

# MISSISSIPPI



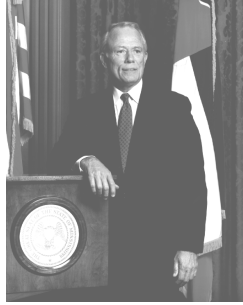
Fiscal Year Ended June 30, 1996

**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<br>(Decrease)<br>from FY 1995 |  | Percent<br>of<br>Increase<br>(Decrease) |
|----------------------------|---------------------|---------------------|---------------------|---------------------|--|--|---|
|                            | Amount              | Percent<br>of Total | Amount              | Percent<br>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<br>(Decrease)<br>from FY 1995 | Percent<br>of<br>Increase<br>(Decrease) |
|---|---------------------|---------------------|---------------------|---------------------|--|---|
|   | Amount              | Percent<br>of Total | Amount              | Percent<br>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<br>development   | 249,433             | 3.7                 | 228,555             | 3.6                 | 20,878                                 | 9.1                                     |
| Regulation of business<br>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.**

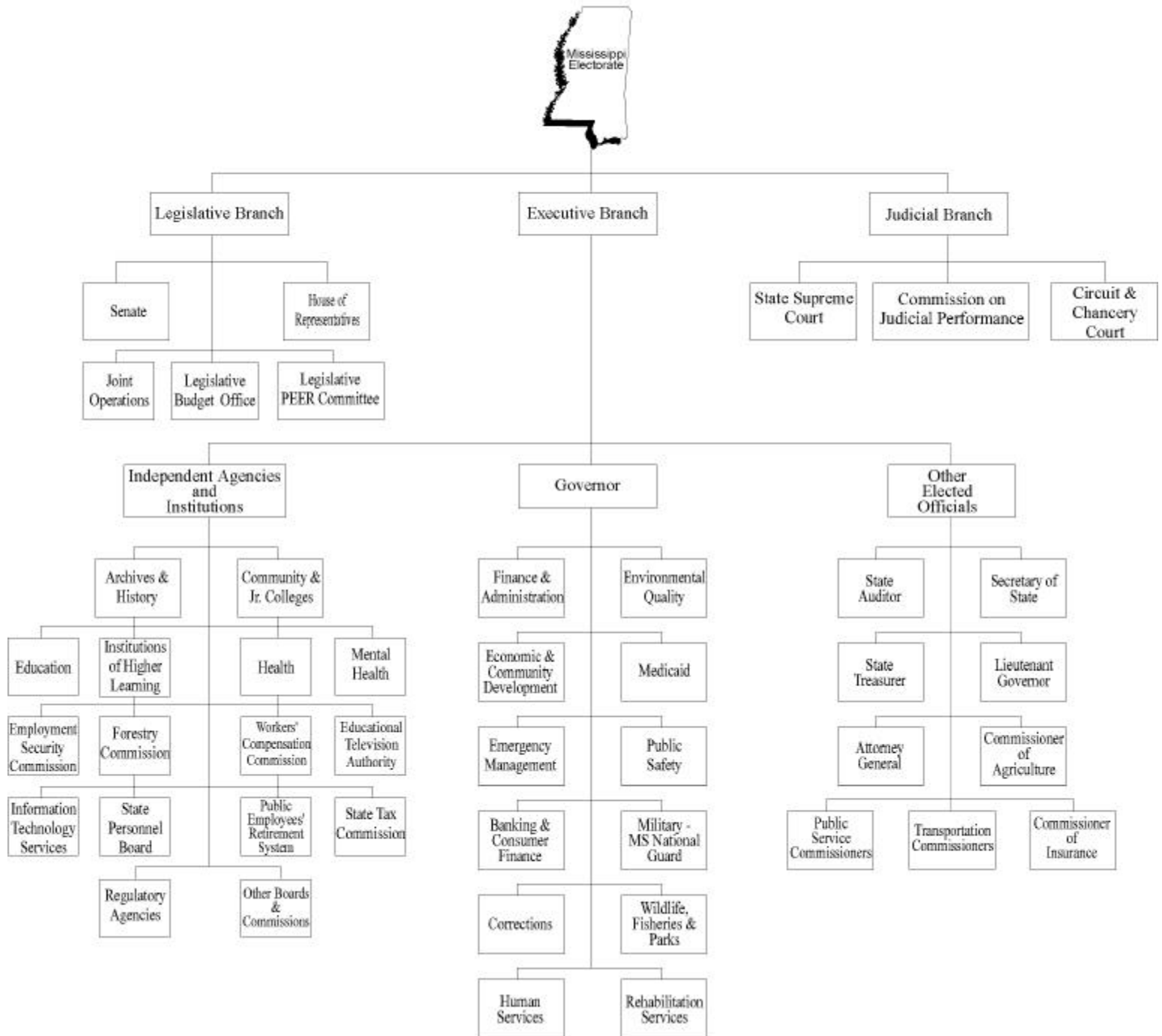
**Mike Mills**

Clerk of the Supreme Court

**Linda Stone**



## Organization Chart



# 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, reading "Phil Bryant".

PHIL BRYANT  
State Auditor

A handwritten signature in cursive script, reading "Norman McLeod".

