippians receiving welfare cash assistance by 30 percent. During 1995, the total number of reported crimes in Mississippi declined by 5.7 percent. Our efforts in the important arenas of welfare reform and criminal interdiction will prevail.

Innovation, creativity, and endeavors of excellence in both the public and private sectors continue to define this epoch as *The Era of the Mississippian*. During the remaining years of the twentieth century, we will advance an ideological agenda to ensure limited government, integrity and accountability in all avenues of public service, and tax relief for the hardworking taxpayers of Mississippi.

Join with me, fellow Mississippians, to engender a new order of prosperity, integrity of purpose, and limited government. We have secured a wiser, bolder future or productive enterprise, resplendent with optimistic endeavor. Our sails are full with the trade winds of change and promise. Our citizens stand strong, sure, and confident as we near the shores of "*A New Millennium...A New Mississippi.*"

Sincerely,

KIRK FORDICE  
Governor

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**STATE OF MISSISSIPPI  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

EDWARD L. RANCK  
EXECUTIVE DIRECTOR

December 16, 1996

To Governor Fordice:

It is my pleasure to transmit to you the Comprehensive Annual Financial Report of the State of Mississippi for the year ended June 30, 1996 as provided in Section 27-104-4, Mississippi Code Annotated (1972). Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentations in the financial statements, including all disclosures, rests with the state. I believe the information as presented is accurate in all material aspects and is presented in a manner which sets forth the financial position and results of operations of the state of Mississippi in accordance with generally accepted accounting principles (GAAP). The financial presentations in this report are designed to show the financial activities of the fund types and account groups of the state. All disclosures necessary to enable a reader to gain maximum understanding of the state's financial activities have been included.

The 1996 Comprehensive Annual Financial Report is presented in three sections: the introductory section which provides summary financial data and narrative commentary on matters of interest to the reader; the financial section which includes the state auditor's report, audited general purpose financial statements and notes thereto, and underlying combining and individual fund financial statements and supporting schedules; and the statistical section which sets forth selected unaudited economic, financial trend and demographic information for the state on a multi-year basis.

The state's General Purpose Financial Statements include all funds and account groups that comprise the state's legal entity or primary government. The state's reporting entity is also comprised of its discretely presented component units for which the elected officials of the state's primary government are financially accountable in accordance with criteria established by the Governmental Accounting Standards Board. The criteria used in defining the state's reporting entity are fully discussed in Note 1B to the financial statements. Note 1B more fully explains which financial activities are included in and which are excluded from the state's reporting entity.

**Economic Conditions**

Mississippi's economy is keeping pace with the rest of the nation this year, with a slowdown in manufacturing being offset by growth of service sector industries. While overall employment growth has been modest at about 0.6 percent, two industries, construction and amusements/gaming have enjoyed an increase in employment of 10 percent or more. Retail sales through July were solidly higher than last year; and tax collections for the fiscal year ending June 30, 1996 were right in line with estimates.

Last year saw the initial phase of expansion of the gaming sector draw to a close, while unemployment dropped to its lowest level in 17 years. This year, gaming employment is rebounding, and employment in the related hotels/lodging industry is again increasing, after falling 5 percent in 1995. Construction spending continues strong, with building permits issued year-to-date indicating that this trend will continue well into 1997. Gaming revenues have been growing at a solid pace. State revenues increased approximately \$15,800,000 from fiscal year 1995 to fiscal year 1996.



The manufacturing sector has not been performing as well, with overall employment dropping 6 percent during the first eight months compared to the same period in 1995. The decrease in nondurables employment has been greatest, at 9 percent, while durables employment also fell, led by a drop of 11 percent in transportation equipment, which in the state is dominated by shipbuilding. Again, as last year, textile mill products and apparel suffered the largest employment drops: 27 percent in textiles and 17 percent in apparel through August of this year compared to the same period in 1995.

Health services employment continues to be strong, and employment in state and local government also continues to grow. Federal employment in the state, however, has dropped slightly--down 1.8 percent--as has employment in transportation/utilities and finance/insurance/real estate.

In the Southeast region generally, manufacturing employment is down but expectations are for rising shipments during the second half of 1996. Consumer spending has been holding steady, with some moderate growth over last year, as has demand for commercial loans. Tourism looked strong at the end of the spring, with bookings ahead of last year's. Single-family home sales are up, and low vacancy rates and higher rents are propelling new apartment and office development.

A further indication of the state's economic outlook is provided by two surveys. The Business Confidence and Consumer Confidence surveys released by the Center for Policy Research and Planning (CPRP) in mid-year show positive expectations among both consumers and businessmen. Most executives responding to the latest survey found business conditions, both overall and in their own industry, to be the same as, or better than, six months ago, and they also expected the coming six months to be the same as, or better than, current conditions. The percentage of executives with these positive opinions about overall conditions showed an increase since the spring survey, but the percentage rating their own industries this way decreased. On balance, these shifts left the business confidence index unchanged at 57.

On the other hand, the consumer confidence index rose from 110 in the last quarter of 1995 to 121 in the spring of 1996. The jump came from an increase in the percentage of consumers who indicated that their financial situation had improved compared to a year ago, and in the percentage who stated that they were planning to buy large household goods.

The Economic Forecasting Center at Georgia State University reported in July that the increase in Mississippi's leading indicators was one of the largest in the region, which indicates that "economic activity will continue to strengthen."

### **Short-Term Outlook**

Both output and employment in 1996 are expected to grow at rates comparable to those of last year. Gross state product is projected to rise 4.8 percent in 1996 and 5.0 percent in 1997. Overall employment growth is projected at 0.9 percent in 1996 and 1.2 percent in 1997, compared to 1.1 percent in 1995. Given the fall in manufacturing employment and the slow growth of employment overall this year, a drop in the growth rate of personal income, from 5.8 percent in 1995 to 5.0 percent in 1996, is estimated.

The rate of inflation in 1996, and for the following years 1997 and 1998, is expected to remain below 2.5 percent, well within the range desired for price stability. Current predictions are for overall prices, as measured by the GSP deflator, to rise 2.3 percent in 1996, 2.4 percent in 1997 and 2.5 percent in 1998. Consumer prices will increase somewhat more rapidly than this: increases of 2.8 percent, 2.7 percent and 2.6 percent are predicted for these years, respectively.

The unemployment rate is forecast at 6.4 percent for the year, up somewhat in comparison to 1995 but a low rate historically. A rise in unemployment to 6.5 percent in 1997 and 6.9 percent in 1998 is predicted. But the increase in personal income will be solid, at close to 5.0 percent in each of the forecast years (1996-1998).

The growth rate of output predicted for Mississippi is slightly higher than that for the nation in 1996 and 1997, while employment growth is slightly lower. Together, these trends will mean a reduction in the gap in per capita output between the state and the rest of the nation.

Mississippi's per capita income growth of 4.8 percent in 1995 was somewhat lower than the U.S. growth rate of 5.0 percent. The state's population grew at 1.0 percent, matching the nation's rate of growth in 1995.

Services here, as in the rest of the country, will be the largest single source of new jobs, with employment growing annually in this sector for the next few years. Trade will be another significant job-generator. Current federal budget proposals along with slower employment growth in the private sector will mean an end to government sector employment growth of close to 3 percent that occurred in 1994 and 1995.

### **Accomplishments**

The State of Mississippi has a firm grounding in five years of consistent economic growth; sustained emphasis on honesty and accountability in government; and consistent efforts to ensure fiscal integrity with taxpayer dollars.

Since 1992, companies have invested more than \$8 billion in new and expanded industries in the State of Mississippi. Pagers, fiber board, air compressors, home appliances, recycled plastic products, transformers, industrial chemicals, heavy machinery, long distance telephone services: the diversity of our business and industry reflects the diversity of Mississippi's economic base. The State of Mississippi offers abundant proof that fiscally conservative, pro-growth economic policies are the primary ingredients for a healthy economy and sound fiscal condition.

### **Future Initiatives**

As we approach the twenty-first century, we will follow your lead in continuing to support a pro-family, pro-growth, fiscally conservative agenda. Efforts will remain focused on what is best for Mississippi, not on political expediency. The commitment to welfare, tort, and government reform will continue. Loyalty to the hardworking taxpayers and private business and industry of this state will neither waver nor weaken.

As in prior years, the fiscal year 1998 executive budget provides priority funding for mandatory and real needs, including prison expansion and increased enforcement against illegal drugs. Following your leadership, we will seek to enhance the ability of the Mississippi Bureau of Narcotics to reduce the distribution and use of illegal drugs. As illegal drug activities increase, we need additional personnel and equipment to protect Mississippi's best from Mississippi's worst.

We will support your efforts to seek correction of the marriage penalty in the Mississippi individual income tax structure. One hundred percent of married Mississippi taxpayers will benefit from correcting this tax inequity.

The Variable Compensation Plan requires annual review of the pay range assigned to each job class in the state's inventory to assess the adequacy of the assigned pay range. Your endorsement of the implementation of the Variable Compensation Plan for fiscal year 1998 will target Mississippi's starting and maximum salaries for state employees making them comparable with contiguous states and the private sector.

The Teacher Career Ladder should be expanded to include Advanced Teachers and Lead Teachers. The Career Ladder is a voluntary program established to identify Mississippi's best and brightest teachers and to provide increased compensation based on performance. The executive budget recommendation earmarks funding for this enhanced plan. Our entire education community will improve when we put our best teachers on a pedestal and when we reward true results-oriented education in the classrooms.

The IHL University Research Center's trend analyses for our state yield evidence of a decrease in manufacturing activities and a corresponding increase in service activities, but our employment training programs historically have been geared toward the industrial sector. Based on the shift in workforce emphasis, you have proposed the creation and use of workforce training vouchers for training potential employees of both industrial and nonindustrial/service industries. This action will also stimulate accountability and competition within the service delivery network-- thereby improving the total workforce training environment.

## Financial Information

State managers are responsible for establishing and maintaining an internal control structure to ensure that government assets are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow preparation of financial statements in conformity with GAAP. Internal accounting controls have been implemented to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. I believe that the state's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The state also maintains budgetary controls. The objective is to ensure compliance with legal provisions embodied in the annual budget approved by the legislature. The state's budget is prepared on a modified cash basis utilizing encumbrance accounting. Budgetary control is maintained by a formal appropriation and allotment system. The six-month allotment control process is designed and used as a management tool to enable agencies to operate on a continuing basis.

Unexpended appropriations at June 30 are available for subsequent expenditure only to the extent that encumbrances represented by executed but unperformed purchase orders have been established and are presented for payment during the succeeding 60-day lapse period. Encumbrances are reported in the financial statements as expenditures for budgetary purposes and as a reservation of fund balance for GAAP purposes.

## General Government Functions

Most state functions are financed through the governmental fund types, which include the general, special revenue, capital projects and debt service funds. Revenues from governmental fund type sources for fiscal years 1996 and 1995 are compared in the following table (amounts expressed in thousands):

Revenues by Source	FY 1996		FY 1995		Increase (Decrease) from FY 1995	Percent of Increase (Decrease)
	Amount	Percent of Total	Amount	Percent of Total		
State Taxes	\$ 3,563,533	50.4 %	\$ 3,351,746	49.0 %	\$ 211,787	6.3 %
Licenses, fees and permits	270,438	3.8	250,994	3.7	19,444	7.7
Federal government	2,729,566	38.6	2,717,589	39.7	11,977	.4
Interest on investments	122,682	1.7	112,186	1.6	10,496	9.4
Departmental services	194,764	2.7	184,284	2.7	10,480	5.7
Other	196,063	2.8	226,232	3.3	(30,169)	(13.3)
	<u>\$ 7,077,046</u>	<u>100.0 %</u>	<u>\$ 6,843,031</u>	<u>100.0 %</u>	<u>\$ 234,015</u>	<u>3.4 %</u>

Revenues for the state increased \$234,015,000 for the year. State taxes accounted for the largest dollar amount of the increase. Interest on investments and licenses, fees and permits also had significant increases. In addition, other revenues experienced a significant decrease.

The majority of the increase in state taxes is due to increases of \$ 126,374,000 in sales and use taxes and \$66,743,000 in income taxes. These two amounts account for 91 percent of the increase in state taxes.

Included in licenses, fees and permits is \$148,010,000 of gaming fees. This amount has increased from the previous year by \$15,879,000, or 12 percent. The gaming industry helps boost other sources of state revenue, particularly sales tax.

Interest on investments increased 9.4 percent resulting in part from the increase in the investment balance of \$2,283,999,000. In addition, interest rates increased slightly during the year.

Other sources of revenue decreased by \$30,169,000. Medicaid revenues from county and university hospitals decreased by approximately \$42,000,000. This amount alone is more than the total decrease since other types of revenue in this source increased.

Expenditures from governmental fund type sources for fiscal years 1996 and 1995 are summarized in the following table (amounts expressed in thousands):

Expenditures by Function	FY 1996		FY 1995		Increase (Decrease) from FY 1995	Percent of Increase (Decrease)
	Amount	Percent of Total	Amount	Percent of Total		
General government	\$ 817,625	12.1 %	\$ 727,065	11.5 %	\$ 90,560	12.5 %
Education	1,793,100	26.5	1,677,577	26.5	115,523	6.9
Health and social services	2,633,871	38.9	2,583,972	40.9	49,899	1.9
Law, justice, and public safety	339,796	5.0	282,667	4.5	57,129	20.2
Recreation and resources development	249,433	3.7	228,555	3.6	20,878	9.1
Regulation of business and professions	22,734	.3	22,319	.4	415	1.9
Transportation	651,044	9.6	532,217	8.4	118,827	22.3
Debt service	134,406	2.0	214,495	3.4	(80,089)	(37.3)
Capital outlay	126,592	1.9	56,134	.8	70,458	125.5
	<u>\$ 6,768,601</u>	<u>100.0 %</u>	<u>\$ 6,325,001</u>	<u>100.0 %</u>	<u>\$ 443,600</u>	<u>7.0 %</u>

Overall expenditures increased \$443,600,000 due largely to increases in general government, education, law, justice, and public safety, transportation and capital outlay expenditures. Transportation expenditures show the largest dollar amount increase while capital outlay shows the largest percentage increase. Debt service expenditures decreased significantly.

The general government expenditures increased 12.5 percent in fiscal year 1996. Included in this increase is approximately \$76,400,000 of additional diversions generated by the increase in sales tax. This amount alone is 84 percent of the increase in general government expenditures .

Education expenditures increased in correlation with the increase in the sales tax. A portion of the sales tax collected is used by the Education Enhancement Fund which was established to support various educational projects, programs and activities.

Expenditures for law, justice, and public safety increased by 20.2 percent. Salary expenditures account for the largest portion of the increase. A pay raise was given to state employees in fiscal year 1996, and some of the agencies within this function, such as the Department of Corrections and the Department of Public Safety have a substantial number of state employees.

The dollar amount and the percentage change in expenditures in transportation are significant. Many highway road work projects have been started and are continuing. State highways around the casinos, as well as highways in other areas of the state, have been or are being widened to four lanes.

Debt Service expenditures decreased during fiscal year 1996 as a result of an in-substance defeasance of limited obligation bonds in fiscal year 1995. This defeasance resulted in debt service expenditures of approximately \$87,000,000 in the prior year. No bonds were defeased in fiscal year 1996.

Capital Outlay expenditures increased 125.5 percent from fiscal year 1995 to 1996. General obligation bonds totaling \$372,000,000 have been issued over the two fiscal years for capital improvements.

### General Fund Balance

The General Fund GAAP fund balance at June 30, 1996 is \$1,813,442,000. The undesignated and uncommitted portion of the fund balance decreased from \$477,121,000 to \$417,183,000. However, the total June 30, 1996 fund balance represents a 4.6 percent increase from June 30, 1995.

Included in the GAAP General Fund is the Working Cash-Stabilization Reserve Account. This account, created by state law, may be used to pay state obligations when there is insufficient cash from other General Fund sources to pay obligations as they become due. It may also be used to cover any projected deficits that may occur in the General Fund as a result of revenue

shortfalls. It was funded through transfers from the General Fund. The balance in the account at the end of each fiscal year should equal 7.5 percent of the next year's General Fund Appropriations. If the balance does not equal the 7.5 percent, 50 percent of the excess of the unencumbered cash balance of the General Fund at the close of the year is transferred to this account until the 7.5 percent is reached. Any amount of the 50 percent of the excess not necessary to be transferred to this account is transferred to the Education Enhancement Fund. In fiscal year 1997, for fiscal year 1996, no amount was transferred to the Working Cash-Stabilization Reserve Account, and \$55,286,000 was transferred to the Education Enhancement Fund.

### **Enterprise Operations**

The state's enterprise operations include the Veterans' Home Purchase Board. This agency provides home mortgage loans to qualified Mississippi veterans. During the year, \$11,677,000 of new mortgage loans were issued. Total loans generated \$5,553,000 of interest revenue in fiscal year 1996 that will in turn be used to further expand the program. The enterprise operations generated net income of \$16,954,000 during fiscal year 1996 which represents a 17.5 percent increase from fiscal year 1995 results. Current enterprise operations generated a revenue to debt service coverage of 2.71 which meets all bond indenture requirements.

### **Pension Trust Fund Operations**

The operations of the state's three defined benefit pension trust funds are administered by the Public Employees' Retirement System of Mississippi (System). The Public Employees' Retirement System (PERS) covers substantially all employees of the state and its political subdivisions. Uniformed officers of the Department of Public Safety participate in the Mississippi Highway Safety Patrol Retirement System (MHSPRS). Elected members of the state legislature and the president of the senate participate in the Supplemental Legislative Retirement Plan (SLRP) in addition to participating in PERS.

The System also serves as an administrator for the Municipal Retirement Systems and the Optional Retirement Plan. The state, however, does not contribute to these plans. Further information on the state's participation in the retirement systems can be found in Note 16 to the financial statements.

### **Debt Administration**

The State Bond Commission, composed of the governor, state attorney general and state treasurer, approves and authorizes the sale and issuance of state bonds in accordance with authorizing legislation and within the defined constitutional debt limit. The total outstanding general obligation bonded indebtedness of governmental fund types for the state as of June 30, 1996 was \$1,205,498,000. Mississippi has had a rating of Aa from Moody's Investors Service and a rating of AA- from Standard & Poor's Corporation for the past 19 years. Subsequent to June 30, 1996, the rate from Standard & Poor's Corporation was upgraded to AA.

During the fiscal year ending June 30, 1996, the State Bond Commission issued \$288,745,000 in general obligation bonds. These bond issues include \$191,000,000 of Capital Improvement Bonds, \$21,900,000 under the Mississippi Business Investment Act, \$16,000,000 under the Mississippi Farm Reform Act, \$16,495,000 under the Mississippi Small Enterprise Development Act, \$8,000,000 under the Economic Development Highway Act, \$12,000,000 under Small Business Assistance and \$23,350,000 under the Community and Junior College Telecommunication Act. Subsequent to June 30, 1996, the state issued \$257,860,000 of general obligation bonds.

At June 30, 1996, 20 percent of the \$6,032,510,000 bonded indebtedness ceiling established by the state constitution was outstanding. Current practice restricts revenues included in the foregoing debt limitation computation to the following governmental fund revenues: taxes, licenses, fees and permits, investment income, rental income, service charges including net income from the Alcoholic Beverage Control Division, fines, forfeits and penalties. The state's net general obligation debt per capita is \$391.

## **Cash Management**

It is the duty of the state treasurer and the executive director of the Department of Finance and Administration to analyze for cash flow needs and investment purposes the amount of cash in the state General Fund and in the special funds credited to any special purpose designated by the Legislature. The state treasurer deposits available funds with official depositories of the state.

In addition, the Public Employees' Retirement System and a small number of other state agencies carry out investment activities separate from the state treasurer. Of \$13,551,044,000 in investments at June 30, 1996, \$10,090,936,000 were either held by the state's agent or the depository's agent in the state's name.

The state's available resources invested in Mississippi bank certificates of deposits and repurchase agreements earn interest at rates which approximate the U.S. Treasury bill discount rate for those with comparable maturities. The 12-month Federal Reserve's Constant Maturities Index (CMI) average yield rate, which is comprised of all U. S. Treasury bills with one year left to maturity, is approximately 5.18 percent for the twelve months ending June 30, 1996 as compared to a rate of 5.95 percent for the previous year. The pension trust fund's total portfolio of stocks and bonds had a 15.12 percent total rate of return for fiscal year 1996. The median rate of return for state retirement plans according to RogersCasey Consulting, Inc. for the 12 months ended June 30, 1996 was 15.87 percent. The state earned interest and dividend income of \$595,666,000 on all investments for the year ended June 30, 1996.

## **Risk Management**

The State has elected to finance most exposures to risk through the retention of risk. The exposures to risk retained by the state are health and life benefits, tort liability, unemployment benefits and workers' compensation benefits.

To assure that health and life benefits are distributed to the participants in an efficient and responsible manner, the state incorporates various methods of loss control such as code review, certification of medical necessity, case management and audits of claims administrators to assure claims are adjudicated in accordance with the outlined benefits.

The state has elected to manage tort claims through the retention of all liability exposure. The statutory scheme provides some protection, as well as a limitation of liability. The Tort Claims Act sets limits of liability per occurrence at \$50,000 until July 1, 1997, at \$250,000 from then to July 1, 2001 and at \$500,000 after July 1, 2001. An effective loss control program is being implemented in most state agencies to reduce the number and severity of tort claims made against the state.

To aid in the management of risk for workers' compensation benefits, the state, through the Mississippi State Agencies Self-Insured Workers' Compensation Trust (Trust), has established an effective loss control program to reduce the number and severity of job related injuries. Through the use of contractually established performance criteria for the claims administrator and by converting to agency rates/premiums based on the agency's ultimate loss, the Trust has encouraged better risk management at both the claims administrator and the agency level.

Further information about risk management can be found in Note 18 to the financial statements.

## **Other Information**

Pursuant to Section 7-7-211(d), Mississippi Code Annotated (1972), the state auditor has performed an examination, in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, of the state's general purpose financial statements. His unqualified opinion is presented as the first page of the financial section of this report. Also, as required by federal law, the state auditor has undertaken a single audit of the state as a whole, which will include internal control and legal compliance reports on all federal funds received and expended by state government. This report will be published separately.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mississippi for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1995. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Mississippi has received a Certificate of Achievement for the last nine consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Preparation of this report was made possible by the dedicated services of the staff of the Department of Finance and Administration with the cooperation and support of the Office of the State Auditor and the various agency heads and employees who assisted and contributed to its preparation.

Edward L. Ranck

**Officials of State Government**

**Executive Branch**

Governor

**Kirk Fordice**

Lieutenant Governor

**Ronnie Musgrove**

Secretary of State

**Eric Clark**

State Auditor

**Phil Bryant**

State Treasurer

**Marshall Bennett**

Attorney General

**Mike Moore**

Commissioner of Agriculture and Commerce

**Lester Spell**

Commissioner of Insurance

**George Dale**

Transportation Commissioners

**Wayne O. Burkes**

**Ronnie Shows**

**Zack Stewart**

Public Service Commissioners

**Nielsen Cochran**

**Dorlos Robinson**

**Curtis Leon Hebert, Jr.**

State Fiscal Officer

**Edward L. Ranck**

**Legislative Branch**

Speaker of the House of Representatives

**Tim Ford**

Speaker Pro Tempore  
of the House of Representatives

**Robert Clark**

President Pro Tempore of the Senate

**Tommy Gollott**

Secretary of the Senate

**Amy Tuck**

Clerk of the House of Representatives

**Charles J. Jackson, Jr.**

Legislative Budget Office

**Robert A. Greenlee, Director**

Joint Legislative Committee on Performance  
Evaluation and Expenditure Review

**Max Arinder, Director**

**Judicial Branch**

Supreme Court of Mississippi

Chief Justice

**Dan M. Lee**

Presiding Justices

**Michael Sullivan**

**Lenore L. Prather**

Justices

**Fred L. Banks, Jr.**

**C.R. (Chuck) McRae**

**Edwin Pittman**

**James L. Roberts**

**James W. Smith, Jr.**

**Mike Mills**

Clerk of the Supreme Court

**Linda Stone**





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of  
Mississippi

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1995

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Arthur R. Lynch*  
President

*Jeffrey L. Esler*  
Executive Director



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# State of Mississippi

OFFICE OF THE STATE AUDITOR

PHIL BRYANT  
AUDITOR

## INDEPENDENT AUDITOR'S REPORT

The Governor, Members of the Legislature  
and Citizens of the State of Mississippi

We have audited the accompanying general purpose financial statements of the State of Mississippi as of and for the year ended June 30, 1996, as listed in the table of contents. The general purpose financial statements are the responsibility of the state's management. Our responsibility is to express an opinion on these general purpose financial statements based upon our audit. Except for university funds, we did not audit the financial statements of the component units of the state. We did not audit the financial statements of the pension trust funds or certain enterprise and agency funds. These financial statements, which represent 100% of the plan net assets and changes in plan net assets of the pension trust funds; 40% and 56% of the assets and revenues, respectively, of the enterprise funds; and 87% of the assets of the agency funds were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for the component units other than university funds, pension trust funds and these enterprise and agency funds, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Mississippi as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund types, nonexpendable trust funds and component units, changes in plan net assets of its pension trust funds and the changes in fund balances and current fund revenues, expenditures and other changes of the university funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, reports, dated December 6, 1996, on the state's internal control structure and compliance with laws and regulations, will be issued under separate cover in our *Single Audit Report* in July, 1997.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and related schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Mississippi. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The statistical and economic data listed in the table of contents were not audited by us, and accordingly, we do not express an opinion thereon.

A handwritten signature in cursive script that reads "Phil Bryant".

PHIL BRYANT  
State Auditor

A handwritten signature in cursive script that reads "Norman McLeod".

NORMAN McLEOD, CPA  
Director, Department of Audit

Jackson, Mississippi  
December 6, 1996

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**General Purpose Financial Statements**

# MISSISSIPPI

## All Fund Types, Account Groups And Discretely Presented Component Units

### Combined Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
Cash and cash equivalents	\$ 944,342	\$ 78,927	\$ 6,630	\$ 153,981
Amount on deposit with U.S. Treasury				
Investments	557,856	31,839	1,919	243,667
Receivables, net	424,054	4,789	202	284
Due from other governments	451,385	34,670		
Due from other funds	7,660	11,919	49	1,866
Due from component units	2,351			
Due from primary government				
Inventories	157,620	1,654		
Prepaid expenses				
Loans and notes receivable	147,138	1,249	16,440	
Loans to other funds	809			
Restricted Assets:				
Cash and cash equivalents				
Investments				
Interest receivable, net				
Property, plant and equipment, net of depreciation where applicable				
Deferred charges and other assets				
Amount available, designated for debt service				
Amount to be provided from future collections of long-term loans				
Amounts to be provided for retirement of:				
General obligation bonds				
Other obligations				
Total Assets and Other Debits	\$ 2,693,215	\$ 165,047	\$ 25,240	\$ 399,798
<b>Liabilities, Fund Equity and Other Credits</b>				
<b>Liabilities:</b>				
Warrants payable	\$ 80,113	\$ 10,444	\$ 5	\$ 4,093
Accounts payable and accruals	257,889	11,147	28	
Contracts payable	69,204			38,749
Income tax refunds payable	97,100			
Due to other governments	153,390	3,139		
Due to other funds	26,407	3,278	3,219	11
Due to component units	10,208	348		
Due to primary government				
Claims liability				
Amounts held in custody for others				
Obligations under securities lending				
Deferred revenues	185,462	18,262		
Loans from other funds		57		
Liabilities payable from restricted assets				
General obligation bonds				
Revenue bonds and notes payable				
Lease obligations payable				
Other liabilities		143		
Total Liabilities	879,773	46,818	3,252	42,853
<b>Fund Equity and Other Credits:</b>				
Investment in fixed assets				
Contributed capital				
Retained earnings:				
Reserved				
Unreserved				
Fund balances:				
Reserved for:				
Employees' Pension Benefits				
Encumbrances	40,326	6,538		
Inventories	29,843	1,654		
Other	370,532	12,705	8,410	
Unreserved:				
Designated	955,558	6,730	13,578	356,945
Undesignated	417,183	90,602		
Total Fund Equity and Other Credits	1,813,442	118,229	21,988	356,945
Total Liabilities, Fund Equity and Other Credits	\$ 2,693,215	\$ 165,047	\$ 25,240	\$ 399,798

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



Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)		Total (Memorandum Only)	
					Primary Government		Reporting Entity	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Obligations	June 30, 1996	Component Units	June 30, 1996	June 30, 1995
\$ 26,565	\$ 12,871	\$ 215,752	\$	\$	\$ 1,439,068	\$ 252,307	\$ 1,691,375	\$ 1,367,205
		559,124			559,124		559,124	539,596
8,382	146,534	11,552,681			12,542,878	169,393	12,712,271	10,506,253
2,795	3,846	264,218			700,188	53,261	753,449	767,737
165	83	1,492			487,795	44,813	532,608	372,912
267	5,521	355,493			382,775	24,623	407,398	370,706
2	146				2,499		2,499	11,457
						10,591	10,591	14,162
689		27			159,990	16,258	176,248	191,643
578					578	9,350	9,928	6,808
84,171					248,998	68,091	317,089	337,881
		57			866		866	831
715					715	276	991	1,649
6,743					6,743	7,200	13,943	15,810
4					4		4	
82,348	5,688	5,893	1,456,651		1,550,580	1,507,188	3,057,768	2,648,749
						2,815	2,815	3,185
					30,473	30,473	30,726	27,135
					112,718	112,718	112,718	116,114
					1,062,307	1,062,307	1,062,307	838,061
					88,608	88,608	93,935	90,260
						5,327		
\$ 213,424	\$ 174,689	\$ 12,954,737	\$ 1,456,651	\$ 1,294,106	\$ 19,376,907	\$ 2,171,746	\$ 21,548,653	\$ 18,228,154
\$ 1,401	\$ 981	\$ 235	\$	\$	\$ 97,272	\$ 4,300	\$ 101,572	\$ 93,216
2,514	4,140	288,855			564,573	92,822	657,395	516,611
					107,953		107,953	80,413
					97,100		97,100	83,600
9,488	8	9,183			175,208	52	175,260	152,789
405	410	349,045			382,775	24,623	407,398	370,706
	35				10,591		10,591	14,162
						2,499	2,499	11,457
	72,302				72,302		72,302	66,105
		313,511			313,511	9,146	322,657	268,068
		1,667,103			1,667,103		1,667,103	759,202
1,030	180	4,055			208,989	21,529	230,518	221,993
		809			866		866	831
133					133	165	298	1,159
39,111				1,205,498	1,244,609	1,440	1,246,049	1,025,803
1,230					1,230	132,455	133,685	137,329
264	1,580				1,844	8,521	10,365	8,807
					88,608	1,340	90,091	93,724
55,576	79,636	2,632,796		1,294,106	5,034,810	298,892	5,333,702	3,905,975
			1,456,651		1,456,651	1,342,820	2,799,471	2,396,107
26,974					26,974	17,390	44,364	43,122
462					462	7,000	7,462	7,456
130,412	95,053				225,465	26,835	252,300	233,429
		9,705,486			9,705,486		9,705,486	8,366,546
					46,864	34,135	80,999	68,471
					31,497	4	31,501	28,911
		615,231			1,006,878	151,186	1,158,064	1,030,411
					1,332,811	158,034	1,490,845	1,459,977
		1,224			509,009	135,450	644,459	687,749
157,848	95,053	10,321,941	1,456,651		14,342,097	1,872,854	16,214,951	14,322,179
\$ 213,424	\$ 174,689	\$ 12,954,737	\$ 1,456,651	\$ 1,294,106	\$ 19,376,907	\$ 2,171,746	\$ 21,548,653	\$ 18,228,154



## All Governmental Fund Types, Expendable Trust Funds And Discretely Presented Component Units

### Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances For the Year Ended June 30, 1996

*(Amounts Expressed In Thousands)*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues:</b>				
Taxes	\$ 3,558,533	\$ 5,000	\$	
Licenses, fees and permits	222,539	47,899		
Federal government	2,485,760	243,806		
Interest	98,675	2,766	6,427	14,814
Charges for sales and services	191,276	3,488		
Rentals	10,591			
Court assessments		2,732		
Other	171,133	6,091		5,516
Total Revenues	6,738,507	311,782	6,427	20,330
<b>Expenditures:</b>				
Current:				
General government	817,625			
Education	1,768,298			24,802
Health and social services	2,519,253	114,618		
Law, justice and public safety	273,112	66,684		
Recreation and resources development	139,821	109,612		
Regulation of business and professions		22,734		
Transportation	651,044			
Debt service:				
Principal	26,578	103	42,149	
Interest and other fiscal charges	31,900	22	33,575	79
Defeasance of debt				
Capital outlay				126,592
Total Expenditures	6,227,631	313,773	75,724	151,473
Excess of Revenues over (under) Expenditures	510,876	(1,991)	(69,297)	(131,143)
<b>Other Financing Sources (Uses):</b>				
Proceeds from general obligation bond and note issues	125,245			163,500
Proceeds of refunding bonds				
Proceeds of capital leases	976	1,090		
Operating transfers in	36,301	30,590	62,911	47,274
Operating transfers out	(140,684)	(33,910)	(18)	(11,540)
Operating transfers from component units				4,380
Operating transfers to component units	(454,747)			(64,148)
Net Other Financing Sources (Uses)	(432,909)	(2,230)	62,893	139,466
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	77,967	(4,221)	(6,404)	8,323
Net income from fiduciary operations				
Net income from proprietary operations				
Fund Balances July 1, as restated	1,733,189	122,147	28,392	348,622
Increase in Reserve for Inventories	2,286	303		
Fund Balances June 30	\$ 1,813,442	\$ 118,229	\$ 21,988	\$ 356,945

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

Fiduciary Fund Type	Totals for the Year Ended (Memorandum Only) Primary Government		Governmental Fund Type	Totals for the Year Ended (Memorandum Only) Reporting Entity	
	Expendable Trust	June 30, 1996		Component Units	June 30, 1996
\$ 100,805	\$ 3,664,338	\$	\$	\$ 3,664,338	\$ 3,489,010
	270,438	757		271,195	251,666
3,284	2,732,850			2,732,850	2,721,325
38,478	161,160	311		161,471	144,811
	194,764	1,928		196,692	186,352
	10,591	2,133		12,724	12,119
	2,732			2,732	
	182,740	4,775		187,515	222,609
142,567	7,219,613	9,904		7,229,517	7,027,892
	817,625			817,625	727,065
	1,793,100			1,793,100	1,677,577
130,437	2,764,308			2,764,308	2,683,005
	339,796	9,196		339,796	282,667
	249,433			258,629	237,439
	22,734			22,734	22,319
	651,044			651,044	532,217
	68,830	428		69,258	73,551
	65,576	250		65,826	54,435
					87,212
	126,592			126,592	56,134
130,437	6,899,038	9,874		6,908,912	6,433,621
12,130	320,575	30		320,605	594,271
	288,745			288,745	312,058
	2,066			2,066	6,218
	177,076			177,076	229,566
	(186,152)			(186,152)	(239,207)
	4,380			4,380	
	(518,895)			(518,895)	(457,501)
	(232,780)			(232,780)	(148,866)
12,130	87,795	30		87,825	445,405
		287		287	1
					229
580,592	2,812,942	8,137		2,821,079	2,372,926
	2,589	1		2,590	2,518
\$ 592,722	\$ 2,903,326	\$ 8,455	\$	\$ 2,911,781	\$ 2,821,079

# MISSISSIPPI

## All Budgetary Funds

### Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) For the Year Ended June 30, 1996

(Amounts Expressed in Thousands)

	General Fund			Education Enhancement Fund
	Budget	Actual	Variance Favorable (Unfavorable)	Budget
<b>Revenues:</b>				
Sales tax	\$ 1,079,900	\$ 1,078,360	\$ (1,540)	\$ 142,714
Individual income tax	742,900	741,185	(1,715)	
Corporate income and franchise taxes	269,300	262,002	(7,298)	
Use and wholesale compensating taxes	153,000	138,623	(14,377)	16,579
Tobacco, beer and wine taxes	84,300	84,611	311	
Insurance tax	87,500	90,589	3,089	
Oil and gas severance taxes	17,500	16,974	(526)	
Alcoholic Beverage Control excise and privilege taxes and net profit on sale of alcoholic beverages	36,700	37,111	411	
Inheritance tax	12,300	14,805	2,505	
Other taxes	13,500	15,002	1,502	
Interest	36,000	58,670	22,670	
Auto privilege, tag and title fees	12,300	13,214	914	
Gaming fees	98,800	110,487	11,687	
Highway Safety Patrol fees	15,400	16,860	1,460	
Other fees and services	10,900	11,137	237	
Miscellaneous	3,200	2,621	(579)	
Special Fund revenues				
Total Revenues	2,673,500	2,692,251	18,751	159,293
<b>Expenditures by Major Budgetary Function:</b>				
Legislative	16,809	15,411	1,398	
Judicial and justice	41,146	39,801	1,345	
Executive and administrative	2,943	2,926	17	3,803
Fiscal affairs	81,204	78,324	2,880	
Public education	1,088,746	1,084,014	4,732	162,437
Higher education	443,003	442,223	780	119,223
Public health	35,805	34,599	1,206	
Hospitals and hospital schools	152,741	152,686	55	
Agriculture, commerce and economic development	86,077	85,928	149	
Conservation and recreation	45,980	45,834	146	75
Insurance and banking	134	105	29	
Corrections	166,233	159,956	6,277	
Interdepartmental service				
Social welfare	299,640	299,564	76	713
Public protection and veterans assistance	66,399	64,681	1,718	2,186
Local assistance	69,750	69,750		
Motor vehicle and other regulatory agencies	1,475	1,362	113	
Miscellaneous	2,030	2,024	6	200
Public works	25,585	25,585		
Debt service	84,175	70,800	13,375	
Total Expenditures	2,709,875	2,675,573	34,302	288,637
Excess of Revenues over (under) Expenditures	(36,375)	16,678	53,053	(129,344)
<b>Other Financing Sources (Uses):</b>				
Operating transfers in (out)	7,200	9,389	2,189	
Transfers in (out) of general fund cash balance		(55,286)	(55,286)	
Investments purchased, net				
Other sources of cash		45	45	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(29,175)	(29,174)	1	(129,344)
Budgetary Fund Balances July 1	114,811	114,811		
Reclassification Between Budgetary/Nonbudgetary Funds - Net				
Budgetary Fund Balances July 1 as Reclassified	114,811	114,811		
Budgetary Fund Balances (Deficits) June 30	\$ 85,636	\$ 85,637	\$ 1	\$ (129,344)