NORMAN McLEOD, CPA  
Director, Department of Audit

Jackson, Mississippi  
December 6, 1996

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**General Purpose Financial Statements**

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

### Combined Balance Sheet June 30, 1996

(Amounts Expressed in Thousands)

| <b>Governmental Fund Types</b>                                      |              |                 |              |                  |
|---|--------------|-----------------|--------------|------------------|
|   | 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.



|                        |         |                        |                            |                                     | Total<br>(Memorandum Only) |           | Total<br>(Memorandum Only) |               |            |           |            |           |            |    |            |    |            |
|------------------------|---------|------------------------|----------------------------|-------------------------------------|----------------------------|-----------|----------------------------|---------------|------------|-----------|------------|-----------|------------|----|------------|----|------------|
| Proprietary Fund Types |         | Fiduciary<br>Fund Type | Account Groups             |                                     | Primary Government         |           | Reporting Entity           |               |            |           |            |           |            |    |            |    |            |
|                        |         |                        | General<br>Fixed<br>Assets | General<br>Long-term<br>Obligations |                            |           | Component<br>Units         |               |            |           |            |           |            |    |            |    |            |
| Enterprise             |         | Internal<br>Service    | Trust and<br>Agency        |                                     | June 30, 1996              |           | 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    |           | 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                     |               | 253        |           | 30,726     |           | 27,135     |    |            |    |            |
|                        |         |                        |                            |                                     |                            |           | 112,718                    |               |            |           | 112,718    |           | 116,114    |    |            |    |            |
|                        |         |                        |                            |                                     |                            |           |                            |               |            |           |            |           |            |    |            |    |            |
|                        |         |                        |                            |                                     |                            |           | 1,062,307                  |               |            |           | 1,062,307  |           | 838,061    |    |            |    |            |
|                        |         |                        |                            |                                     |                            |           | 88,608                     |               | 5,327      |           | 93,935     |           | 90,260     |    |            |    |            |
| \$                     | 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                     |               | 88,751     |           | 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  |    |            |
|                        |         |                        |                            |                                     |                            |           |                            |               |            |           |            |           |            |    |            |    |            |
|                        | 26,974  |                        |                            |                                     |                            |           | 1,456,651                  |               | 1,456,651  |           | 1,342,820  |           | 2,799,471  |    | 2,396,107  |    |            |
|                        |         |                        |                            |                                     |                            |           |                            |               | 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  |    |            |
|                        |         |                        |                            |                                     |                            |           |                            |               | 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<br>Revenue | Debt<br>Service | Capital<br>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<br>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<br>Fund Type | Totals for the<br>Year Ended<br>(Memorandum Only)<br>Primary Government |               | Governmental<br>Fund Type | Totals for the Year Ended<br>(Memorandum Only)<br>Reporting Entity |               |
|------------------------|---|---------------|---------------------------|--|---------------|
|                        | Expendable<br>Trust   | June 30, 1996 |                           | June 30, 1996  | June 30, 1995 |
|                        |   |               | Component<br>Units        |  |               |
| \$ 100,805             | \$ 3,664,338  | \$ 757        | \$ 3,664,338              | \$ 3,489,010   |               |
|                        | 270,438   |               | 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   |               |



## 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<br>Enhancement Fund |
|--|--------------|--------------|--|-------------------------------|
|  | Budget       | Actual       | Variance<br>Favorable<br>(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<br>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)<br>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<br>(Memorandum Only) |  |              |              |  |  |
|--------------|--|-----------|--|--|--------------|--------------|--|--|
| Special Fund |  |           |  |  |              |              |  |  |
| Actual       | Variance<br>Favorable<br>(Unfavorable) | Budget    | Actual   | Variance<br>Favorable<br>(Unfavorable) | Budget       | Actual       | Variance<br>Favorable<br>(Unfavorable) |  |
| \$ 144,386   | \$ 1,672                               | \$        | \$   | \$                                     | \$ 1,222,614 | \$ 1,222,746 | \$ 132                                 |  |
|              |  |           |  |  | 742,900      | 741,185      | (1,715)                                |  |
|              |  |           |  |  | 269,300      | 262,002      | (7,298)                                |  |
| 15,161       | (1,418)                                |           |  |  | 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                                  |  |
|              |  |           |  |  | 13,500       | 15,002       | 1,502                                  |  |
| 2,946        | 2,946                                  |           |  |  | 36,000       | 61,616       | 25,616                                 |  |
|              |  |           |  |  | 12,300       | 13,214       | 914                                    |  |
|              |  |           |  |  | 98,800       | 110,487      | 11,687                                 |  |
|              |  |           |  |  | 15,400       | 16,860       | 1,460                                  |  |
|              |  |           |  |  | 10,900       | 11,137       | 237                                    |  |
| 1,808        | 1,808                                  |           |  |  | 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<br>Fund Type |
|---|------------------------|---------------------|------------------------|
|   | Enterprise             | Internal<br>Service | Nonexpendable<br>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.

| Totals for the<br>Year Ended<br>(Memorandum Only)<br>Primary Government |         | Component<br>Units | Totals for the Year Ended<br>(Memorandum Only)<br>Reporting Entity |               |         |    |         |
|---|---------|--------------------|--|---------------|---------|----|---------|
| 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   |
|   | 319,688 |                    | 5,966  |               | 325,654 |    | 321,724 |
|   |         |                    |  |               |         |    |         |
|   | 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     |
|   | 319,325 |                    | 6,736  |               | 326,061 |    | 277,739 |
|   |         |                    |  |               |         |    |         |
|   | 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  |
|   | 230,936 |                    | 32,537   |               | 263,473 |    | 201,099 |
|   |         |                    |  |               |         |    |         |
| \$  | 249,660 | \$                 | 32,954   | \$            | 282,614 | \$ | 263,473 |

## 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)

|  | <b>Proprietary Fund Types</b> |                     | <b>Fiduciary<br/>Fund Type</b> |
|--|-------------------------------|---------------------|--------------------------------|
|  | Enterprise                    | Internal<br>Service | Nonexpendable<br>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                         |



| Totals for the<br>Year Ended<br>(Memorandum Only)<br>Primary Government |           | Component<br>Units | Totals for the Year Ended<br>(Memorandum Only)<br>Reporting Entity |               |
|---|-----------|--------------------|--|---------------|
| 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)*

|   | <b>Proprietary Fund Types</b> |                  | <b>Fiduciary Fund Type</b> |         |
|---|-------------------------------|------------------|----------------------------|---------|
|   | 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 | <u>\$ 215,752</u> |

#### 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 | <u>\$ 252,583</u> |

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

| Totals for the<br>Year Ended<br>(Memorandum Only)<br>Primary Government |         | Component<br>Units | Totals for the<br>Year Ended<br>(Memorandum Only)<br>Reporting Entity |               |
|---|---------|--------------------|---|---------------|
| 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     |



## Pension Trust Funds

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

*(Amounts Expressed in Thousands)*

|   | <b>Public<br/>Employees'<br/>Retirement<br/>System</b> | <b>Mississippi<br/>Highway<br/>Safety Patrol<br/>Retirement<br/>System</b> | <b>Municipal<br/>Retirement<br/>Systems</b> |
|---|--|--|---|
| <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)<br>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<br>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          |                   |               |
| \$ 4,137 \$ 9,705,486 \$ 8,366,546 |                   |               |



## University Funds

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

*(Amounts Expressed in Thousands)*

|   | <b>Current Funds</b> |            |           |                       |
|---|----------------------|------------|-----------|-----------------------|
|   | Unrestricted         | Restricted | Loan      | Endowment and Similar |
| <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.

| Plant Funds |                                 |                                  |                        | Totals for the Year Ended<br>(Memorandum Only) |               |
|-------------|---------------------------------|----------------------------------|------------------------|--|---------------|
| Unexpended  | Renewals<br>and<br>Replacements | Retirement<br>of<br>Indebtedness | Investment<br>in Plant | June 30, 1996                                  | June 30, 1995 |
| \$          | \$                              | \$                               | \$                     | \$   | \$            |
| 397         |                                 | 320                              |                        | 572,700  | 550,226       |
| 7,714       |                                 | 10                               |                        | 841  | 1,055         |
|             |                                 |                                  |                        | 159,047  | 164,236       |
|             |                                 | 135                              |                        | 19,494   | 13,160        |
| 4,691       | 12                              | 2                                |                        | 1,365  | 1,456         |
| 1           |                                 |                                  |                        | 34,949   | 39,895        |
| 4,993       | 402                             | 688                              |                        | 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           |
| 19,549      | 518                             | 2,462                            | 155,366                | 5,298  | 4,604         |
|             |                                 |                                  |                        | 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<br>(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<br>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           |
| <b>Total Current Revenues</b>                            | <b>572,700</b>   | <b>190,405</b> | <b>763,105</b>                                 | <b>730,905</b>   |
| <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           |
| <b>Educational and General Expenditures</b>              | <b>629,763</b>   | <b>197,466</b> | <b>827,229</b>                                 | <b>797,035</b>   |
| 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               |
| <b>Total Educational and General Expenditures</b>        | <b>648,704</b>   | <b>189,847</b> | <b>838,551</b>                                 | <b>808,611</b>   |
| 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              |
| <b>Total Auxiliary Enterprises</b>                       | <b>120,944</b>   | <b>560</b>     | <b>121,504</b>                                 | <b>121,436</b>   |
| Hospital operations expenditures                         | 170,488          |                | 170,488  | 154,881          |
| Independent operations expenditures                      | 1,463            |                | 1,463  | 1,508            |
| <b>Total Expenditures and Mandatory Transfers</b>        | <b>941,599</b>   | <b>190,407</b> | <b>1,132,006</b>                               | <b>1,086,436</b> |
| <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)         |
| <b>Net Increase in Fund Balances</b>                     | <b>\$ 23,593</b> | <b>\$ 208</b>  | <b>\$ 23,801</b>                               | <b>\$ 39,628</b> |

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



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

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.





**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.



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



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)         |

|         | Debt<br>Service | Capital<br>Projects | Enterprise | Internal<br>Service | Expendable<br>Trust | Non-<br>Expendable<br>Trust | Pension<br>Trust | Component<br>Unit<br>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<br/>Government</b> | <b>Component<br/>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<br/>Projects</b> | <b>Enterprise</b> | <b>Internal<br/>Service</b> | <b>General Fixed<br/>Assets</b> | <b>Component<br/>Units</b> |
|--|-----------------------------|-------------------|-----------------------------|---------------------------------|----------------------------|
| Fund Equity at June 30, 1995<br>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.

**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> |                     |
| <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.