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

**Totals for the Year Ended June 30, 1996  
(Memorandum Only)**

			<b>Special Fund</b>					
	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$	144,386	\$ 1,672	\$	\$	\$	\$ 1,222,614	\$ 1,222,746	\$ 132
						742,900	741,185	(1,715)
	15,161	(1,418)				269,300	262,002	(7,298)
						169,579	153,784	(15,795)
						84,300	84,611	311
						87,500	90,589	3,089
						17,500	16,974	(526)
						36,700	37,111	411
						12,300	14,805	2,505
	2,946	2,946				13,500	15,002	1,502
						36,000	61,616	25,616
						12,300	13,214	914
						98,800	110,487	11,687
						15,400	16,860	1,460
	1,808	1,808				10,900	11,137	237
						3,200	4,429	1,229
			4,242,589	3,558,259	(684,330)	4,242,589	3,558,259	(684,330)
	164,301	5,008	4,242,589	3,558,259	(684,330)	7,075,382	6,414,811	(660,571)
			500	168	332	17,309	15,579	1,730
			12,582	5,655	6,927	53,728	45,456	8,272
	1,817	1,986	7,588	6,166	1,422	14,334	10,909	3,425
			26,797	20,177	6,620	108,001	98,501	9,500
	161,955	482	491,074	432,149	58,925	1,742,257	1,678,118	64,139
	114,988	4,235	10,112	6,436	3,676	572,338	563,647	8,691
			154,638	134,608	20,030	190,443	169,207	21,236
			146,030	131,605	14,425	298,771	284,291	14,480
			131,396	94,403	36,993	217,473	180,331	37,142
	75		156,678	110,162	46,516	202,733	156,071	46,662
			37,746	25,826	11,920	37,880	25,931	11,949
			8,095	4,695	3,400	174,328	164,651	9,677
			34,154	22,144	12,010	34,154	22,144	12,010
	29	684	1,922,602	1,637,007	285,595	2,222,955	1,936,600	286,355
	2,186		206,178	106,921	99,257	274,763	173,788	100,975
			1,082	1,082		70,832	70,832	
			15,876	14,465	1,411	17,351	15,827	1,524
	200		2,449	1,118	1,331	4,679	3,342	1,337
			832,012	713,369	118,643	857,597	738,954	118,643
			45,000	41,464	3,536	129,175	112,264	16,911
	281,250	7,387	4,242,589	3,509,620	732,969	7,241,101	6,466,443	774,658
	(116,949)	12,395		48,639	48,639	(165,719)	(51,632)	114,087
	16,507	16,507		(2,007)	(2,007)	7,200	23,889	16,689
	55,286	55,286		(615)	(615)		(615)	(615)
							45	45
	(45,156)	84,188		46,017	46,017	(158,519)	(28,313)	130,206
	129,066	129,066		509,792	509,792	114,811	753,669	638,858
				(169)	(169)		(169)	(169)
	129,066	129,066		509,623	509,623	114,811	753,500	638,689
\$	83,910	\$ 213,254	\$	\$ 555,640	\$ 555,640	\$ (43,708)	\$ 725,187	\$ 768,895



## All Proprietary Fund Types, Nonexpendable Trust Funds And Discretely Presented Component Units

### Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Proprietary Fund Types		Fiduciary Fund Type	
	Enterprise	Internal Service	Nonexpendable Trust	
<b>Operating Revenues:</b>				
Charges for sales and services	\$ 29,991	\$ 280,837	\$	
Interest and other investment income, net	5,553			1,300
Rentals	544			
Fees	59			94
Other	286	359		665
Total Operating Revenues	36,433	281,196		2,059
<b>Operating Expenses:</b>				
Costs of sales and services	9,300			
Benefit payments		246,824		
Administrative expenses	17,992	39,608		57
Depreciation and amortization	3,297	2,003		
Other	244			
Total Operating Expenses	30,833	288,435		57
Operating Income (Loss)	5,600	(7,239)		2,002
Nonoperating Revenues	2,771	8,705		
Nonoperating Expenses	(2,120)	(422)		
Income Before Operating Transfers	6,251	1,044		2,002
Operating Transfers In	10,961			
Operating Transfers Out	(258)	(175)		(1,452)
Net Income	16,954	869		550
Add Depreciation on Contributed Assets	351			
Increase in Retained Earnings/Fund Balances	17,305	869		550
Retained Earnings/Fund Balances July 1, as restated	113,569	94,184		23,183
Retained Earnings/Fund Balances June 30	\$ 130,874	\$ 95,053	\$	23,733

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

<b>Totals for the Year Ended (Memorandum Only) Primary Government</b>		<b>Component Units</b>	<b>Totals for the Year Ended (Memorandum Only) Reporting Entity</b>	
June 30, 1996	Enterprise	June 30, 1996	June 30, 1995	
\$ 310,828	\$ 5,410	\$ 316,238	\$ 311,564	
6,853	6	6,859	6,703	
544		544	673	
153	550	703	762	
1,310		1,310	2,022	
<u>319,688</u>	<u>5,966</u>	<u>325,654</u>	<u>321,724</u>	
9,300	1,444	10,744	10,382	
246,824		246,824	203,910	
57,657	4,635	62,292	57,649	
5,300	655	5,955	5,654	
244	2	246	144	
<u>319,325</u>	<u>6,736</u>	<u>326,061</u>	<u>277,739</u>	
363	(770)	(407)	43,985	
11,476	1,239	12,715	10,882	
(2,542)	(52)	(2,594)	(2,587)	
9,297	417	9,714	52,280	
10,961		10,961	11,799	
(1,885)		(1,885)	(2,158)	
18,373	417	18,790	61,921	
351		351	453	
18,724	417	19,141	62,374	
<u>230,936</u>	<u>32,537</u>	<u>263,473</u>	<u>201,099</u>	
<u>\$ 249,660</u>	<u>\$ 32,954</u>	<u>\$ 282,614</u>	<u>\$ 263,473</u>	

## All Proprietary Fund Types, Nonexpendable Trust Funds And Discretely Presented Component Units

### Combined Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Nonexpendable Trust
<b>Cash Flows from Operating Activities:</b>			
Cash receipts/premiums from quasi-external operating transactions with other funds	\$	\$	\$
		119,906	
Cash receipts/premiums from customers	29,220	158,098	
Cash payments to suppliers for goods and services	(18,566)	(30,390)	(54)
Cash payments to employees for services	(9,854)	(9,881)	
Cash payments for benefits		(240,460)	
Other operating cash receipts	194	454	770
Other operating cash payments	(160)		(3)
Principal and interest received on program loans	13,283		
Issuance of program loans	(11,677)		
Net Cash Provided by (Used for) Operating Activities	2,440	(2,273)	713
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating transfers in	10,960		
Operating transfers out	(257)	(166)	(1,198)
Operating grants received	95		
Loss from employee fraud	(64)		
Revenues from counties	905		
Net Cash Provided by (Used for) Noncapital Financing Activities	11,639	(166)	(1,198)
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(7,030)	(911)	
Proceeds from sale of capital assets	12		
Proceeds from sale of bonds			
Bond issuance costs			
Principal paid on bonds and equipment contracts	(3,678)	(932)	
Interest paid on bonds and equipment contracts	(2,325)	(171)	
Net Cash Used for Capital and Related Financing Activities	(13,021)	(2,014)	
<b>Cash Flows from Investing Activities:</b>			
Proceeds from the sale of investments	14,875	183,233	31,042
Purchases of investments	(12,972)	(183,127)	(31,216)
Interest and other investment income, net	1,684	9,095	1,185
Net Cash Provided by (Used for) Investing Activities	3,587	9,201	1,011
Net Increase (Decrease) in Cash and Cash Equivalents	4,645	4,748	526
Cash and Cash Equivalents July 1	22,635	8,123	239
Cash and Cash Equivalents June 30	\$ 27,280	\$ 12,871	\$ 765



<b>Totals for the Year Ended (Memorandum Only) Primary Government</b>		<b>Component Units</b>	<b>Totals for the Year Ended (Memorandum Only) Reporting Entity</b>	
June 30, 1996		Enterprise	June 30, 1996	June 30, 1995
\$	\$	\$	\$	\$
119,906			119,906	128,721
187,318		5,795	193,113	184,725
(49,010)		(3,979)	(52,989)	(43,345)
(19,735)		(2,125)	(21,860)	(20,487)
(240,460)			(240,460)	(172,032)
1,418			1,418	2,056
(163)			(163)	(137)
13,283		33	13,316	12,290
(11,677)			(11,677)	(16,164)
880		(276)	604	75,627
10,960			10,960	11,790
(1,621)			(1,621)	(2,553)
95			95	18
(64)			(64)	
905			905	932
10,275			10,275	10,187
(7,941)		(1,752)	(9,693)	(10,592)
12		1	13	41
(4,610)			(4,610)	(4,830)
(2,496)			(2,496)	(2,553)
(15,035)		(1,751)	(16,786)	(17,934)
229,150		17,622	246,772	124,009
(227,315)		(15,563)	(242,878)	(209,113)
11,964		1,280	13,244	9,806
13,799		3,339	17,138	(75,298)
9,919		1,312	11,231	(7,418)
30,997		1,611	32,608	40,026
\$ 40,916	\$	2,923	\$ 43,839	\$ 32,608

(Continued on Next Page)

## All Proprietary Fund Types, Nonexpendable Trust Funds And Discretely Presented Component Units

### Combined Statement of Cash Flows

For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

*(Continued from Previous Page)*

	Proprietary Fund Types		Fiduciary Fund Type	
	Enterprise	Internal Service	Nonexpendable Trust	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating income (loss)	\$ 5,600	\$ (7,239)	\$	2,002
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Interest and other investment income, net				(1,185)
Depreciation	3,297	2,003		
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable, net	(431)	(2,821)		12
Increase in interest receivable	(50)			(115)
(Increase) decrease in due from other governments	(32)	(30)		
(Increase) decrease in interfund receivables	(89)	664		(2)
(Increase) decrease in inventories	(108)			
(Increase) decrease in prepaid expenses	(559)			
(Increase) decrease in loans and notes receivable, net	(4,254)			
Decrease in other assets				
Increase (decrease) in warrants payable	183	(669)		
Increase (decrease) in accounts payable and accruals	(448)	279		1
Increase (decrease) in due to other governments	24	(1)		
Increase (decrease) in interfund payables	18	(214)		
Increase in claims liability		6,197		
Increase (decrease) in deferred revenue	(711)	(442)		
Decrease in other liabilities				
Total Adjustments	(3,160)	4,966		(1,289)
Net Cash Provided by (Used for) Operating Activities	\$ 2,440	\$ (2,273)	\$	713

**Noncash Capital and Related Financing Activities:**

The enterprise fund acquired machinery and equipment of \$1,191,000 from donations and \$18,000 from other state agencies. The enterprise fund gave machinery and equipment of \$2,000 to another state agency.

The internal service fund entered into a \$735,000 capital lease agreement and also had a noncash capital lease principal reduction of \$11,000.

The internal service fund received machinery and equipment of \$13,000 from other state agencies.

**Reconciliation for Nonexpendable Trust:**

Unrestricted cash and cash equivalents June 30	\$ 765
Unrestricted cash and cash equivalents, expendable trust, pension trust and agency	214,987
Unrestricted cash and cash equivalents per combined balance sheet, trust and agency	\$ 215,752

**Reconciliation for Component Units:**

Unrestricted cash and cash equivalents June 30	\$ 2,923
Unrestricted cash and cash equivalents, other component units	249,384
Restricted, cash and cash equivalents, other component units	276
Cash and cash equivalents per combined balance sheet, component units	\$ 252,583

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

<b>Totals for the Year Ended (Memorandum Only) Primary Government</b>		<b>Component Units</b>	<b>Totals for the Year Ended (Memorandum Only) Reporting Entity</b>				
June 30, 1996		Enterprise	June 30, 1996	June 30, 1995			
\$	363	\$	(770)	\$	(407)	\$	43,985
	(1,185)				(1,185)		(1,330)
	5,300		655		5,955		5,654
	(3,240)		(294)		(3,534)		577
	(165)				(165)		(60)
	(62)				(62)		34
	573		153		726		(706)
	(108)		65		(43)		77
	(559)		(113)		(672)		1
	(4,254)		27		(4,227)		(9,185)
							21
	(486)				(486)		1,470
	(168)		3		(165)		2,454
	23				23		64
	(196)		(2)		(198)		308
	6,197				6,197		31,949
	(1,153)				(1,153)		397
							(83)
	517		494		1,011		31,642
\$	880	\$	(276)	\$	604	\$	75,627

# MISSISSIPPI

## Pension Trust Funds

### Statement of Changes In Plan Net Assets For the Year Ended June 30, 1996

(Amounts Expressed in Thousands)

	Public Employees' Retirement System	Mississippi Highway Safety Patrol Retirement System	Municipal Retirement Systems
<b>Additions:</b>			
Contributions:			
Employer	\$ 325,339	\$ 5,325	\$ 18,966
Employee	247,709	1,323	1,430
Total Contributions	573,048	6,648	20,396
Net Investment Income:			
Net appreciation (depreciation) in fair value of investments	867,795		
Interest and dividends	398,156		
Securities Lending:			
Income from securities lending	74,635	1,382	1,261
Interest expense and trading costs from securities lending	(68,660)	(1,272)	(1,160)
Managers' fees and trading costs	(13,529)		
Net Investment Income	1,258,397	110	101
Other Revenues:			
Rent income	88		
Other	3	28	10
Total Other Revenues	91	28	10
Total Additions	1,831,536	6,786	20,507
<b>Deductions:</b>			
Retirement annuities	429,668	9,654	23,915
Refunds to terminated employees	48,400	42	35
Total	478,068	9,696	23,950
Administrative expenses:			
Personal services:			
Salaries, wages and fringe benefits	3,874		
Travel	40		
Contractual services	3,280		
Commodities	608		
Total Administrative Expenses	7,802		
Loss on Disposal of Equipment	235		
Depreciation	422		
Total Deductions	486,527	9,696	23,950
Operating Transfers In (Out):			
Annual investment income	(43,237)	22,337	20,362
Administrative fees	491	(106)	(379)
Total Operating Transfers In (Out)	(42,746)	22,231	19,983
Net Increase in Plan Net Assets	1,302,263	19,321	16,540
Net Assets Held in Trust for Pension Benefits:			
Beginning of Year	8,069,127	154,185	139,913
End of Year	\$ 9,371,390	\$ 173,506	\$ 156,453

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

**Totals for the Year Ended**

(Memorandum Only)

**Supplemental  
Legislative  
Retirement  
Plan**

		June 30, 1996	June 30, 1995
\$	284 \$	349,914 \$	328,937
	135	250,597	229,806
	419	600,511	558,743
		867,795	847,051
		398,156	353,492
	34	77,312	38,583
	(31)	(71,123)	(37,414)
		(13,529)	(11,455)
	3	1,258,611	1,190,257
		88	88
		41	23
		129	111
	422	1,859,251	1,749,111
	126	463,363	392,670
	12	48,489	41,932
	138	511,852	434,602
		3,874	3,514
		40	64
		3,280	1,935
		608	187
		7,802	5,700
		235	18
		422	420
	138	520,311	440,740
	538		
	(6)		
	532		
	816	1,338,940	1,308,371
	3,321	8,366,546	7,058,175
<b>\$</b>	<b>4,137 \$</b>	<b>9,705,486 \$</b>	<b>8,366,546</b>



## University Funds

### Statement of Changes in Fund Balances Component Unit For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Current Funds			Endowment and Similar
	Unrestricted	Restricted	Loan	
<b>Revenues and Other Additions:</b>				
Unrestricted fund revenues	\$ 572,700		\$	\$
Tuition and fees		124		
Federal appropriations, grants and contracts		149,938	1,385	
State grants and contracts		19,494		
Local appropriations, grants and contracts		1,230		
Private gifts, grants and contracts		27,834	490	1,920
Endowment income		450	6	351
Investment income		61	518	985
Interest on loans receivable			1,675	
Federal advances			719	
Proceeds from bonds and notes				
Additions to plant facilities				
Retirement of indebtedness				
Sales and services of educational activities		804		
Sales and services of auxiliary activities				
Other		1,312	708	425
Total Revenues and Other Additions	572,700	201,247	5,501	3,681
<b>Expenditures and Other Deductions:</b>				
Educational and general	629,763	197,466	11,731	
Auxiliary enterprises	114,495	560		
Hospital	170,488			
Independent operations	1,463			
Administrative and indirect costs recovered		11,494	164	
Refunds to grantors		68	20	
Loan cancellations and write-offs			1,394	
Collection costs			216	
Expended for plant facilities				
Repairs and maintenance				
Plant assets sold or retired				
Long-term debt incurred				
Retirement of indebtedness				
Interest on indebtedness				
Change in provision for uncollectible accounts	1,223		(95)	
Other	10,000	407	410	58
Total Expenditures and Other Deductions	927,432	209,995	13,840	58
<b>University Funds Interfund Transfers In (Out):</b>				
Mandatory:				
Principal and interest	(17,040)	(72)		
Restricted fund matching	(7,213)	7,695	(55)	(313)
Loan fund matching	(651)	(4)	657	(2)
Facility expansion				
Renewals and replacements	(486)			
Nonmandatory:				
Building projects	(20,016)	(424)		
Other	(9,185)	861	166	(242)
Total University Funds Interfund Transfers In (Out)	(54,591)	8,056	768	(557)
Operating Transfers In from Primary Government	437,296	900	20,930	
Operating Transfers Out to Primary Government	(4,380)			
Net Increase (Decrease) in Fund Balances	23,593	208	13,359	3,066
Fund Balances July 1	150,635	21,865	77,435	31,635
Fund Balances June 30	\$ 174,228	\$ 22,073	\$ 90,794	\$ 34,701

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

<b>Plant Funds</b>				<b>Totals for the Year Ended (Memorandum Only)</b>	
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	June 30, 1996	June 30, 1995
\$	\$	\$	\$	\$	\$
397		320		572,700	550,226
7,714		10		841	1,055
		135		159,047	164,236
4,691	12	2		19,494	13,160
1		688		1,365	1,456
4,993	402			34,949	39,895
				808	767
				7,647	6,633
				1,675	1,650
				719	647
					6,440
			144,454	144,454	109,732
			10,912	10,912	13,249
308	3			1,115	1,839
1,445	101	1,307			132
				5,298	4,604
19,549	518	2,462	155,366	961,024	915,721
		9		838,969	798,595
				115,055	116,166
				170,488	154,881
				1,463	1,508
110				11,658	13,927
				198	104
				1,394	1,339
				216	192
98,166				98,166	50,616
10,276	1,463			11,739	22,012
			29,638	29,638	19,375
			8,861	8,861	11,734
		10,912		10,912	13,249
		7,669		7,669	7,144
				1,128	2,502
709	38	111		11,733	10,485
109,261	1,501	18,701	38,499	1,319,287	1,223,829
(558)	(121)	17,791			
(33)	(81)				
(74)	560				
23,350	(2,910)				
9,153	(671)	(82)			
31,838	(3,223)	17,709			
59,769				518,895	457,501
				(4,380)	
1,895	(4,206)	1,470	116,867	156,252	149,393
118,528	18,248	13,504	1,142,314	1,574,164	1,424,771
\$	\$	\$	\$	\$	\$
120,423	14,042	14,974	1,259,181	1,730,416	1,574,164



## University Funds

### Statement of Current Fund Revenues, Expenditures and Other Changes

#### Component Unit

For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Current Funds		Totals for the Year Ended (Memorandum Only)	
	Unrestricted	Restricted	June 30, 1996	June 30, 1995
<b>Revenues</b>				
Tuition and fees	\$ 173,065	\$ 124	\$ 173,189	\$ 165,397
Local appropriations	2,619		2,619	2,495
Federal grants and contracts	17,026	149,938	166,964	148,645
State grants and contracts	711	8,652	9,363	12,178
Local grants and contracts	440	1,230	1,670	1,772
Private gifts, grants and contracts	9,037	27,834	36,871	41,698
Endowment income	156	450	606	630
Investment income	9,618	61	9,679	7,658
Sales and services of educational activities	24,344	804	25,148	27,672
Sales and services of auxiliary activities	120,904		120,904	121,184
Sales and services of hospitals	187,166		187,166	174,696
Other sources	27,614	1,312	28,926	26,880
Total Current Revenues	572,700	190,405	763,105	730,905
<b>Expenditures and Mandatory Transfers</b>				
Educational and general:				
Instruction	276,443	25,545	301,988	291,533
Research	50,855	72,564	123,419	124,896
Public service	41,973	20,987	62,960	60,328
Academic support	59,896	10,871	70,767	71,593
Student services	30,402	3,343	33,745	28,993
Institutional support	76,863	7,155	84,018	85,869
Operation and maintenance of plant	64,242	119	64,361	58,372
Scholarships and fellowships	29,089	56,882	85,971	75,451
Educational and General Expenditures	629,763	197,466	827,229	797,035
Mandatory transfers for:				
Principal and interest	10,560	72	10,632	10,626
Restricted fund matching	7,108	(7,695)	(587)	207
Loan fund matching	651	4	655	668
Renewals and replacements	622		622	75
Total Educational and General Expenditures	648,704	189,847	838,551	808,611
Auxiliary enterprises				
Expenditures	114,495	560	115,055	116,166
Mandatory transfers for:				
Principal and interest	6,480		6,480	4,940
Restricted fund matching	105		105	
Renewals and replacements	(136)		(136)	330
Total Auxiliary Enterprises	120,944	560	121,504	121,436
Hospital operations expenditures	170,488		170,488	154,881
Independent operations expenditures	1,463		1,463	1,508
Total Expenditures and Mandatory Transfers	941,599	190,407	1,132,006	1,086,436
<b>Other Transfers and Additions/(Deductions)</b>				
Excess of restricted receipts over transfers to revenues		10,842	10,842	20,097
Operating transfers in from primary government	437,296	900	438,196	430,857
Operating transfers out to primary government	(4,380)		(4,380)	
Building support	(20,016)	(424)	(20,440)	(15,583)
Indirect and administrative costs recovered		(11,494)	(11,494)	(13,453)
Refunds to grantors		(68)	(68)	(59)
Provision for uncollectible accounts	(1,223)		(1,223)	(1,814)
Provision for accrued leave	(3,235)	(259)	(3,494)	(3,163)
Other	(15,950)	713	(15,237)	(21,723)
Net Increase in Fund Balances	\$ 23,593	\$ 208	\$ 23,801	\$ 39,628

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



**Notes to the Financial Statements****June 30, 1996****Note 1 - Significant Accounting Policies**

The significant accounting policies applicable to the state of Mississippi are described below.

- A. Basis of Presentation** - The accompanying financial statements of the state of Mississippi have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The financial statements of the university funds have been prepared in conformity with GAAP as prescribed by the National Association of College and University Business Officers (NACUBO) and the American Institute of Certified Public Accountants (AICPA).
- B. Financial Reporting Entity** - For GAAP financial reporting purposes, the state of Mississippi's reporting entity includes all fund types and account groups of the state's various commissions, departments, boards, elected officials, universities, and other organizational units (hereinafter referred to collectively as "agencies"). Management has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include the following considerations: 1) appointment of a voting majority of an organization's governing authority and the ability of the primary government to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or 2) an organization is fiscally dependent on the primary government.

As required by GAAP, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the government's operations and so data from these units are combined with that of the primary government. The blended component unit is:

Public Employees' Retirement System of Mississippi - The System was created having all the powers and privileges of a public corporation for the purpose of providing pension benefits for public employees of the state and its political subdivisions. The Board of Trustees is composed of the state treasurer, one member appointed by the governor and eight members elected by its members. The administrative expenses are subject to legislative budget controls. Its four pension trust funds and three agency funds are reported as part of the state using the blended component method. The funds were audited by independent auditors for the period ended June 30, 1996, and their report, dated October 11, 1996, has been issued under separate cover. The comprehensive annual financial report may be obtained by writing to Public Employees' Retirement System of Mississippi, Attention: Financial Reporting Department, 429 Mississippi Street, Jackson, Mississippi 39201-1005 or by calling 1-800-444-PERS.

Discretely presented component units, which are legally separate from the state, are reported in separate component units columns of the combined financial statements. The component units columns include the financial data of these entities.

Mississippi Business Finance Corporation (Proprietary Fund Type) - This is a public corporation which is an incorporated certified development company. The Mississippi Business Finance Corporation (MBFC) is a legally separate entity. The primary government is not able to impose its will on MBFC and there is not a financial benefit/burden relationship. A large portion of MBFC's current overhead is provided by the state. This includes office space, furniture, equipment and some personnel. Therefore, it would be misleading not to include this entity as a discretely presented component unit.

Mississippi Coast Coliseum Commission (Proprietary Fund Type) - This is a political subdivision of the state. Expenditures are subject to legislative budget approvals. The commission is responsible for

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establishing, promoting, developing, locating, constructing, maintaining and operating a multi-purpose coliseum and related facilities within Harrison County, Mississippi.

Mississippi Prison Industries (Proprietary Fund Type) - This is a non-profit corporation created and established as a body politic and corporate, to lease and manage the prison industry programs of the Mississippi Correctional Industries. The primary government is not able to impose its will on the corporation. Neither a financial benefit nor burden exists between the primary government and prison industries. However, because prison industries utilizes state inmates for their workforce, leases state property at below market and may receive state appropriations for funding, it would be misleading not to include the corporation as a discretely presented component unit.

Pat Harrison Waterway District (Governmental Fund Type) - This agency is a body politic and corporate. Expenditures are subject to legislative budget approval. The agency is charged with the overall responsibility of providing flood relief along the Pascagoula River and its tributaries and to preserve and protect these waters for future generations, for economic enhancement of the area and its industrial growth.

Pearl River Basin Development District (Governmental Fund Type) - This agency is a body politic and corporate. Expenditures are subject to legislative budget approval. The agency was created for the purpose of preservation, conservation, storage and regulation of the waters of the Pearl River and its tributaries and their overflow waters for domestic, commercial, municipal, industrial, agricultural and manufacturing purposes, for recreational uses, for flood control, timber development, irrigation, navigation and pollution abatement.

Pearl River Valley Water Supply District (Governmental Fund Type) - This agency is a body politic and corporate. Expenditures are subject to legislative budget approval. This agency operates and maintains the Ross Barnett Reservoir and surrounding district lands, to provide water supply, flood reduction, and recreation opportunities.

Tombigbee River Valley Water Management District (Governmental Fund Type) - This agency is a body politic and corporate. Expenditures are subject to legislative budget approval. This agency provides for a plan of conservation, recreation, water control and utilization, agricultural development and industrial and economic advancement within the district.

Universities (University Funds) - The Board of Trustees of State Institutions of Higher Learning, appointed by the primary government, governs Alcorn State University, Delta State University, Jackson State University, Mississippi State University, Mississippi University for Women, Mississippi Valley State University, the University of Southern Mississippi and the University of Mississippi, all of which are bodies politic and corporate. The universities are funded through state appropriations, tuition, federal grants, and private donations and grants. Because the universities are similar in nature and function, they have been combined and presented as a single component unit.

The discretely presented component units are audited by the Office of the State Auditor or other independent auditors, and their financial statements are issued under separate covers. The audited financial statements are available from each discretely presented component unit.

State officials are also responsible for appointing the members of the boards of other organizations, but the primary government's accountability for these organizations does not extend beyond making the appointments. These organizations are Mississippi Hospital Equipment and Facilities Authority, Mississippi Home Corporation and Mississippi Industries for the Blind.

- C. Fund Accounting** - The financial activities of the state are recorded in individual funds and account groups used to report financial position and results of operations. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. An account group is a

financial reporting device designated to provide accountability for certain assets and liabilities that are not recorded in funds because they do not directly affect net expendable available financial resources. Account groups are presented for general fixed assets and general long-term obligations.

Funds reported for the primary government and its component units are classified into four categories: governmental, proprietary, fiduciary and university. Each category is further divided into separate "fund types."

In the primary government's financial statements, each category is divided into separate "fund types", which are described along with the two account groups, as follows:

## **GOVERNMENTAL FUND TYPES**

Governmental funds are used to account for all or most of a government's general activities, including collection and disbursement of earmarked monies (special revenue funds), acquisition or construction of general fixed assets (capital projects funds), and servicing of general long-term debt (debt service funds). The General Fund is used to account for all general government activities not accounted for in some other fund. Governmental fund types include:

**General** - Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not required to be accounted for in other funds, are accounted for in the General Fund. These services include, among others, general government, education (other than institutions of higher learning), health and social services, public safety, recreation and resources, and transportation. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

**Special Revenue** - Transactions related to resources obtained from specific revenue sources (other than for expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes are accounted for in special revenue funds. Special revenue funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose.

**Debt Service** - Transactions related to resources obtained and accumulated to pay interest and principal on general long-term obligations (other than capital leases and compensated absences) are generally accounted for in debt service funds.

**Capital Projects** - Transactions related to resources obtained and used for acquisition, construction or improvement of major capital facilities are accounted for in capital projects funds. Such resources are derived principally from proceeds of general obligation bond issues and operating transfers from the General Fund.

## **PROPRIETARY FUND TYPES**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Proprietary fund types include:

**Enterprise** - Enterprise funds account for operations where the intent of the state is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service** - Internal service funds account for the operations of state agencies which render services and provide goods to other state agencies or governmental units on a cost-reimbursement basis.

## FIDUCIARY FUND TYPES

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms “nonexpendable” and “expendable” refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent. Fiduciary fund types include:

**Expendable Trust** - Expendable trust funds account for assets held by the state in a trustee capacity where the principal and income may be expended in the course of designated operations.

**Nonexpendable Trust** - Nonexpendable trust funds account for assets held by the state in a trustee capacity where only income derived from trust principal may be expended in the course of designated operations. Principal must be preserved intact.

**Pension Trust** - Pension trust funds account for transactions, assets, liabilities and net assets available for plan benefits of the state's public employee retirement systems.

**Agency** - Agency funds account for various taxes, deposits, and property collected or held by the state, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

## ACCOUNT GROUPS

Account groups are accounting entities used to establish control over and accountability for the state's general fixed assets and the unmatured principal of its general long-term obligations. Two account groups are used.

**General Fixed Assets** - The general fixed assets account group accounts for all fixed assets acquired or constructed for use by the state, other than those accounted for in the proprietary and fiduciary funds.

**General Long-Term Obligations** - The general long-term obligations account group accounts for general obligation bonds, limited obligation bonds, compensated absences and other long-term obligations not recorded in proprietary and fiduciary funds.

## DISCRETELY PRESENTED COMPONENT UNITS

The discretely presented component units include governmental, proprietary and university fund type organizations that are legally separate from the state but are considered part of the reporting entity. Fixed assets and long-term debt for component units are included in the discrete column of the combined balance sheet.

University funds account for the operations of state universities in accordance with existing authoritative accounting and reporting principles applicable to universities. Accordingly, university funds are an aggregation of the following funds:

**Current** - Current funds account for resources that will be expended for operating purposes. These include unrestricted funds over which university governing boards retain full control in achieving institutional purposes and restricted funds which may be utilized only for purposes designated by a donor or other external organization.

**Loan** - Loan funds account for transactions of related resources obtained and used for loans to students, staff and faculty.

**Endowment** - Endowment funds account for resources held by the institutions that must be administered in accordance with trust agreements.

**Plant** - Plant funds account for resources available for acquisition, renewal and replacement of institutional properties, resources available to service debt incurred to acquire such properties, and the fixed assets acquired or constructed for use by the institutions.

**Unexpended** - This subgroup is used to account for the unexpended resources derived from various sources to finance the acquisition of university fixed assets and the associated liabilities.

**Renewals and Replacements** - This subgroup is used to provide for the renewal and replacement of plant fund assets as distinguished from additions and improvements to plant.

**Retirement of Indebtedness** - This subgroup is used to account for the accumulation of resources for interest and principal payments and other debt service charges, including contributions for sinking funds, relating to plant fund indebtedness.

**Investment in Plant** - Except for long-lived assets held as investments in endowment and similar funds and their associated liabilities, this subgroup includes all long-lived assets in the service of the institution and all construction in progress (unless carried in the Unexpended Plant Fund or Fund for Renewals and Replacements subgroup until completion of the project), as well as all associated liabilities.

**Agency** - Agency funds account for amounts held in custody for students, university-related organizations, and others.

- D. Basis of Accounting/Measurement Focus** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus, as described below.

**Governmental Fund Types and Expendable Trust and Agency Funds** - All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when measurable and available to finance operations of the current fiscal year. Available means collected in the current year or soon enough after year end to liquidate liabilities existing at the end of the year. Significant revenue sources that are susceptible to accrual include sales taxes, individual income taxes, corporate income taxes and federal grants. Licenses, fees, permits and other miscellaneous revenues are recognized when received since they normally are measurable only at that time. Expenditures and related fund liabilities are recognized upon receipt of goods and services.

Modifications to the accrual basis of accounting include: principal and interest on long-term debt reflected in the general long-term obligations account group are recorded as fund liabilities when due; inventories of materials and supplies are recorded as expenditures at acquisition; obligations for employee personal leave and major medical leave are recorded as expenditures when paid.

**Proprietary Fund Types and Nonexpendable and Pension Trust Funds** - All proprietary funds, nonexpendable trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components for proprietary funds, fund balance for nonexpendable trust and net assets for pension trust funds. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The accrual basis of accounting is utilized by proprietary fund types, nonexpendable trust funds and pension trust funds. Under the accrual basis of

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accounting, revenues are recognized when earned and expenses are recognized when incurred. For pension trust funds, employee and employer contributions are recognized as revenue in the period in which employee services are performed. Investment income is recognized when earned. Expenses, including benefits and refunds paid, are recognized when incurred.

The state's proprietary and pension trust funds apply all applicable GASB pronouncements and only the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

**University Funds** - The accounts of the university funds in the discretely presented component unit column are reported using the accrual basis of accounting with the following exceptions: depreciation related to plant fund assets is not recorded and revenues and expenditures of an academic term encompassing more than one fiscal year are reported solely in the fiscal year in which the program is predominantly conducted.

- E. Budgetary Accounting** - The state's annual budget is prepared principally on the cash basis utilizing encumbrance accounting. Encumbrances represent executed but unperformed purchase orders. In the accompanying financial statements, encumbrances are recorded as expenditures for budgetary purposes if presented for payment in the 60-day lapse period immediately following the end of the fiscal year and as reservations of fund balance for GAAP purposes. Since the budgetary basis differs from generally accepted accounting principles, budget and actual amounts in the accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds are presented on the budgetary basis. A reconciliation of the excess of revenues over (under) expenditures and other financing sources (uses) on a budgetary basis at June 30, 1996 to the excess of revenues over (under) expenditures/expenses and other financing sources (uses) presented in conformity with generally accepted accounting principles is set forth in Note 2.

Unexpended appropriations at June 30 are available for subsequent expenditure only to the extent that encumbrances have been established and they are presented for payment during the succeeding 60-day lapse period. Lapse period expenditures are reported as expenditures in the current-year budgetary presentation.

- F. Cash and Cash Equivalents** - Cash and cash equivalents include bank accounts, petty cash, money market demand accounts and certificates of deposit with a maturity date within 90 days of the date acquired by the state. Collateral, as further discussed in Note 4, is pledged by the various banks and investment institutions to guarantee state funds.
- G. Investments** - Investments are generally recorded at cost. Income from short-term interest bearing securities is recognized as earned. Gains and losses on bond sales are recognized under the completed-transaction method. The cost of common stock sold is determined using the average-cost method.

In accordance with authorized investment laws, the state invests in collateralized mortgage obligations. These securities are reported at cost on the balance sheet. They are included as part of U. S. Government securities and agencies in the Note 4 disclosure.

Investments of the pension trust funds and Government Employees' Deferred Compensation Plan Fund (an agency fund) are stated at market value except for life insurance contracts, which are stated at cash surrender value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate bonds are valued based on yields currently available on comparable securities from issuers of similar credit ratings. Mortgage securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Short-term investments are reported at market value when published prices are available, or at cost plus accrued interest, which approximates market value. For individual investments where no readily ascertainable market value exists, the Public Employees' Retirement System, in consultation with its investment advisors and custodial bank, has determined the market values.

The Public Employees' Retirement System of Mississippi is authorized to enter into securities lending transactions. These transactions represent loans of securities to broker-dealers with a simultaneous agreement to return the collateral for the same securities in the future. The assets and liabilities arising from securities lending transactions are reflected separately

under the captions Investments and Obligations under securities lending. In accordance with authorized investment laws, the Public Employees' Retirement System also invests in various mortgage-backed securities such as collateralized mortgage obligations, interest-only strips and principal-only strips. These securities are reported at market value and are included in the categories of U. S. Government securities and agencies and Corporate obligations in the Note 4 disclosure.

**H. Receivables** - Receivables in the governmental and fiduciary funds primarily consist of interest and federal revenues, both recorded when earned, taxes that are susceptible to accrual - mainly sales and income taxes and amounts due from other governments. Proprietary fund receivables occur in the ordinary course of business. Trust and agency fund receivables include amounts collectible for investments sold and for accrued interest income as well as contributions payable to pension trust funds which are recognized as revenue in the period in which employee services are performed. The discretely presented university fund receivables include monies due from the federal government, tuition fees and accrued interest income. Receivables are reported net of allowances for uncollectible accounts where applicable.