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):

|   | Category            |                   |                     | Carrying Value       | Market Value         |
|---|---------------------|-------------------|---------------------|----------------------|----------------------|
|   | 1                   | 2                 | 3                   |                      |                      |
| 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> | <u>11,663,948</u>    | <u>11,663,505</u>    |
| 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                  | 362,851    |                 |              |                  |            |                  | 25,027           | 387,878                  |                 |
| 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                       | 431,450    | 4,795           | 202          | 284              | 2,805      | 3,846            | 266,051          | 709,433                  | 295,780         |
| Allowance for uncollectible receivables | 7,396      | 6               |              |                  | 10         |                  | 1,833            | 9,245                    | 242,519         |
| Receivables, net                        | \$ 424,054 | \$ 4,789        | \$ 202       | \$ 284           | \$ 2,795   | \$ 3,846         | \$ 264,218       | \$ 700,188               | \$ 53,261       |



## 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<br>Fund | Special<br>Revenue | Debt<br>Service | Enterprise | Total<br>Primary<br>Government | Component<br>Unit<br>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<br>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<br>July 1, 1995 | Additions         | Deletions        | Balance<br>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<br>Authorization | Expended<br>To Date | Outstanding<br>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<br>Service | Trust and<br>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 | <u>20,980</u>    | <u>10,804</u>       | <u>2,742</u>        |
| 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<br>Component<br>Units | Total<br>Component<br>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 |                     | <u>12,972</u>               | <u>12,972</u>               |
| 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):

| Year Ending<br>June 30 | Principal           | Interest          | Total               |
|------------------------|---------------------|-------------------|---------------------|
| 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):

| Year Ending<br>June 30 | Principal       | Interest      | Total           |
|------------------------|-----------------|---------------|-----------------|
| 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<br>Outstanding | Interest<br>Rates | Final<br>Maturity<br>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<br>Enterprise |               |                 | Component<br>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<br>June 30                      | Internal<br>Service | General<br>Long-term<br>Obligations | Total<br>Primary<br>Government | Component<br>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<br>Obligation<br>Bonds<br>(Note 9) | Capital<br>Lease<br>Obligations<br>(Note 11) | Accrued<br>Compensated<br>Absences<br>(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):

| <b>Purpose</b>                                       | <b>Authorized<br/>Bonds</b> | <b>Authorized<br/>But<br/>Unissued</b> |
|--|-----------------------------|--|
| <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                                 |
|  | <u>2,240,780</u>            | <u>1,257,651</u>                       |
| <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                                 |
|  | <u>262,500</u>              | <u>260,300</u>                         |
| <b>Revenue Bonds:</b>                                |                             |  |
| Mississippi Fair Commission                          | 4,000                       | 1,525                                  |
| Veterans' Home Purchase Board                        | 20,000                      | 20,000                                 |
| Seed Laboratory                                      | 800                         | 800                                    |
|  | <u>24,800</u>               | <u>22,325</u>                          |
|  | <u>\$ 2,528,080</u>         | <u>\$ 1,540,276</u>                    |

## 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):

|                                       | <b>Fair<br/>Commission<br/>(a)</b> | <b>Veterans'<br/>Home Purchase<br/>Board<br/>(b)</b> | <b>Veterans'<br/>Memorial<br/>Stadium<br/>Commission<br/>(c)</b> | <b>Port<br/>Authority<br/>at Gulfport<br/>(d)</b> |
|---------------------------------------|------------------------------------|--|--|---|
| 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  |

|                                       | <b>Department of<br/>Agriculture<br/>and Commerce</b> | <b>Department of Corrections</b> |            |                                       |  |
|---------------------------------------|---|----------------------------------|------------|---------------------------------------|--|
|                                       | Farmers'<br>Central<br>Market Board                   | Restaurants                      | Commissary | Prison<br>Agricultural<br>Enterprises |  |
|                                       | (g)   | (h)                              | (i)        | (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   |                                  | 1          | 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> |
|--|--|

|  |        | <u>Department of<br/>Rehabilitation<br/>Services</u> |         |
|--|--------|--|---------|
| <b>Yellow Creek<br/>Inland Port<br/>Authority</b><br>(e) |        | Allied<br>Enterprises<br>(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   |

| <u>Forestry<br/>Commission</u> |                  | <u>Department of<br/>Finance and<br/>Administration</u> |                                  | <b>Total</b> |
|--------------------------------|------------------|---|----------------------------------|--------------|
| (k)                            | Tree<br>Seedling | (l)   | Office of<br>Surplus<br>Property |              |
| \$                             | 10               | \$  | 857                              | \$ 36,433    |
|                                |                  |   | 41                               | 3,297        |
|                                | (33)             |   | 34                               | 5,600        |
|                                |                  |   |                                  | 10,961       |
|                                |                  |   |                                  | (258)        |
|                                |                  |   |                                  | 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   |
| Total                        | 753       | 144,003 |

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    |       |
| Total retired/terminated member | 36,382 | 97,907  | 134,289 | 539    | 2,207 | 110  |       |
| Active employees:               |        |         |         |        |       |      |       |
| Vested                          | 29,169 | 61,872  | 91,041  | 454    | 375   | 110  | 1,186 |
| Nonvested                       | 16,968 | 35,994  | 52,962  | 131    | 109   | 65   |       |
| Total active employees          | 46,137 | 97,866  | 144,003 | 585    | 484   | 175  | 1,186 |
| Total participants              | 82,519 | 195,773 | 278,292 | 1,124  | 2,691 | 285  | 1,186 |

\*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):

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability(AAL) Entry Age (b) | Unfunded AAL(UAAL) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|--|--------------------------|--------------------|----------------------------|---|
| <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):

|  | PERS         | MHSPRS     | MRS        | SLRP     |
|--|--------------|------------|------------|----------|
| 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):

|   | PERS |            | MHSPRS |         | MRS* |         | SLRP |       | TOTAL |            |
|---|------|------------|--------|---------|------|---------|------|-------|-------|------------|
| 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<br/>Ending</b> | <b>Annual<br/>Pension<br/>Cost(APC)</b> | <b>Percentage<br/>of APC<br/>Contributed</b> | <b>Net<br/>Pension<br/>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<br>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.



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

|  | <b>Health and Life</b> |                    | <b>Unemployment</b> |           | <b>Workers'</b>     | <b>Total Risk</b>      |  |
|--|------------------------|--------------------|---------------------|-----------|---------------------|------------------------|--|
|  | <b>Benefits</b>        | <b>Tort Claims</b> | <b>Benefits</b>     |           | <b>Compensation</b> | <b>Management Fund</b> |  |
|  | <b>Benefits</b>        |                    | <b>Benefits</b>     |           | <b>Benefits</b>     |                        |  |
| <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

|  | <b>Governmental Fund Types</b>       |  |           | <b>Proprietary Fund Types</b>               |           |              |              | <b>University</b> | <b>Total</b> |
|--|--------------------------------------|--|-----------|---|-----------|--------------|--------------|-------------------|--------------|
|  | Pat Harrison<br>Waterway<br>District | Pearl River<br>Valley Water<br>Supply District | Other     | Mississippi<br>Coast Coliseum<br>Commission | Other     |              |              |                   |              |
| <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 |                   |              |



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

|   | Pat Harrison<br>Waterway<br>District | Pearl River<br>Valley Water<br>Supply District | Other    | Total    |
|---|--------------------------------------|--|----------|----------|
| 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<br>(under) expenditures | (715)                                | 435  | 310      | 30       |
| Net income from proprietary<br>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<br>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

|                                 | Mississippi<br>Coast<br>Coliseum<br>Commission | Other    | Total     |
|---------------------------------|--|----------|-----------|
| 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.



## General Fund

### Balance Sheet June 30, 1996

(Amounts Expressed in Thousands)

|   | June 30, 1996 | June 30, 1995 |
|---|---------------|---------------|
| <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           |
| Total Assets  | \$ 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       |
| Total Liabilities   | 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       |
| Total Fund Balance  | 1,813,442     | 1,733,189     |
| Total Liabilities and Fund Balance                        | \$ 2,693,215  | \$ 2,527,774  |



## 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<br>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  |

## General Fund

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

(Amounts Expressed in Thousands)

|  | For the Year Ended |               |
|--|--------------------|---------------|
|  | June 30, 1996      | June 30, 1995 |
| <b>General Government:</b>   |                    |               |
| Legislative (includes Legislative Budget Office<br>and Legislative Office of Performance<br>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         |
| Division 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  |



## Special Revenue Funds

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>          | <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.   |
| <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>        | <b>Employment Services Fund</b> - accounts for monies received from the federal government for administering the Unemployment Compensation Act.  |
| <b>Department of Mental Health</b>           | <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. |

### Law, Justice and Public Safety

|                                  |  |
|----------------------------------|--|
| <b>Department of Corrections</b> | <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. |
|----------------------------------|--|

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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> | <p><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.</p> <p><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.</p> |
|----------------------------|---|

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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> | <p><b>Community Development Fund</b> - accounts for federal grant monies received to provide various community development programs including job development and training.</p> <p><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.</p> |
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|  |   |
|--|---|
| <b>Department of Wildlife, Fisheries and Parks</b> | <p><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.</p> <p><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.</p> <p><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.</p> |
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|---------------------------------------|--|
| <b>Department of Marine Resources</b> | <b>Marine Resources Fund</b> - 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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|                                  |  |
|----------------------------------|--|
| <b>Public Service Commission</b> | <b>Public Service Commission Fund</b> - 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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|   |  |
|---|--|
| <b>Workers' Compensation Commission</b> | <b>Workers' Compensation Commission Fund</b> - 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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|   |  |
|---|--|
| <b>Department of Banking and Consumer Finance</b> | <b>Banking and Consumer Finance Fund</b> - 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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|                          |   |
|--------------------------|---|
| <b>Oil and Gas Board</b> | <b>Oil and Gas Board Fund</b> - 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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|                                  |   |
|----------------------------------|---|
| <b>Other Regulatory Agencies</b> | <b>Other Regulatory Agencies Fund</b> - 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)

|   | Health<br>and Social<br>Services | Law, Justice<br>and Public<br>Safety | Recreation<br>and Resources<br>Development |
|---|----------------------------------|--------------------------------------|--|
| <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>Regulation of<br/>Business and<br/>Professions</b> |        | <b>Totals</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         |
| \$  | 33,717 | \$ 165,047    | \$ 162,351    |
| <hr/>   |        |               |               |
| \$  | 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        |
| <hr/>   |        |               |               |
|   | 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       |
| \$  | 33,717 | \$ 165,047    | \$ 162,351    |