**I. Interfund Transactions** - The state has the following types of interfund transactions:

**Quasi-External Transactions** - Charges for services rendered by one fund to another that are treated as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

**Reimbursements** - Reimbursements of expenditures or expenses made by one fund for another are recorded as expenditures or expenses in the reimbursing fund and as a reduction of expenditures or expenses in the reimbursed fund.

**Operating Transfers** - Legally authorized transfers are reported as operating transfers. Operating transfers from the General Fund are transfers of appropriated or diverted tax revenues.

The composition of the state's interfund receivables and payables is presented in Note 6.

**J. Inventories** - Inventories of supplies and materials are stated at cost, which approximates market, generally using the first-in, first-out method. Cost of inventories held for use in constructing highways is determined by weighted average methods. Governmental fund type inventories of supplies and materials are recorded as expenditures at acquisition. Inventories of food stamps are recorded at their face value, with a corresponding deferred revenue. Food stamp revenues and expenditures are recorded simultaneously at the time of distribution.

**K. Restricted Assets** - Assets from proceeds of general obligation bonds restricted for use in construction are reported in the primary government's enterprise funds for the Port Authority at Gulfport. The component units' restricted assets consist primarily of assets held by the Mississippi Coast Coliseum Commission with use limited to future legislative appropriations.

**L. Property, Plant and Equipment** - General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are stated at cost. Donated assets are valued at estimated market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on general fixed assets.

Certain public domain (infrastructure) general fixed assets, principally highways, bridges and rights-of-way, are not capitalized, as these assets are immovable and of value only to the government. Generally, discretely presented university fund infrastructure assets such as streets, sidewalks, lighting systems and curbs are capitalized. Depreciation is not provided on general fixed assets or on university fund fixed assets.

Proprietary and fiduciary fund type property, plant and equipment, excluding land, are depreciated on the straight-line method over the estimated service lives of the respective assets ranging from 20 to 50 years for buildings and improvements and 3 to 10 years for machinery and equipment.

- M. Risk Management - Claims Liability** - The state has elected to finance exposures to risk for health and life benefits, tort liability, unemployment benefits and workers' compensation benefits through the retention of risk. The primary government and component units participate in the internal service Risk Management Fund. A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.
- N. Accumulated Unpaid Personal Leave and Major Medical Leave** - Mississippi law authorizes payment for a maximum of 30 days accrued personal leave in a lump sum upon termination of employment. No payment is authorized for accrued major medical leave unless employees present medical evidence that their physical condition is such that they can no longer work in a capacity of state government.

The state's obligation with respect to governmental and expendable trust funds for accumulated unpaid personal leave, up to the maximum of 30 days per employee, is reported in the accompanying general long-term obligations account group. In the university and in the proprietary and similar trust fund types, this obligation is reported as a liability in the respective funds. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current-year expenditures. The state uses the last-in, first-out method of recognizing use of compensated absences.

The reported liability for accumulated unpaid personal leave applicable to all fund types includes the related fringe benefits that the state as employer is required to pay when the accrued compensated absences are liquidated.

Accumulated unpaid major medical leave is not accrued, except in university funds, because it is not probable that the compensation will be paid in a lump sum other than in the event of severe illness. However, state law authorizes university funds to make payment for a maximum of 30 days in a lump sum upon termination of employment for nine-month faculty members eligible to receive retirement benefits.

- O. Deferred Revenue** - Deferred revenues arise when a potential revenue does not meet the "available" criterion for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or for food stamps held pending distribution. In subsequent periods, when the revenue recognition criterion is met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.
- P. Fund Equity** - The equity section of the governmental fund balance sheet is comprised of three major fund balance elements: reserved; unreserved, designated; and unreserved, undesignated. The two primary elements of a proprietary fund's equity are contributed capital and retained earnings. These elements are explained below.

## CONTRIBUTED CAPITAL

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from other funds.

## RESERVATIONS

Reservations are for the following fund types and purposes:

### Fund Types

**Governmental and Fiduciary** - Fund balances of governmental and fiduciary fund types that are legally restricted to a specific future use or that are not available for appropriation or expenditure are reported as reservations of fund balances.

**Proprietary** - Reserved retained earnings of the primary government's proprietary funds represent those portions of fund equity that are legally restricted for payment of debt service. The component units' reserved retained earnings represent the portion of fund equity reserved for restricted assets.



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**University** - Fund balances of university funds that are legally restricted by outside sources to specific future use are reported as reservations of fund balances.

## Purposes

**Encumbrances** - Represents outstanding commitments at year end that will be liquidated in the lapse period.

**Inventories** - Represents the portion of fund balance reserved for inventories that is not available spendable resources. Food stamps inventory is offset by deferred revenue because the revenue recognition criteria have not been met.

**Long-Term Portion of Loans and Notes Receivable** - Represents loans and advanced funds under various programs that will be repaid over a number of years. Fund balance has been reserved in an amount equal to the balance of loans and advances receivable to indicate that it is not available resources for appropriation.

**Long-Term Portion of Due From Other Governments** - Represents loans to local governments that will be repaid over a number of years. Fund balance has been reserved in an amount equal to the balance of loans receivable to indicate that it is not available resources for appropriation.

**Pension Benefits** - Represents the portion of fund balance that will be used to provide future retirement benefits to members of the various public employee retirement systems.

**Other** - Consists principally of unemployment compensation, disaster relief assistance, and educational and vocational training. University activities reported in the discretely presented component unit column include loans to students, research projects, and endowments.

## DESIGNATIONS

Designations of unreserved fund balances are established to reflect tentative plans for future utilization of current financial resources. Designations are established for the following categories:

**Debt Service** - Amounts anticipated to pay future debt service requirements.

**Capital Projects and Road and Highway Construction** - Amounts anticipated to be utilized for the construction of state facilities, highways and roads.

**Designated for Other Specific Purposes** - Special treasury accounts classified within the GAAP General Fund are shown in this designation, because the funds are not available for appropriation by the state legislature unless enabling legislation is approved. The fund balance of the Working Cash-Stabilization Reserve Account is also recorded as designated for other specific purposes.

**The Working Cash-Stabilization Reserve Account** - State law created the Working Cash-Stabilization Reserve Account into which shall be deposited 100 percent of the unencumbered General Fund cash balance at the close of each fiscal year until such time as the balance reaches \$40,000,000. After the balance in the account reaches \$40,000,000, 50 percent of the unencumbered General Fund cash balance at the close of each fiscal year shall be deposited into the account. Once the account reaches 7.5 percent of General Fund appropriations of the fiscal year, any excess of the 50 percent of the unencumbered cash balance is transferred to the Education Enhancement Account.

The Working Cash-Stabilization Reserve Account in excess of \$40,000,000 may be used to cover unforeseen deficits in revenues, that may occur in the General Fund. If the governor determines that a deficit in revenues from all sources may occur, a maximum of \$50,000,000 may be transferred to the General Fund in any one fiscal year. The amount so applied shall be restored to the Working Cash-Stabilization Reserve Account out of future annual surpluses

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until the 7.5 percent maximum is again attained. This account may also be used to pay state obligations as they become due when cash flow deficiencies occur. Sums used for this purpose must be reimbursed from General Fund revenues collected during the fiscal year in which such funds are used. As required by law, the Working Cash-Stabilization Reserve Account is not considered as a surplus or available funds when adopting a balanced budget.

- Q. Federal Grants** - Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations which include subjecting grants to financial and compliance audits.
- R. Total (Memorandum Only) Columns** - "Total (Memorandum Only)" columns have been added to certain statements to reflect totals for both the primary government and the reporting entity. They are presented for information only and do not represent consolidated financial information.
- S. Comparative Data** - On certain statements, 1995 fiscal year "Total (Memorandum Only)" columns are presented for comparative purposes in order to provide an understanding of changes in the state's financial position and operations. However, comparative data have not been provided for individual fund types or in total for all combined financial statements. Certain reclassifications have been made to the 1995 financial statements to conform to the 1996 presentation.

## Note 2 - Budgetary Process, Control and Reconciliation to GAAP

Mississippi state law requires both the governor and the Legislative Budget Office to prepare and submit to the legislature at the beginning of each annual session an overall balanced budget for budgeted activities and functions in the ensuing fiscal year. Budgeted expenditures may not exceed the aggregate of 98 percent of estimated revenues plus funds expected to be on hand at the beginning of the year. The legislature compares these budgets, makes any revisions it deems necessary or appropriate, and legally enacts an annual state budget through passage of specific departmental appropriation bills by activity or function for the general and special funds and by major expenditure classification for all funds in total but not for individual funds, the sum of which should not exceed estimated amounts available and projected revenues for those activities and functions. The governor has the power to approve or veto each line item appropriation; however, vetoes are subject to legislative override.

The state has established three budgetary fund groups to account for its budgetary activities and functions:

**General** - accounts established to receive and distribute general tax revenues and other general revenues and interest generated thereon.

**Education Enhancement** - accounts established to receive specific tax revenues to support various educational programs.

**Special** - accounts established to receive federal grants, fees, proceeds from the sale of goods and services, taxes levied for specific purposes and interest generated thereon, and to support the functional activities of the agencies that generate such revenues.

The budget covers most governmental funds included in the state reporting entity but excludes certain distributive accounts, debt service funds, endowment funds, research funds from other than state appropriations, and private gifts to designated agencies or for designated purposes which are not subject to appropriation pursuant to state law. Certain accounts recommended by the Department of Finance and Administration as not being subject to appropriation are also excluded. Certain accounts held outside the treasury are similarly not budgeted. The budget does include certain proprietary funds and the administrative costs of operating the Public Employees' Retirement System of Mississippi.

The Department of Finance and Administration monitors agency budget compliance through an allotment process. For the general fund, allotments are established at or below the level of appropriation for each budgetary activity or function. For the special fund, allotments may be established in excess of the original appropriation if revenues from federal funding sources exceed original estimates. To provide sufficient funding for several programs during the fiscal year, supplemental appropriations of \$41,341,000 were approved by the legislature. Budget allotments were increased to reflect these supplemental appropriations.

If, at the end of October or any month thereafter of any fiscal year, general fund revenues collected for the fiscal year fall below 98 percent of the estimate adopted by the Legislative Budget Office at the date of sine die adjournment, the Department of Finance and Administration is required by statute to reduce allotments of appropriations to general fund agencies by the amount necessary to keep expenditures within the actual general fund receipts for the fiscal year. No agency's allotment may be reduced by more than 5 percent unless allotments to all general fund agencies have been reduced by 5 percent. Any required reductions in excess of 5 percent must consist of a uniform percentage reduction to all general fund agencies. Reduced allotments may be restored if revenue collections exceed revised estimates. There were no budget reductions during fiscal year 1996.

State agencies are responsible for exercising budgetary control and ensuring that allotments are not overspent, subject to Department of Finance and Administration review. The legal level of budgetary control is at the agency level by activity or function as well as by major expenditure classification (e.g., personal services, contractual services, commodities) if a major expenditure budget was established by approved appropriation bills. For those appropriations that are not delineated as to major expenditure classification, the lowest level of budgetary control is activity or function. Agencies are authorized to transfer appropriated amounts between major expenditure classifications not to exceed 10 percent, except that the amount budgeted for salaries cannot be changed and the amount budgeted for capital outlay - equipment cannot be increased. In addition, special fund expenditures cannot exceed the amount of cash in the fund at any time.

Budgeted general fund revenues in the accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds represent the general fund revenue estimate adopted by the Legislative Budget Office at the date of sine die adjournment. Special fund

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revenue estimates include anticipated revenues during the year and the amount of beginning cash balances on hand at the beginning of the year which are anticipated to be expended for special fund purposes.

Because of the complexity of the state's budget, a separate Annual Report of Budgetary Basis Expenditures has been prepared to present budget to actual comparisons. This budgetary report is available at the Department of Finance and Administration.

The Combined Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP (see Note 1E), a reconciliation of resulting basis, timing, perspective and entity differences in the excess of revenues over (under) expenditures/expenses and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 1996 is presented below (amounts expressed in thousands):

	Budgetary Funds			Financial Statement Fund Types	
	General	Education Enhancement	Special	General	Special Revenue
Excess of Revenues Over Expenditures and Other Financing Sources (Uses) - Budgetary Funds Budgetary Method	\$ (29,174)	\$ (45,156)	\$ 46,017	\$	\$
Entity and Perspective Differences:					
Reclassification of budgetary funds to GAAP financial statement fund types	29,174	45,156	(46,026)	(26,666)	(7,305)
Elimination of budgetary funds that are GAAP agency funds			9		
Add non-budgeted funds				98,487	4,265
Basis Differences:					
Net accrued revenues, related receivables and deferred revenues				850,267	1,939
Net accrued expenditures/expenses and related liabilities				(809,290)	(6,028)
Timing Differences:					
Lapse period revenues which were not treated as assets				(218,661)	(14,154)
Lapse period expenditures/expenses which were not treated as liabilities				183,830	17,062
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)/Net Income - GAAP Fund Types - GAAP Basis	\$ 0	\$ 0	\$ 0	\$ 77,967	\$ (4,221)

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	Debt Service	Capital Projects	Enterprise	Internal Service	Expendable Trust	Non- Expendable Trust	Pension Trust	Component Unit University
\$	\$	\$	\$	\$	\$	\$	\$	
		4,051	1,880	1,631			(24)	(1,871)
	(6,404)	23,207	10,244	(530)	12,130	550	36,677	
		(52,051)	(10,593)	(1,007)			1,890,033	1,028,302
		34,156	15,643	(1,630)			(588,752)	(870,723)
		(1,040)	(481)	(41)				(11,180)
			612	2,446			1,006	11,724
\$	(6,404)\$	8,323 \$	17,305 \$	869 \$	12,130 \$	550 \$	1,338,940 \$	156,252

## Note 3 - Other Accounting Disclosures

- A. Fund Deficit and Retained Earnings Deficit** - At June 30, 1996, The Medicaid Fraud Fund (a special revenue fund) has a deficit fund balance of \$2,000 as a result of recognition of fund expenditures in excess of fund revenues. The Veterans' Memorial Stadium Commission Fund (an enterprise fund) has deficit retained earnings of \$962,000 which result from operating expenses exceeding operating revenues for fiscal year 1996.
- B. Contributed Capital** - The changes in the state's contributed capital accounts for the proprietary funds for fiscal year 1996 were as follows (amounts expressed in thousands):

	<b>Primary Government</b>	<b>Component Units</b>
Beginning balance, contributed capital	\$ 26,134	\$ 16,988
Contributions/fixed assets	1,191	402
Depreciation on contributed assets	(351)	
Ending balance, contributed capital	<u>\$ 26,974</u>	<u>\$ 17,390</u>

- C. Reclassifications/Restatements of Fund Equity** - At July 1, 1995, the threshold for capitalizing property, plant and equipment was increased from \$100 to \$500. The June 30, 1995 balances were restated to reflect this change in accounting policy. A correction was made to increase the retainage payable balance reported in the Capital Projects Fund. In addition, two enterprise funds were reclassified to discretely presented component units. During fiscal year 1996, the state chose an early implementation of GASB Statement 28 *Accounting and Financial Reporting for Securities Lending Transactions*. This statement establishes standards of accounting and financial reporting for securities lending transactions but did not result in any restatement of fund balance. The reclassifications/restatements of fund equity are summarized as follows (amounts expressed in thousands):

	<b>Capital Projects</b>	<b>Enterprise</b>	<b>Internal Service</b>	<b>General Fixed Assets</b>	<b>Component Units</b>
Fund Equity at June 30, 1995 as previously reported *	\$ 358,740	\$ 150,618	\$ 94,205	\$ 1,216,918	\$ 1,704,007
Change in accounting policy		(24)	(21)	(46,195)	
Unreported retainage payable at June 30, 1995	(10,118)				
Reclassification of enterprise funds		(10,891)			10,891
Fund Equity at June 30, 1995 as restated	<u>\$ 348,622</u>	<u>\$ 139,703</u>	<u>\$ 94,184</u>	<u>\$ 1,170,723</u>	<u>\$ 1,714,898</u>

\*Certain other reclassifications have been made to the 1995 financial statements to conform to the 1996 presentation.

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**D. Fund Equity** - Fund balances reserved for other and fund balances unreserved, designated are explained as follows (amounts expressed in thousands):

	<u>Governmental Fund Types</u>					<u>Total</u>		<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Fiduciary Fund Types</u>	<u>Primary Government</u>	<u>Component Units</u>	<u>Reporting Entity</u>
<b>Fund balances reserved for other:</b>								
Long-term portion of loans and notes receivable	\$ 137,693	\$ 847	\$ 8,410		\$ 57	\$ 147,007		\$ 147,007
Long-term portion of due from other governments	196,248	6,952				203,200		203,200
Unemployment compensation					592,639	592,639		592,639
Disaster relief assistance		4,906				4,906		4,906
Educational and vocational training					22,259	22,259		22,259
University funds loans to students							90,794	90,794
University funds research projects							21,101	21,101
University funds endowments							34,701	34,701
Memorial Burn Center and other					276	276		276
University funds contractual agreements							718	718
University funds temporarily restricted funds							1,392	1,392
University funds continuing education							362	362
University funds bad debts							1,811	1,811
Prepaid expenses							110	110
Flood control							23	23
Land management							52	52
Distribution to local governments	36,591					36,591		36,591
Athletics							122	122
<b>Total fund balances, reserved for other</b>	<b>\$ 370,532</b>	<b>\$ 12,705</b>	<b>\$ 8,410</b>	<b>\$ 0</b>	<b>\$ 615,231</b>	<b>\$ 1,006,878</b>	<b>\$ 151,186</b>	<b>\$ 1,158,064</b>
<b>Fund balances unreserved, designated:</b>								
Debt service	\$ 13,128	\$	\$ 13,578	\$ 3,767		\$ 30,473	\$ 29,269	\$ 59,742
Road and highway construction	351,419					351,419		351,419
Future capital projects				353,178		353,178	128,765	481,943
Working cash stabilization reserve account	206,190					206,190		206,190
Special treasury accounts	384,821					384,821		384,821
Municipalities crime prevention		2,965				2,965		2,965
Future loans		3,765				3,765		3,765
<b>Total fund balances unreserved, designated</b>	<b>\$ 955,558</b>	<b>\$ 6,730</b>	<b>\$ 13,578</b>	<b>\$ 356,945</b>	<b>\$ 0</b>	<b>\$ 1,332,811</b>	<b>\$ 158,034</b>	<b>\$ 1,490,845</b>

Retained earnings, reserved is explained as follows (amounts expressed in thousands):

	<u>Enterprise</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
<b>Retained earnings, reserved for:</b>			
Bond retirement	\$ 462	\$	\$ 462
Commission trust fund		7,000	7,000
<b>Total retained earnings, reserved</b>	<b>\$ 462</b>	<b>\$ 7,000</b>	<b>\$ 7,462</b>



## Note 4 - Deposits and Investments

### Investment Policies

The state treasurer maintains a cash and short-term investment pool for all state general and special treasury funds and for investments of certain other state agencies. In addition, the Public Employees' Retirement System (the System), and a small number of other agencies carry out investment activities separate from the state treasurer. A discussion of statutory authority for these investments follows.

**State Treasurer** - The state treasurer is authorized to invest in certificates of deposit or term repurchase agreements with approved financial institutions, banks and savings associations domiciled in Mississippi which are reflected as deposits or investments in the accompanying financial statements. Financial institutions make annual application to the state treasurer for state funds by signing a contract and supplying their financial report as provided to their regulatory authority to assure the statutory required 5 ½ percent primary capital to total assets ratio. Depositories are required to collateralize at least 105 percent of the amount of funds held on deposit in certificates of deposit that are in excess of the \$100,000 FDIC limit. Substitution based on par is allowed for some collateral securities. The state treasurer is also authorized to invest in repurchase agreements and securities lending transactions (with at least 80 percent of the total dollar amount with qualified state depositories), direct United States Treasury obligations, United States Government instrumentalities, United States Government agency obligations and any open-end or closed-end management type investment company or investment trust registered under the provisions of 15 U.S.C. Section 80(a)-1 et seq., provided that the portfolio is limited to direct obligations issued by the United States (or its agencies, instrumentalities or sponsored enterprises) and to repurchase agreements fully collateralized by direct obligations of the United States (or its agencies, instrumentalities or sponsored enterprises).

The state treasurer invests in collateralized mortgage obligations issued by United States Government agencies in order to maximize yield on the state's funds. These securities are based on cash flows from principal payments on underlying mortgages, therefore, they are sensitive to prepayments by mortgagees. In essence, as principal payments are made, cash is received, and the par value of the securities is reduced.

**Public Employees' Retirement System** - The System is authorized to invest in the following:

Bonds, notes, certificates and other valid general obligations of the state of Mississippi, or of any county, city, or supervisor's district of any county of the state of Mississippi;

School district bonds of the state of Mississippi;

Notes or certificates of indebtedness issued by the Veterans' Home Purchase Board of Mississippi;

Highway bonds of the state of Mississippi;

Corporate bonds of Grade BAA/Bbb or better as rated by Standard and Poor's Corporation or by Moody's Investors Service;

Short-term obligations of corporations, or of wholly-owned subsidiaries of corporations, whose short-term obligations are rated A-3 or better by Standard and Poor's Corporation or rated P-3 or better by Moody's Investors Service. The Board of Trustees of the System has established a policy which further limits investments of this type to only those corporations whose short-term obligations are rated A-2 or P-2 by Standard and Poor's Corporation or Moody's Investors Service, respectively;

Bonds of the Tennessee Valley Authority;

Bonds, notes, certificates and other valid obligations of the United States or any federal instrumentality that issues securities under authority of an act of Congress and are exempt from registration with the Securities and Exchange Commission;





Bonds, notes, debentures and other securities issued by any federal instrumentality and fully guaranteed by the United States;

Bonds rated A or better, stocks and convertible securities of established foreign companies which are listed on primary national stock exchanges of foreign nations and foreign government securities rated A or better by a recognized rating agency. The System is authorized to hedge such transactions through foreign banks and generally deal in foreign exchange through the use of foreign currency, interbank forward contracts, futures contracts, options contracts, swaps and other related derivative instruments;

Interest-bearing bonds or notes which are general obligations of any other state in the United States or any city or county therein, provided such city or county had a population as shown by the federal census next preceding such investment of not less than 25,000 inhabitants, and provided that such state, city, or county has not defaulted for a period longer than 30 days in the payment of principal or interest on any of its general obligation indebtedness during a period of ten calendar years immediately preceding such investment;

Shares of stock, common and/or preferred, of corporations created by or existing under the laws of the United States or any state, district or territory thereof;

Covered call and put options on securities traded on one or more of the regulated exchanges;

Pooled or commingled funds managed by a corporate trustee or by a Securities and Exchange Commission registered investment advisory firm and shares of investment companies and unit investment trusts registered under the Investment Company Act of 1940, where such pooled or commingled funds or shares are comprised of common or preferred stocks, bonds, money market instruments or other authorized investments; and

Pooled or commingled real estate funds or real estate securities managed by a corporate trustee or by a Securities and Exchange Commission registered investment advisory firm retained as an investment manager by the Board of Trustees of the System.

During fiscal year 1996, the System invested exclusively in asset/liability based investments such as interest-only strips, principal-only strips and collateralized mortgage obligations (forms of mortgage-backed securities). The System reviews market values of all securities on a monthly basis and prices are obtained from recognized pricing sources. These securities are held in part to maximize yields and in part to hedge against a rise in interest rates. Interest-only (IO) and principal-only (PO) strips are transactions which involve the separation of the interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

Principal-only strips receive principal cash flows from the underlying mortgages. In periods of rising interest rates, homeowners tend to make fewer mortgage prepayments. If actual prepayment rates are lower than anticipated, the time remaining until the return of principal is increased. The later principal is paid, the lower the present value of the security. Conversely, higher prepayment rates return principal faster causing the PO to appreciate in market value.

Collateralized mortgage obligations (CMO's) are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities or stripped mortgage-backed securities. Income is derived from payments and prepayments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with that CMO's established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates while others are significantly sensitive to interest rate fluctuations. In a declining interest rate environment, some CMO's may be subject to a reduction in interest payments as a result of prepayments of mortgages which make up the collateral pool. Reduction in interest payments cause a decline in cash flows and, thus a decline in market value of the CMO security. Rising interest rates may cause an increase in interest payments, thus an increase in the value of the security.



The Board of Trustees has authorized the System to lend its securities to broker-dealers with a simultaneous agreement to return the collateral for the same securities in the future. The System's custodian, pursuant to a written agreement, is permitted to lend all long-term securities to authorized broker-dealers subject to the receipt of acceptable collateral. There have been no significant violations of the provisions of the agreement during the period of this statement. The System lends securities similar to the type on loan at year-end for collateral in the form of either cash, other securities, or irrevocable bank letters of credit. All long-term securities in the pension trust fund are available for loan. At the initiation of a loan, borrowers are required to provide collateral amounts of 102 percent (domestic equities and bonds) and 105 percent (international equities) of the market value and accrued income of the securities lent. In the event the collateral value falls to less than 100 percent of the market value of the securities lent, the borrower is required to provide additional collateral by the end of the next business day. The contractual agreement with the System's custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the System income distributions by the securities' issuers while the securities are on loan. The System cannot pledge, lend, or sell securities received as collateral unless the borrower defaults.

The maturities of the investments made with cash collateral generally do not match the maturities of their securities loans. All securities loans can be terminated on demand by either the System or the borrower, although the average term of these loans was 70 days at June 30, 1996. Cash collateral is invested in fixed income securities such as U. S. Government and agency obligations and "AAA" asset-backed securities. Additionally, a significant portion is invested in short-term securities, such as repurchase agreements, commercial paper, and bank notes. The weighted-average term to maturity of all collateral investments at year-end was 511 days with a duration of 65 days.

Securities lent at year-end for cash collateral are presented as unclassified in the following schedule of custodial credit risk; securities lent for securities collateral are classified according to the category for the collateral. The investments purchased with the cash collateral are presented in category 3 since the custodian, as agent, is the counterparty in acquiring these securities in a separate account for the System.

At year-end, the System had no credit risk exposure to borrowers because the amount the System owes the borrowers exceeds the amount the borrowers owe the System. At June 30, 1996, the aggregate amount of the securities lending transactions, including accrued interest was \$1,791,203,000 and the aggregate market value, including accrued interest, of the underlying securities loaned was \$1,745,229,000. The value of the collateral pledged by borrowers at year end was \$1,781,466,000.

All of the investment assets of the Mississippi Highway Safety Patrol Retirement System (MHSPRS), the Municipal Retirement Systems (MRS) and the Supplemental Legislative Retirement Plan (SLRP) are combined with those of the Public Employees' Retirement System (PERS) and invested in fixed income securities and equity securities. These investments are accounted for as part of the PERS pension trust fund with the exception of securities lending activities, which are allocated to each pension trust fund on a pro-rata basis. MHSPRS, MRS and SLRP have an equitable interest in the PERS fund based upon amounts contributed and earnings allocated. Individual investments in the PERS pension trust fund are not specifically allocated to MHSPRS, MRS and SLRP. The System has no investments (other than those issued or guaranteed by the United States Government or its instrumentalities) in any one organization that represent 5 percent or more of the System's plan net assets.

Section 25-11-121, Mississippi Code Ann. (1972), requires the System's Board of Trustees to determine the degree of collateralization necessary for both foreign and domestic demand deposits in addition to that which is guaranteed by Federal insurance programs. These statutes also require that, where possible, the types of collateral securing deposits are limited to securities in which the System itself may invest. The Board of Trustees has established a policy to require collateral equal to 100 percent of the amount on deposit in excess of that which is guaranteed by Federal insurance programs to the credit of the System for domestic demand deposit accounts. No collateral is required for foreign demand deposit accounts.

## **Deposits**

The carrying amount of the primary government's total cash deposits as of June 30, 1996 was \$433,855,000 and the corresponding bank balances which are represented by collected funds were \$466,401,000. The portion of such bank balances covered by federal depository insurance or by collateral held by the primary government's agent in the name of the primary government was \$450,837,000. In addition, \$10,201,000 was collateralized with securities held by a pledging financial institution's agent in the primary government's name. The remaining \$5,363,000 was collateralized with securities held by a pledging financial institution or was uninsured and uncollateralized.

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The carrying amount of the component units' total cash deposits as of June 30, 1996 was \$253,669,000, and the corresponding bank balances which are represented by collected funds were \$258,700,000. Of the bank balance, \$181,226,000 was fully insured or collateralized with securities held by the respective component unit or its agent in the name of the component unit. In addition, \$16,199,000 was collateralized with securities held by a pledging financial institution's trust department or agent in the component unit's name, while \$61,275,000 was collateralized with securities held by a pledging financial institution or was uninsured and uncollateralized.

## Investments

The following tables present the carrying and market value of investments by type and categorizes the carrying amounts as follows:

- category 1 are those which are insured or registered, or securities held by the state or its agent in the state's name;
- category 2 are those which are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the state's name;
- category 3 are those which are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the state's name.

At June 30, 1996, the primary government's investments consisted of (amounts expressed in thousands):

	<u>Category</u>			<u>Carrying Value</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Investments:					
Short-term securities:					
Commercial paper	\$ 91,503		\$ 280,041	\$ 371,544	\$ 371,545
Repurchase agreements	827,013	106,165		933,178	934,271
U.S. Government securities and agencies	1,099,485	4,420	3,019	1,106,924	1,107,116
Other	18,153			18,153	18,153
U.S. Government securities and agencies - long-term	2,136,291	23,595	232,678	2,392,564	2,391,017
Corporate and international obligations	932,689	7,545	1,057,274	1,997,508	1,997,326
Corporate and international equities	4,788,866			4,788,866	4,788,866
Municipal obligations	55,211			55,211	55,211
	<u>\$ 9,949,211</u>	<u>\$ 141,725</u>	<u>\$ 1,573,012</u>	11,663,948	11,663,505
Investments in mutual funds				23,960	23,960
Investments held by broker-dealers under securities loans with cash collateral:					
U.S. Government securities and agencies				1,266,225	1,266,225
Equity securities				191,847	191,847
International equity securities				150,422	150,422
Deferred compensation plan pooled investments:					
Fixed and variable investments				231,377	231,377
Balanced asset fund				9,668	9,668
Fixed income fund				12,499	12,499
Life insurance contracts				1,098	1,098
Total Investments				<u>\$ 13,551,044</u>	<u>\$ 13,550,601</u>



In addition to the deposits and investments described above, the primary government had approximately \$559,124,000 on deposit with the United States Government. These funds represent unemployment insurance taxes collected from Mississippi employers which are held by the U.S. Treasury.

At June 30, 1996, the component units' investments consisted of (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
Investments:					
Short-term securities:					
Repurchase agreements	\$ 5,502	\$	\$	\$ 5,502	\$ 5,502
U.S. Government securities and agencies	92,959	372	52,947	146,278	145,741
Corporate obligations			592	592	647
Corporate equities	523		2,959	3,482	4,298
	<u>\$ 98,984</u>	<u>\$ 372</u>	<u>\$ 56,498</u>	<u>\$ 155,854</u>	<u>\$ 156,188</u>
Multi-state university investment pool				19,652	25,948
Total Investments				<u>\$ 175,506</u>	<u>\$ 182,136</u>

## Note 5 - Receivables

At June 30, 1996, net receivables by fund type consisted of (amounts expressed in thousands):

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Total Primary Government	Component Units
Taxes receivable:									
Sales	\$ 174,311	\$	\$	\$	\$	\$	\$	174,311	\$
Income	83,474							83,474	
Gasoline	44,063							44,063	
Unemployment insurance							25,027	25,027	
Other	61,003							61,003	
Total taxes receivable	<u>362,851</u>						<u>25,027</u>	<u>387,878</u>	
Other receivables:									
Patient accounts									220,805
Tuition									34,139
Securities sold							88,082	88,082	
Interest and dividends	18,184	216	202	284	589	769	86,016	106,260	
Contributions							49,924	49,924	
Other	50,415	4,579			2,216	3,077	17,002	77,289	40,836
Total receivables	<u>431,450</u>	<u>4,795</u>	<u>202</u>	<u>284</u>	<u>2,805</u>	<u>3,846</u>	<u>266,051</u>	<u>709,433</u>	<u>295,780</u>
Allowance for uncollectible receivables	7,396	6			10		1,833	9,245	242,519
Receivables, net	<u>\$ 424,054</u>	<u>\$ 4,789</u>	<u>\$ 202</u>	<u>\$ 284</u>	<u>\$ 2,795</u>	<u>\$ 3,846</u>	<u>\$ 264,218</u>	<u>\$ 700,188</u>	<u>\$ 53,261</u>



## Note 6 - Interfund Transactions

At June 30, 1996, interfund receivables and interfund payables consisted of (amounts expressed in thousands):

Fund Type/Fund	Interfund Receivables		Interfund Payables		
<b>General</b>	\$	\$	10,820	\$	36,615
<b>Special Revenue:</b>					
Community Services - Department of Human Services		26		781	
Rehabilitation Services		128			
Disability Determination		7		102	
Employment Services		2,215		138	
Alcohol Abuse Program		233		52	
Social Services				1	
Medicaid Fraud		2		4	
Community Services - Department of Corrections		8			
Inmate Welfare and Training		255		17	
Public Safety Planning				461	
National Guard Facility and Training		6		211	
Camp Shelby Operations		10		1	
Emergency Management				339	
Community Development		15		1,093	
Energy Conservation				15	
Bureau of Fisheries and Wildlife		5,252		246	
Parks and Recreation				58	
Department of Marine Resources				7	
Public Service Commission		3,749		38	
Workers' Compensation Commission				17	
Department of Banking and Consumer Finance				2	
Oil and Gas Board				9	
Other Regulatory Agencies		13		91	
			11,919		3,683
<b>Debt Service</b>			49		3,219
<b>Capital Projects</b>			1,866		11
<b>Enterprise:</b>					
Fair Commission		12		134	
Veterans' Home Purchase Board				3	
Veterans' Memorial Stadium Commission				4	
Allied Enterprises		116		3	
Farmers' Central Market Board				2	
Restaurants		12			
Commissary		42		255	
Office of Surplus Property		87		4	
			269		405
<b>Internal Service:</b>					
Personnel Board		54		42	
Information Technology Services		2,564		83	
Risk Management		3,049		320	
			5,667		445



Fund Type/Fund	Interfund Receivables		Interfund Payables	
<b>Trust and Agency:</b>	\$	\$	\$	\$
Expendable Trust:				
Unemployment Compensation	14,298		112	
Other Expendable Trust			809	
		14,298		921
Nonexpendable Trust:				
Oil and Gas Taxes on State-owned Land			253	
Other Nonexpendable Trust	10			
		10		253
Pension Trust:				
Public Employees' Retirement System	261		330,673	
Highway Safety Patrol Retirement System	172,579		12	
Municipal Retirement Systems	155,679		11	
Supplemental Legislative Retirement Plan	4,114			
		332,633		330,696
Agency:				
Deferred Compensation Plan	63		1	
Local Government Distributive Program	3,910		126	
Institutional	4,632		17,558	
	4		299	
		8,609		17,984
<b>Component Units:</b>				
Mississippi Prison Industries Corporation	47			
University:				
Unrestricted	23,951		12,559	
Restricted	465		14,441	
Loan	9,177			
Unexpended	1,543			
Retirement of Indebtedness			122	
Agency	31			
		35,214		27,122
		\$ 421,354		\$ 421,354

**Reconciliation for interfund transactions (amounts expressed in thousands):**

Due from/to other funds	\$ 407,398	\$ 407,398
Due from/to primary government	10,591	2,499
Due from/to component units	2,499	10,591
Loans from/to other funds	866	866
	\$ 421,354	\$ 421,354



## Note 7 - Loans and Notes Receivable

At June 30, 1996, loans and notes receivable by fund type, net of allowances of \$10,741,000 for uncollectible student loans, consisted of (amounts expressed in thousands):

	General Fund	Special Revenue	Debt Service	Enterprise	Total Primary Government	Component Unit University
Mortgage loans (a)	\$	\$	\$	\$	84,171 \$	84,171 \$
Railroad revitalization loans		2,644				2,644
Energy loan program			1,249			1,249
Student loan program (b)						68,091
Ingalls Shipbuilding Corporation loan receivable (c)				16,440		16,440
Small Enterprise Development loans (d)		73,612				73,612
Mississippi Farm Reform Act loans (e)		50,707				50,707
Disaster loans		233				233
Magnolia Capital Corporation (f)		19,777				19,777
Soil and Water Conservation equipment loan program		165				165
Loans and Notes Receivable, Net	\$ 147,138	\$ 1,249	\$ 16,440	\$ 84,171	\$ 248,998	\$ 68,091

- (a) Mortgage loans are made by the Veterans' Home Purchase Board to eligible Mississippi veterans primarily for the purchase of residential housing.
- (b) Student loans are made pursuant to student loan programs funded by the U.S. Government.
- (c) In fiscal year 1967, the state sold general obligation bonds of \$130,000,000 to build and equip a shipyard and shipbuilding facilities for use by Ingalls Shipbuilding Corporation (Ingalls) to further the economic growth of the state. Ingalls agreed to repay the loan over 30 years in amounts sufficient to pay maturing bond principal and interest.
- (d) Since fiscal year 1990, the state has issued Small Enterprise Development bonds. The proceeds of the bonds were used to provide loans to private companies for the acquisition, construction and equipping of manufacturing or processing facilities.
- (e) Since fiscal year 1991, the state has issued Mississippi Farm Reform Act bonds. The proceeds of the bonds were used to fund an agribusiness enterprise loan program, a minority business enterprise loan program and an emerging crops loan interest payment program.
- (f) In fiscal year 1995, the state issued Magnolia Venture Capital bonds. The proceeds of the bonds were used to provide a loan to Magnolia Venture Capital Corporation for the purpose of increasing the rate of capital formation, stimulating new growth-oriented business formations, creating new jobs, developing new technology, enhancing tax revenue and supplementing conventional business financing.

The long-term portion of the Ingalls loan and the Small Enterprise Development loans aggregating \$8,410,000 and \$67,348,000 respectively, will be provided for future debt service upon collection and have been reported as such in the general long-term obligations account group.