## 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<br/>Social<br/>Services</b> | <b>Law, Justice<br/>and Public<br/>Safety</b> | <b>Recreation<br/>and Resources<br/>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)<br>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<br>Business and<br>Professions | <b>Totals for the Year Ended</b> |               |
|--|----------------------------------|---------------|
|  | 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    |

## Special Revenue Funds

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

*(Amounts Expressed in Thousands)*

|                                     | <u>Department of<br/>Human Services</u> | <u>Department of<br/>Rehabilitation Services</u> |                             |
|-------------------------------------|---|--|-----------------------------|
|                                     | Community<br>Services                   | Rehabilitation<br>Services                       | Disability<br>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<br>Services | Alcohol<br>Abuse Program | Social<br>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<br/>Human Services</u> | <u>Department of<br/>Rehabilitation Services</u> | <u>Employment<br/>Security<br/>Commission</u> |                        |
|--|---|--|---|------------------------|
|  | Community<br>Services                   | Rehabilitation<br>Services                       | Disability<br>Determination                   | Employment<br>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<br>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               |

| <b>Department of Mental Health</b> |                    | <b>Totals for the Year Ended</b> |               |
|------------------------------------|--------------------|----------------------------------|---------------|
| Alcohol<br>Abuse Program           | Social<br>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      |

## Special Revenue Funds

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

*(Amounts Expressed in Thousands)*

|  | <u>Attorney<br/>General</u> |    | <u>Department of Corrections</u> |                                   | <u>Department of<br/>Public Safety</u> |
|--|-----------------------------|----|----------------------------------|-----------------------------------|--|
|  | Medicaid<br>Fraud           |    | Community<br>Services            | Inmate<br>Welfare and<br>Training | Public Safety<br>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                                   | \$ 40                       | \$ | 1,343                            | \$ 2,735                          | \$ 5,512                               |
| <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                              | 42                          |    | 56                               | 78                                | 1,838                                  |
| <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)                  | (2)                         |    | 1,287                            | 2,657                             | 3,674                                  |
| Total Liabilities and Fund Balances            | \$ 40                       | \$ | 1,343                            | \$ 2,735                          | \$ 5,512                               |

| <b>Military Department</b>                 |                           |                         |          | <b>Totals</b> |               |  |
|--|---------------------------|-------------------------|----------|---------------|---------------|--|
| National Guard<br>Facility and<br>Training | Camp Shelby<br>Operations | Emergency<br>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     |  |

## 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)*

|  | Attorney<br>General | Department of Corrections |                                   | Department of<br>Public Safety |
|--|---------------------|---------------------------|-----------------------------------|--------------------------------|
|  | Medicaid<br>Fraud   | Community<br>Services     | Inmate<br>Welfare and<br>Training | Public Safety<br>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<br>(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                       |

| <b>Military Department</b> |          |                           |                         |           | <b>Totals for the Year Ended</b> |               |
|----------------------------|----------|---------------------------|-------------------------|-----------|----------------------------------|---------------|
| National Guard             |          | Camp Shelby<br>Operations | Emergency<br>Management | Other     | June 30, 1996                    | June 30, 1995 |
| Facility and<br>Training   |          |                           |                         |           |                                  |               |
| \$                         | \$       | \$                        | 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                            |               |
|                            |          | (5,949)                   |                         |           | 3,216                            | 12,704        |
|                            |          |                           |                         |           | (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)

|   | Department of<br>Agriculture<br>and Commerce |                          | Department of Economic and<br>Community Development |        |   | Department of<br>Finance and<br>Administration |  |
|---|--|--------------------------|---|--------|---|--|--|
|   | Rice and<br>Soybean<br>Promotion             | Community<br>Development | Energy<br>Conservation                              | Other  | Court<br>Assessments<br>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  |  |



| Department of Wildlife, Fisheries and Parks |                         |                  |          |                                      | Totals   |           |           |               |               |
|---|-------------------------|------------------|----------|--------------------------------------|----------|-----------|-----------|---------------|---------------|
|   |                         |                  |          | Department<br>of Marine<br>Resources | Other    |           |           | June 30, 1996 | June 30, 1995 |
| Fisheries<br>and Wildlife                   | Parks and<br>Recreation | Motor<br>Vehicle | Other    |                                      |          |           |           |               |               |
| \$ 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     |               |               |
| \$ 18,374                                   | \$ 3,466                | \$ 1,018         | \$ 6,687 | \$ 4,922                             | \$ 1,187 | \$ 75,543 | \$ 73,036 |               |               |
| \$ 1,375                                    | \$ 594                  | \$ 311           | \$ 40    | \$ 57                                | \$       | \$ 3,951  | \$ 2,427  |               |               |
| 985   | 351                     |                  |          | 97                                   |          | 2,464     | 3,456     |               |               |
|   |                         |                  |          |                                      |          | 2,153     | 2,880     |               |               |
| 144   | 58                      |                  |          | 7                                    |          | 1,274     | 2,542     |               |               |
| 102   |                         |                  |          |                                      |          | 145       | 541       |               |               |
| 1,055                                       |                         | 59               |          | 540                                  |          | 5,351     | 3,819     |               |               |
| 3,661                                       | 1,003                   | 370              | 40       | 701                                  |          | 15,338    | 15,665    |               |               |
| 933   | 75                      |                  |          | 2                                    |          | 1,070     | 4,110     |               |               |
| 142   | 437                     |                  |          |                                      |          | 579       | 357       |               |               |
|   |                         |                  |          |                                      |          | 847       | 1,123     |               |               |
|   |                         |                  |          |                                      |          | 6,952     | 6,973     |               |               |
|   |                         |                  |          |                                      |          | 3,765     | 2,567     |               |               |
| 13,638                                      | 1,951                   | 648              | 6,647    | 4,219                                | 1,187    | 46,992    | 42,241    |               |               |
| 14,713                                      | 2,463                   | 648              | 6,647    | 4,221                                | 1,187    | 60,205    | 57,371    |               |               |
| \$ 18,374                                   | \$ 3,466                | \$ 1,018         | \$ 6,687 | \$ 4,922                             | \$ 1,187 | \$ 75,543 | \$ 73,036 |               |               |



## 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<br>Agriculture<br>and Commerce | Department of Economic and<br>Community Development |                        |        | Department of<br>Finance and<br>Administration |
|--|--|---|------------------------|--------|--|
|  | Rice and<br>Soybean<br>Promotion             | Community<br>Development                            | Energy<br>Conservation | Other  | Court<br>Assessments<br>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<br>(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<br>(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                                       |

| Department of Wildlife, Fisheries and Parks |                      |               |          |                                | Totals for the Year Ended |               |               |  |
|---|----------------------|---------------|----------|--------------------------------|---------------------------|---------------|---------------|--|
| 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)*

|                                     | Public Service<br>Commission | Workers'<br>Compensation<br>Commission | Department of<br>Banking and<br>Consumer Finance |
|-------------------------------------|------------------------------|--|--|
| <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   |

|                          |                                  | <b>Totals</b> |               |               |
|--------------------------|----------------------------------|---------------|---------------|---------------|
| <b>Oil and Gas Board</b> | <b>Other Regulatory Agencies</b> |               | 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         |               |
| \$ 1,434                 | \$ 8,277                         | \$ 33,717     | \$ 32,061     |               |
|                          |                                  |               |               |               |
| \$ 144                   | \$ 230                           | \$ 1,098      | \$ 897        |               |
| 9                        | 235                              | 572           | 402           |               |
| 9                        | 84                               | 150           | 97            |               |
|                          | 7                                | 7             |               |               |
|                          | 65                               | 65            | 104           |               |
|                          |                                  | 143           | 192           |               |
| 162                      | 621                              | 2,035         | 1,692         |               |
|                          |                                  |               |               |               |
| 29                       | 68                               | 258           | 497           |               |
| 1,243                    | 7,588                            | 31,424        | 29,872        |               |
| 1,272                    | 7,656                            | 31,682        | 30,369        |               |
| \$ 1,434                 | \$ 8,277                         | \$ 33,717     | \$ 32,061     |               |

## 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<br/>Commission</b> | <b>Workers'<br/>Compensation<br/>Commission</b> | <b>Department of<br/>Banking and<br/>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<br>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> |                      |
|--------------------------|----------------------------------|----------------------------------|----------------------|
| <b>Oil and Gas Board</b> | <b>Other Regulatory Agencies</b> | <b>June 30, 1996</b>             | <b>June 30, 1995</b> |
| \$ 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.

## 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)*

|  | 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<br>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<br>Sources under Expenditures<br>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.

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## 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)

|  | For the Year Ended |               |
|--|--------------------|---------------|
|  | 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<br>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    |

## Enterprise Funds

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

|  |  |
|--|--|
| <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. |
| <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.  |
| <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.   |
| <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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|   |  |
|---|--|
| <b>Yellow Creek<br/>Inland Port Authority</b> | <b>Yellow Creek Inland Port Authority Fund</b> - 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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|  |   |
|--|---|
| <b>Department of<br/>Rehabilitation Services</b> | <b>Allied Enterprises Fund</b> - 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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|   |  |
|---|--|
| <b>Department of<br/>Agriculture and Commerce</b> | <b>Farmers' Central Market Board Fund</b> - 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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|                                  |   |
|----------------------------------|---|
| <b>Department of Corrections</b> | <p><b>Restaurants Fund</b> - accounts for operations of two restaurants maintained for the convenience of Department of Corrections penitentiary employees.</p> <p><b>Commissary Fund</b> - accounts for operations of the commissary. Profits are used for the special benefit of the penitentiary's residents.</p> <p><b>Prison Agricultural Enterprises Fund</b> - accounts for a farming operation. Revenue sources include proceeds from the sale of garden produce and firewood and rental income from leased land.</p> |
|----------------------------------|---|

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|                            |  |
|----------------------------|--|
| <b>Forestry Commission</b> | <b>Tree Seedling Fund</b> - accounts for the production or purchase of forest tree seedlings for resale to Mississippi landowners. |
|----------------------------|--|

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|   |   |
|---|---|
| <b>Department of Finance<br/>and Administration</b> | <b>Office of Surplus Property Fund</b> - 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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## All Enterprise Funds