## Note 8 - Property, Plant and Equipment

Changes in the general fixed assets account group by major classification for the year ended June 30, 1996, are presented below (amounts expressed in thousands):

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
Land	\$ 60,595	\$ 10,435	\$ 94	\$ 70,936
Buildings	517,333	107,690	1,646	623,377
Improvements other than buildings	53,904	3,349	40	57,213
Machinery and equipment	465,335	94,785	30,338	529,782
Construction in progress	73,556	139,512	37,725	175,343
	<u>\$ 1,170,723</u>	<u>\$ 355,771</u>	<u>\$ 69,843</u>	<u>\$ 1,456,651</u>

Construction in progress is composed of (amounts expressed in thousands):

	Project Authorization	Expended To Date	Outstanding Commitment
Department of Transportation buildings	\$ 6,474	\$ 2,986	\$ 2,140
Military Department	36,588	19,572	17,016
Department of Finance and Administration	62,572	23,467	6,913
Mississippi State Hospital	11,242	7,569	3,412
Veterans' Affairs Board	26,497	23,186	1,526
Department of Corrections	96,679	71,824	13,880
Fair Commission	6,205	4,812	1,120
Ellisville State School	5,094	3,620	466
Department of Archives and History	6,825	1,387	1,784
Department of Wildlife, Fisheries and Parks	26,965	8,452	3,582
Department of Mental Health	5,952	241	8
Hudspeth Regional Center	5,349	984	2,977
Department of Education	10,480	1,261	392
Other projects less than \$3.5 million	10,423	5,982	249
	<u>\$ 317,345</u>	<u>\$ 175,343</u>	<u>\$ 55,465</u>

No further financing is required on any of the construction in progress.

At June 30, 1996, property, plant and equipment recorded in individual fund types of the primary government, net of accumulated depreciation where applicable, consisted of (amounts expressed in thousands):

	Enterprise	Internal Service	Trust and Agency
Land	\$ 10,275	\$	\$ 508
Buildings	38,691		3,619
Improvements other than buildings	38,431		126
Machinery and equipment	9,519	16,492	4,382
Construction in progress	6,412		
Total fixed assets	<u>103,328</u>	<u>16,492</u>	<u>8,635</u>
Accumulated depreciation, where applicable	20,980	10,804	2,742
Property, Plant and Equipment, Net	<u>\$ 82,348</u>	<u>\$ 5,688</u>	<u>\$ 5,893</u>

At June 30, 1996, property, plant and equipment recorded in the component units, net of accumulated depreciation where applicable, consisted of (amounts expressed in thousands):

	University	Other Component Units	Total Component Units
Land	\$ 19,237	\$ 26,211	\$ 45,448
Buildings	678,048	32,207	710,255
Improvements other than buildings	77,855	46,695	124,550
Machinery and equipment	507,809	19,852	527,661
Construction in progress	112,179	67	112,246
Total fixed assets	<u>1,395,128</u>	<u>125,032</u>	<u>1,520,160</u>
Accumulated depreciation, where applicable		12,972	12,972
Property, Plant and Equipment, Net	<u>\$ 1,395,128</u>	<u>\$ 112,060</u>	<u>\$ 1,507,188</u>





## Note 9 - General Obligation and Defeased Bonds

General obligation bonds are authorized and issued primarily to provide funds for constructing and improving state-owned facilities, including ports, stadium facilities, university facilities, public schools, parks, bridges and roads. General obligation bonds have also been issued to refund certain outstanding bonds of the state in advance, to provide loans to facilitate and promote further economic development in the state and to purchase land for wildlife conservation.

General obligation bonds are backed by the full faith, credit and taxing power of the state. Although certain general obligation debt is being retired from the resources of the enterprise funds and is therefore recorded in these funds, the state remains contingently liable for its payment. General obligation debt, which was issued to finance the construction and equipping of educational buildings and other facilities for universities (a discretely presented component unit) and is not secured by a pledge of revenues from the related facilities, is a direct obligation of the state and is reported in the general long-term obligations account group. Other general obligation debt of the university funds, which is being retired from pledged resources of those funds, is reported as a liability in the component units column, although the state remains contingently liable for its retirement.

Port development bonds are payable from revenues derived from a loan to Ingalls Shipbuilding Corporation (Ingalls), a wholly-owned subsidiary of Litton Industries, Inc. During fiscal year 1996, Ingalls' loan repayment was used by the state to retire \$7,665,000 of port development bonds. The \$16,440,000 port development bonds outstanding at June 30, 1996 are 5% term bonds, maturing December 1, 1997. The bond resolution requires annual deposits of payments from Ingalls to a sinking fund for the retirement of such bonds and the payment of semiannual interest. The obligation of Ingalls to make payments is unconditional so long as the bonds are outstanding and is guaranteed by Litton Industries, Inc. These bonds are also backed by the full faith and credit of the state.

In prior years, the state defeased certain outstanding general and limited obligation bonds of the primary government by depositing the net proceeds of refunding bonds and additional monies from debt service funds in irrevocable trusts to be used solely for satisfying all future scheduled principal and interest payments on the defeased bonds. Accordingly, for financial reporting purposes the defeased bonds and related trust accounts are not included in the financial statements. At June 30, 1996, \$562,596,000 of outstanding general obligation bonds and \$76,716,000 of outstanding limited obligation bonds are considered defeased.

At June 30, 1996, the primary government's outstanding general obligation bonds are (amounts expressed in thousands):

Purpose	Amount Outstanding	Interest Rates	Final Maturity Date
<b>Enterprise Funds:</b>			
Port Improvement (Gulfport)	\$ 39,111	1% - 8.25%	Nov. 2011
<b>General Long-term Obligations Account Group:</b>			
Capital Improvement	519,570	3.75% - 11%	Dec. 2015
Correctional Facilities Projects	7,585	6.4% - 6.7%	Aug. 1998
Home Port Causeway	530	6.6%	July 1997
Institution of Higher Learning Facilities	4,920	6.7% - 6.9%	Aug. 1998
Mississippi Business Investment Act	71,531	4.3% - 10.25%	Sept. 2010
Mississippi Major Economic Impact Act	45,250	3.6% - 7.4%	Feb. 2015
Mississippi Small Enterprise Development Finance Act	84,087	4.3% - 8.25%	May 2011
Port Development	16,440	5%	Dec. 1997
Public School Construction	13,600	5% - 6.5%	May 2001
State Aid Road Construction	7,755	5.2% - 12%	Sept. 2000
Soil and Water Conservation	50	6.5%	Oct. 1996
Mississippi Farm Reform Act	61,730	4.3% - 10%	Sept. 2010
Economic Development Highway Act	21,445	5% - 10%	Oct. 2009
General Obligation Refunding Bonds	261,220	3.5% - 6.2%	Nov. 2012
Small Business Assistance	22,145	4.3% - 7.05%	Sept. 2010
Magnolia Venture Capital	19,185	6.7% - 8%	Aug. 2009
Local Governments Capital Improvements Revolving Loan Program	19,315	7.75% - 9.5%	Mar. 2010
Mississippi Home Corporation Act	5,790	7.875% - 10%	Oct. 2009
Community and Jr. College Telecommunications Network	23,350	5% - 6.25%	May 2011
	1,205,498		
	<u>\$ 1,244,609</u>		



At June 30, 1996, future general obligation debt service requirements for the primary government are (amounts expressed in thousands):

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
1997	\$ 78,411	\$ 71,072	\$ 149,483
1998	80,333	66,168	146,501
1999	74,220	61,514	135,734
2000	74,843	57,198	132,041
2001	77,481	52,853	130,334
Thereafter	859,321	312,985	1,172,306
	<u>\$ 1,244,609</u>	<u>\$ 621,790</u>	<u>\$ 1,866,399</u>

At June 30, 1996, the component units reported outstanding general obligation bonds for university funds of \$1,440,000. The final maturity date for these bonds is April 1999, with interest rates ranging from 4 to 5.3 percent.

At June 30, 1996, future general obligation debt service requirements of the component units are (amounts expressed in thousands):

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
1997	\$ 630	\$ 69	\$ 699
1998	445	42	487
1999	365	19	384
	<u>\$ 1,440</u>	<u>\$ 130</u>	<u>\$ 1,570</u>

Changes in general obligation bonds recorded in the primary government's general long-term obligations account group during the year ended June 30, 1996 are summarized in Note 12.



## Note 10 - Revenue Bonds and Notes

Revenue bonds and notes are backed by a pledge of resources derived from users of the related facilities and are not supported by the full faith and credit of the state.

At June 30, 1996, revenue bonds and notes outstanding, net of unamortized discounts and premiums are (amounts expressed in thousands):

Purpose	Amount Outstanding	Interest Rates	Final Maturity Date
<b>Primary Government</b>			
Enterprise:			
Mississippi Fair Commission	\$ 1,125	8.75% - 9.45%	Dec. 2005
<b>Total Primary Government</b>	<u>\$ 1,125</u>		
<b>Component Units</b>			
University:			
Alcorn State University	\$ 220	2.875% - 3.5%	Nov. 2002
Jackson State University	11,793	2.875% - 8.375%	Apr. 2021
Mississippi State University	13,163	2.5% - 9%	Dec. 2021
Mississippi Valley State University	457	3% - 5.3%	July 2008
University of Mississippi	11,235	2.75% - 9.25%	July 2013
University Medical Center	80,470	3.875% - 9%	Dec. 2013
University of Southern Mississippi	8,144	3% - 10.25%	Mar. 2016
Delta State University	1,978	5% - 7.304%	Dec. 2011
	<u>127,460</u>		
Pat Harrison Waterway District:			
Bonds	1,878	4% - 5%	May 2005
Notes	3,117	3.14% - 8%	Jan. 2018
	<u>4,995</u>		
<b>Total Component Units</b>	<u>\$ 132,455</u>		

At June 30, 1996, future revenue bond and note debt service requirements are (amounts expressed in thousands):

Year Ending June 30	Primary Government Enterprise			Component Units		
	Principal	Interest	Total	Principal	Interest	Total
1997	\$ 80	\$ 100	\$ 180	\$ 6,974	\$ 7,102	\$ 14,076
1998	85	93	178	7,340	6,744	14,084
1999	90	85	175	5,883	6,388	12,271
2000	95	77	172	5,689	6,258	11,947
2001	105	67	172	4,813	5,773	10,586
Thereafter	670	166	836	101,756	63,347	165,103
	<u>\$ 1,125</u>	<u>\$ 588</u>	<u>\$ 1,713</u>	<u>\$ 132,455</u>	<u>\$ 95,612</u>	<u>\$ 228,067</u>

## Note 11 - Other Long-term Obligations

- A. **Capital Lease Commitments** - The state leases property with varying terms and options. Most leases contain a fiscal funding addendum stating that the lease shall terminate on the last day of the fiscal year if appropriated funds for the ensuing fiscal year are insufficient. However, if renewal is reasonably assured, leases requiring appropriation by the legislature are considered noncancellable leases for financial reporting purposes.

At June 30, 1996, machinery and equipment recorded under capital leases included in the general fixed assets account group were \$19,788,000. Machinery and equipment recorded under capital leases included in internal service funds were \$3,881,000 before accumulated depreciation of \$1,072,000. A building recorded under a capital lease included in the general fixed assets account group was \$9,570,000. The discretely presented component units recorded capital leases of \$19,801,000.

At June 30, 1996, future minimum commitments under capital leases by fund type are (amounts expressed in thousands):

Year Ending June 30	Internal Service	General Long-term Obligations	Total Primary Government	Component Unit
1997	\$ 1,014	\$ 5,804	\$ 6,818	\$ 3,205
1998	402	4,308	4,710	2,837
1999	276	2,401	2,677	1,773
2000	28	1,763	1,791	1,585
2001		1,037	1,037	109
Thereafter		11,868	11,868	
Total Minimum Lease Payments	1,720	27,181	28,901	9,509
Less Interest	140	7,414	7,554	988
Present Value of Net Minimum Lease Payments	\$ 1,580	\$ 19,767	\$ 21,347	\$ 8,521

- B. **Compensated Absences** - The state of Mississippi's liability for compensated absences reported in the primary government's general long-term obligations account group at June 30, 1996 was \$68,841,000. The component units reported a liability of \$40,914,000 for compensated absences, of which \$40,583,000 was for the university funds. The reported liability includes related fringe benefits and excludes any obligations related to leave accumulations in excess of 30 days per employee (see Note 1-N).

Changes in capital lease commitments and compensated absences recorded in the primary government's general long-term obligations account group during the year ended June 30, 1996 are summarized in Note 12.

## Note 12 - Changes in Long-term Obligations

Bond indebtedness incurred by the state of Mississippi must be authorized by legislation governing the specific programs or projects to be financed. Such legislation provides the state bond commission authority to approve and authorize the sale and issuance of bonds. The state bond commission is comprised of the governor as chairman, the state attorney general as secretary, and the state treasurer.

Changes in long-term obligations for the year ended June 30, 1996 are summarized below (amounts expressed in thousands):

	General Obligation Bonds (Note 9)	Capital Lease Obligations (Note 11)	Accrued Compensated Absences (Note 11)	Total
Balance at July 1, 1995	\$ 981,058	\$ 22,225	\$ 62,487	\$ 1,065,770
Bonds issued	288,745			288,745
Compensated absences earned			46,329	46,329
Increase in lease obligations		2,067		2,067
Principal retirements	(64,305)			(64,305)
Compensated absences taken			(39,975)	(39,975)
Decrease in lease obligations		(4,525)		(4,525)
Balance at June 30, 1996	\$ 1,205,498	\$ 19,767	\$ 68,841	\$ 1,294,106



## Note 13 - Bonds and Notes Authorized But Unissued

At June 30, 1996, authorized but unissued bond and note indebtedness existed to be used for various purposes as summarized below (amounts expressed in thousands):

Purpose	Authorized Bonds	Authoriz e d But Unissued
<b>General Obligation Bonds:</b>		
Public School Construction	\$ 100,000	\$ 86,400
Mississippi Farm Reform Act	95,000	23,000
Mississippi Business Investment Act	225,000	85,853
Small Enterprise Development Finance	140,000	35,335
Major Economic Impact	342,370	189,220
Public Facilities Capital Improvement	329,504	78,353
Institutions of Higher Learning Equipment	15,000	15,000
Economic Development Highway	85,000	60,100
Port Improvement (Gulfport)	80,000	61,599
Soil and Water Commission	3,000	2,500
Community and Jr. College Telecommunications Network	42,950	19,600
Natural Science Museum	11,173	11,173
Juvenile Correctional Facilities	19,950	3,900
Gaming Counties Infrastructure	325,000	325,000
Metro Parkway	20,000	14,268
Zoo Improvement	5,600	5,600
Advance Education Center	19,650	3,650
Telecommunication Center	17,500	17,500
Capitol Complex	44,200	1,200
Equine Training Facility	3,000	500
Institutions of Higher Learning Facilities	145,883	92,900
Juvenile Offender Facilities	11,000	10,000
Local Governments Capital Improvements	75,000	35,000
Strategic Petroleum Reserve	50,000	50,000
Local Governments Water System Improvement	20,000	15,000
Local Governments Rail Program	15,000	15,000
	2,240,780	1,257,651
<b>Limited Obligation Bonds and Notes:</b>		
Highway 4-Lane Program	200,000	200,000
Fire Academy	2,500	300
Education Technology	60,000	60,000
	262,500	260,300
<b>Revenue Bonds:</b>		
Mississippi Fair Commission	4,000	1,525
Veterans' Home Purchase Board	20,000	20,000
Seed Laboratory	800	800
	24,800	22,325
	\$ 2,528,080	\$ 1,540,276

## Note 14 - Segment Information - Enterprise Funds

Financial information by enterprise fund segment as of and for the year ended June 30, 1996 is as follows (amounts expressed in thousands):

	Fair Commission (a)	Veterans' Home Purchase Board (b)	Veterans' Memorial Stadium Commission (c)	Port Authority at Gulfport (d)
Operating revenues	\$ 3,580	\$ 5,615	\$ 1,020	\$ 13,483
Depreciation	241	9	247	2,104
Operating income (loss)	252	5,048	(416)	7,300
Operating transfers in			608	1,916
Operating transfers out				
Nonoperating revenues:				
Federal grant				
Other	20	638	11	1,783
Nonoperating expenses	107			1,921
Net income (loss)	165	5,686	203	9,078
Property, plant and equipment:				
Additions	48	9	124	5,075
Deletions				15
Net working capital	890	14,611	309	9,158
Total assets	6,557	97,064	2,245	82,271
Bonds and other long-term liabilities payable from operating revenues	1,045			35,885
Total equity	5,046	95,422	2,208	41,187

	Department of Agriculture and Commerce		Department of Corrections		
	Farmers' Central Market Board (g)	Restaurants (h)	Commissary (i)	Prison Agricultural Enterprises (j)	
Operating revenues	\$ 337	\$ 441	\$ 2,845	\$ 923	
Depreciation	38	4	17	190	
Operating income (loss)	(24)	31	320	(1,081)	
Operating transfers in	2			2,420	
Operating transfers out			(258)		
Nonoperating revenues:					
Federal grant					
Other		3	6		
Nonoperating expenses	12			16	
Net income (loss)	(34)	34	69	1,323	
Property, plant and equipment:					
Additions	1	8	7	1,363	
Deletions			2		
Net working capital	(117)	102	251	1,828	
Total assets	955	191	702	5,597	
Bonds and other long-term liabilities payable from operating revenues				158	
Total equity	796	155	310	5,019	

The following types of goods or services are provided by the enterprise funds:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>(a) State fair and coliseum activities</li> <li>(b) Home mortgage loans to veterans</li> <li>(c) Concessions and ticket sales to sporting events</li> <li>(d) Port facilities</li> <li>(e) Port facilities</li> <li>(f) Miscellaneous goods and services provided by handicapped citizens</li> <li>(g) Processing, storing and marketing agricultural products</li> </ul> | <ul style="list-style-type: none"> <li>(h) Food services</li> <li>(i) Groceries</li> <li>(j) Agricultural products and services</li> <li>(k) Tree planting</li> <li>(l) Federal property distribution</li> </ul> |
|--|--|

**Department of  
Rehabilitation  
Services**

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<b>Yellow Creek Inland Port Authority</b> (e)		<b>Allied Enterprises</b> (f)	
\$	798	\$	6,524
	406		
	(34)		(5,797)
			6,014
	95		
	170		36
			64
	231		189
	1,432		
	3,962		2,632
	13,991		3,048
	9,401		
	4,524		2,632

<b>Forestry Commission</b> (k)		<b>Department of Finance and Administration</b> (l)		<b>Total</b>
\$	10	\$	857	\$ 36,433
			41	3,297
	(33)		34	5,600
				10,961
				(258)
			95	95
			9	2,676
				2,120
	(33)		43	16,954
			35	8,102
			12	29
	9		241	33,876
	9		794	213,424
				46,489
	9		540	157,848

## **Note 15 - Deferred Compensation Plan**

The state offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The term “employee” means any person, whether appointed, elected or under contract, providing services for the state of Mississippi, state agencies, universities, counties, municipalities, or other political subdivisions, for which compensation is paid. The plan permits employees to defer a portion of their income until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or his beneficiary) solely the property and the rights of the employer (without being restricted to the provisions of benefits under the plan), subject only to the claims of the general creditors of the state and other entities which employ deferred compensation participants. Participants’ rights under the plan are the same as those of general creditors in an amount equal to the fair market value of the deferred account for each participant.

The state has no liability for losses under the plan but does have the duty of care that would be required of an ordinary prudent investor. The Board of Trustees of the System, as plan administrator, believes that it is unlikely that the state, universities, counties, municipalities or other participation entities will use the assets to satisfy the claims of general creditors in the future.

At June 30, 1996, total plan assets aggregated \$296,125,000. Of this amount, \$73,020,000 was applicable to the primary government; \$20,696,000 was applicable to the discretely presented component units, and the remaining \$202,409,000 represents the assets of other jurisdictions participating in the plan.

## **Note 16 - Retirement Plans**

### **Plan Description**

#### **A. General**

In accordance with state statutes, PERS Board of Trustees (System) administers the state's three defined benefit plans and the state's defined contribution plan. The defined benefit plans are the PERS, a cost-sharing multiple-employer public employee retirement system established in 1953, MHSPRS, a single-employer public employee retirement system established in 1958, and SLRP, a single-employer public employee retirement system established in fiscal year 1990. The defined contribution plan is the Optional Retirement Plan (ORP), a multiple-employer public employee retirement plan established in 1990. Any political subdivision or juristic entity within the state of Mississippi may elect to have its employees covered by PERS.

By statute, the System is also responsible for administration of MRS, which are agent multiple-employer defined benefit public employee retirement systems. MRS are composed of 19 separate municipal retirement and fire and police disability and relief systems. MRS net assets held in trust for pension benefits (aggregating \$156,453,000) are included in the accompanying financial statements. The state neither contributes to this plan nor assumes any liability for benefits payable to members but does have the duty of due care required of an ordinary prudent investor.

PERS, MHSPRS, MRS and SLRP are considered part of the state of Mississippi's financial reporting entity and are included in the accompanying financial statements as pension trust funds in the trust and agency fund type. ORP is also considered part of the state of Mississippi's financial reporting entity and is included in the accompanying financial statements as an agency fund. The purpose of these plans is to provide pension benefits for all state employees, uniformed officers of the state highway patrol, other public employees whose employers have elected to participate, and elected members of the state legislature and the president of the senate.





A summary of government employers participating in PERS and active PERS members by employer type at June 30, 1996 follows:

	Employers	Members
State agencies	111	30,895
State universities	9	15,242
Public schools	151	58,379
Community/Junior colleges	15	4,882
Counties	82	11,944
Municipalities	204	16,106
Other political subdivisions	181	6,555
<b>Total</b>	<b>753</b>	<b>144,003</b>

At June 30, 1996, PERS, MHSPRS, MRS, SLRP and ORP membership consisted of:

	PERS			MHSPRS	MRS*	SLRP	ORP
	State	Others	Total				
Retirees and beneficiaries	14,377	28,865	43,242	484	2,207	103	
Terminated vested members	22,005	69,042	91,047	55		7	
<b>Total retired/terminated member</b>	<b>36,382</b>	<b>97,907</b>	<b>134,289</b>	<b>539</b>	<b>2,207</b>	<b>110</b>	
Active employees:							
Vested	29,169	61,872	91,041	454	375	110	1,186
Nonvested	16,968	35,994	52,962	131	109	65	
<b>Total active employees</b>	<b>46,137</b>	<b>97,866</b>	<b>144,003</b>	<b>585</b>	<b>484</b>	<b>175</b>	<b>1,186</b>
<b>Total participants</b>	<b>82,519</b>	<b>195,773</b>	<b>278,292</b>	<b>1,124</b>	<b>2,691</b>	<b>285</b>	<b>1,186</b>

\*Information furnished for MRS is as of September 30, 1995.

**B. Membership and Benefit Provisions**

**Public Employees' Retirement System:** Membership in PERS is a condition of employment; eligibility is granted upon hiring for all employees and officials of the state, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by the political subdivisions and instrumentalities of the state, membership is contingent upon approval of the entity's participation in the plan by the System's Board of Trustees. If approved, membership is a condition of employment and eligibility is granted upon hiring. Members who terminate employment from all covered employers and are not eligible to receive monthly retirement benefits may request a refund of employee contributions plus interest.

Participating employees who retire at or after age 60 with four years of credited service or those who retire regardless of age with at least 25 years of credited service are entitled to an annual retirement allowance, payable monthly for life, in an amount equal to 1-7/8 percent of their average compensation for each year of credited service up to and including 25 years and 2 percent for each year of credited service over 25 years. Average compensation is the average of the employee's earnings during the four highest compensated years of credited service. A member may elect an option for a reduced allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of four years of credited service. PERS also provides certain death and disability benefits. Retirees and beneficiaries have the option of maintaining health and other coverage at their own expense; the state incurs no expense for postretirement health benefits. Benefit provisions are established by Section 25-11-1 et seq., Mississippi Code Annotated (1972), and may be amended only by the state legislature.

Retirees and beneficiaries, who on December 1 of each year have been receiving a retirement allowance for at least one full fiscal year, are entitled to an additional payment equal to the annual percentage change of the consumer price index not to exceed 2-1/2 percent of the annual retirement allowance for each full fiscal year of retirement. These persons also may receive an additional amount, as determined by the System's Board of Trustees (contingent on sufficient funding), calculated in increments of 1/4 of 1 percent, not to exceed 1-1/2 percent of the annual retirement allowance for each full year of retirement. For the year ended June 30, 1996 the total additional annual payments of \$77,103,000 were related entirely to the change in the consumer price index.



**Mississippi Highway Safety Patrol Retirement System:** Membership in MHSPRS is a condition of employment; eligibility is granted upon hiring for all officers of the Mississippi Highway Safety Patrol who have completed a course of instruction in an authorized highway patrol training school on general law enforcement and who serve as uniformed officers of the highway patrol in the enforcement of the traffic laws of the state of Mississippi or in the driver's license division. Members who terminate employment from all covered employers and are not eligible to receive monthly retirement benefits may request a refund of employee contributions.

Participating employees who withdraw from service at or after age 55 with at least five years of credited service or those who retire regardless of age with at least 25 years of credited service are entitled to an annual retirement allowance, payable monthly for life, in an amount equal to 2-1/2 percent of their average compensation for each year of credited service. Average compensation is based on the four highest compensated consecutive years of credited service. Employees with at least 20 years of credited service may retire between ages 45 and 54 and receive a reduced retirement benefit. Benefits vest upon reaching five years of credited service. MHSPRS also provides certain death and disability benefits. Retirees and beneficiaries have the option of maintaining health and other coverage at their own expense; the state incurs no expense for postretirement health benefits. Benefit provisions for MHSPRS are established by Section 25-13-1 et seq., Mississippi Code Annotated (1972), and may be amended only by the state legislature.

Retirees and beneficiaries of MHSPRS may receive additional amounts identical to PERS' retirees and beneficiaries, as previously described. For the year ended June 30, 1996, the total additional annual payments of \$2,476,000 were related entirely to the change in the consumer price index.

**Municipal Retirement Systems:** Membership in the two Municipal Retirement Systems and the 17 Fire and Police Disability and Relief Systems was granted to all municipal employees, firemen, and policemen who were not already members of PERS and who were hired prior to July 1, 1976. Two fire and police plans elected to extend the eligibility period for membership to July 1, 1987. Employees hired after these periods automatically become members of PERS. MRS were fully closed to new members July 1, 1987.

Participating employees who retire regardless of age with at least 20 years of credited service are entitled to an annual retirement allowance payable monthly for life, in an amount equal to 50 percent of their average monthly compensation and an additional 1.7 percent for each year of credited service over 20 years not to exceed 66-2/3 percent of average monthly compensation. Average monthly compensation for the two Municipal Retirement Systems and for the 17 Fire and Police Disability and Relief Systems is the monthly average for the last six months of service. Certain participating employers provide a minimum monthly retirement allowance. Benefits vest upon reaching 20 years of credited service. MRS also provide certain death and disability benefits. Members who terminate employment from all covered employers and are not eligible to receive monthly retirement benefits may request a refund of employee contributions. Benefit provisions are established by Sections 21-29, Articles 1, 3, 5 and 7, Mississippi Code Annotated (1972) and annual local and private legislation. Statutes may be amended only by the state legislature.

For certain employers, the retirees and beneficiaries, who on December 1 of each year have been receiving a retirement allowance for at least one full fiscal year, may be entitled to an additional payment equal to the annual percentage change in the consumer price index not to exceed 2-1/2 percent of the annual retirement allowance for each full fiscal year of retirement. These additional payments will only be made when funded by the employers. For the year ended June 30, 1996, the total additional annual payments were \$337,000.

**Supplemental Legislative Retirement Plan:** Membership in SLRP is composed of all elected members of the state legislature and the president of the senate. This plan is designed to supplement the provisions of PERS. Those serving when the SLRP became effective on July 1, 1989 had 30 days to waive membership. Those elected after July 1, 1989 automatically become members.

The supplemental retirement allowance of an elected senator or representative of the state legislature or of the president of the senate consists of 50 percent of an amount equal to the retirement allowance determined by credited service payable by PERS. However, in no case shall the aggregate amount of an individual's retirement allowance from SLRP and PERS exceed 100 percent of the average compensation as defined by PERS. Benefits vest upon completion of four years of credited service. SLRP also provides certain death and disability benefits. Members who terminate employment from all



covered employers and are not eligible to receive monthly retirement benefits may request a refund of employee contributions plus interest. Benefit provisions for SLRP are established by Section 25-11-301 et seq., Mississippi Code Annotated (1972), and may be amended only by the state legislature.

Retirees and beneficiaries of SLRP may receive additional amounts identical to PERS' retirees and beneficiaries, as previously described. For the year ended June 30, 1996, the total additional annual payments of \$10,000 were related entirely to the change in the consumer price index.

**Optional Retirement Plan:** Membership in ORP is composed of teachers and administrators of the institutions of higher learning appointed or employed on or after July 1, 1990, who elect to participate in ORP and reject membership in PERS. Membership is offered as a recruitment tool for the institutions of higher learning.

Participating employees who withdraw from service or retire may elect to receive an annuity from one of three participating annuity providers. Benefits are determined based on the value of the member's account(s) at the time of distribution. Benefit provisions are established by Section 25-11-401 et seq., Mississippi Code Annotated (1972), and may be amended only by the state legislature.

### C. Employee and Employer Obligations to Contribute

During fiscal year 1996, employees covered by PERS were required to contribute 7.25 percent of their salary; employees covered by MHSPRS were required to contribute 6.5 percent of their salary. Members of SLRP were required to contribute 3 percent of their compensation in addition to the 7.25 percent required by PERS. For fiscal year 1996, employers were required to contribute 9.75 percent for PERS, 26.16 percent for MHSPRS and 6.33 percent for SLRP. The employers' contributions to PERS for fiscal years 1996, 1995 and 1994 were \$325,339,000; \$305,623,000; and \$298,822,000, respectively, and represent 112 percent, 109 percent and 118 percent, respectively, of required contributions. If an employee covered by PERS or SLRP leaves employment, accumulated employee contributions plus allocated annual investment earnings are refunded to the employee upon request. The investment earnings allocation rate was 5 percent in 1996. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and allocated investment earnings are paid to the designated beneficiary. Each employer contributes the remaining amounts necessary to finance the plans. Contribution provisions are established by Section 25-11-1 et seq. for PERS, Section 25-13-1 et seq. for MHSPRS and Section 25-11-301 et seq., Mississippi Code Annotated (1972) for SLRP and may be amended only by the state legislature.

During fiscal year 1996, employees covered by MRS were required to contribute amounts varying from 7 percent to 10 percent of their salary, depending on the actuarial soundness of their respective plans. Any increase to the 7 percent base contribution rate is made in increments not to exceed 1 percent per year. For fiscal year 1996, employer contribution rates ranged from 1.26 to 10.50 mills. If an employee leaves covered employment, accumulated employee contributions are refunded to the employee upon request. Employees covered by MRS do not receive interest earnings allocation on their accumulated contributions. Each employer contributes the remaining amounts necessary to finance participation of its own employees in MRS. Contribution provisions are established by Sections 21-29, Articles 1, 3, 5 and 7, Mississippi Code Annotated (1972) and annual local and private legislation and may be amended only by the state legislature.

During fiscal year 1996, employees covered by ORP contributed 7.25 percent of their salary. These contributions are deposited with the selected annuity provider(s). In addition to the employee contributions, the employer contributes 9.75 percent. An amount equal to 2.0 percent of the employer contribution is an administrative fee paid to PERS. An amount equal to 4.14 percent of the employer contribution is deposited to the employee's accumulated contributions account with the selected annuity provider(s). This portion of the employer contribution becomes the property of the employee. The additional employer contribution of 5.42 percent is contributed to PERS to reduce the actuarial accrued liability. If an employee leaves covered employment, accumulated contributions and earnings may be distributed based on the wishes of the employee in conjunction with the restrictions implemented by the annuity provider(s). ORP covered payroll for the year ended June 30, 1996 was \$53,095,000. The employee and employer contributions for the year were \$3,849,000 and \$5,177,000, respectively. The portion of the employer's contributions deposited to the employees' accounts was \$2,196,000. Contribution provisions are established by Section 25-11-401 et seq., Mississippi Code Annotated (1972), and may be amended only by the state legislature.



**D. Funding Policy and Annual Pension Cost**

The following table provides information concerning funding policies and annual pension costs (amounts expressed in thousands):

	<b>PERS</b>	<b>MHSPRS</b>	<b>MRS</b>	<b>SLRP</b>
Annual pension cost	\$ 290,478	\$ 4,968	\$ 22,727	\$ 285
Employer contributions made	\$ 325,339	\$ 5,325	\$ 18,966	\$ 284
Actuarial valuation date	6/30/96	6/30/96	9/30/95	6/30/96
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll contributions, open	Level percentage of payroll contributions, open	Level percentage of assessed property valuation, closed	Level percentage of payroll contributions, open
Remaining amortization period	19.4	27.5	25.0	20.4
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:				
Investment rate of return*	8.00%	8.00%	8.00%	8.00%
Projected salary increases*	4.80-10.30%	6.00-11.00%	5.50%	5.50%
Postretirement benefit increases	2.50%	2.50%	2.50%	2.50%
*Includes inflation at	4.50%	4.50%	4.50%	4.50%

**E. Funding Status and Progress**

The amount shown below as “actuarial accrued liability” is a measure of the difference between the actuarial present value of future plan benefits, and the actuarial present value of future normal cost. It is intended to help readers assess PERS, MHSPRS, MRS and SLRP funding status on a going-concern basis and assess progress made in accumulating sufficient assets to pay benefits when due.

The following table provides the schedules of funding progress (amounts expressed in thousands):

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability(AAL) Entry Age (b)</b>	<b>Unfunded AAL(UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Annual Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
<b>PERS</b>						
6/30/94	\$ 6,084,020	\$ 9,511,132	\$ 3,427,112	64.0 %	\$ 2,864,807	119.6 %
6/30/95	6,972,743	10,018,512	3,045,769	69.6	2,979,260	102.2
6/30/96	8,025,533	10,572,035	2,546,502	75.9	3,185,289	79.9
<b>MHSPRS</b>						
6/30/94	121,952	147,543	25,591	82.7	16,883	151.6
6/30/95	134,659	166,301	31,642	81.0	18,992	166.6
6/30/96	149,448	178,005	28,557	84.0	19,766	144.5
<b>MRS</b>						
9/30/93	100,265	340,702	240,437	29.4	21,618	1,112.2
9/30/94	107,573	346,753	239,180	31.0	18,139	1,318.6
9/30/95	117,406	355,195	237,789	33.1	15,105	1,574.2
<b>SLRP</b>						
6/30/94	2,265	4,992	2,727	45.4	4,341	62.8
6/30/95	2,876	5,510	2,634	52.2	4,504	58.5
6/30/96	3,564	5,846	2,282	61.0	4,322	52.8



**F. Effects of Current Year Changes on Actuarial Accrued Liability and Contribution Requirements**

By statute, actuarial valuations of PERS, MHSPRS and SLRP must be performed at least once in each two-year period as of June 30, with the most recent being June 30, 1996. An actuarial valuation of MRS is required to be performed at least once in each four-year period as of September 30, with the most recent being September 30, 1995. All plans presently have actuarial valuations performed annually. Each valuation may be affected by changes in actuarial assumptions and changes in benefit provisions since the preceding valuation.

**Effects of Current Year Changes on the Actuarial Accrued Liability:** There were no changes in benefit provisions which affected valuations for PERS, MHSPRS or SLRP for the year ended June 30, 1996. MRS adopted plan amendments which affected the actuarial accrued liability by a decrease of \$955,000. Plan amendments reflected in this valuation include:

- Grant a 3% annual cost-of-living adjustment to all retirees and beneficiaries from Biloxi, capped at 9% (3 years).
- Include unused sick leave in credited service for current active members from Biloxi.
- The annual cost-of-living adjustment has been capped at 25% of the annual basic benefit for all retirees and beneficiaries of Pascagoula.

**Change in Actuarial Asset Valuation:** The actuarial value of assets is used in determining the funding progress of the System. The actuarial value of assets is based on a smoothed fair value basis in accordance with GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. Investment asset appreciation and depreciation is smoothed over a five-year period with 20 percent of a year's appreciation being recognized each year beginning with the current year. This smoothed actuarial value of assets is used in determining the actuarial funding status of the System and establishing the contribution rates necessary to accumulate assets to meet benefit obligations when due.

The following table shows the change in the asset valuation from fiscal year 1995 to fiscal year 1996 (amounts expressed in thousands):

	<b>PERS</b>	<b>MHSPRS</b>	<b>MRS</b>	<b>SLRP</b>
Valuation Assets June, 1995***	\$ 6,972,743	\$ 134,659	\$ 107,573	\$ 2,876
Contributions and other revenue	573,139	6,676	19,678	419
Benefit payments	(478,068)	(9,696)	(22,563)	(138)
Administrative expenses	(7,968)	(106)	(361)	(6)
Investment expenses*	(13,056)	(245)	(196)	(6)
Net	74,047	(3,371)	(3,442)	269
Expected total investment return for 1996 (8%)	573,836	10,883	8,665	247
Adjustment towards market (20%)**	404,907	7,277	4,610	172
Valuation assets June, 1996***	\$ 8,025,533	\$ 149,448	\$ 117,406	\$ 3,564

\*This number is based on a proportionate share of the total investment expense of the commingled assets. The ratio of this number to the total investment expense is equal to the ratio of a fiscal year average market value of assets for this fund to a fiscal year average market value of the total commingled assets.

\*\*The June, 1996 (September, 1995 for MRS) market values of net assets held in trust for pension benefits totaled \$9,371,064,000; \$173,676,000; \$135,847,000; and \$4,141,000, respectively. Current year unrecognized gains of \$654,054,000; \$11,979,000; \$23,052,000; and \$304,000, respectively, and prior year unrecognized gains of \$1,370,481,000; \$24,407,000; \$0; and \$557,000, respectively, were used to calculate the adjustment towards market.

\*\*\*Information furnished for MRS is as of September, 1994 and September, 1995, respectively.



**Change in Actuarial Assumptions:** An experience investigation covering a four year period (July 1, 1990 to June 30, 1994) provided sufficient data for the Board of Trustees to change the decremental and economic assumptions, applicable at September 30, 1995 which were used in the actuarial valuation of MRS. Changes in the actuarial assumptions affected the actuarial accrued liability by a decrease of \$745,000. The changes in assumptions are summarized as follows:

- The real rate of return was increased from 3.0 percent to 3.5 percent, and the inflation rate was decreased from 5.0 percent to 4.5 percent.
- The rates of disability among active members were increased at all ages.
- The rates of retirement among active members were increased at 20 years of service and for service greater than 29 years.
- The asset method was changed from book value to a market related basis that recognizes 20 percent of the previously unrecognized and unanticipated gains and losses (both realized and unrealized).

The unfunded actuarial accrued liability at June 30, 1996 is presented as follows (amounts expressed in thousands):

	<b>PERS</b>	<b>MHSPRS</b>	<b>MRS*</b>	<b>SLRP</b>	<b>TOTAL</b>
Unfunded actuarial accrued liability:					
Active member actuarial accrued liability	\$ 6,231,939	\$ 74,035	\$ 93,365	\$ 3,344	\$ 6,402,683
Inactive member actuarial accrued liability	216,629	408		752	217,789
Retired lives actuarial accrued liability	4,123,467	103,562	261,830	1,750	4,490,609
Total actuarial accrued liability	10,572,035	178,005	355,195	5,846	11,111,081
Assets used in valuation	8,025,533	149,448	117,406	3,564	8,295,951
Unfunded actuarial accrued liability	\$ 2,546,502	\$ 28,557	\$ 237,789	\$ 2,282	\$ 2,815,130

\*The total actuarial accrued liability for MRS is reflected as of the September 30, 1995 valuation date. The value of net assets available for benefits at June 30, 1996 does not differ materially from the value as of September 30, 1995.

**Effect of Current Year Changes on Contribution Requirements:** The June 30, 1996 actuarial valuation incorporated no changes in benefit provisions for PERS, MHSPRS or SLRP.

## G. Historical Trend Information

### Six-Year

Historical trend information designed to provide information about progress made by PERS, MHSPRS, MRS and SLRP in accumulating sufficient assets to pay benefits when due is presented in the separately issued Comprehensive Annual Financial Report of the Public Employees' Retirement System for 1996.



### Three-Year

The following table provides an analysis of funding progress for the last three fiscal years (amounts expressed in thousands):

<b>Year Ending</b>	<b>Annual Pension Cost(APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
<b>PERS</b>			
6/30/94	\$ 254,300	100%	\$ 0
6/30/95	279,319	100%	0
6/30/96	290,478	100%	0
<b>MHSPRS</b>			
6/30/94	3,742	100%	0
6/30/95	4,417	100%	0
6/30/96	4,968	100%	0
<b>MRS*</b>			
9/30/94	23,045	71.7%	6,522
9/30/95	22,727	79.4%	11,198
<b>SLRP</b>			
6/30/94	311	100%	0
6/30/95	275	100%	0
6/30/96	285	100%	0

\* For MRS, the fiscal year ended 9/30/94 has been elected as the transition year; therefore, presentation of years prior to 9/30/94 for MRS is not required.



## Note 17 - Commitments

### A. Operating Leases

The state of Mississippi has entered into numerous agreements to lease land and buildings which are classified as operating leases. These agreements generally contain the provision that, at the expiration date of the lease, the state may renew the operating lease on a month-to-month basis. It is expected that in the normal course of business most of these leases will be renewed or replaced by similar leases. Future minimum commitments due under operating leases for land and buildings as of June 30, 1996 were as follows (amounts expressed in thousands):

Year Ending June 30	Amount
1997	\$ 11,523
1998	9,499
1999	5,872
2000	2,955
2001	1,780
Thereafter	3,132
Total Minimum Commitments	<u>\$ 34,761</u>

Expenditures for rental of land and buildings under operating leases for the year ended June 30, 1996 amounted to \$12,314,000.

### B. Contracts

At June 30, 1996, the Department of Transportation had long-term contracts outstanding of approximately \$565,523,000 with performance continuing during fiscal year 1997. These contracts will be paid through the General Fund. Approximately 46 percent of future expenditures related to these commitments are expected to be reimbursed from proceeds of federal grants when the actual costs are incurred. The remaining portion will be funded by specific gasoline and gaming taxes.

The State Aid Road Division had long-term contracts of \$36,873,000 outstanding at June 30, 1996 for construction of state and county roads. These contracts will be paid through the General Fund primarily from specific tax levies. The Office of Building, Grounds and Real Property Management had outstanding construction contracts of \$84,792,000 at June 30, 1996. These contracts will be paid from capital projects funds. The Military Department had outstanding construction contracts of \$17,016,000 at June 30, 1996. These contracts will be paid primarily from proceeds of federal grants.

At June 30, 1996, the Port Authority at Gulfport, an enterprise fund, had outstanding construction contracts of \$2,877,000. These contracts will be paid from restricted assets of the enterprise fund.

Certain discretely presented universities have contracted for the construction of various facilities. At June 30, 1996, contracts of \$103,873,000 were outstanding. These contracts will be paid through the university funds with proceeds from long-term financing and institutional funds.



## Note 18 - Risk Management

The state has elected to finance most exposures to risk through the retention of risk. The exposures to risk retained by the state are health and life benefits, tort liability, unemployment benefits and workers' compensation benefits. The state utilizes the internal service Risk Management Fund to account for these activities.

**Health and Life Benefits:** The state has elected to manage the health benefit through the retention of all exposure. The life benefit is purchased from a commercial insurance company for death benefit distribution under tax law but management of the risk is accomplished by self insuring within an insured shell. State law mandates that all state, public education, library, junior and community college and retiring employees be offered health benefit coverage through this plan. All state and state retiring employees must be offered benefits through the life benefit plan.

The benefits are financed through collection of premiums, based on an actuarial estimate, thereby providing a stable cash flow for payment of claims. Additional financial stability is provided through contractual pricing with various networks of medical providers.

Estimates of the liabilities for incurred (both reported and unreported) but unpaid claims are actuarially determined using the development method. This method uses past observed patterns of time between claim incurral and payment to estimate incurred claims from available claims data. Liabilities are based on the estimated ultimate cost of settling the claims, including inflation and other factors, and provisions for estimated claims adjustment expenses.

**Tort Liability:** The state manages tort claims through the retention of all liability exposure. The legislature created the Tort Claims Board to administer these claims beginning in fiscal year 1994. Statutory regulations provide some protection, as well as a limitation of liability, for claims filed against state agencies and state employees. There is some limited purchase of commercial insurance by state agencies for excess auto liability and other lines of coverage to fulfill some contractual requirements on out of state operations. There is purchase of insurance for protection of some fleet vehicles, some specified watercraft and specific fixed wing aircraft. In the three years of insured coverage, settled claims have not exceeded commercial coverage.

Claims payments are financed through an annual assessment to all state agencies based on number of vehicles and amount of payroll. Estimates of the liability for unpaid claims is made through a case-by-case review of all claims.

**Unemployment Benefits:** Unemployment benefits are established in statute and administered by the Mississippi Employment Security Commission. The state elects to manage the financial risk for state agencies through retention of all liability exposure. Benefits are financed through collection of premiums from agencies, which provides a stable cash flow for payment of claims.

Estimates of the liability for unpaid claims are actuarially determined based on observed patterns of claims payments, adjusted for changes in covered payrolls.

**Workers' Compensation Benefits:** Workers' compensation benefits are established in statute and the rules and regulations are established by the Workers' Compensation Commission and the Mississippi State Agencies Self-Insured Workers' Compensation Trust Board of Trustees. The exposure of risk is financed mostly through retention of all exposure, with limited purchase of commercial excess insurance. The benefits are financed through collection of premiums, based on an actuarial estimate, from agencies which provides a stable cash flow for claim payments. In the last three years, settled claims have not exceeded commercial coverage.

Estimates of the liability for unpaid claims are actuarially determined based on observed patterns of claims payments and case reserves development. Liabilities are based on the ultimate costs of settling claims, including inflation and other factors, and include provisions for estimated claims adjustment expenses.

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The following table provides a reconciliation of changes in the liabilities for claims for fiscal years 1995 and 1996 (amounts expressed in thousands):

	Health and Life		Unemployment		Workers' Compensation		Total Risk Management Fund	
	Benefits	Tort Claims	Benefits	Benefits	Benefits			
<b>1995</b>								
Beginning Balance	\$ 21,552	\$ 442	\$ 1,215	\$ 10,947	\$ 34,156			
Current Year Claims/Changes in Estimates	194,511	2,194	2,046	5,230	203,981			
Claims Payments	(165,214)	(1,219)	(711)	(4,888)	(172,032)			
Ending Balance	\$ 50,849	\$ 1,417	\$ 2,550	\$ 11,289	\$ 66,105			
<b>1996</b>								
Beginning Balance	\$ 50,849	\$ 1,417	\$ 2,550	\$ 11,289	\$ 66,105			
Current Year Claims/Changes in Estimates	234,898	1,757	821	9,181	246,657			
Claims Payments	(232,776)	(1,309)	(719)	(5,656)	(240,460)			
Ending Balance	\$ 52,971	\$ 1,865	\$ 2,652	\$ 14,814	\$ 72,302			

## Note 19 - Component Unit Funds

Condensed financial statements for the component unit funds for the fiscal year ended June 30, 1996 are as follows (amounts expressed in thousands):

### Condensed Balance Sheet - Component Units

	Governmental Fund Types			Proprietary Fund Types				Total
	Pat Harrison Waterway District	Pearl River Valley Water Supply District	Other	Mississippi Coast Coliseum Commission	Other	University		
<b>Assets:</b>								
Current assets	\$ 480	\$ 5,178	\$ 3,508	\$ 4,166	\$ 10,309	\$ 496,133	\$ 519,774	
Due from other funds						24,623	24,623	
Due from primary government					47	10,544	10,591	
Inventories	4		42		451	15,761	16,258	
Loans and notes receivable						68,091	68,091	
Restricted assets	253		23	7,200			7,476	
Property, plant and equipment	21,382	49,613	20,085	19,694	1,286	1,395,128	1,507,188	
Other assets	363		1	156	47	11,851	12,418	
Amounts to be provided	4,874	384	69				5,327	
Total assets	\$ 27,356	\$ 55,175	\$ 23,728	\$ 31,216	\$ 12,140	\$ 2,022,131	\$ 2,171,746	
<b>Liabilities:</b>								
Current liabilities	\$ 219	\$ 381	\$ 140	\$ 94	\$ 274	\$ 96,066	\$ 97,174	
Due to other funds						24,623	24,623	
Due to primary government						2,499	2,499	
Deferred revenues						21,529	21,529	
Liabilities payable from restricted assets				165			165	
Bonds and notes payable	4,995					128,900	133,895	
Other liabilities	132	384	80	131	182	18,098	19,007	
Total liabilities	5,346	765	220	390	456	291,715	298,892	
<b>Equity:</b>								
Investment in general fixed assets	21,382	42,172	20,085			1,259,181	1,342,820	
Contributed capital		7,834		4,264	5,292		17,390	
Retained earnings		881		26,562	6,392		33,835	
Fund balances	628	3,523	3,423			471,235	478,809	
Total equity	22,010	54,410	23,508	30,826	11,684	1,730,416	1,872,854	
Total liabilities and equity	\$ 27,356	\$ 55,175	\$ 23,728	\$ 31,216	\$ 12,140	\$ 2,022,131	\$ 2,171,746	

# MISSISSIPPI

## Condensed Statement of Revenues, Expenditures, and Changes in Fund Equity - Governmental Fund Types - Component Units

	<b>Pat Harrison Waterway District</b>	<b>Pearl River Valley Water Supply District</b>	<b>Other</b>	<b>Total</b>
Revenues	\$ 3,364	\$ 4,028	\$ 2,512	\$ 9,904
Expenditures:				
Operating and other	3,452	3,542	2,202	9,196
Debt service	627	51		678
Excess of revenues over (under) expenditures	(715)	435	310	30
Net income from proprietary operations		287		287
Net changes in equity	(715)	722	310	317
Fund equity July 1	1,342	3,682	3,113	8,137
Decrease in Reserve for inventory	1			1
Fund equity June 30	\$ 628	\$ 4,404	\$ 3,423	\$ 8,455

## Condensed Statement of Revenues, Expenses, and Changes in Fund Equity - Proprietary Fund Types - Component Units

	<b>Mississippi Coast Coliseum Commission</b>		<b>Other</b>	<b>Total</b>
Operating revenues	\$	2,602	\$ 3,364	\$ 5,966
Operating expenses:				
Depreciation		557	98	655
Other		3,099	2,982	6,081
Operating income (loss)		(1,054)	284	(770)
Nonoperating revenues		730	509	1,239
Nonoperating expenses		(52)		(52)
Net income (loss)		(376)	793	417
Fund equity July 1, as restated		26,938	5,599	32,537
Fund equity June 30	\$	26,562	\$ 6,392	\$ 32,954

## Note 20 - Contingencies

- A. **Federal Grants** - The state has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the state. The state estimates that the ultimate disallowance pertaining to these grants, if any, will be immaterial to its overall financial condition.
- B. **Litigation** - The state has several actions filed against it by out-of-state insurance companies to seek substantial tax refunds. These cases are being held in abeyance pending adjudication of similar cases in the courts of other states. If the court should rule that collection of the tax was unconstitutional, the tax rate by statute shall be increased for a period of six years to fund any losses.

The state is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the state with respect to the various proceedings; however, the state's legal counsel believes that any ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the state.

## Note 21 - Subsequent Events

Subsequent to year end, the state issued the following bonds:

Capital Improvement General Obligation Bonds, Series 1996 and Local Governments Capital Improvements Revolving Loan Program General Obligation Bonds, Series E totaling \$111,000,000 dated September 1, 1996. The bonds mature serially through the year 2016 at interest rates ranging from 4.5 percent to 6.5 percent.

Mississippi Farm Reform Act General Obligation Bonds, Series L, Mississippi Business Investment Act General Obligation Bonds, Series R, Mississippi Major Economic Impact Act General Obligation Bonds, Series G, Local Governments Freight Rail Service Projects General Obligation Bonds, Series A and Local Governments Capital Improvements Revolving Loan Program General Obligation Bonds, Series D totaling \$60,510,000 dated September 1, 1996. The bonds mature serially through the year 2016 at interest rates ranging from 7 percent to 9.6 percent.

Mississippi General Obligation Refunding Bonds, Series 1996 totaling \$79,850,000 dated October 15, 1996. The bonds mature serially through the year 2014 at interest rates ranging from 4 percent to 6 percent.

Mississippi Small Enterprise Development Act General Obligation Bonds, Series H through O totaling \$6,500,000 dated December 1, 1996. The bonds mature serially through the year 2011 at interest rates ranging from 4.625 percent to 6.6 percent.

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**General Fund**

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The General Fund accounts for resources obtained and used for those services traditionally provided by state government which are not required to be accounted for in another fund.

# MISSISSIPPI

## General Fund

### Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>June 30, 1996</b>	<b>June 30, 1995</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 944,342	\$ 914,017
Investments	557,856	561,265
Receivables, net:		
Taxes	361,681	322,895
Interest	18,184	16,684
Other	44,189	41,124
Due from other governments	451,385	309,990
Due from other funds	7,660	6,405
Due from component units	2,351	11,288
Food stamp and commodity inventory	127,777	146,663
Inventories	29,843	27,557
Loans and notes receivable	147,138	169,077
Loans to other funds	809	809
	\$ 2,693,215	\$ 2,527,774
<b>Liabilities:</b>		
Warrants payable	\$ 80,113	\$ 82,823
Accounts payable and accruals	257,889	215,431
Contracts payable	52,206	47,120
Retainage payable	16,998	11,700
Income tax refunds payable	97,100	83,600
Due to other governments	153,390	128,431
Due to other funds	26,407	28,340
Due to component units	10,208	13,379
Deferred revenues	185,462	183,761
	879,773	794,585
<b>Fund Balance:</b>		
Reserved for:		
Encumbrances	40,326	37,860
Inventories	29,843	27,557
Long-term portion of loans and notes receivable	137,693	158,097
Long-term portion of due from other governments	196,248	104,827
Distribution to local governments	36,591	
Unreserved:		
Designated for debt service	13,128	13,708
Designated for road and highway construction	351,419	339,897
Designated for working cash stabilization reserve account	206,190	203,636
Designated for special treasury accounts	384,821	370,486
Undesignated	417,183	477,121
	1,813,442	1,733,189
Total Fund Balance	1,813,442	1,733,189
Total Liabilities and Fund Balance	\$ 2,693,215	\$ 2,527,774

# MISSISSIPPI

## General Fund

### Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balance For the Year Ended June 30, 1996

(Amounts Expressed in Thousands)

	For the Year Ended	
	June 30, 1996	June 30, 1995
<b>Revenues:</b>		
Taxes:		
Sales and use	\$ 1,847,589	\$ 1,721,214
Gasoline and other motor fuel	349,104	342,015
Privilege	67,630	57,060
Motor vehicle registration	24,700	23,949
Individual income	730,035	663,292
Alcoholic beverage	41,270	41,667
Corporate income and franchise	262,728	264,638
Severance	29,057	28,059
Inheritance	14,208	12,513
Tobacco	55,121	57,483
Insurance	101,472	100,043
Nuclear power	20,000	20,000
Other	15,619	14,813
Licenses, fees and permits:		
Gaming	148,010	132,131
User fees	11,999	11,416
Drivers' licenses	17,264	18,298
Other	45,266	42,235
Federal government	2,485,760	2,456,626
Interest	98,675	79,568
Charges for sales and services:		
Intergovernmental	10,968	11,419
Non-state government	180,308	167,944
Rentals	10,591	10,175
Other	171,133	200,279
Total Revenues	6,738,507	6,476,837
<b>Expenditures:</b>		
Current:		
General government	817,625	727,065
Education	1,768,298	1,661,033
Health and social services	2,519,253	2,465,015
Law, justice and public safety	273,112	226,932
Recreation and resources development	139,821	115,405
Transportation	651,044	532,217
Debt service:		
Principal	26,578	18,125
Interest and other fiscal charges	31,900	17,126
Total Expenditures	6,227,631	5,762,918
Excess of Revenues over Expenditures	510,876	713,919
<b>Other Financing Sources (Uses):</b>		
Proceeds of bonds and notes issued	125,245	130,900
Proceeds of capital leases	976	6,218
Operating transfers in	36,301	50,182
Operating transfers out	(140,684)	(176,858)
Operating transfers to component units	(454,747)	(431,719)
Net Other Financing Uses	(432,909)	(421,277)
Excess of Revenues and Other Sources over Expenditures and Other Uses	77,967	292,642
Fund Balance July 1	1,733,189	1,437,800
Increase in Reserve for Inventories	2,286	2,747
Fund Balance June 30	\$ 1,813,442	\$ 1,733,189

# MISSISSIPPI

## General Fund

### Schedule of Current Expenditures by Function and Department For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>For the Year Ended</b>	
	June 30, 1996	June 30, 1995
<b>General Government:</b>		
Legislative (includes Legislative Budget Office and Legislative Office of Performance Evaluation and Expenditure Review)	\$ 15,240	\$ 14,431
Governor's Office and Mansion	2,603	2,578
Secretary of State	6,639	5,930
Department of Audit	9,439	9,703
Department of Finance and Administration	25,160	18,391
Treasurer	2,409	3,972
Tax Commission	221,767	215,796
Department of Archives and History	5,226	4,993
Department of Insurance	4,598	4,367
Diversion to Counties and Cities	512,509	436,138
Gaming Commission	9,167	8,152
Other	2,868	2,614
Total General Government	817,625	727,065
<b>Education:</b>		
Department of Education	1,602,371	1,504,401
Junior Colleges	146,841	136,409
Educational Television Authority	10,273	11,199
Library Commission	8,813	9,024
Total Education	1,768,298	1,661,033
<b>Health and Social Services:</b>		
Department of Health	175,848	161,687
Division of Medicaid (Governor's Office)	1,421,247	1,397,910
Department of Mental Health and Related Institutions	272,226	231,581
Department of Human Services	609,170	626,953
Department of Rehabilitation Services	33,412	39,913
Other	7,350	6,971
Total Health and Social Services	2,519,253	2,465,015
<b>Law, Justice and Public Safety:</b>		
Attorney General	10,402	10,455
Circuit and Chancery Judges and District Attorneys	11,718	10,977
Department of Corrections	150,252	118,090
Military Department	14,067	7,065
Department of Public Safety	53,933	51,336
Bureau of Narcotics	7,537	7,255
Supreme Court	22,621	19,532
Other	2,582	2,222
Total Law, Justice and Public Safety	273,112	226,932
<b>Recreation and Resources Development:</b>		
Department of Agriculture and Commerce	9,204	9,418
Department of Economic and Community Development	60,575	38,957
Forestry Commission	28,831	30,485
Department of Environmental Quality	32,629	29,769
Department of Wildlife, Fisheries and Parks	4,458	2,803
Other	4,124	3,973
Total Recreation and Resources Development	139,821	115,405
<b>Transportation:</b>		
Department of Transportation	651,044	532,217
Total Expenditures by Function and Department	\$ 6,169,153	\$ 5,727,667



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**Special Revenue Funds**

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Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Significant Special Revenue Funds Descriptions**

The numerous special revenue funds used by the state have been grouped by organizational unit and combined into specific functions.

**Health and Social Services**

<b>Department of Human Services</b>	<p><b>Community Services Fund</b> - accounts for federal grant monies received to provide services and programs for children and youth, aging adults and economically disadvantaged citizens.</p>
<b>Department of Rehabilitation Services</b>	<p><b>Rehabilitation Services Fund</b> - accounts for federal and state monies used to provide vocational rehabilitation programs for the blind.</p> <p><b>Disability Determination Fund</b> - accounts for funds received from the federal government for the specific purpose of evaluating applicants for Social Security benefits consistent with laws and regulations pertaining to disability eligibility.</p>
<b>Employment Security Commission</b>	<p><b>Employment Services Fund</b> - accounts for monies received from the federal government for administering the Unemployment Compensation Act.</p>
<b>Department of Mental Health</b>	<p><b>Alcohol Abuse Program Fund</b> - accounts for a three percent tax on alcoholic beverages collected by and transferred from the General Fund for the purpose of administering alcohol abuse treatment and rehabilitation programs. Expenditures consist primarily of grants for regional alcohol treatment programs, vocational rehabilitation services, inpatient treatment programs and alcohol rehabilitation programs for the Department of Corrections.</p>

**Law, Justice and Public Safety**

<b>Department of Corrections</b>	<p><b>Community Services Fund</b> - provides alternative diversionary programs which subject individuals to the minimum supervision and control that the inmate requires in lieu of incarceration within the penitentiary. Revenue is provided by probation release fees.</p>
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<b>Department of Public Safety</b>	<b>Public Safety Planning Fund</b> - accounts for federal grant monies received to provide for criminal justice planning, national highway traffic safety and drug-free communities.
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<b>Military Department</b>	<b>National Guard Facility and Training Fund</b> - accounts for monies received from the federal government to maintain, expand, and improve facilities within the state and to pay the salaries of state employees working at training sites.  <b>Camp Shelby Operations Fund</b> - accounts for federal monies received for the specific purpose of training troops. The fund also accounts for funds received from sale of timber, mineral leases on lands, and store sales. Expenditures are for the maintenance of Camp Shelby.
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<b>Emergency Management</b>	<b>Emergency Management Fund</b> - accounts for grant monies received from the federal government and transfers from the General Fund. Expenditures are restricted by the various grant agreements but all pertain to emergency management programs and their administration.
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## Recreation and Resources Development

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<b>Department of Agriculture and Commerce</b>	<b>Rice and Soybean Promotion Fund</b> - accounts for fees charged for the sale of rice and soybeans. This revenue is expended to promote the rice and soybean industries, through research, education, and advertising.
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<b>Department of Economic and Community Development</b>	<b>Community Development Fund</b> - accounts for federal grant monies received to provide various community development programs including job development and training.  <b>Energy Conservation Fund</b> - accounts for state and federal monies and other revenues used to coordinate the state's energy activities, needs, and programs.
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<b>Department of Wildlife, Fisheries and Parks</b>	<b>Fisheries and Wildlife Fund</b> - accounts for expenditures of enforcing laws for the preservation and protection of the state's wildlife resources and enhancing their environments. Additional responsibilities and expenses of this fund are enforcement of boating safety on state lakes and streams and enforcement of hunter safety. The Fisheries and Wildlife Fund also shares in administrative costs of the Department of Wildlife, Fisheries and Parks through operating transfers to the administrative fund. Revenues are derived from the sale of hunting and fishing licenses, fees and permits, taxes and federal grants.  <b>Parks and Recreation Fund</b> - accounts for expenditures to support the varied activities to promote, operate and maintain the twenty-seven park sites located throughout the state. Funding is provided by user fees, federal grants and transfers from the General Fund.  <b>Motor Vehicle Fund</b> - accounts for the purchase of motor vehicles for the Department of Wildlife, Fisheries and Parks. Funding is provided primarily by eight percent of the proceeds from the sale of hunting and fishing licenses, fees and permits.
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**Department of  
Marine Resources**

**Marine Resources Fund** - accounts for expenditures of conserving and protecting marine resources and of administering coastal zone, liaison and statistical programs as directed by the National Office of Marine Fisheries. Funding is provided by transfers from the General Fund and by federal grants.

## Regulation of Business and Professions

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**Public Service Commission**

**Public Service Commission Fund** - accounts for the costs of regulating all for-hire transportation and communication, electric, gas, water and sewer utilities. Revenue is derived principally from motor carrier application and registration fees and utilities tax assessments.

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**Workers'  
Compensation Commission**

**Workers' Compensation Commission Fund** - accounts for expenditures relating to administering the provisions of the Mississippi Workers' Compensation Law, which include cooperating with other state and federal authorities for the prevention of injuries and occupational diseases and, in the event of such injuries and diseases, coordinating the rehabilitation or restoration to health and vocational opportunity of the affected worker.

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**Department of Banking  
and Consumer Finance**

**Banking and Consumer Finance Fund** - accounts for assessment fees charged to banks to fund the regulation and supervision of banks operating within the state. This fund also accounts for funds collected in the examining and licensing of motor vehicle finance organizations and small loan organizations.

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**Oil and Gas Board**

**Oil and Gas Board Fund** - accounts for fees imposed on producing wells, drilling and operations. Funds are used to protect public and private interests against waste in the production and use of oil and gas, to obtain full development in oil production within the state and to maintain records of all oil and gas wells drilled and producing.

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**Other Regulatory Agencies**

**Other Regulatory Agencies Fund** - provides for the control and regulation of various professions by boards and commissions established for this purpose. Revenue is provided by examination and license renewal fees. Each board or commission has its own account within this fund to account for its operation.

## Special Revenue Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Health and Social Services</b>	<b>Law, Justice and Public Safety</b>	<b>Recreation and Resources Development</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 7,531	\$ 26,068	\$ 21,444
Investments	116	350	26,173
Receivables, net:			
Interest	2	2	190
Other	2,173	302	1,910
Due from other governments	5,570	9,708	18,731
Due from other funds	2,609	281	5,267
Inventories	88	987	579
Loans and notes receivable			1,249
Total Assets	\$ 18,089	\$ 37,698	\$ 75,543
<b>Liabilities:</b>			
Warrants payable	\$ 2,975	\$ 2,420	\$ 3,951
Accounts payable and accruals	3,158	4,953	2,464
Due to other governments	85	901	2,153
Due to other funds	899	955	1,274
Due to component units	118	78	145
Deferred revenues	5,205	7,641	5,351
Loans from other funds	57		
Other liabilities			
Total Liabilities	12,497	16,948	15,338
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	1,933	3,277	1,070
Inventories	88	987	579
Long-term portion of loans and notes receivable			847
Long-term portion of due from other governments			6,952
Disaster relief assistance		4,906	
Unreserved:			
Designated for juvenile detention			
Designated for municipalities crime prevention		2,965	
Designated for future loans			3,765
Undesignated	3,571	8,615	46,992
Total Fund Balances	5,592	20,750	60,205
Total Liabilities and Fund Balances	\$ 18,089	\$ 37,698	\$ 75,543

<b>Totals</b>			
<b>Regulation of Business and Professions</b>			
		June 30, 1996	June 30, 1995
\$	23,884	\$ 78,927	\$ 71,443
	5,200	31,839	28,113
	22	216	147
	188	4,573	5,481
	661	34,670	40,085
	3,762	11,919	14,190
		1,654	1,351
		1,249	1,541
<b>\$</b>	<b>33,717</b>	<b>\$ 165,047</b>	<b>\$ 162,351</b>
\$	1,098	\$ 10,444	\$ 6,680
	572	11,147	11,279
		3,139	4,374
	150	3,278	6,325
	7	348	768
	65	18,262	10,564
		57	22
	143	143	192
	2,035	46,818	40,204
	258	6,538	8,022
		1,654	1,351
		847	1,123
		6,952	6,973
		4,906	5,825
			4,000
		2,965	6,000
		3,765	2,567
	31,424	90,602	86,286
	31,682	118,229	122,147
<b>\$</b>	<b>33,717</b>	<b>\$ 165,047</b>	<b>\$ 162,351</b>

# MISSISSIPPI

## Special Revenue Funds

### Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Health and Social Services</b>	<b>Law, Justice and Public Safety</b>	<b>Recreation and Resources Development</b>
<b>Revenues:</b>			
Taxes	\$	\$	\$ 5,000
Licenses, fees and permits	274	2,439	21,969
Federal government	102,776	54,748	85,249
Interest	33	451	1,989
Charges for services	799	1,132	1,442
Court assessments			2,732
Other	1,968	3,654	419
Total Revenues	105,850	62,424	118,800
<b>Expenditures:</b>			
Current:			
Health and social services	114,618		
Law, justice and public safety		66,684	
Recreation and resources development			109,612
Regulation of business and professions			
Debt service:			
Principal		103	
Interest		22	
Total Expenditures	114,618	66,809	109,612
Excess of Revenues over (under) Expenditures	(8,768)	(4,385)	9,188
<b>Other Financing Sources (Uses):</b>			
Proceeds of capital lease		1,090	
Operating transfers in	15,551	3,216	11,823
Operating transfers out	(7,341)	(7,509)	(18,399)
Net Other Financing Sources (Uses)	8,210	(3,203)	(6,576)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(558)	(7,588)	2,612
Fund Balances July 1	6,138	28,269	57,371
Increase (Decrease) in Reserve for Inventories	12	69	222
Fund Balances June 30	\$ 5,592	\$ 20,750	\$ 60,205

Regulation of Business and Professions	Totals for the Year Ended	
	June 30, 1996	June 30, 1995
\$	\$ 5,000	\$ 5,000
23,217	47,899	46,914
1,033	243,806	260,963
293	2,766	2,984
115	3,488	4,921
	2,732	
50	6,091	4,185
24,708	311,782	324,967
	114,618	118,957
	66,684	55,735
	109,612	113,150
22,734	22,734	22,319
	103	10
	22	
22,734	313,773	310,171
1,974	(1,991)	14,796
	1,090	
	30,590	37,061
(661)	(33,910)	(32,715)
(661)	(2,230)	4,346
1,313	(4,221)	19,142
30,369	122,147	103,231
	303	(226)
\$ 31,682	\$ 118,229	\$ 122,147

# MISSISSIPPI

## Special Revenue Funds

### Combining Balance Sheet Health and Social Services June 30, 1996

*(Amounts Expressed in Thousands)*

	<u>Department of Human Services</u>	<u>Department of Rehabilitation Services</u>	
	Community Services	Rehabilitation Services	Disability Determination
<b>Assets:</b>			
Cash and cash equivalents	\$ 3,537	\$ 86	\$ 539
Investments	30	86	
Receivables, net:			
Interest	1	1	
Other	2,037		
Due from other governments	4,239	101	1,033
Due from other funds	26	128	7
Inventories			
Total Assets	\$ 9,870	\$ 402	\$ 1,579
<b>Liabilities:</b>			
Warrants payable	\$ 1,381	\$ 2	\$ 848
Accounts payable and accruals	2,031	13	218
Due to other governments			
Due to other funds	692		102
Due to component units	89		
Deferred revenues	4,830		22
Loans from other funds			
Total Liabilities	9,023	15	1,190
<b>Fund Balances (Deficit):</b>			
Reserved for:			
Encumbrances	23		1,542
Inventories			
Unreserved:			
Undesignated	824	387	(1,153)
Total Fund Balances	847	387	389
Total Liabilities and Fund Balances	\$ 9,870	\$ 402	\$ 1,579



**Employment  
Security  
Commission**

**Department of Mental Health**

**Totals**

	Employment Services	Alcohol Abuse Program	Social Services	June 30, 1996	June 30, 1995
\$	2,100	\$ 1,138	\$ 131	\$ 7,531	\$ 4,993
				116	87
				2	1
	117		19	2,173	3,181
	197			5,570	7,598
	2,215	233		2,609	2,552
	88			88	76
\$	4,717	\$ 1,371	\$ 150	\$ 18,089	\$ 18,488
\$	562	\$ 182		\$ 2,975	\$ 1,948
	524	362	10	3,158	2,877
	85			85	61
	52	52	1	899	3,499
	29			118	19
	353			5,205	3,924
	57			57	22
	1,662	596	11	12,497	12,350
	368			1,933	2,142
	88			88	76
	2,599	775	139	3,571	3,920
	3,055	775	139	5,592	6,138
\$	4,717	\$ 1,371	\$ 150	\$ 18,089	\$ 18,488

## Special Revenue Funds

### Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances Health and Social Services For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<u>Department of Human Services</u>	<u>Department of Rehabilitation Services</u>	<u>Employment Security Commission</u>	
	Community Services	Rehabilitation Services	Disability Determination	Employment Services
<b>Revenues:</b>				
Licenses, fees and permits	\$ 30	\$	\$	\$
Federal government	53,061	3,316	17,562	28,837
Interest	7	8		16
Charges for services	4	147	306	
Other	32	212	80	1,644
Total Revenues	53,134	3,683	17,948	30,497
<b>Expenditures:</b>				
Health and social services	50,490	3,531	16,901	40,655
Excess of Revenues over (under) Expenditures	2,644	152	1,047	(10,158)
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	2,166		15	9,771
Operating transfers out	(5,622)		(814)	
Net Other Financing Sources (Uses)	(3,456)		(799)	9,771
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(812)	152	248	(387)
Fund Balances July 1	1,659	235	141	3,430
Increase in Reserve for Inventories				12
Fund Balances June 30	\$ 847	\$ 387	\$ 389	\$ 3,055

**Department of Mental Health    Totals for the Year Ended**

Alcohol Abuse Program		Social Services	June 30, 1996	June 30, 1995
\$	\$	244	\$ 274	\$ 272
			102,776	114,266
		2	33	31
		342	799	818
			1,968	1,859
		588	105,850	117,246
	2,465	576	114,618	118,957
	(2,465)	12	(8,768)	(1,711)
	3,599		15,551	13,782
	(905)		(7,341)	(11,447)
	2,694		8,210	2,335
	229	12	(558)	624
	546	127	6,138	5,512
			12	2
\$	775	\$ 139	\$ 5,592	\$ 6,138

# MISSISSIPPI

## Special Revenue Funds

### Combining Balance Sheet Law, Justice and Public Safety June 30, 1996

*(Amounts Expressed in Thousands)*

	<u>Attorney General</u>	<u>Department of Corrections</u>		<u>Department of Public Safety</u>
	Medicaid Fraud	Community Services	Inmate Welfare and Training	Public Safety Planning
<b>Assets:</b>				
Cash and cash equivalents	\$ 37	\$ 1,334	\$ 2,293	\$ 3,662
Investments				
Receivables, net:				
Interest			1	
Other		1	186	46
Due from other governments	1			1,804
Due from other funds	2	8	255	
Inventories				
Total Assets	<u>\$ 40</u>	<u>\$ 1,343</u>	<u>\$ 2,735</u>	<u>\$ 5,512</u>
<b>Liabilities:</b>				
Warrants payable	\$ 32	\$ 51	\$	\$ 243
Accounts payable and accruals	6	5	61	668
Due to other governments				
Due to other funds	4		17	402
Due to component units				59
Deferred revenues				466
Total Liabilities	<u>42</u>	<u>56</u>	<u>78</u>	<u>1,838</u>
<b>Fund Balances (Deficits):</b>				
Reserved for:				
Encumbrances		5	610	16
Inventories				
Disaster relief assistance				
Unreserved:				
Designated for juvenile detention				
Designated for municipalities crime prevention				2,965
Undesignated	(2)	1,282	2,047	693
Total Fund Balances (Deficit)	<u>(2)</u>	<u>1,287</u>	<u>2,657</u>	<u>3,674</u>
Total Liabilities and Fund Balances	<u>\$ 40</u>	<u>\$ 1,343</u>	<u>\$ 2,735</u>	<u>\$ 5,512</u>

<b>Military Department</b>				<b>Totals</b>		
	National Guard Facility and Training	Camp Shelby Operations	Emergency Management	Other	June 30, 1996	June 30, 1995
\$	7,114	\$ 983	\$ 8,569	\$ 2,076	\$ 26,068	\$ 24,469
		350			350	350
		1			2	1
		64	5		302	121
	3,818	2,686	1,399		9,708	8,451
	6	10			281	4,456
		987			987	918
\$	10,938	\$ 5,081	\$ 9,973	\$ 2,076	\$ 37,698	\$ 38,766
\$	1,451	\$ 464	\$ 179	\$	\$ 2,420	\$ 1,408
	3,073	952	188		4,953	4,544
	10	9	882		901	1,433
	206	1	325		955	187
	5		14		78	208
	5,693	1,403	79		7,641	2,717
	10,438	2,829	1,667		16,948	10,497
	1,181	1,416	49		3,277	1,273
		987			987	918
			4,906		4,906	5,825
						4,000
					2,965	6,000
	(681)	(151)	3,351	2,076	8,615	10,253
	500	2,252	8,306	2,076	20,750	28,269
\$	10,938	\$ 5,081	\$ 9,973	\$ 2,076	\$ 37,698	\$ 38,766

# MISSISSIPPI

## Special Revenue Funds

### Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances Law, Justice and Public Safety For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<u>Attorney General</u>	<u>Department of Corrections</u>		<u>Department of Public Safety</u>
	Medicaid Fraud	Community Services	Inmate Welfare and Training	Public Safety Planning
<b>Revenues:</b>				
Licenses, fees and permits	\$	\$	\$	\$
Federal government	621	2,151		8,683
Interest		2	46	
Charges for services			4	
Other		9	2,735	247
Total Revenues	621	2,162	2,785	8,930
<b>Expenditures:</b>				
Current:				
Law, justice and public safety	764	1,292	2,826	14,937
Debt service:				
Principal			103	
Interest			22	
Total Expenditures	764	1,292	2,951	14,937
Excess of Revenues over (under) Expenditures	(143)	870	(166)	(6,007)
<b>Other Financing Sources (Uses):</b>				
Proceeds of capital lease			1,090	
Operating transfers in	144	272	467	518
Operating transfers out		(486)	(146)	(928)
Net Other Financing Sources (Uses)	144	(214)	1,411	(410)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	1	656	1,245	(6,417)
Fund Balances (Deficit) July 1	(3)	631	1,412	10,091
Increase (Decrease) in Reserve for Inventories				
Fund Balances (Deficit) June 30	\$ (2)	\$ 1,287	\$ 2,657	\$ 3,674

<u>Military Department</u>					<u>Totals for the Year Ended</u>	
National Guard					June 30, 1996	June 30, 1995
Facility and Training	Camp Shelby Operations	Emergency Management	Other			
\$	\$	\$	11 \$	277 \$	2,439 \$	2,156
23,992	15,799	5,653			54,748	51,402
	19	367		17	451	444
	1,128				1,132	2,217
96	11	423		133	3,654	1,794
24,088	16,957	6,454		427	62,424	58,013
24,346	17,454	5,055		10	66,684	55,735
					103	
					22	
24,346	17,454	5,055		10	66,809	55,735
(258)	(497)	1,399		417	(4,385)	2,278
694	50	1,071			1,090	12,704
		(5,949)			(7,509)	(2,770)
694	50	(4,878)			(3,203)	9,934
436	(447)	(3,479)		417	(7,588)	12,212
64	2,630	11,785		1,659	28,269	16,146
	69				69	(89)
\$ 500	\$ 2,252	\$ 8,306	\$ 2,076	\$ 20,750	\$ 28,269	

## Special Revenue Funds

### Combining Balance Sheet Recreation and Resources Development June 30, 1996

*(Amounts Expressed in Thousands)*

	<u>Department of Agriculture and Commerce</u>	<u>Department of Economic and Community Development</u>	<u>Energy Conservation</u>	<u>Other</u>	<u>Department of Finance and Administration</u>
	Rice and Soybean Promotion	Community Development	Energy Conservation		Court Assessments and Settlements
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,347	\$ 1,287	\$ 418	\$ 93	\$
Investments	850	1,500	13,826	192	1,625
Receivables, net:					
Interest			93	3	10
Other	103	1,340		5	
Due from other governments		15,832	96	5	
Due from other funds		15			
Inventories					
Loans and notes receivable			1,249		
Total Assets	\$ 2,300	\$ 19,974	\$ 15,682	\$ 298	\$ 1,635
<b>Liabilities:</b>					
Warrants payable	\$ 188	\$ 1,329	\$ 57		\$
Accounts payable and accruals	61	960	10		
Due to other governments		2,153			
Due to other funds		1,050	15		
Due to component units		43			
Deferred revenues		3,697			
Total Liabilities	249	9,232	82		
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances		18	42		
Inventories					
Long-term portion of loans and notes receivable			847		
Long-term portion of due from other governments		6,952			
Unreserved:					
Designated for future loans		2,894	871		
Undesignated	2,051	878	13,840	298	1,635
Total Fund Balances	2,051	10,742	15,600	298	1,635
Total Liabilities and Fund Balances	\$ 2,300	\$ 19,974	\$ 15,682	\$ 298	\$ 1,635



<b>Department of Wildlife, Fisheries and Parks</b>					<b>Department of Marine Resources</b>		<b>Totals</b>	
Fisheries and Wildlife	Parks and Recreation	Motor Vehicle	Other	Department of Marine Resources	Other	June 30, 1996	June 30, 1995	
\$ 7,433	\$ 1,746	\$ 618	\$ 3,604	\$ 4,283	\$ 615	\$ 21,444	\$ 17,861	
3,000	1,200	399	3,019		562	26,173	22,376	
10	5	1	58		10	190	132	
429	6		6	21		1,910	1,945	
2,108	72			618		18,731	23,384	
5,252						5,267	5,440	
142	437					579	357	
						1,249	1,541	
<b>\$ 18,374</b>	<b>\$ 3,466</b>	<b>\$ 1,018</b>	<b>\$ 6,687</b>	<b>\$ 4,922</b>	<b>\$ 1,187</b>	<b>\$ 75,543</b>	<b>\$ 73,036</b>	
\$ 1,375	\$ 594	\$ 311	\$ 40	\$ 57	\$	\$ 3,951	\$ 2,427	
985	351			97		2,464	3,456	
144	58			7		2,153	2,880	
102						1,274	2,542	
1,055		59		540		145	541	
3,661	1,003	370	40	701		5,351	3,819	
933	75			2		1,070	4,110	
142	437					579	357	
						847	1,123	
						6,952	6,973	
13,638	1,951	648	6,647	4,219	1,187	3,765	2,567	
14,713	2,463	648	6,647	4,221	1,187	46,992	42,241	
\$ 18,374	\$ 3,466	\$ 1,018	\$ 6,687	\$ 4,922	\$ 1,187	\$ 75,543	\$ 73,036	

# MISSISSIPPI

## Special Revenue Funds

### Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances Recreation and Resources Development For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Department of Agriculture and Commerce	Department of Economic and Community Development			Department of Finance and Administration
	Rice and Soybean Promotion	Community Development	Energy Conservation	Other	Court Assessments and Settlements
<b>Revenues:</b>					
Taxes	\$	\$	\$	\$	\$
Licenses, fees and permits	1,602			5	
Federal government		74,816	286		
Interest	74	83	781	12	29
Charges for services	506	28		62	
Court assessments			863		1,869
Other	5	96	48		
Total Revenues	2,187	75,023	1,978	79	1,898
<b>Expenditures:</b>					
Recreation and resources development	2,065	57,211	1,902	58	
Excess of Revenues over (under) Expenditures	122	17,812	76	21	1,898
<b>Other Financing Sources (Uses):</b>					
Operating transfers in			264		
Operating transfers out		(16,678)	(77)		(365)
Net Other Financing Sources (Uses)		(16,678)	187		(365)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	122	1,134	263	21	1,533
Fund Balances July 1	1,929	9,608	15,337	277	102
Increase (Decrease) in Reserve for Inventories					
Fund Balances June 30	\$ 2,051	\$ 10,742	\$ 15,600	\$ 298	\$ 1,635

<b>Department of Wildlife, Fisheries and Parks</b>					<b>Totals for the Year Ended</b>				
Fisheries and Wildlife	Parks and Recreation	Motor Vehicle	Other	Department of Marine Resources	Other	June 30, 1996	June 30, 1995		
\$ 5,000	\$	\$		\$	\$	\$ 5,000	\$ 5,000		
11,639	5,708	904	721	699	691	21,969	21,243		
8,431	280			1,413	23	85,249	94,317		
557	140	56	219		38	1,989	2,272		
483	67	203	4	47	42	1,442	1,773		
						2,732			
115	33		57	35	30	419	457		
26,225	6,228	1,163	1,001	2,194	824	118,800	125,062		
26,496	13,413	1,803	30	6,601	33	109,612	113,150		
(271)	(7,185)	(640)	971	(4,407)	791	9,188	11,912		
415	7,095			4,049		11,823	10,565		
(101)	(415)			(11)	(752)	(18,399)	(18,476)		
314	6,680			4,038	(752)	(6,576)	(7,911)		
43	(505)	(640)	971	(369)	39	2,612	4,001		
14,578	2,838	1,288	5,676	4,590	1,148	57,371	53,509		
92	130					222	(139)		
\$ 14,713	\$ 2,463	\$ 648	\$ 6,647	\$ 4,221	\$ 1,187	\$ 60,205	\$ 57,371		

## Special Revenue Funds

**Combining Balance Sheet  
Regulation of Business and Professions  
June 30, 1996**

*(Amounts Expressed in Thousands)*

	<b>Public Service Commission</b>	<b>Workers' Compensation Commission</b>	<b>Department of Banking and Consumer Finance</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 11,015	\$ 1,138	\$ 2,061
Investments		5,200	
Receivables, net:			
Interest		22	
Other	6	158	
Due from other governments	657		
Due from other funds	3,749		
Total Assets	\$ 15,427	\$ 6,518	\$ 2,061
<b>Liabilities:</b>			
Warrants payable	\$ 315	\$ 395	\$ 14
Accounts payable and accruals	257	26	45
Due to other funds	38	17	2
Due to component units			
Deferred revenues			
Other liabilities		143	
Total Liabilities	610	581	61
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	4	157	
Unreserved:			
Undesignated	14,813	5,780	2,000
Total Fund Balances	14,817	5,937	2,000
Total Liabilities and Fund Balances	\$ 15,427	\$ 6,518	\$ 2,061

		<u>Totals</u>		
Oil and Gas Board	Other Regulatory Agencies		June 30, 1996	June 30, 1995
\$ 1,424	\$ 8,246	\$	23,884	24,120
			5,200	5,300
			22	13
6	18		188	234
4			661	652
	13		3,762	1,742
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,434	\$ 8,277	\$	33,717	32,061
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 144	\$ 230	\$	1,098	897
9	235		572	402
9	84		150	97
	7		7	
	65		65	104
			143	192
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
162	621		2,035	1,692
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
29	68		258	497
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,243	7,588		31,424	29,872
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1,272	7,656		31,682	30,369
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,434	\$ 8,277	\$	33,717	32,061
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# MISSISSIPPI

## Special Revenue Funds

**Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses,  
and Changes in Fund Balances  
Regulation of Business and Professions  
For the Year Ended June 30, 1996**

*(Amounts Expressed in Thousands)*

	<b>Public Service Commission</b>	<b>Workers' Compensation Commission</b>	<b>Department of Banking and Consumer Finance</b>
<b>Revenues:</b>			
Licenses, fees and permits	\$ 8,613	\$ 3,046	\$ 2,447
Federal government	939		
Interest		256	
Charges for services	10	45	
Other	8	2	1
Total Revenues	9,570	3,349	2,448
<b>Expenditures:</b>			
Current:			
Regulation of business and professions	8,215	4,248	2,143
Debt Service:			
Principal			
Total Expenditures	8,215	4,248	2,143
Excess of Revenues over (under) Expenditures	1,355	(899)	305
<b>Other Financing Sources (Uses):</b>			
Operating transfers in			
Operating transfers out	(457)	(202)	
Net Other Financing Uses	(457)	(202)	
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	898	(1,101)	305
Fund Balances July 1	13,919	7,038	1,695
Fund Balances June 30	\$ 14,817	\$ 5,937	\$ 2,000

		<u>Totals for the Year Ended</u>	
<u>Oil and Gas Board</u>	<u>Other Regulatory Agencies</u>	<u>June 30, 1996</u>	<u>June 30, 1995</u>
\$ 1,476	\$ 7,635	\$ 23,217	\$ 23,243
94		1,033	978
	37	293	237
	60	115	113
1	38	50	75
1,571	7,770	24,708	24,646
1,667	6,461	22,734	22,319
			10
1,667	6,461	22,734	22,329
(96)	1,309	1,974	2,317
			10
	(2)	(661)	(22)
	(2)	(661)	(12)
(96)	1,307	1,313	2,305
1,368	6,349	30,369	28,064
\$ 1,272	\$ 7,656	\$ 31,682	\$ 30,369

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**Debt Service Fund**

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The debt service fund accounts for the accumulation of resources for, and the payment of, principal and interest on general long-term obligations which have been authorized and issued to provide funds for constructing and improving state-owned facilities (including ports, university facilities, public schools, parks, bridges and roads), to provide loans to facilitate and promote further economic development and for the purpose of refunding outstanding bonds of the state. The obligations are backed by the full faith, credit and taxing power of the state.

# MISSISSIPPI

## Debt Service Fund

### Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	June 30, 1996	June 30, 1995
<b>Assets:</b>		
Cash and cash equivalents	\$ 6,630	\$ 3,518
Investments	1,919	1,373
Interest receivable	202	165
Due from other funds	49	
Loan receivable	16,440	24,105
Total Assets	\$ 25,240	\$ 29,161
<b>Liabilities:</b>		
Warrants payable	\$ 5	\$ 68
Accounts payable	28	279
Due to other funds	3,219	422
Total Liabilities	3,252	769
<b>Fund Balance:</b>		
Reserved for long-term receivable	8,410	16,440
Unreserved, designated for future debt service	13,578	11,952
Total Fund Balance	21,988	28,392
Total Liabilities and Fund Balance	\$ 25,240	\$ 29,161

## Debt Service Fund

### Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balance For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	For the Year Ended	
	June 30, 1996	June 30, 1995
<b>Revenues:</b>		
Interest and other investment income, net	\$ 6,427	\$ 24,434
Net gain on sale of investments		5,485
Total Revenues	6,427	29,919
<b>Expenditures:</b>		
Debt service:		
Bond principal retirement	42,149	55,029
Interest and other fiscal charges	33,575	36,840
Defeasance of Debt		87,212
Total Expenditures	75,724	179,081
Excess of Revenue under Expenditures	(69,297)	(149,162)
<b>Other Financing Sources (Uses):</b>		
Operating transfers in	62,911	57,806
Operating transfers out	(18)	(17,589)
Net Other Financing Sources	62,893	40,217
Excess of Revenues and Other Sources under Expenditures and Other Uses	(6,404)	(108,945)
Fund Balance July 1	28,392	137,337
Fund Balance June 30	\$ 21,988	\$ 28,392

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**Capital Projects Fund**

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The capital projects fund accounts for the acquisition and construction of major governmental general fixed assets. Funding is provided principally by long-term bonds. Other revenue is provided by state and local funding. The revenue is used for the construction, renovation and repair of buildings and the purchase of equipment to be used by various state agencies and educational institutions. Expenditures other than capital outlay are on behalf of organizations outside the state reporting entity, such as community colleges, cities, counties or school districts.

# MISSISSIPPI

## Capital Projects Fund

### Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	June 30, 1996	June 30, 1995
<b>Assets:</b>		
Cash and cash equivalents	\$ 153,981	\$ 86,866
Investments	243,667	284,161
Interest receivable	284	3,491
Due from other funds	1,866	551
Total Assets	\$ 399,798	\$ 375,069
<b>Liabilities:</b>		
Warrants payable	\$ 4,093	\$ 854
Contracts payable	12,502	11,475
Retainage payable	26,247	10,118
Due to other funds	11	4,000
Total Liabilities	42,853	26,447
<b>Fund Balance:</b>		
Unreserved, designated for debt service	3,767	1,222
Unreserved, designated for future capital projects	353,178	347,400
Total Fund Balance	356,945	348,622
Total Liabilities and Fund Balance	\$ 399,798	\$ 375,069

## Capital Projects Fund

### Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balance For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>For the Year Ended</b>	
	June 30, 1996	June 30, 1995
<b>Revenues:</b>		
Interest	\$ 14,814	\$ 5,200
Other	5,516	6,108
Total Revenues	20,330	11,308
<b>Expenditures:</b>		
Current:		
Education	24,802	16,544
Debt service:		
Bond issuance costs	79	153
Capital outlay	126,592	56,134
Total Expenditures	151,473	72,831
Excess of Revenues under Expenditures	(131,143)	(61,523)
<b>Other Financing Sources (Uses):</b>		
Proceeds from general obligation bond issues	163,500	181,158
Operating transfers in	47,274	84,517
Operating transfers out	(11,540)	(12,025)
Operating transfers from component units	4,380	
Operating transfers to component units	(64,148)	(25,782)
Net Other Financing Sources	139,466	227,868
Excess of Revenues and Other Sources over Expenditures and Other Uses	8,323	166,345
Fund Balance July 1, as restated	348,622	182,277
Fund Balance June 30	\$ 356,945	\$ 348,622

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## Enterprise Funds

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Enterprise funds account for the operations of the state that provide goods or services to the general public on a user charge basis.

### Enterprise Funds Descriptions

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<b>Fair Commission</b>	<b>Fair Commission Fund</b> - accounts for expenses of the Fair Commission's operation of the coliseum, Dixie National Livestock Show and Industrial Showcase Building, including payment of maturing bond interest and principal. Funding sources include gross receipts from the state fair, livestock show, Industrial Building and other events conducted at the coliseum and fairgrounds, as well as operating transfers from the General Fund and proceeds from bond issues.
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<b>Veterans' Home Purchase Board</b>	<b>Veterans' Home Purchase Board Fund</b> - provides home mortgage loans to qualified Mississippi veterans and accounts for administrative expenses of the Veterans' Home Purchase Board. Revenue is derived from interest earned on loans.
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<b>Veterans' Memorial Stadium Commission</b>	<b>Veterans' Memorial Stadium Commission Fund</b> - accounts for operations of the Veterans' Memorial Stadium in Jackson. Funding is provided by admission fees and concessions.
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<b>Port Authority at Gulfport</b>	<b>Port Authority at Gulfport Fund</b> - accounts for operations of a public port providing facilities for foreign and domestic trade. Funding is provided by gross receipts from port operations, proceeds from bond issues and interest income. Expenses include port operation, construction and the payment of maturing bond interest and principal.
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# MISSISSIPPI

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**Yellow Creek  
Inland Port Authority**

**Yellow Creek Inland Port Authority Fund** - accounts for operations of a public port facility at the conjunction of the Tennessee River and Yellow Creek in Tishomingo County, Mississippi. All costs of operating this port are accounted for in this fund, including construction costs and the payment of maturing bond interest and principal. Funding is provided by gross receipts from port operations, proceeds from bond issues and interest income.

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**Department of  
Rehabilitation Services**

**Allied Enterprises Fund** - accounts for a statewide system of sheltered workshop facilities through which handicapped citizens receive work experience to prepare them for employment outside the Allied Enterprises setting. Revenue is generated from the sale of goods and services and operating transfers from the rehabilitation services fund.

## Other Enterprise Operations

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**Department of  
Agriculture and Commerce**

**Farmers' Central Market Board Fund** - accounts for the construction, maintenance and operation of facilities for processing, storing and marketing agricultural products. Funding is derived from rental income.

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**Department of Corrections**

**Restaurants Fund** - accounts for operations of two restaurants maintained for the convenience of Department of Corrections penitentiary employees.

**Commissary Fund** - accounts for operations of the commissary. Profits are used for the special benefit of the penitentiary's residents.

**Prison Agricultural Enterprises Fund** - accounts for a farming operation. Revenue sources include proceeds from the sale of garden produce and firewood and rental income from leased land.

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**Forestry Commission**

**Tree Seedling Fund** - accounts for the production or purchase of forest tree seedlings for resale to Mississippi landowners.

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**Department of Finance  
and Administration**

**Office of Surplus Property Fund** - receives and maintains an inventory of surplus federal property and redistributes it to state agencies and departments, counties, municipalities and other eligible donees within the state. Fees are collected from the donees to offset operating costs.

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# MISSISSIPPI

## All Enterprise Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	Fair Commission	Veterans' Home Purchase Board
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 1,159	\$ 12,411
Investments		
Receivables, net:		
Accounts	180	
Interest		445
Due from other governments	5	10
Due from other funds	12	
Due from component units		
Inventories		
Prepaid expenses		
Loans and notes receivable, current portion		3,387
Total Current Assets	1,356	16,253
Restricted assets:		
Cash and cash equivalents		
Investments		
Interest receivable, net		
Total Restricted Assets		
Loans receivable, net of current portion		80,784
Fixed Assets:		
Land	945	
Buildings and improvements, net	4,140	
Machinery and equipment, net	116	27
Construction in progress		
Total Fixed Assets	5,201	27
Total Assets	\$ 6,557	\$ 97,064
<b>Liabilities:</b>		
Current Liabilities:		
Warrants payable	\$ 101	\$ 975
Accounts payable and accruals	144	662
Due to other governments, current portion	7	
Due to other funds	134	3
Current portion of long-term general obligation bonds		
Current portion of long-term revenue bonds	80	
Deferred revenues		2
Notes payable		
Lease obligations payable, current portion		
Total Current Liabilities	466	1,642
Current Liabilities Payable from Restricted Assets:		
Warrants payable		
Accounts payable and accruals		
Customer deposits		
Total Current Liabilities Payable from Restricted Assets		
Long-Term Liabilities:		
Due to other governments, net of current portion		
Deferred revenues, net of current portion		
General obligation bonds payable, net of current portion and unamortized discount		
Revenue bonds payable, net of current portion and unamortized discount	1,045	
Lease obligations payable, net of current portion		
Total Long-Term Liabilities	1,045	
Total Liabilities	1,511	1,642
<b>Fund Equity:</b>		
Contributed capital		9,600
Retained earnings:		
Reserved for bond retirement		
Unreserved (deficit)	5,046	85,822
Total Fund Equity	5,046	95,422
Total Liabilities and Fund Equity	\$ 6,557	\$ 97,064



Veterans' Memorial Stadium Commission	Port Authority at Gulfport	Yellow Creek Inland Port Authority	Department of Rehabilitation Services		Totals	
			Allied Enterprises	Other	June 30, 1996	June 30, 1995
\$ 210 136	\$ 7,395 5,237	\$ 842 3,009	\$ 1,764	\$ 2,784	\$ 26,565 8,382	\$ 21,491 8,473
	886 123 36	125 21	897	118	2,206 589	1,773 479
			116	139	165 267	133 166
			271	418	2 689	16 579
	547	31			578 3,387	19 3,149
346	14,224	4,028	3,048	3,575	42,830	36,278
	715 6,743 4				715 6,743 4	1,144 8,556
	7,462				7,462	9,700
					80,784	76,768
143 1,579 177	7,047 47,079 2,365 4,094	2,002 6,163 1,209 589		138 942 1,864 1,729	10,275 59,903 5,758 6,412	10,275 52,136 4,806 10,354
1,899	60,585	9,963		4,673	82,348	77,571
\$ 2,245	\$ 82,271	\$ 13,991	\$ 3,048	\$ 8,248	\$ 213,424	\$ 200,317
\$ 9 24	\$ 1,040	\$ 66	\$ 185	\$ 316 393	\$ 1,401 2,514	\$ 954 2,881
4	3,626		3	80 261	87 405	62 388
	400		228		3,626 80	3,469 75
				105 106	630 105 106	1,740 121 118
37	5,066	66	416	1,261	8,954	9,808
						262
	133				133	511
	133				133	132
		9,401			9,401	9,445
	400				400	
	35,485				35,485	39,111
				158	1,045 158	1,125 220
	35,885	9,401		158	46,489	49,901
37	41,084	9,467	416	1,419	55,576	60,614
3,170	12,999	1,191		14	26,974	26,134
(962)	462 27,726	3,333	2,632	6,815	462 130,412	456 113,113
2,208	41,187	4,524	2,632	6,829	157,848	139,703
\$ 2,245	\$ 82,271	\$ 13,991	\$ 3,048	\$ 8,248	\$ 213,424	\$ 200,317



## All Enterprise Funds

### Combining Statement of Revenues, Expenses and Changes in Retained Earnings For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Fair Commission	Veterans' Home Purchase Board	Veterans' Memorial Stadium Commission	Port Authority at Gulfport
<b>Operating Revenues:</b>				
Charges for sales and services	\$ 3,421	\$	\$ 996	\$ 13,445
Interest		5,553		
Rentals				
Fees		59		
Other	159	3	24	38
Total Operating Revenues	3,580	5,615	1,020	13,483
<b>Operating Expenses:</b>				
Cost of sales and services				
General and administrative	1,008	389	188	1,707
Contractual services	1,882	153	931	1,966
Commodities	196	16	70	186
Depreciation	241	9	247	2,104
Other	1			220
Total Operating Expenses	3,328	567	1,436	6,183
Operating Income (Loss)	252	5,048	(416)	7,300
<b>Nonoperating Revenues:</b>				
Gain on disposal of assets				
Federal grant				
Revenue from counties				905
Interest and other investment income, net	3	638	11	878
Other	17			
Total Nonoperating Revenues	20	638	11	1,783
<b>Nonoperating Expenses:</b>				
Loss on disposal of assets				
Interest	107			1,921
Loss due to employee fraud				
Total Nonoperating Expenses	107			1,921
Income (Loss) Before Operating Transfers	165	5,686	(405)	7,162
Operating Transfers In			608	1,916
Operating Transfers Out				
Net Income	165	5,686	203	9,078
Add Depreciation on Contributed Assets				351
Increase in Retained Earnings	165	5,686	203	9,429
Retained Earnings (Deficit) July 1, as restated	4,881	80,136	(1,165)	18,759
Retained Earnings (Deficit) June 30	\$ 5,046	\$ 85,822	\$ (962)	\$ 28,188

**Department of  
Rehabilitation  
Services**

**Totals for the Year Ended**

<b>Yellow Creek Inland Port Authority</b>	<b>Allied Enterprises</b>	<b>Other</b>	<b>June 30, 1996</b>	<b>June 30, 1995</b>
\$ 781	\$ 6,517	\$ 4,831	\$ 29,991	\$ 27,940
16		528	5,553	5,307
1	7	54	544	673
			59	60
			286	354
798	6,524	5,413	36,433	34,334
	6,295	3,005	9,300	9,373
291	4,816	1,693	10,092	9,637
98	1,168	679	6,877	7,061
37	42	476	1,023	999
406		290	3,297	3,023
		23	244	75
832	12,321	6,166	30,833	30,168
(34)	(5,797)	(753)	5,600	4,166
		3	3	5
95			95	18
			905	917
170	36	15	1,751	1,575
			17	202
265	36	18	2,771	2,717
		28	2,056	18
	64		64	2,439
	64	28	2,120	2,457
231	(5,825)	(763)	6,251	4,426
	6,014	2,423	10,961	10,555
		(258)	(258)	(556)
231	189	1,402	16,954	14,425
			351	453
231	189	1,402	17,305	14,878
3,102	2,443	5,413	113,569	98,691
\$ 3,333	\$ 2,632	\$ 6,815	\$ 130,874	\$ 113,569

## All Enterprise Funds

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Fair Commission	Veterans' Home Purchase Board	Veterans' Memorial Stadium Commission
<b>Cash Flows from Operating Activities:</b>			
Cash receipts from customers	\$ 3,530	\$ 7	\$ 996
Cash payments to suppliers for goods and services	(2,093)	(162)	(1,070)
Cash payments to employees for services	(999)	(373)	(187)
Other operating cash receipts	9	61	24
Other operating cash payments		(160)	
Principal and interest received on program loans		13,283	
Issuance of program loans		(11,677)	
Net Cash Provided by (Used for) Operating Activities	447	979	(237)
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating transfers in			608
Operating transfers out			
Operating grants received			
Loss from employee fraud			
Revenues from counties			
Net Cash Provided by Noncapital Financing Activities			608
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(30)	(9)	(137)
Proceeds from sale of capital assets			
Principal paid on bonds and equipment contracts	(75)		
Interest paid on bonds and equipment contracts	(107)		
Net Cash Used for Capital and Related Financing Activities	(212)	(9)	(137)
<b>Cash Flows from Investing Activities:</b>			
Proceeds from sales of investments			
Purchases of investments			(136)
Interest on investments	3	638	11
Net Cash Provided by (Used for) Investing Activities	3	638	(125)
Net Increase (Decrease) in Cash and Cash Equivalents	238	1,608	109
Cash and Cash Equivalents July 1	921	10,803	101
Cash and Cash Equivalents June 30	\$ 1,159	\$ 12,411	\$ 210

**Department of  
Rehabilitation  
Services**

**Totals for the Year Ended**

<b>Port Authority at Gulfport</b>	<b>Yellow Creek Inland Port Authority</b>	<b>Allied Enterprises</b>	<b>Other</b>	<b>June 30, 1996</b>	<b>June 30, 1995</b>
\$ 12,269	\$ 751	\$ 6,405	\$ 5,262	\$ 29,220	\$ 29,298
(3,244)	(200)	(7,598)	(4,199)	(18,566)	(16,885)
(1,651)	(279)	(4,688)	(1,677)	(9,854)	(9,370)
38	1	7	54	194	451
				(160)	
				13,283	12,247
				(11,677)	(16,164)
7,412	273	(5,874)	(560)	2,440	(423)
1,916		6,014	2,422	10,960	10,546
			(257)	(257)	(552)
	95			95	18
		(64)		(64)	
905				905	917
2,821	95	5,950	2,165	11,639	10,929
(5,126)	(240)		(1,488)	(7,030)	(8,478)
			12	12	6
(3,469)	(44)		(90)	(3,678)	(3,433)
(2,191)			(27)	(2,325)	(2,501)
(10,786)	(284)		(1,593)	(13,021)	(14,406)
9,087	5,788			14,875	19,237
(6,895)	(5,941)			(12,972)	(20,393)
813	169	36	14	1,684	1,518
3,005	16	36	14	3,587	362
2,452	100	112	26	4,645	(3,538)
5,658	742	1,652	2,758	22,635	26,173
\$ 8,110	\$ 842	\$ 1,764	\$ 2,784	\$ 27,280	\$ 22,635

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## All Enterprise Funds

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

*(Continued from Previous Page)*

	Fair Commission	Veterans' Home Purchase Board	Veterans' Memorial Stadium Commission	Port Authority at Gulfport
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating income (loss)	\$ 252	\$ 5,048	\$ (416)	\$ 7,300
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	241	9	247	2,104
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable, net	(23)			(216)
Increase in interest receivable on loans		(50)		
(Increase) decrease in due from other governments	(5)	(10)		(12)
(Increase) decrease in interfund receivables	(12)			
Increase in inventories				
(Increase) decrease in prepaid expenses				(547)
Increase in loans and notes receivable, net		(4,254)		
Decrease in other assets				
Increase (decrease) in warrants payable	32	373	(16)	(262)
Increase (decrease) in accounts payable and accruals	(42)	(137)	(32)	(227)
Increase in due to other governments	2			
Increase (decrease) in interfund payables	2		(20)	
Increase (decrease) in deferred revenue				(728)
Total adjustments	195	(4,069)	179	112
Net Cash Provided by (Used for) Operating Activities	\$ 447	\$ 979	\$ (237)	\$ 7,412

#### Noncash Capital and Related Financing Activities:

During the fiscal year ended June 30, 1996, Fair Commission received machinery and equipment of \$17,000 from other state agencies. Yellow Creek Inland Port Authority received machinery and equipment of \$1,191,000 from donations.

**Department of  
Rehabilitation  
Services**

**Totals for the Year Ended**

<b>Yellow Creek Inland Port Authority</b>	<b>Allied Enterprises</b>	<b>Other</b>	<b>June 30, 1996</b>	<b>June 30, 1995</b>
\$ (34)	\$ (5,797)	\$ (753)	\$ 5,600	\$ 4,166
406		290	3,297	3,023
(47)	(123)	(22)	(431)	120
		(5)	(50)	(8)
	(6)	(71)	(32)	39
	(4)	(104)	(89)	10
(13)	1		(108)	(105)
			(559)	(17)
			(4,254)	(9,217)
		56	183	21
		(21)	845	845
(24)	35	(21)	(448)	674
		22	24	62
(15)	3	48	18	116
	17		(711)	(152)
307	(77)	193	(3,160)	(4,589)
\$ 273	\$ (5,874)	\$ (560)	\$ 2,440	\$ (423)

# MISSISSIPPI

## Other Enterprise Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	Department of Agriculture and Commerce		Department of Corrections	
	Farmers' Central Market Board	Restaurants	Commissary	Prison Agricultural Enterprises
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 32	\$ 115	\$ 313	\$ 2,128
Accounts receivable, net	10		82	
Due from other governments		12	42	
Due from other funds				
Due from component units				
Inventories		11	206	120
Total Current Assets	42	138	643	2,248
Land	38			
Buildings and improvements, net	827	25		
Machinery and equipment, net	48	28	59	1,620
Construction in progress				1,729
Total Assets	\$ 955	\$ 191	\$ 702	\$ 5,597
<b>Liabilities:</b>				
Current liabilities:				
Warrants payable	\$ 14	\$	\$	\$ 186
Accounts payable and accruals	38	36	137	128
Due to other governments				
Due to other funds	2		255	
Notes payable	105			
Lease obligations payable, current portion				106
Total Current Liabilities	159	36	392	420
Lease obligations payable, net of current portion				158
Total Liabilities	159	36	392	578
<b>Fund Equity:</b>				
Contributed capital	8	6		
Retained earnings	788	149	310	5,019
Total Fund Equity	796	155	310	5,019
Total Liabilities and Fund Equity	\$ 955	\$ 191	\$ 702	\$ 5,597



Forestry Commission	Department of Finance and Administration		Totals	
	Tree Seedling	Office of Surplus Property	June 30, 1996	June 30, 1995
\$	9	\$ 187	\$ 2,784	\$ 2,758
		26	118	95
		114	114	109
		85	139	55
		2	2	16
		81	418	313
	9	495	3,575	3,346
		100	138	138
		90	942	976
		109	1,864	1,783
			1,729	666
\$	9	\$ 794	\$ 8,248	\$ 6,909
\$		\$ 116	\$ 316	\$ 258
		54	393	493
		80	80	58
		4	261	213
			105	121
			106	119
		254	1,261	1,262
			158	220
		254	1,419	1,482
			14	14
	9	540	6,815	5,413
	9	540	6,829	5,427
\$	9	\$ 794	\$ 8,248	\$ 6,909

# MISSISSIPPI

## Other Enterprise Funds

### Combining Statement of Revenues, Expenses and Changes in Retained Earnings For the Year Ended June 30, 1996

(Amounts Expressed in Thousands)

	Department of Agriculture and Commerce	Department of Corrections		
	Farmers' Central Market Board	Restaurants	Commissary	Prison Agricultural Enterprises
<b>Operating Revenues:</b>				
Charges for sales and services	\$	\$ 403	\$ 2,831	\$ 731
Rentals	336			192
Other	1	38	14	
Total Operating Revenues	337	441	2,845	923
<b>Operating Expenses:</b>				
Cost of sales and services		295	2,145	565
General and administrative	249	49	326	560
Contractual services	70	11	16	343
Commodities	4	29	21	346
Depreciation	38	4	17	190
Other		22		
Total Operating Expenses	361	410	2,525	2,004
Operating Income (Loss)	(24)	31	320	(1,081)
<b>Nonoperating Revenues:</b>				
Gain on disposal of assets				
Interest		3	6	
Other				
Total Nonoperating Revenues		3	6	
<b>Nonoperating Expenses:</b>				
Loss on disposal of assets				
Interest	12			16
Total Nonoperating Expenses	12			16
Income (Loss) Before Operating Transfers	(36)	34	326	(1,097)
Operating Transfers In	2		1	2,420
Operating Transfers Out			(258)	
Net Income (Loss)	(34)	34	69	1,323
Retained Earnings July 1, as restated	822	115	241	3,696
Retained Earnings June 30	\$ 788	\$ 149	\$ 310	\$ 5,019

Forestry Commission	Department of Finance and Administration		Totals for the Year Ended	
	Tree Seedling	Office of Surplus Property	June 30, 1996	June 30, 1995
\$	10	\$ 856	\$ 4,831	\$ 4,309
		1	528	663
			54	37
	10	857	5,413	5,009
			3,005	2,774
		509	1,693	1,592
		239	679	539
	43	33	476	338
		41	290	214
		1	23	28
	43	823	6,166	5,485
	(33)	34	(753)	(476)
		3	3	14
		6	15	2
		9	18	16
			28	11
			28	11
			28	22
	(33)	43	(763)	(482)
			2,423	2,908
			(258)	(256)
	(33)	43	1,402	2,170
	42	497	5,413	3,243
\$	9	\$ 540	\$ 6,815	\$ 5,413

# MISSISSIPPI

## Other Enterprise Funds

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Department of Agriculture and Commerce</b>	<b>Department of Corrections</b>	
	Farmers' Central Market Board	Restaurants	Commissary
<b>Cash Flows from Operating Activities:</b>			
Cash receipts from customers	\$ 331	\$ 402	\$ 2,817
Cash payments to suppliers for goods and services	(62)	(355)	(2,195)
Cash payments to employees for services	(249)	(49)	(323)
Other operating cash receipts	1	38	14
Net Cash Provided by (Used for) Operating Activities	21	36	313
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating transfers in	2		
Operating transfers out			(257)
Net Cash Provided by (Used for) Noncapital Financing Activities	2		(257)
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(1)	(8)	(5)
Proceeds from sale of capital assets			
Principal paid on bonds and equipment contracts	(16)		
Interest paid on bonds and equipment contracts	(11)		
Net Cash Used for Capital and Related Financing Activities	(28)	(8)	(5)
<b>Cash Flows from Investing Activities:</b>			
Interest on investments		2	6
Net Cash Provided by Investing Activities		2	6
Net Increase (Decrease) in Cash and Cash Equivalents	(5)	30	57
Cash and Cash Equivalents July 1	37	85	256
Cash and Cash Equivalents June 30	\$ 32	\$ 115	\$ 313

	Forestry Commission		Department of Finance and Administration		Totals for the Year Ended	
	Prison Agricultural Enterprises	Tree Seedling	Office of Surplus Property	June 30, 1996	June 30, 1995	
\$	923	\$ 10	\$ 779	\$ 5,262	\$ 4,881	
	(1,322)	(43)	(222)	(4,199)	(3,439)	
	(568)		(488)	(1,677)	(1,502)	
			1	54	37	
	(967)	(33)	70	(560)	(23)	
	2,420			2,422	2,899	
				(257)	(252)	
	2,420			2,165	2,647	
	(1,442)		(32)	(1,488)	(1,281)	
			12	12	1	
	(74)			(90)	(53)	
	(16)			(27)	(11)	
	(1,532)		(20)	(1,593)	(1,344)	
			6	14	16	
			6	14	16	
	(79)	(33)	56	26	1,296	
	2,207	42	131	2,758	1,462	
\$	2,128	\$ 9	\$ 187	\$ 2,784	\$ 2,758	

(Continued on Next Page)

## Other Enterprise Funds

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

(Continued from Previous Page)

*(Amounts Expressed in Thousands)*

	<u>Department of Agriculture and Commerce</u>	<u>Department of Corrections</u>	
	Farmers' Central Market Board	Restaurants	Commissary
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating income (loss)	\$ (24)	\$ 31	\$ 320
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	38	4	17
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable, net	(9)		1
Increase in due from other governments			
(Increase) decrease in interfund receivables	4	(1)	(16)
(Increase) decrease in inventories		3	(43)
Increase (decrease) in warrants payable	1		
Increase (decrease) in accounts payable and accruals	11	(1)	(19)
Increase in due to other governments			
Increase (decrease) in interfund payables			53
Total adjustments	45	5	(7)
Net Cash Provided by (Used for) Operating Activities	\$ 21	\$ 36	\$ 313

**Noncash Capital and Related Financing Activities:**

During the fiscal year ended June 30, 1996, Commissary gave machinery and equipment of \$2,000 to another state agency and received machinery and equipment of \$1,000 from another state agency.

	Forestry Commission		Department of Finance and Administration		Totals for the Year Ended	
	Prison Agricultural Enterprises	Tree Seedling	Office of Surplus Property	June 30, 1996	June 30, 1995	
\$	(1,081)	\$ (33)	\$ 34	\$ (753)	\$ (476)	
	190		41	290	214	
			(14)	(22)	2	
			(5)	(5)	(60)	
			(58)	(71)	(27)	
	(43)		(21)	(104)	(88)	
	(29)		84	56	130	
	(1)		(11)	(21)	91	
			22	22	58	
	(3)		(2)	48	133	
	114		36	193	453	
\$	(967)	\$ (33)	\$ 70	\$ (560)	\$ (23)	

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**Internal Service Funds**

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Internal service funds account for the operations of state agencies that provide services or goods to other state agencies or governmental units on a cost reimbursement basis.

**Internal Service Funds Descriptions**

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**Personnel Board**

**Personnel Board Fund** - accounts for the expenses of establishing personnel policies, regulating the pay of state employees and testing and validating new hires. Revenues consist of assessments charged to state agencies based on the number of authorized positions.

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**Information  
Technology Services**

**Information Technology Services Fund** - accounts for the centralized data processing and information devices, expenses related to planning and policies for the development of data processing capabilities and for the state's central telephone system, the universities' central telephone systems and other governmental units' telephone systems. Revenues consist of charges to user agencies, universities and governmental units for services and equipment. Other revenue consists of commissions from the usage of public utility companies' pay telephones located on state properties.

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**Department of  
Finance and  
Administration**

**Risk Management Fund** - accounts for resources and transactions pertaining to the state's self-insured medical plan and life insurance program as mandated by state law to be offered to state and public education employees. Employees' premiums are funded by the state and local school districts with additional funding provided by retired employees and by active employees for spouse and dependent medical coverage. This fund also accounts for unemployment benefits paid to eligible former state employees and for resources and transactions pertaining to the state's self-insured workers' compensation program. Funding is provided by premiums collected from the state's operating fund and participating state agencies. In addition, the fund accounts for resources and transactions pertaining to the state's self-insured tort claims program. Funding is provided by assessment of state agencies. Tort claims filed against the state agencies and state employees are paid from this fund, as well as administrative expenses.

# MISSISSIPPI

## Internal Service Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Personnel Board</b>	<b>Information Technology Services</b>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 1,365	\$ 3,235
Investments		
Receivables, net:		
Accounts	1	62
Interest		
Due from other governments	1	82
Due from other funds	54	2,418
Due from component units		146
Total Current Assets	1,421	5,943
Machinery and equipment, net	203	5,419
Total Assets	\$ 1,624	\$ 11,362
<b>Liabilities:</b>		
Current liabilities:		
Warrants payable	\$ 106	\$ 467
Accounts payable and accruals	222	2,062
Due to other governments		8
Due to other funds	40	50
Due to component units	2	33
Claims liability		
Deferred revenues		
Lease obligations payable, current portion		922
Total Current Liabilities	370	3,542
Lease obligations payable, net of current portion		658
Total Liabilities	370	4,200
<b>Fund Equity:</b>		
Retained earnings, unreserved	1,254	7,162
Total Liabilities and Fund Equity	\$ 1,624	\$ 11,362

<b>Department of Finance and Administration</b>		<b>Totals</b>	
Risk Management	June 30, 1996	June 30, 1995	
\$ 8,271	\$ 12,871	\$ 8,123	
146,534	146,534	146,640	
3,014	3,077	257	
769	769	1,163	
	83	53	
3,049	5,521	6,176	
	146	153	
161,637	169,001	162,565	
66	5,688	6,307	
\$ 161,703	\$ 174,689	\$ 168,872	
\$ 408	\$ 981	\$ 1,648	
1,856	4,140	3,858	
	8	9	
320	410	643	
	35	15	
72,302	72,302	66,105	
180	180	621	
	922	943	
75,066	78,978	73,842	
	658	846	
75,066	79,636	74,688	
86,637	95,053	94,184	
\$ 161,703	\$ 174,689	\$ 168,872	



## Internal Service Funds

### Combining Statement of Revenues, Expenses and Changes in Retained Earnings For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Personnel Board</b>	<b>Information Technology Services</b>
<b>Operating Revenues:</b>		
Charges for goods and services/premiums	\$ 4,506	\$ 17,649
Other		359
Total Operating Revenues	4,506	18,008
<b>Operating Expenses:</b>		
Personal services:		
Salaries, wages and fringe benefits	2,399	6,267
Travel	31	86
Contractual services	1,466	9,507
Commodities	113	271
Benefit payments		
Depreciation	92	1,896
Total Operating Expenses	4,101	18,027
Operating Income (Loss)	405	(19)
<b>Nonoperating Revenues:</b>		
Interest and other investment income		
Other	3	
Total Nonoperating Revenues	3	
<b>Nonoperating Expenses:</b>		
Loss on disposal of assets	1	245
Interest		171
Total Nonoperating Expenses	1	416
Income (Loss) Before Operating Transfers	407	(435)
Operating Transfers In		
Operating Transfers Out		(72)
Net Income (Loss)	407	(507)
Retained Earnings July 1, as restated	847	7,669
Retained Earnings June 30	\$ 1,254	\$ 7,162

**Department of  
Finance and  
Administration**      **Totals for the Year Ended**

	Risk Management	June 30, 1996	June 30, 1995
\$	258,682	\$ 280,837	\$ 278,772
		359	1,094
	258,682	281,196	279,866
	1,290	9,956	9,305
	19	136	143
	18,024	28,997	25,639
	135	519	472
	246,824	246,824	203,910
	15	2,003	1,942
	266,307	288,435	241,411
	(7,625)	(7,239)	38,455
	8,701	8,701	6,838
	1	4	228
	8,702	8,705	7,066
	5	251	11
		171	52
	5	422	63
	1,072	1,044	45,458
			1,244
	(103)	(175)	(877)
	969	869	45,825
	85,668	94,184	48,359
\$	86,637	\$ 95,053	\$ 94,184

## Internal Service Funds

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Personnel Board</b>	<b>Information Technology Services</b>
<b>Cash Flows from Operating Activities:</b>		
Cash receipts/premiums from quasi-external operating transactions with other funds	\$ 4,519	\$ 16,992
Cash receipts/premiums from customers	24	888
Cash payments to suppliers for goods and services	(1,659)	(10,430)
Cash payments to employees for services	(2,373)	(6,227)
Cash payments for benefits		
Other operating cash receipts		453
Net Cash Provided by (Used for) Operating Activities	511	1,676
<b>Cash Flows from Noncapital Financing Activities:</b>		
Operating transfers in		
Operating transfers out		(72)
Net Cash Provided by (Used for) Noncapital Financing Activities		(72)
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(71)	(818)
Principal paid on capital lease contracts		(932)
Interest paid on capital lease contracts		(171)
Net Cash Used for Capital and Related Financing Activities	(71)	(1,921)
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales of investments		
Purchases of investments		
Interest on investments		
Net Cash Provided by (Used for) Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	440	(317)
Cash and Cash Equivalents July 1	925	3,552
Cash and Cash Equivalents June 30	\$ 1,365	\$ 3,235

**Department of  
Finance and  
Administration**

**Totals for the Year Ended**

	Risk Management	June 30, 1996	June 30, 1995
\$	98,395	\$ 119,906	\$ 128,721
	157,186	158,098	149,757
	(18,301)	(30,390)	(23,209)
	(1,281)	(9,881)	(9,219)
	(240,460)	(240,460)	(172,032)
	1	454	968
	(4,460)	(2,273)	74,986
			1,244
	(94)	(166)	(877)
	(94)	(166)	367
	(22)	(911)	(1,002)
		(932)	(1,397)
		(171)	(52)
	(22)	(2,014)	(2,451)
	183,233	183,233	86,978
	(183,127)	(183,127)	(169,212)
	9,095	9,095	5,917
	9,201	9,201	(76,317)
	4,625	4,748	(3,415)
	3,646	8,123	11,538
\$	8,271	\$ 12,871	\$ 8,123

*(Continued on Next Page)*

## Internal Service Funds

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

*(Continued From Previous Page)*

	<b>Personnel Board</b>	<b>Information Technology Services</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>		
Operating income (loss)	\$ 405	\$ (19)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	92	1,896
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net	(1)	194
Increase in due from other governments	(1)	(29)
(Increase) decrease in interfund receivables	38	160
Increase (decrease) in warrants payable	(47)	(448)
Increase (decrease) in accounts payable and accruals	24	305
Increase (decrease) in due to other governments		(1)
Increase (decrease) in interfund payables	1	(382)
Increase in claims liability		
Increase (decrease) in deferred revenues		
Total adjustments	106	1,695
Net Cash Provided by (Used for) Operating Activities	\$ 511	\$ 1,676

#### Noncash Capital and Related Financing Activities:

During the fiscal year ended June 30, 1996, Information Technology Services entered into a capital lease agreement totaling \$735,000. Information Technology Services also had a noncash capital lease principal reduction of \$11,000. Personnel Board and Department of Finance and Administration received machinery and equipment of \$3,000 and \$10,000 respectively from other state agencies.



**Department of  
Finance and  
Administration**

**Totals for the Year Ended**

Risk Management	June 30, 1996	June 30, 1995
\$ (7,625)	\$ (7,239)	\$ 38,455
15	2,003	1,942
(3,014)	(2,821)	167
466	(30)	(5)
(174)	664	(578)
(50)	(669)	660
167	279	1,655
6,197	(1)	2
(442)	(214)	190
3,165	6,197	31,949
(4,460)	(442)	549
3,165	4,966	36,531
\$ (4,460)	\$ (2,273)	\$ 74,986

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## Trust and Agency Funds

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Trust and agency funds account for assets held by the state in a fiduciary capacity.

### Significant Trust and Agency Funds Descriptions

#### Expendable Trust Funds

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<b>Employment Security Commission</b>	<b>Unemployment Compensation Fund</b> - accounts for the collection of unemployment insurance taxes from employers and the payment of unemployment benefits to eligible claimants. Funds are also provided by the federal government and interest income. Administrative expenses incurred by the Employment Security Commission are accounted for in a special revenue fund.
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#### Nonexpendable Trust Funds

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<b>Treasurer</b>	<b>Oil and Gas Taxes on State-owned Land Fund</b> - accounts for oil and gas royalties collected on state-owned lands. The principal is required by statute to remain inviolate. Income derived from investment of the principal may be appropriated by the legislature for specific uses.
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#### Pension Trust Funds

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<b>Public Employees' Retirement System</b>	<b>Public Employees' Retirement System Fund</b> - provides retirement and disability benefits to substantially all employees of the state and its political subdivisions. Benefits are funded by contributions from the members, the state, and political subdivisions and by investment income.  <b>Mississippi Highway Safety Patrol Retirement System Fund</b> - provides retirement and disability benefits to uniformed officers of the Department of Public Safety. Benefits are funded by contributions from the members and the state and by investment income.  <b>Municipal Retirement Systems Fund</b> - provides retirement and disability benefits to employees, firemen, and policemen of participating municipalities. Benefits are funded by contributions from the members and the municipalities and by investment income.  <b>Supplemental Legislative Retirement Plan Fund</b> - provides retirement and disability benefits supplemental to the benefits of the Public Employees' Retirement System to all elected members of the legislature and the president of the senate. Benefits are funded by contributions from the members and the state and by investment income.
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## Agency Funds

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**Deferred Compensation Plan Fund** - accounts for deposits of gross compensation deferred by employees of the state and its political subdivisions. These deposits are invested until retirement, severance from public service, death or extreme hardship of the individual participants.

**Local Government Distributive Fund** - serves as a clearing mechanism for funds distributed to the various counties and municipalities of the state.

**Program Fund** - accounts for receipt of various taxes, refundable deposits, inventories, and other monies collected or recovered to be held until the state has the right or obligation to distribute them to state operating funds or to various entities or individuals.

**Institutional Fund** - accounts for deposits to various institutional accounts and other receipts held by the state until there is proper authorization to disburse them directly to others.

# MISSISSIPPI

## Trust and Agency Funds

### Combining Balance Sheet June 30, 1996

(Amounts Expressed in Thousands)

	Trust				Totals	
	Expendable	Nonexpendable	Pension	Agency	June 30, 1996	June 30, 1995
<b>Assets:</b>						
Cash and cash equivalents	\$ 1,203	\$ 765	\$ 200,842	\$ 12,942	\$ 215,752	\$ 105,924
Amount on deposit with U.S. Treasury	559,124				559,124	539,596
Investments	742	22,886	11,230,345	298,708	11,552,681	9,228,854
Receivables, net:						
Taxes	24,585				24,585	34,003
Securities sold			88,082		88,082	157,937
Interest and dividends		339	85,590	87	86,016	67,886
Contributions			46,659	3,265	49,924	38,432
Other	262			15,349	15,611	14,173
Due from other governments	1,492				1,492	1,543
Due from other funds	14,241	10	332,633	8,609	355,493	321,732
Commodity inventory				27	27	34
Loans to other funds	57				57	22
Land			508		508	508
Buildings, net			2,639		2,639	2,730
Improvements other than buildings, net			79		79	89
Machinery and equipment, net			2,667		2,667	729
<b>Total Assets</b>	<b>\$ 601,706</b>	<b>\$ 24,000</b>	<b>\$ 11,990,044</b>	<b>\$ 338,987</b>	<b>\$ 12,954,737</b>	<b>\$ 10,514,192</b>
<b>Liabilities:</b>						
Warrants payable	\$	\$	154	\$ 81	\$ 235	\$ 189
Accounts payable and accruals	2,624	14	285,467	750	288,855	198,211
Due to other governments	1,384			7,799	9,183	10,468
Due to other funds	112	253	330,696	17,984	349,045	309,102
Amounts held in custody for others			1,138	312,373	313,511	262,283
Obligations under securities lending			1,667,103		1,667,103	759,202
Deferred revenues	4,055				4,055	3,607
Loans from other funds	809				809	809
<b>Total Liabilities</b>	<b>8,984</b>	<b>267</b>	<b>2,284,558</b>	<b>338,987</b>	<b>2,632,796</b>	<b>1,543,871</b>
<b>Fund Balances:</b>						
Reserved for:						
Employees' pension benefits			9,705,486		9,705,486	8,366,546
Unemployment compensation benefits	592,639				592,639	580,545
Loans to other funds	57				57	22
Educational and Vocational Training		22,259			22,259	21,594
Memorial Burn Center and other		276			276	191
Unreserved:						
Undesignated	26	1,198			1,224	1,423
<b>Total Fund Balances</b>	<b>592,722</b>	<b>23,733</b>	<b>9,705,486</b>	<b>338,987</b>	<b>10,321,941</b>	<b>8,970,321</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 601,706</b>	<b>\$ 24,000</b>	<b>\$ 11,990,044</b>	<b>\$ 338,987</b>	<b>\$ 12,954,737</b>	<b>\$ 10,514,192</b>

# MISSISSIPPI

## Expendable Trust Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	<u>Employment Security Commission</u>		<u>Totals</u>	
	Unemployment Compensation	Other	June 30, 1996	June 30, 1995
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,185	\$ 18	\$ 1,203	\$ 18
Amount on deposit with				
U.S. Treasury	559,124		559,124	539,596
Investments		742	742	741
Receivables, net:				
Taxes	24,585		24,585	34,003
Other	262		262	216
Due from other governments	1,417	75	1,492	1,543
Due from other funds	14,241		14,241	12,865
Loans to other funds	57		57	22
Total Assets	<u>\$ 600,871</u>	<u>\$ 835</u>	<u>\$ 601,706</u>	<u>\$ 589,004</u>
<b>Liabilities:</b>				
Accounts payable and accruals	\$ 2,624	\$	\$ 2,624	\$ 2,460
Due to other governments	1,384		1,384	1,425
Due to other funds	112		112	111
Deferred revenues	4,055		4,055	3,607
Loans from other funds		809	809	809
Total Liabilities	<u>8,175</u>	<u>809</u>	<u>8,984</u>	<u>8,412</u>
<b>Fund Balances:</b>				
Reserved for:				
Unemployment compensation benefits	592,639		592,639	580,545
Loans to other funds	57		57	22
Unreserved:				
Undesignated		26	26	25
Total Fund Balances	<u>592,696</u>	<u>26</u>	<u>592,722</u>	<u>580,592</u>
Total Liabilities and Fund Balances	<u>\$ 600,871</u>	<u>\$ 835</u>	<u>\$ 601,706</u>	<u>\$ 589,004</u>

# MISSISSIPPI

## Expendable Trust Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Employment Security Commission</b>		<b>Totals for the Year Ended</b>	
	Unemployment Compensation	Other	June 30, 1996	June 30, 1995
<b>Revenues:</b>				
Taxes	\$ 100,805	\$	\$ 100,805	\$ 137,264
Federal government	3,284		3,284	3,736
Interest	38,477	1	38,478	32,409
Total Revenues	142,566	1	142,567	173,409
<b>Expenditures:</b>				
Health and social services:				
Benefits	130,437		130,437	99,033
Total Expenditures	130,437		130,437	99,033
Excess of Revenues over Expenditures	12,129	1	12,130	74,376
<b>Other Financing Uses:</b>				
Operating transfers out				20
Net Other Financing Uses				20
Excess of Revenues over Expenditures and Other Uses	12,129	1	12,130	74,356
Fund Balances July 1	580,567	25	580,592	506,236
Fund Balances June 30	\$ 592,696	\$ 26	\$ 592,722	\$ 580,592

# MISSISSIPPI

## Nonexpendable Trust Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	Treasurer		Totals	
	Oil and Gas Taxes on State- owned Land	Other	June 30, 1996	June 30, 1995
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 505	\$ 260	\$ 765	\$ 239
Investments	6,489	16	6,505	4,619
Receivables, net:				
Accounts				12
Interest	338	1	339	224
Due from other funds		10	10	8
Total Current Assets	7,332	287	7,619	5,102
Long-term investments	16,344	37	16,381	18,094
Total Assets	\$ 23,676	\$ 324	\$ 24,000	\$ 23,196
<b>Liabilities:</b>				
Accounts payable and accruals	\$ 14	\$	\$ 14	\$ 13
Due to other funds	253		253	
Total Liabilities	267		267	13
<b>Fund Balances:</b>				
Reserved for:				
Scholarships		20	20	20
Books and historical manuscripts		5	5	5
Education and vocational training	22,259		22,259	21,594
Memorial Burn Center		251	251	166
Unreserved	1,150	48	1,198	1,398
Total Fund Balances	23,409	324	23,733	23,183
Total Liabilities and Fund Balances	\$ 23,676	\$ 324	\$ 24,000	\$ 23,196

## Nonexpendable Trust Funds

### Combining Statement of Revenues, Expenses and Changes in Fund Balances For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Treasurer		Totals for the Year Ended	
	Oil and Gas Taxes on State- owned Land	Other	June 30, 1996	June 30, 1995
<b>Operating Revenues:</b>				
Interest and other investment income, net	\$ 1,285	\$ 15	\$ 1,300	\$ 1,385
Fees	1	93	94	77
Oil and gas royalties	642		642	551
Donations	23		23	23
Total Operating Revenues	1,951	108	2,059	2,036
<b>Operating Expenses:</b>				
Administrative	54	3	57	53
Total Operating Expenses	54	3	57	53
Operating Income Before Operating Transfers	1,897	105	2,002	1,983
Operating Transfers Out	(1,441)	(11)	(1,452)	(725)
Net Income	456	94	550	1,258
Fund Balances July 1	22,953	230	23,183	21,925
Fund Balances June 30	\$ 23,409	\$ 324	\$ 23,733	\$ 23,183





## Nonexpendable Trust Funds

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Treasurer		Totals for the Year Ended	
	Oil and Gas Taxes on State- owned Land	Other	June 30, 1996	June 30, 1995
<b>Cash Flows from Operating Activities:</b>				
Cash payments to suppliers	\$ (54)	\$	\$ (54)	\$ (49)
Other operating cash receipts	678	92	770	637
Other operating cash payments		(3)	(3)	
Net Cash Provided by Operating Activities	624	89	713	588
<b>Cash Flows from Noncapital Financing Activities:</b>				
Operating transfers out	(1,187)	(11)	(1,198)	(1,124)
Net Cash Used for Noncapital Financing Activities	(1,187)	(11)	(1,198)	(1,124)
<b>Cash Flows from Investing Activities:</b>				
Proceeds from sale of investments	31,034	8	31,042	7,916
Purchases of investments	(31,215)	(1)	(31,216)	(8,624)
Interest and other investment income, net	1,171	14	1,185	1,330
Net Cash Provided by Investing Activities	990	21	1,011	622
Net Increase in Cash and Cash Equivalents	427	99	526	86
Cash and Cash Equivalents July 1	78	161	239	153
Cash and Cash Equivalents June 30	\$ 505	\$ 260	\$ 765	\$ 239
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>				
Operating income	\$ 1,897	\$ 105	\$ 2,002	\$ 1,983
Adjustments to reconcile operating income to net cash provided by operating activities:				
Interest and other investment income, net	(1,171)	(14)	(1,185)	(1,330)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable, net	12		12	(11)
Increase in interest receivable	(115)		(115)	(52)
Increase in interfund receivable		(2)	(2)	(2)
Increase in accounts payable and accruals	1		1	
Total adjustments	(1,273)	(16)	(1,289)	(1,395)
Net Cash Provided by Operating Activities	\$ 624	\$ 89	\$ 713	\$ 588



## Pension Trust Funds

### Statement of Plan Net Assets June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Public Employees' Retirement System</b>	<b>Mississippi Highway Safety Patrol Retirement System</b>	<b>Municipal Retirement Systems</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 200,570	\$	
Securities lending cash	251	5	4
Investments:			
Investments, at fair value	9,554,187		
Securities lending	1,618,121	29,983	27,332
Receivables:			
Employer contributions	25,941	618	543
Employee contributions	19,290	154	106
Investment proceeds	88,082		
Interest and dividends	85,590		
Due from other funds	261	172,579	155,679
Land	508		
Buildings, net	2,639		
Improvements other than buildings, net	79		
Machinery and equipment, net	2,667		
Total Assets	11,598,186	203,339	183,664
<b>Liabilities:</b>			
Warrants payable	154		
Accounts payable and accruals	285,449	3	15
Due to other funds	330,673	12	11
Amounts held in custody for others	1,138		
Obligations under securities lending	1,609,382	29,818	27,185
Total Liabilities	2,226,796	29,833	27,211
<b>Net Assets Held in Trust for Pension Benefits</b>	<b>\$ 9,371,390</b>	<b>\$ 173,506</b>	<b>\$ 156,453</b>

**Totals**

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**Supplemental  
Legislative  
Retirement  
Plan**

		June 30, 1996	June 30, 1995
\$	12 \$	200,582 \$ 260	92,502 334
		9,554,187	8,200,830
	722	1,676,158	760,571
		27,102	20,724
	7	19,557	15,059
		88,082	157,937
		85,590	67,562
	4,114	332,633	296,535
		508	508
		2,639	2,730
		79	89
		2,667	729
	4,855	11,990,044	9,616,110
		154	158
		285,467	195,277
		330,696	293,789
		1,138	1,138
	718	1,667,103	759,202
	718	2,284,558	1,249,564
\$	4,137 \$	9,705,486 \$	8,366,546

## Agency Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Deferred Compensation Plan</b>	<b>Local Government Distributive</b>	<b>Program</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,729	\$ 1,005	\$ 7,404
Investments	291,715	3,527	3,197
Receivables, net:			
Interest and dividends	65	20	
Contributions	2,553		712
Other			15,298
Due from other funds	63	3,910	4,632
Commodity inventory			27
Total Assets	<u>\$ 296,125</u>	<u>\$ 8,462</u>	<u>\$ 31,270</u>
<b>Liabilities:</b>			
Warrants payable	\$	\$ 45	\$ 36
Accounts payable and accruals	111	149	477
Due to other governments		4,314	3,485
Due to other funds	1	126	17,558
Amounts held in custody for others	296,013	3,828	9,714
Total Liabilities	<u>\$ 296,125</u>	<u>\$ 8,462</u>	<u>\$ 31,270</u>

**Totals**

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<b>Institutional</b>	June 30, 1996	June 30, 1995
\$ 2,804	\$ 12,942	\$ 12,831
269	298,708	243,999
2	87	100
	3,265	2,649
51	15,349	13,945
4	8,609	12,324
	27	34
<hr/>	<hr/>	<hr/>
\$ 3,130	\$ 338,987	\$ 285,882
<hr/>	<hr/>	<hr/>
\$ 13	\$ 81	\$ 31
	750	461
	7,799	9,043
299	17,984	15,202
2,818	312,373	261,145
<hr/>	<hr/>	<hr/>
\$ 3,130	\$ 338,987	\$ 285,882
<hr/>	<hr/>	<hr/>

# MISSISSIPPI

## All Agency Funds

### Combining Statement of Changes in Assets and Liabilities For the Year Ended June 30, 1996

(Amounts Expressed in Thousands)

Fund	Assets						Total Assets
	Cash and Cash Equivalents	Investments	Receivables	Due from Other Funds	Commodity Inventory		
<b>Deferred Compensation Plan:</b>							
Balance July 1, 1995	\$ 273	\$ 234,331	\$ 2,154	\$	\$		\$ 236,758
Additions	74,112	72,656	2,618	63			149,449
Deductions	72,656	15,272	2,154				90,082
Balance June 30, 1996	1,729	291,715	2,618	63			296,125
<b>Local Government Distributive:</b>							
Balance July 1, 1995	1,294	5,292	39	4,564			11,189
Additions	37,741	9,005	20	3,910			50,676
Deductions	38,030	10,770	39	4,564			53,403
Balance June 30, 1996	1,005	3,527	20	3,910			8,462
<b>Program:</b>							
Balance July 1, 1995	8,655	4,187	14,471	7,756	34		35,103
Additions	141,841	495	4,728	9,392	10,260		166,716
Deductions	143,092	1,485	3,189	12,516	10,267		170,549
Balance June 30, 1996	7,404	3,197	16,010	4,632	27		31,270
<b>Institutional:</b>							
Balance July 1, 1995	2,609	189	30	4			2,832
Additions	13,165	266	304	4			13,739
Deductions	12,970	186	281	4			13,441
Balance June 30, 1996	2,804	269	53	4			3,130
<b>Total - All Agency Funds:</b>							
Balance July 1, 1995	12,831	243,999	16,694	12,324	34		285,882
Additions	266,859	82,422	7,670	13,369	10,260		380,580
Deductions	266,748	27,713	5,663	17,084	10,267		327,475
Balance June 30, 1996	\$ 12,942	\$ 298,708	\$ 18,701	\$ 8,609	\$ 27		\$ 338,987

**Liabilities**

Warrants Payable	Accounts Payable and Accruals	Due to Other Governments	Due to Other Funds	Amounts Held In Custody for Others	Total Liabilities
\$	\$ 87	\$	\$ 1	\$ 236,670	\$ 236,758
	1,283		1	106,551	107,835
	1,259		1	47,208	48,468
	111		1	296,013	296,125
19		4,794	137	6,239	11,189
28,243	8,306	12,371	126	15,087	64,133
28,217	8,157	12,851	137	17,498	66,860
45	149	4,314	126	3,828	8,462
12	372	4,249	14,950	15,520	35,103
31,468	4,753	3,672	24,950	108,633	173,476
31,444	4,648	4,436	22,342	114,439	177,309
36	477	3,485	17,558	9,714	31,270
	2		114	2,716	2,832
	167		818	12,695	13,680
	156		633	12,593	13,382
	13		299	2,818	3,130
31	461	9,043	15,202	261,145	285,882
59,711	14,509	16,043	25,895	242,966	359,124
59,661	14,220	17,287	23,113	191,738	306,019
\$ 81	\$ 750	\$ 7,799	\$ 17,984	\$ 312,373	\$ 338,987

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## General Fixed Assets Account Group

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The General Fixed Assets Account Group accounts for fixed assets acquired for general governmental purposes. These include all fixed assets except those accounted for in the proprietary and fiduciary fund types.

# MISSISSIPPI

## General Fixed Assets

### Schedule of General Fixed Assets by Function June 30, 1996

*(Amounts Expressed in Thousands)*

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Total
General government	\$ 9,082	\$ 77,477	\$ 2,993	\$ 29,092	\$ 118,644
Education	224	7,586	1,091	146,990	155,891
Health and social services	2,787	128,685	11,085	103,485	246,042
Law, justice and public safety	4,410	240,194	15,849	53,279	313,732
Recreation and resources development	48,627	108,463	26,139	82,495	265,724
Regulation of business and professions		1,503	56	5,063	6,622
Transportation	5,806	59,469		109,378	174,653
Total General Fixed Assets Allocated to Functions	\$ 70,936	\$ 623,377	\$ 57,213	\$ 529,782	1,281,308
Construction in progress					175,343
Total General Fixed Assets					\$ 1,456,651

## General Fixed Assets

### Schedule of Changes in General Fixed Assets For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
Land	\$ 60,595	\$ 10,435	\$ 94	\$ 70,936
Buildings	517,333	107,690	1,646	623,377
Improvements other than buildings	53,904	3,349	40	57,213
Machinery and equipment	465,335	94,785	30,338	529,782
Construction in progress	73,556	139,512	37,725	175,343
Total	\$ 1,170,723	\$ 355,771	\$ 69,843	\$ 1,456,651

## General Fixed Assets

### Schedule of Changes in General Fixed Assets by Function For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	Balance July 1, 1995	Additions	Deletions	Balance June 30, 1996
General government	\$ 110,714	\$ 9,795	\$ 1,865	\$ 118,644
Education	134,387	29,050	7,546	155,891
Health and social services	238,145	15,190	7,293	246,042
Law, justice and public safety	302,722	19,062	8,052	313,732
Recreation and resources development	164,300	105,694	4,270	265,724
Regulation of business and professions	5,878	1,296	552	6,622
Transportation	141,021	36,172	2,540	174,653
Total by Function	1,097,167	216,259	32,118	1,281,308
Construction in progress	73,556	139,512	37,725	175,343
Total	\$ 1,170,723	\$ 355,771	\$ 69,843	\$ 1,456,651

## Component Units

Component Units are organizations which are legally separate from the state for which the state is financially accountable, or for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading or incomplete. They are presented here in three separate reporting groups: governmental, proprietary and university fund types.

### Component Units Descriptions

#### Governmental Fund Types

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**Pat Harrison  
Waterway District**

Accounts for resources used to bring about the full beneficial use of surface and overflow waters of the Pascagoula River Basin.

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**Pearl River Basin  
Development  
District**

Accounts for resources used to preserve, conserve, store and regulate the waters of the Pearl River and its tributaries and their overflows.

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**Pearl River  
Valley Water  
Supply District**

Accounts for the operation and maintenance of the Ross Barnett Reservoir and surrounding lands, to provide water supply, flood reduction and recreation opportunities.

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**Tombigbee River  
Valley Water  
Management District**

Accounts for the development and conservation of the human and natural resources of Mississippi counties in which the Tombigbee River or any of its tributaries lie.

#### Proprietary Fund Types

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**Mississippi  
Coast Coliseum  
Commission**

Accounts for the promoting, developing, maintenance and operation of a multi-purpose coliseum and related facilities located in Harrison County, Mississippi.

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**Mississippi  
Business Finance  
Corporation**

Coordinates and oversees the delivery of services to small business communities of Mississippi.

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**Mississippi  
Prison Industries  
Corporation**

Accounts for a printing and book bindery operation, a garment and glove operation, a woodworking operation, a metal fabrication operation and an equine tack operation. Revenue is generated from the charges for goods and services.

## University Funds

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<b>Current Funds</b>	<b>Unrestricted Fund</b> - accounts for currently expendable resources which may be either designated or not designated by the universities for specific purposes.  <b>Restricted Fund</b> - accounts for resources restricted by the donor or external agency for a specific use or program.
<b>Loan Funds</b>	Accounts for resources provided by the federal government, private gifts and other university funds which are available for loans to students.
<b>Endowment Funds</b>	Accounts for resources which are invested in accordance with donor restrictions.
<b>Plant Funds</b>	Accounts for the various unexpended resources to finance the acquisition and/or repair or replacement of long-lived plant facilities, for renewal and replacement of those facilities constructed from bond proceeds which remain governed under a related bond indenture of trust, for the resources restricted to interest and principal payments and other debt service charges related to plant indebtedness and for all long-lived assets in the service of the universities and all construction in progress and their associated liabilities.
<b>Agency Funds</b>	Accounts for amounts held in custody for students, university-related organizations and others.

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# MISSISSIPPI

## Component Units

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Governmental Fund Types</b>		
	Pat Harrison Waterway District	Pearl River Basin Development District	Pearl River Valley Water Supply District
<b>Assets:</b>			
Cash and cash equivalents	\$ 422	\$ 244	\$ 3,218
Investments		671	1,926
Receivables, net	23	4	34
Due from other governments	35	146	
Due from other funds			
Due from primary government			
Inventories	4		
Prepaid expenses	110	1	
Loans and notes receivable			
Restricted assets:			
Cash and cash equivalents	253	23	
Investments			
Property, plant and equipment, net of depreciation where applicable	21,382	5,764	49,613
Deferred charges and other assets			
Amount available, designated for debt service	253		
Amounts to be provided for retirement of other obligations	4,874	26	384
Total Assets, Amounts Available and Amounts to be Provided for Retirement of Long-Term Obligations	\$ 27,356	\$ 6,879	\$ 55,175
<b>Liabilities:</b>			
Warrants payable	\$	\$	\$
Accounts payable and accruals	219	132	381
Due to other governments			
Due to other funds			
Due to primary government			
Amounts held in custody for others			
Deferred revenues			
Liabilities payable from restricted assets			
General obligation bonds			
Revenue bonds and notes payable	4,995		
Lease obligation bonds			
Other liabilities	132	26	384
Total Liabilities	5,346	158	765
<b>Fund Equity and Other Credits:</b>			
Investment in fixed assets	21,382	5,764	42,172
Contributed capital			7,834
Retained earnings:			
Reserved for Commission trust fund			
Unreserved			881
Fund balances:			
Reserved for:			
Encumbrances	8	86	
Inventories	4		
Research projects			
Student loans			
Endowments			
Prepaid expenses	110		
Flood control		23	
Land management		52	
Contractual agreements			
Temporarily restricted funds			
Continuing education			
Athletics			
Bad debts			
Unreserved:			
Designated for debt service	253		
Designated for future capital projects	3		
Undesignated	250	796	3,523
Total Fund Equity and Other Credits	22,010	6,721	54,410
Total Liabilities and Fund Equity and Other Credits	\$ 27,356	\$ 6,879	\$ 55,175

Tombigbee River Valley Water Management District	Proprietary Fund Types				Totals		
	Mississippi Coast Coliseum Commission	Mississippi Business Finance Corporation	Mississippi Prison Industries Corporation	University	June 30, 1996	June 30, 1995	
\$ 2,370	\$ 71	\$ 2,768	\$ 84	\$ 243,130	\$ 252,307	\$ 155,823	
41	3,882	6,589	404	155,921	169,393	247,374	
32	213	135	329	52,482	53,261	61,647	
				44,600	44,813	21,108	
				24,623	24,623	21,486	
			47	10,544	10,591	14,162	
42			451	15,761	16,258	15,459	
	156		47	9,036	9,350	6,789	
				68,091	68,091	63,241	
					276	505	
	7,200				7,200	7,254	
14,321	19,694	10	1,276	1,395,128	1,507,188	1,390,092	
				2,815	2,815	3,185	
					253	253	
43					5,327	5,547	
\$ 16,849	\$ 31,216	\$ 9,502	\$ 2,638	\$ 2,022,131	\$ 2,171,746	\$ 2,013,925	
\$ 8	\$ 42	\$ 113	\$ 161	\$ 4,300	\$ 4,300	\$ 84,672	
	52			91,766	92,822		
					52	21,486	
				24,623	24,623	11,457	
11	55			2,499	2,499	5,785	
				9,080	9,146	21,700	
	165			21,529	21,529	165	
				165	165	254	
				1,440	1,440	2,165	
				127,460	132,455	136,008	
43	76	182		8,521	8,521	6,680	
				497	1,340	8,820	
62	390	295	161	291,715	298,892	299,027	
14,321	4,264	4,995	297	1,259,181	1,342,820	1,225,384	
					17,390	16,988	
	7,000				7,000	7,000	
	19,562	4,212	2,180		26,835	26,132	
8				34,033	34,135	22,589	
					4	3	
				21,101	21,101	20,937	
				90,794	90,794	77,435	
				34,701	34,701	31,635	
					110	131	
					23	21	
					52	52	
				718	718	946	
				1,392	1,392	1,399	
				362	362	250	
				122	122		
				1,811	1,811	1,968	
				29,016	29,269	32,005	
				128,762	128,765	127,104	
2,458				128,423	135,450	122,919	
16,787	30,826	9,207	2,477	1,730,416	1,872,854	1,714,898	
\$ 16,849	\$ 31,216	\$ 9,502	\$ 2,638	\$ 2,022,131	\$ 2,171,746	\$ 2,013,925	

# MISSISSIPPI

## Component Units

### Combining Balance Sheet University Funds June 30, 1996

*(Amounts Expressed in Thousands)*

	Current Funds			Endowment and Similar
	Unrestricted	Restricted	Loan	
<b>Assets:</b>				
Cash and cash equivalents	\$ 153,212	\$ 5,808	\$ 10,257	\$ 15,054
Investments	45,815		1,069	18,297
Accounts receivable, net	46,338	609	187	9
Due from other governments	1,157	36,633	2,051	
Due from other funds	22,015	465	569	
Due from primary government	1,936		8,608	
Inventories	15,761			
Prepaid expenses	7,197	173	3	
Loans and notes receivable, net			68,091	
Land				
Buildings				
Improvements other than buildings				
Furniture, machinery and equipment				
Construction in progress				
Books and films				
Assets under capital lease				
Livestock				
Other assets				1,341
Total Assets	\$ 293,431	\$ 43,688	\$ 90,835	\$ 34,701
<b>Liabilities:</b>				
Warrants payable	\$ 4,300		\$	\$
Accounts payable and accruals	82,342			3
Due to other funds	10,060	14,441		
Due to primary government	2,499			
Deferred revenue	19,744	1,681		38
General obligation bonds payable				
Revenue bonds and notes payable				
Obligations under capital lease				
Amount held in custody for others				
Other liabilities	258			
Total Liabilities	119,203	21,615	41	
<b>Fund Balances:</b>				
Investment in fixed assets				
Reserved for:				
Encumbrances	33,061	972		
Research projects		21,101		
Student loans			90,794	
Endowments				34,701
Contractual agreements	718			
Temporarily restricted funds	1,392			
Continuing education	362			
Athletics	122			
Bad debts	1,811			
Unreserved:				
Designated for debt service				
Designated for future capital projects	8,339			
Undesignated	128,423			
Total Fund Balances	174,228	22,073	90,794	34,701
Total Liabilities and Fund Balances	\$ 293,431	\$ 43,688	\$ 90,835	\$ 34,701



Plant Funds					Totals			
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Agency Fund	June 30, 1996	June 30, 1995		
\$ 39,222	\$ 7,668	\$ 9,079		\$ 2,830	\$ 243,130	\$ 149,120		
71,663	6,379	5,934		6,764	155,921	231,868		
4,984	8	55		292	52,482	61,115		
4,759					44,600	20,865		
1,543				31	24,623	21,486		
					10,544	13,962		
					15,761	14,902		
1,566		96		1	9,036	6,528		
					68,091	63,170		
			19,237		19,237	24,778		
			678,048		678,048	629,496		
			77,855		77,855	71,621		
			351,792		351,792	310,509		
			112,179		112,179	95,653		
			136,216		136,216	127,360		
			19,801		19,801	20,524		
			1,474		1,474	1,845		
					1,341	1,340		
\$ 123,737	\$ 14,055	\$ 15,164	\$ 1,396,602	\$ 9,918	\$ 2,022,131	\$ 1,866,142		
\$ 3,314	\$ 13	\$ 2		\$ 599	\$ 4,300	\$ 83,962		
		122			91,766	21,484		
		66			24,623	11,457		
					2,499	21,700		
			1,440		21,529	2,165		
			127,460		1,440	130,627		
			8,521		127,460	6,680		
				9,080	8,521	5,752		
				239	9,080	8,151		
3,314	13	190	137,421	9,918	291,715	291,978		
			1,259,181		1,259,181	1,142,314		
					34,033	22,551		
					21,101	20,937		
					90,794	77,435		
					34,701	31,635		
					718	946		
					1,392	1,399		
					362	250		
					122			
					1,811	1,968		
120,423	14,042	14,974			29,016	31,752		
					128,762	126,871		
					128,423	116,106		
120,423	14,042	14,974	1,259,181		1,730,416	1,574,164		
\$ 123,737	\$ 14,055	\$ 15,164	\$ 1,396,602	\$ 9,918	\$ 2,022,131	\$ 1,866,142		

## Component Units

### Combining Statement of Revenues, Expenditures, Other Financing Sources and Uses, and Changes in Fund Balances For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Governmental Fund Types</b>		
	Pat Harrison Waterway District	Pearl River Basin Development District	Pearl River Valley Water Supply District
<b>Revenues:</b>			
Licenses, fees and permits	\$	\$	\$ 757
Interest	27	39	134
Charges for sales and services	1,840	84	4
Rentals			2,133
Other	1,497	728	1,000
Total Revenues	3,364	851	4,028
<b>Expenditures:</b>			
Current:			
Recreation and resources development	3,452	906	3,542
Debt service:			
Principal	386		42
Interest and other fiscal charges	241		9
Total Expenditures	4,079	906	3,593
Excess of Revenues over (under) Expenditures	(715)	(55)	435
Net income from fiduciary operations			
Net income from proprietary operations			287
Fund Balances July 1	1,342	1,012	3,682
Increase (Decrease) in Reserve for Inventories	1		
Fund Balances June 30	\$ 628	\$ 957	\$ 4,404

**Totals for the Year Ended**

Tombigbee River Valley Water Management District		June 30, 1996	June 30, 1995
\$		\$ 757	\$ 672
	111	311	216
		1,928	2,068
		2,133	1,944
	1,550	4,775	6,552
	1,661	9,904	11,452
	1,296	9,196	8,884
		428	387
		250	316
	1,296	9,874	9,587
	365	30	1,865
			1
		287	229
	2,101	8,137	6,045
		1	(3)
\$	2,466	\$ 8,455	\$ 8,137

# MISSISSIPPI

## Component Units

### Combining Statement of Revenues, Expenses and Changes in Retained Earnings For the Year Ended June 30, 1996

(Amounts Expressed in Thousands)

	Proprietary Fund Types		
	Mississippi Coast Coliseum Commission	Mississippi Business Finance Corporation	Mississippi Prison Industries Corporation
<b>Operating Revenues:</b>			
Charges for sales and services	\$ 2,602	\$	\$ 2,808
Interest		6	
Fees		550	
Total Operating Revenues	2,602	556	2,808
<b>Operating Expenses:</b>			
Costs of sales and services			1,444
General and administrative	3,099	364	1,172
Depreciation	557	5	93
Other			2
Total Operating Expenses	3,656	369	2,711
Operating Income (Loss)	(1,054)	187	97
Nonoperating Revenues	730	460	49
Nonoperating Expenses	(52)		
Net Income (Loss)	(376)	647	146
Retained Earnings July 1, as restated	26,938	3,565	2,034
Retained Earnings June 30	\$ 26,562	\$ 4,212	\$ 2,180

**Totals for the Year Ended**

	<u>June 30, 1996</u>		<u>June 30, 1995</u>
\$	5,410	\$	4,852
	6		11
	550		625
	<u>5,966</u>		<u>5,488</u>
	1,444		1,009
	4,635		4,340
	655		689
	2		69
	<u>6,736</u>		<u>6,107</u>
	(770)		(619)
	1,239		1,099
	<u>(52)</u>		<u>(67)</u>
	417		413
	<u>32,537</u>		<u>32,124</u>
\$	<u>32,954</u>	\$	<u>32,537</u>



## Component Units

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

	<b>Proprietary Fund Types</b>		
	Mississippi Coast Coliseum Commission	Mississippi Business Finance Corporation	Mississippi Prison Industries Corporation
<b>Cash Flows from Operating Activities:</b>			
Cash receipts from customers	\$ 2,637	\$ 529	\$ 2,629
Cash payments to suppliers for goods and services	(2,080)	(32)	(1,867)
Cash payments to employees for services	(1,186)	(333)	(606)
Other operating cash payments			
Principal and interest received on program loans		33	
Net Cash Provided by (Used for) Operating Activities	(629)	197	156
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating grants received			
Net Cash Provided by Noncapital Financing Activities			
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(909)		(843)
Proceeds from sale of capital assets	1		
Net Cash Used for Capital and Related Financing Activities	(908)		(843)
<b>Cash Flows from Investing Activities:</b>			
Proceeds from the sale of investments	659	14,946	2,017
Purchases of investments		(13,951)	(1,612)
Interest on investments	737	494	49
Net Cash Provided by Investing Activities	1,396	1,489	454
Net Increase (Decrease) in Cash and Cash Equivalents	(141)	1,686	(233)
Cash and Cash Equivalents July 1, as restated	212	1,082	317
Cash and Cash Equivalents June 30	\$ 71	\$ 2,768	\$ 84

**Totals for the Year Ended**

<u>June 30, 1996</u>	<u>June 30, 1995</u>
\$ 5,795	\$ 5,670
(3,979)	(3,202)
(2,125)	(1,898)
	(137)
33	43
<u>(276)</u>	<u>476</u>
	15
	<u>15</u>
(1,752)	(1,112)
1	35
<u>(1,751)</u>	<u>(1,077)</u>
17,622	9,878
(15,563)	(10,884)
1,280	1,041
<u>3,339</u>	<u>35</u>
1,312	(551)
1,611	2,162
<u>\$ 2,923</u>	<u>\$ 1,611</u>

*(Continued on Next Page)*

# MISSISSIPPI

## Component Units

### Combining Statement of Cash Flows For the Year Ended June 30, 1996

*(Amounts Expressed in Thousands)*

*(Continued from Previous Page)*

	<b>Proprietary Fund Types</b>		
	Mississippi Coast Coliseum Commission	Mississippi Business Finance Corporation	Mississippi Prison Industries Corporation
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating income (loss)	\$ (1,054)	\$ 187	\$ 97
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	557	5	93
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable, net	35		(329)
(Increase) decrease in interfund receivables			153
Decrease in inventories			65
(Increase) decrease in prepaid expenses	(94)		(19)
Decrease in loans and notes receivable		27	
Decrease in warrants payable			
Increase (decrease) in accounts payable and accruals	(73)	(20)	96
Increase (decrease) in interfund payables		(2)	
Decrease in other liabilities			
Total Adjustments	425	10	59
Net Cash Provided by (Used for) Operating Activities	\$ (629)	\$ 197	\$ 156



**Totals for the Year Ended**

	<u>June 30, 1996</u>	<u>June 30, 1995</u>
\$	(770)	\$ (619)
	655	689
	(294)	301
	153	(136)
	65	182
	(113)	18
	27	32
		(35)
	3	125
	(2)	2
		(83)
	<u>494</u>	<u>1,095</u>
\$	(276)	\$ 476

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## Statistical and Economic Data

The accompanying statistical tables of the state of Mississippi reflect social and economic data to allow a broader understanding of the environment in which the state operates, as well as historical perspectives and financial trends to assess the fiscal capacity of state government. Statistical tables differ from financial statements because they usually cover more than two fiscal years and present certain nonaccounting data.

# MISSISSIPPI

## Expenditures by Function

### All Governmental Fund Types For the Last Ten Fiscal Years

**Table I**

*(Amounts Expressed in Thousands)*

Function	1996	1995	1994	1993
General government	\$ 817,625	\$ 727,065	\$ 616,453	\$ 555,839
Education	1,793,100	1,677,577	1,479,242	1,389,598
Health and social services	2,633,871	2,583,972	2,393,508	2,226,713
Law, justice and public safety	339,796	282,667	258,928	199,389
Recreation and resources development	249,433	228,555	204,695	182,746
Regulation of business and professions	22,734	22,319	20,240	18,406
Transportation	651,044	532,217	497,877	507,738
Other				
Debt service	134,406	214,495	107,682	105,784
Capital outlay	126,592	56,134	11,330	22,797
<b>Total Expenditures - All Governmental Fund Types</b>	<b>\$ 6,768,601</b>	<b>\$ 6,325,001</b>	<b>\$ 5,589,955</b>	<b>\$ 5,209,010</b>

Source: Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Governmental Fund Types of the primary government are described in Note 1C of the Notes to the Financial Statements.

## Revenues by Source

### All Governmental Fund Types For the Last Ten Fiscal Years

**Table II**

*(Amounts Expressed in Thousands)*

Source	1996	1995	1994	1993
State taxes	\$ 3,563,533	\$ 3,351,746	\$ 3,126,925	\$ 2,859,833
Licenses, fees and permits	270,438	250,994	208,240	153,971
Federal government	2,729,566	2,717,589	2,518,279	2,390,803
Interest on investments	122,682	112,186	52,194	34,185
Charges for services	194,764	184,284	186,888	183,798
Rentals	10,591	10,175		
Court assessments	2,732			
Other	182,740	216,057	191,328	174,238
<b>Total Revenues - All Governmental Fund Types</b>	<b>\$ 7,077,046</b>	<b>\$ 6,843,031</b>	<b>\$ 6,283,854</b>	<b>\$ 5,796,828</b>

Source: Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Governmental Fund Types of the primary government are described in Note 1C of the Notes to the Financial Statements.

## State Tax Revenues by Source

### All Governmental Fund Types For the Last Ten Fiscal Years

**Table III**

*(Amounts Expressed in Thousands)*

Source	1996	1995	1994	1993
Sales and use	\$ 1,847,589	\$ 1,721,214	\$ 1,585,132	\$ 1,410,372
Gasoline and other motor fuel	354,104	347,015	339,876	319,670
Privilege	67,630	57,060	58,197	55,317
Motor vehicle registration	24,700	23,949	23,951	23,111
Individual income	730,035	663,292	630,168	571,860
Alcoholic beverage	41,270	41,667	41,291	38,483
Corporate income and franchise	262,728	264,638	219,838	210,896
Severance	29,057	28,059	32,387	41,666
Inheritance	14,208	12,513	10,886	9,411
Tobacco	55,121	57,483	54,498	53,025
Insurance	101,472	100,043	97,215	93,677
Nuclear power	20,000	20,000	19,999	20,001
Other	15,619	14,813	13,487	12,344
<b>Total Tax Revenues - All Governmental Fund Types</b>	<b>\$ 3,563,533</b>	<b>\$ 3,351,746</b>	<b>\$ 3,126,925</b>	<b>\$ 2,859,833</b>

Source: Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Governmental Fund Types of the primary government are described in Note 1C of the Notes to the Financial Statements.

	<b>1992</b>	<b>1991</b>	<b>1990</b>	<b>1989</b>	<b>1988</b>	<b>1987</b>
\$	534,695	\$ 502,922	\$ 503,451	\$ 580,595	\$ 552,040	\$ 563,363
	1,338,587	1,247,374	1,258,523	1,172,932	1,079,385	990,151
	2,096,952	1,730,372	1,512,829	1,304,660	1,210,533	1,091,493
	187,192	187,964	171,819	156,893	141,321	128,922
	184,081	180,033	158,759	86,744	76,166	71,187
	18,399	15,596	14,855	13,463	12,529	11,691
	502,580	451,903	378,542	381,578	368,512	345,887
				6,044		
	113,027	87,100	78,020	78,563	69,851	70,856
	18,047	12,305	26,988	34,275	39,803	23,913
\$	4,993,560	\$ 4,415,569	\$ 4,103,786	\$ 3,815,747	\$ 3,550,140	\$ 3,297,463

	<b>1992</b>	<b>1991</b>	<b>1990</b>	<b>1989</b>	<b>1988</b>	<b>1987</b>
\$	2,494,487	\$ 2,394,092	\$ 2,303,886	\$ 2,246,035	\$ 2,108,761	\$ 1,936,314
	98,946	88,455	72,834	70,254	67,951	68,864
	2,280,181	1,898,506	1,662,310	1,495,329	1,466,437	1,357,658
	44,373	62,461	67,455	63,008	51,286	40,644
	171,041	165,740	159,413	151,959	144,438	149,055
	143,258	61,589	59,599	42,935	41,863	53,996
\$	5,232,286	\$ 4,670,843	\$ 4,325,497	\$ 4,069,520	\$ 3,880,736	\$ 3,606,531

	<b>1992</b>	<b>1991</b>	<b>1990</b>	<b>1989</b>	<b>1988</b>	<b>1987</b>
\$	1,174,950	\$ 1,114,670	\$ 1,094,136	\$ 1,036,729	\$ 998,279	\$ 1,028,555
	307,135	291,749	293,252	281,007	267,456	146,209
	37,993	39,488	42,653	42,890	35,746	32,564
	22,560	26,987	27,648	27,278	25,541	16,638
	499,196	468,747	429,847	404,417	354,683	301,892
	38,437	37,702	36,907	36,203	37,443	40,646
	189,459	186,895	160,670	190,448	166,391	159,608
	42,322	50,792	45,319	45,394	51,266	50,719
	11,235	7,413	10,256	13,375	15,984	9,590
	51,995	51,161	50,539	53,167	53,450	54,507
	90,467	90,759	87,496	90,547	78,026	72,592
	20,000	20,039	19,193	19,196	19,487	17,810
	8,738	7,690	5,970	5,384	5,009	4,984
\$	2,494,487	\$ 2,394,092	\$ 2,303,886	\$ 2,246,035	\$ 2,108,761	\$ 1,936,314

# MISSISSIPPI

## Net General Long-term Bonded Debt Per capita

For the Last Ten Fiscal Years

Table IV

Fiscal Year	Population	General Long-term Bonded Debt (Amounts Expressed in Thousands)			Net General Long-term Debt Per capita
		Principal Outstanding	Less: Debt Service Fund	Net	
1996	2,720,000	\$ 1,205,498	\$ 143,191	\$ 1,062,307	\$ 391
1995	2,697,000	981,058	142,997	838,061	311
1994	2,670,000	824,151	230,795	593,356	222
1993	2,639,000	677,906	220,165	457,741	173
1992	2,612,000	634,933	229,296	405,637	155
1991	2,592,000	646,662	230,650	416,012	160
1990	2,577,000	584,058	221,595	362,463	141
1989	2,574,000	523,638	194,169	329,469	128
1988	2,580,000	498,227	193,373	304,854	118
1987	2,589,000	412,809	158,121	254,688	98

Source: Population Fiscal Years 1987-1995 -- U.S. Department of Commerce, Bureau of the Census, Fiscal Year 1996 - Estimated -- Mississippi Econometric Model  
 General Long-term Bonded Debt -- State Treasurer  
 Debt Service Funds Available -- Mississippi Comprehensive Annual Financial Report, GAAP Basis

Notes:

- (1) Total general long-term bonded debt and notes exclude general obligation bonds payable from enterprise and university funds.
- (2) Debt service fund represents the amount available, designated for debt service and the amount to be provided from future collections of long-term loans as reflected in the Mississippi Comprehensive Annual Financial Report.

## Ratio of Annual Debt Service for General Long-term Bonded Debt to Total Revenues and Expenditures

For the Last Ten Fiscal Years

Table V

Fiscal Year	(Amounts Expressed in Thousands)					
	Total Debt Service	Revenues	Ratio	Expenditures	Ratio	
1996	\$ 134,406	\$ 7,077,046	1.9	\$ 6,768,601	2.0	
1995	127,283	6,843,031	1.9	6,325,001	2.0	
1994	107,682	6,283,854	1.7	5,589,955	1.9	
1993	105,784	5,796,829	1.8	5,209,011	2.0	
1992	108,611	5,232,286	2.1	4,993,561	2.2	
1991	87,100	4,670,842	1.9	4,415,569	2.0	
1990	78,020	4,325,497	1.8	4,103,787	1.9	
1989	78,563	4,069,520	1.9	3,815,747	2.1	
1988	69,851	3,880,737	1.8	3,550,140	1.9	
1987	70,856	3,606,531	2.0	3,297,462	2.1	

Source: Total Debt Service, Revenues and Expenditures -- Mississippi Comprehensive Annual Financial Report, GAAP Basis

Note: Total debt service represents principal and interest paid on general and limited obligation bonds.

## Computation of Legal Debt Margin

**June 30, 1996**

**Table VI**

<i>(Amounts Expressed in Thousands)</i>	
Legal debt limit (1 1/2 times revenue collected during any one of the four preceding years, whichever is higher) (1)	\$ 6,032,510
Amount of debt applicable to debt limit (2)	\$ 1,205,498
Less: amounts available for debt service	<u>143,191</u>
Net amount of debt applicable to debt limit	<u>1,062,307</u>
Legal Debt Margin	<u>\$ 4,970,203</u>

Notes:

- (1) The state's constitutional debt limit is established under Section 115 of the Mississippi Constitution at one and one-half times the sum of all revenues collected by the state during any one of the four preceding fiscal years, whichever may be higher. Revenues included in the foregoing debt limitation computation are restricted by current practice to the following governmental fund revenues: taxes, licenses, fees and permits, investment income, rental income, service charges (including net income from the sale of alcoholic beverages), fines, forfeits, and penalties. Defined revenues for the four preceding years were:

Fiscal Year	Applicable Governmental Fund Revenues
1995	\$ 4,021,673
1994	3,647,481
1993	3,284,323
1992	2,899,824

- (2) The legal debt limit applies to total general long-term bonded debt which excludes general obligation bonds payable from enterprise and university funds.

## Revenue Bond Coverage

**For the Last Ten Fiscal Years**

**Table VII**

MISSISSIPPI FAIR COMMISSION

*(Amounts Expressed in Thousands)*

Fiscal Year	Gross Revenues (1)		Direct Operating Expenses (2)		Net Revenue Available for Debt Service		Debt Service Requirements			Coverage
							Principal	Interest	Total	
1996	\$ 3,580	\$ 3,087	\$ 493	\$ 75	\$ 107	\$ 182	2.71			
1995	3,390	2,983	407	70	112	182	2.23			
1994	3,274	2,936	338	65	118	183	1.85			
1993	2,840	2,775	65	60	123	183	.35			
1992	2,803	2,724	79	55	128	183	.43			
1991	2,642	2,561	81	50	132	182	.44			
1990	2,507	2,450	57	45	138	183	.31			
1989	2,530	2,363	167	40	139	179	.93			
1988	2,524	2,178	346	257	154	411	.84			
1987	2,299	2,067	232	86	160	246	.94			

Source: Mississippi Comprehensive Annual Financial Report, GAAP Basis

Notes:

- (1) Total operating revenues and nonoperating interest income.  
 (2) Total operating expenses exclusive of interest and depreciation.

# MISSISSIPPI

## Demographic Statistics

For the Last Ten Calendar Years

Table VIII

Calendar Year	Population	Per Capita Income (Current \$)	Public School Enrollment	Unemployment Rate
1995	2,697,000	16,540	503,301	6.1%
1994	2,670,000	15,775	503,374	6.6
1993	2,639,000	14,697	504,229	6.4
1992	2,612,000	14,057	501,577	8.2
1991	2,592,000	13,223	500,122	8.7
1990	2,577,000	12,591	502,020	7.6
1989	2,574,000	11,951	503,326	7.8
1988	2,580,000	11,266	505,550	8.4
1987	2,589,000	10,580	498,639	10.2
1986	2,594,000	10,014	459,631	11.7

Source: Population -- U.S. Department of Commerce, Bureau of the Census  
 Per Capita Income -- Mississippi Econometric Model  
 Public Schools -- Kindergarten - Grade 12 -- Academic Year -- Mississippi State Department of Education  
 Unemployment Rate -- Mississippi Employment Security Commission

## Economic Characteristics

For the Last Ten Calendar Years

Table IX

Calendar Year	<i>(Amounts Expressed in Thousands)</i>				
	Gross State Product (Current \$)	Gross State Product (Inflation-Adjusted \$)	Personal Income (Current \$)	Personal Income (Inflation-Adjusted \$)	Average Annual Consumer Price Index
1995	\$ 52,507,300	\$ 34,453,600	\$ 44,636,700	29,289,200	152.4
1994	50,220,300	33,886,800	42,152,100	28,442,700	148.2
1993	47,103,300	32,597,400	38,844,200	26,881,800	144.5
1992	44,298,000	31,573,800	36,758,900	26,200,200	140.3
1991	41,705,000	30,620,400	34,273,800	25,164,300	136.2
1990	39,463,000	30,193,600	32,397,800	24,787,900	130.7
1989	37,622,000	30,340,300	30,671,500	24,735,100	124.0
1988	35,969,000	30,404,900	28,854,000	24,390,500	118.3
1987	33,749,000	29,708,600	27,042,800	23,805,300	113.6
1986	31,092,000	28,368,600	25,545,600	23,308,000	109.6

Source: Gross State Product (GSP) -- Mississippi Econometric Model  
 Gross State Product (Inflation Adjusted) -- GSP divided by Average Annual Consumer Price Index (CPI)  
 Personal Income (PI) -- Mississippi Econometric Model  
 Personal Income (Inflation Adjusted) -- PI divided by CPI  
 Average Annual Consumer Price Index -- U.S. Department of Labor, Bureau of Labor Statistics



# MISSISSIPPI

## Bank Deposits, Retail Sales, Median Household Disposable Income

For the Last Ten Calendar Years

Table X

Calendar Year	(Amounts Expressed in Thousands)			Median Household Disposable (Aftertax) Income
	Bank Deposits	Retail Sales	Individual IRS Collections	
1996	\$ 23,960,825	\$ 25,796,258	\$ 6,005,092	24
1995	22,832,705	24,059,806	5,426,511	27
1994	20,493,525	21,240,615	4,852,941	25
1993	19,700,197	19,778,000	4,480,498	23
1992	19,068,256	19,108,000	4,295,655	22
1991	18,501,795	18,631,000	4,149,090	20
1990	17,219,683	17,883,000	3,074,403	18
1989	16,511,181	17,207,000	3,477,964	17
1988	15,829,544	17,400,000	3,108,726	17
1987				

Source: Bank Deposits -- Mississippi Department of Banking and Consumer Finance  
 Retail Sales -- Year 1986 -- Mississippi Econometric Model  
 Years 1987-1995 -- Mississippi State Tax Commission  
 Individual IRS Collections -- Internal Revenue Service  
 Median Household Disposable (Aftertax) Income -- Sales and Marketing Management, Survey of Buying Power, 1986-1995

## Population and Employment

For the Last Ten Calendar Years

Table XI

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Population	2,697,000	2,670,000	2,639,000	2,612,000	2,592,000	2,577,000	2,574,000	2,580,000	2,589,000	
Employed	1,181,200	1,169,200	1,138,200	1,093,700	1,086,000	1,093,500	1,076,000	1,046,000	1,034,000	
Unemployed	77,100	82,900	78,300	97,700	104,100	90,100	91,000	96,000	117,000	
Total Labor Force	1,258,300	1,252,100	1,216,500	1,191,400	1,190,100	1,183,600	1,167,000	1,142,000	1,151,000	
Mississippi Unemployment Rate	6.1%	6.6%	6.4%	8.2%	8.7%	7.6%	7.8%	8.4%	10.2%	
U.S. Unemployment Rate	5.6%	6.1%	6.9%	7.5%	6.8%	5.6%	5.3%	5.5%	6.2%	

Source: Population -- U.S. Department of Commerce, Bureau of the Census  
 Employed, Unemployed, Mississippi Unemployment Rate -- Mississippi Employment Security Commission  
 U.S. Unemployment Rate -- U. S. Department of Labor, Bureau of Labor Statistics

## Principal Industrial Employers

(Ranked by Number of Employees)

Table XII

Company	Number of Plants	Number of Employees
Litton Industries	2	13,921
Tyson Foods	8	4,730
Sanderson Farms, Inc.	7	3,769
International Paper Company	8	3,613
Georgia-Pacific Corporation	19	3,401
Sara Lee Corporation	4	3,384
B. C. Rogers, Inc.	4	3,133
Peavey Electronics Corporation	4	2,900
Sunbeam Corporation	6	2,634
Interco, Incorporated	4	2,615
General Motors Corporation	5	2,609
Lennox International	3	2,580
Choctaw Maid Farms, Inc.	4	2,362
M TD Products, Inc.	3	2,000
Howard Industries	2	1,825
Weyerhaeuser Company	7	1,762
Delta Pride Catfish, Inc.	3	1,719
Leggett & Platt, Inc.	8	1,719
Masco Industries	9	1,681
Kellwood Company	6	1,660
Cooper Industries, Inc.	6	1,577
KLH Industries	3	1,560
Pecco Foods, Inc.	3	1,535
MagnaTek, Inc.	3	1,468
La-Z-Boy Chair Company	2	1,452

Source: Mississippi Department of Economic and Community Development - 1996/97 Mississippi Manufacturers' Directory

## Mississippi Average Annual Employment by Sector

For the Last Ten Calendar Years

Table XIII

Employment by Sector	1995	1994	1993	1992
Manufacturing	258,000	261,000	255,700	251,900
Construction	45,300	43,500	39,600	35,400
Mining	4,800	5,100	5,200	5,200
Trade	227,700	219,400	209,800	201,000
Services	231,800	224,700	196,700	175,500
Finance, insurance and real estate	39,900	39,700	38,800	38,400
Transportation and public utilities	50,100	48,600	46,300	45,000
Government	217,400	213,700	210,100	207,900

Source: Mississippi Employment Security Commission

## Mississippi Average Annual Wages by Sector

For the Last Ten Calendar Years

Table XIV

Wages by Sector	1995	1994	1993	1992
Agriculture, forestry and fisheries	\$ 16,153	\$ 15,276	\$ 14,457	\$ 14,395
Manufacturing	23,301	22,593	21,768	21,119
Construction	22,188	21,928	20,782	19,961
Mining	30,025	29,175	27,829	27,367
Wholesale trade	27,179	26,275	25,226	24,545
Retail trade	12,369	12,053	11,691	11,536
Services	20,569	19,416	18,713	18,302
Finance, insurance and real estate	25,916	24,748	24,112	23,198
Transportation, communication and utilities	29,520	28,983	27,952	27,710
Government	19,923	18,965	18,156	17,540

Source: Mississippi Employment Security Commission

<b>1991</b>	<b>1990</b>	<b>1989</b>	<b>1988</b>	<b>1987</b>	<b>1986</b>
246,900	246,500	243,600	238,800	228,600	223,700
34,800	37,200	35,900	35,200	33,900	35,200
5,700	6,000	6,000	6,300	6,000	6,700
196,800	198,400	196,000	191,400	185,200	182,100
165,800	161,000	153,900	145,400	138,800	134,000
38,700	38,800	38,900	38,900	38,400	37,300
45,000	45,300	45,100	44,200	42,400	39,700
203,900	203,400	199,800	196,000	191,100	189,500

	<b>1991</b>	<b>1990</b>	<b>1989</b>	<b>1988</b>	<b>1987</b>	<b>1986</b>
\$	13,758	\$ 12,889	\$ 11,951	\$ 11,673	\$ 11,410	\$ 10,700
	20,022	19,385	18,637	18,341	17,824	17,388
	19,237	18,906	17,926	16,959	16,454	15,863
	26,245	25,490	24,223	23,702	23,070	23,668
	23,495	22,343	21,341	20,575	19,864	19,241
	10,987	10,511	10,164	10,048	9,919	9,702
	17,718	17,009	16,425	15,581	14,713	14,045
	21,546	20,837	20,070	19,424	18,891	18,175
	26,285	25,526	24,168	23,219	22,728	21,949
	17,410	16,498	15,801	15,194	14,325	13,981

# MISSISSIPPI

## Public School Enrollment

For the Last Ten Academic Years

Table XV

Grade	1995/1996	1994/1995	1993/1994	1992/1993
Kindergarten	40,559	39,545	38,523	37,077
Grades 1-3	118,376	117,407	117,362	119,904
Grades 4-6	114,646	116,375	118,755	121,097
Grades 7-9	123,903	125,306	123,797	121,260
Grades 10-12	89,375	88,419	88,936	88,962
Special Education	16,743	16,249	16,001	15,929
Total Enrollment	503,602	503,301	503,374	504,229

Source: Mississippi State Department of Education

## Full-time Equivalent Student Enrollment - Community and Junior Colleges

For the Last Ten Academic Years

Table XVI

Community and Junior College	1995/1996	1994/1995	1993/1994	1992/1993
Coahoma Community College	1,576	1,410	1,332	818
Copiah-Lincoln Community College	2,941	2,790	2,597	2,542
East Central Community College	4,404	1,800	1,647	2,112
East Mississippi Community College	2,896	1,876	1,331	1,493
Hinds Community College	10,290	10,668	10,065	10,508
Holmes Community College	2,492	2,549	2,465	2,173
Itawamba Community College	3,957	4,122	3,989	3,934
Jones County Junior College	5,073	4,828	4,772	4,937
Meridian Community College	2,963	2,868	3,059	3,047
Mississippi Delta Community College	3,343	3,931	3,515	3,723
Mississippi Gulf Coast Community College	10,550	12,393	13,852	10,266
Northeast Mississippi Community College	3,879	3,915	3,634	3,817
Northwest Mississippi Community College	4,653	4,889	4,566	4,319
Pearl River Community College	2,840	3,038	3,109	3,083
Southwest Mississippi Community College	1,792	1,549	1,638	1,536
Total Community and Junior Colleges	63,649	62,626	61,571	58,308

Source: Mississippi State Board for Community and Junior Colleges

## Full-time Equivalent Student Enrollment - Universities

For the Last Ten Academic Years

Table XVII

University	1995/1996	1994/1995	1993/1994	1992/1993
Alcorn State University	2,989	2,756	2,671	2,872
Delta State University	3,288	3,199	3,298	3,205
Jackson State University	5,479	5,273	5,477	5,506
Mississippi State University	12,185	11,680	11,894	12,232
Mississippi University for Women	2,055	2,060	1,945	1,959
Mississippi Valley State University	2,145	2,177	2,299	2,217
University of Mississippi	9,449	9,253	9,516	9,948
University of Southern Mississippi	11,689	10,516	10,429	10,742
Total Universities	49,279	46,914	47,529	48,681
University of Mississippi Medical School	2,450	2,045	2,377	2,272

Source: Office of Planning and Budget, Institutions of Higher Learning, State of Mississippi

<b>1991/1992</b>	<b>1990/1991</b>	<b>1989/1990</b>	<b>1988/1989</b>	<b>1987/1988</b>	<b>1986/1987</b>
36,954	37,810	37,302	37,825	37,920	33,528
121,500	124,205	127,678	129,254	128,742	126,979
122,108	121,426	119,277	117,844	115,624	113,913
118,497	116,436	114,854	112,438	113,426	114,715
88,322	87,961	90,526	93,998	98,190	98,719
14,196	12,284	12,383	11,967	11,648	10,785
501,577	500,122	502,020	503,326	505,550	498,639

<b>1991/1992</b>	<b>1990/1991</b>	<b>1989/1990</b>	<b>1988/1989</b>	<b>1987/1988</b>	<b>1986/1987</b>
1,216	1,840	1,737	1,685	1,669	1,649
2,618	2,350	2,341	2,084	2,035	1,931
1,568	1,677	1,437	1,467	1,422	1,207
1,388	984	1,034	966	1,336	1,251
10,078	9,804	9,083	8,712	8,988	8,374
2,074	1,865	1,832	1,790	1,519	1,592
3,954	3,748	3,658	3,328	3,111	2,951
4,435	4,285	4,046	3,887	3,290	2,899
2,805	2,608	2,511	2,677	2,463	2,058
3,622	3,278	3,042	2,793	2,440	2,403
10,203	10,034	8,836	8,545	8,042	7,600
3,587	3,483	3,409	3,205	3,224	2,965
3,919	4,037	3,793	3,834	3,343	3,180
3,101	3,083	2,907	2,807	2,725	2,559
1,561	1,574	1,548	1,425	1,337	1,268
56,129	54,650	51,214	49,205	46,944	43,887

<b>1991/1992</b>	<b>1990/1991</b>	<b>1989/1990</b>	<b>1988/1989</b>	<b>1987/1988</b>	<b>1986/1987</b>
3,204	2,790	2,744	2,525	2,377	2,247
3,454	3,358	3,193	3,075	2,951	2,842
5,946	6,144	6,308	6,081	5,396	5,542
12,192	12,407	12,286	11,646	11,081	10,481
1,942	1,833	1,597	1,524	1,451	1,443
2,051	1,908	1,692	1,715	1,829	1,953
10,207	10,231	9,869	9,069	8,633	8,439
11,254	11,296	10,927	10,044	9,295	10,004
50,250	49,967	48,616	45,679	43,013	42,951
2,311	2,254	2,076	1,404	1,412	1,508

## Miscellaneous Statistics

June 30, 1996

Table XVIII

<b>Date Entered Union</b>	December 10, 1817
<b>Form of Government</b>	Legislative - Executive - Judicial
<b>Miles of State Highway</b>	10,581
<b>Land Area</b>	47,233 Square Miles

**State Highway Patrol:**

Number of Stations	9
Number of Sworn Officers	523

**Higher Education (Universities and Community and Junior Colleges):**

Number of Campuses in State	52
Number of Educators	6,518
Number of Students	115,378

**Recreation:**

Number of State Parks	28	
Area of State Parks	23,789	Acres
Area of State Forests	132,868	Acres

**State Employees:**

Full-Time	29,458
Part-Time(Permanent)	1,001

Source: Mississippi Statistical Abstract  
 Mississippi Department of Transportation  
 Mississippi Department of Public Safety  
 Board of Trustees of State Institutions of Higher Learning, State of Mississippi  
 Mississippi State Board for Community and Junior Colleges  
 Mississippi Department of Wildlife, Fisheries and Parks  
 Mississippi Forestry Commission  
 Mississippi State Personnel Board