### Combining Balance Sheet June 30, 1996

(Amounts Expressed in Thousands)

|   | Fair<br>Commission | Veterans'<br>Home<br>Purchase<br>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                              |



|  |                                  |  | Department of<br>Rehabilitation<br>Services |          | Totals        |               |  |  |
|--|----------------------------------|--|---|----------|---------------|---------------|--|--|
| Veterans'<br>Memorial<br>Stadium<br>Commission | Port<br>Authority<br>at Gulfport | Yellow Creek<br>Inland Port<br>Authority | Allied<br>Enterprises                       | Other    | June 30, 1996 | June 30, 1995 |  |  |
| \$ 210   | \$ 7,395                         | \$ 842                                   | \$ 1,764                                    | \$ 2,784 | \$ 26,565     | \$ 21,491     |  |  |
| 136  | 5,237                            | 3,009                                    |   |          | 8,382         | 8,473         |  |  |
|  | 886                              | 125                                      | 897   | 118      | 2,206         | 1,773         |  |  |
|  | 123                              | 21                                       |   |          | 589           | 479           |  |  |
|  | 36                               |  |   | 114      | 165           | 133           |  |  |
|  |                                  |  | 116   | 139      | 267           | 166           |  |  |
|  |                                  |  |   | 2        | 2             | 16            |  |  |
|  |                                  |  | 271   | 418      | 689           | 579           |  |  |
|  | 547                              | 31                                       |   |          | 578           | 19            |  |  |
|  |                                  |  |   |          | 3,387         | 3,149         |  |  |
| 346  | 14,224                           | 4,028                                    | 3,048                                       | 3,575    | 42,830        | 36,278        |  |  |
|  | 715                              |  |   |          | 715           | 1,144         |  |  |
|  | 6,743                            |  |   |          | 6,743         | 8,556         |  |  |
|  | 4                                |  |   |          | 4             |               |  |  |
|  | 7,462                            |  |   |          | 7,462         | 9,700         |  |  |
|  |                                  |  |   |          | 80,784        | 76,768        |  |  |
| 143  | 7,047                            | 2,002                                    |   | 138      | 10,275        | 10,275        |  |  |
| 1,579  | 47,079                           | 6,163                                    |   | 942      | 59,903        | 52,136        |  |  |
| 177  | 2,365                            | 1,209                                    |   | 1,864    | 5,758         | 4,806         |  |  |
|  | 4,094                            | 589                                      |   | 1,729    | 6,412         | 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   | \$ 1,040                         | \$ 66                                    | \$ 185                                      | \$ 316   | \$ 1,401      | \$ 954        |  |  |
| 24   |                                  |  |   | 393      | 2,514         | 2,881         |  |  |
| 4  |                                  |  | 3   | 80       | 87            | 62            |  |  |
|  | 3,626                            |  |   | 261      | 405           | 388           |  |  |
|  | 400                              |  | 228   |          | 3,626         | 3,469         |  |  |
|  |                                  |  |   |          | 80            | 75            |  |  |
|  |                                  |  |   |          | 630           | 1,740         |  |  |
|  |                                  |  |   | 105      | 105           | 121           |  |  |
|  |                                  |  |   | 106      | 106           | 118           |  |  |
| 37   | 5,066                            | 66                                       | 416   | 1,261    | 8,954         | 9,808         |  |  |
|  |                                  |  |   |          |               | 262           |  |  |
|  |                                  |  |   |          |               | 511           |  |  |
|  | 133                              |  |   |          | 133           | 132           |  |  |
|  | 133                              |  |   |          | 133           | 905           |  |  |
|  |                                  | 9,401                                    |   |          | 9,401         | 9,445         |  |  |
|  | 400                              |  |   |          | 400           |               |  |  |
|  | 35,485                           |  |   |          | 35,485        | 39,111        |  |  |
|  |                                  |  |   |          | 1,045         | 1,125         |  |  |
|  |                                  |  |   | 158      | 158           | 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        |  |  |
|  | 462                              |  |   |          | 462           | 456           |  |  |
| (962)  | 27,726                           | 3,333                                    | 2,632                                       | 6,815    | 130,412       | 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<br>Commission | Veterans'<br>Home<br>Purchase<br>Board | Veterans'<br>Memorial<br>Stadium<br>Commission | Port<br>Authority<br>at Gulfport |
|---|--------------------|--|--|----------------------------------|
| <b>Operating Revenues:</b>                      |                    |  |  |                                  |
| Charges for sales and services                  | \$ 3,421           | \$ 5,553                               | \$ 996   | \$ 13,445                        |
| Interest  |                    |  |  |                                  |
| 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  |                    |  |  |                                  |
| Loss due to employee fraud                      | 107                |  |  | 1,921                            |
| 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<br/>Inland Port<br/>Authority</b> | <b>Allied<br/>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               |
|   |                               |              |                      |                      |
| 291   | 6,295                         | 3,005        | 9,300                | 9,373                |
| 98  | 4,816                         | 1,693        | 10,092               | 9,637                |
| 37  | 1,168                         | 679          | 6,877                | 7,061                |
| 406   | 42                            | 476          | 1,023                | 999                  |
|   |                               | 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                |
|   |                               |              |                      |                      |
| 95  |                               | 3            | 3                    | 5                    |
|   |                               |              | 95                   | 18                   |
| 170   | 36                            | 15           | 905                  | 917                  |
|   |                               |              | 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<br>Commission | Veterans'<br>Home<br>Purchase<br>Board | Veterans'<br>Memorial<br>Stadium<br>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   |

|   |   | <u>Department of<br/>Rehabilitation<br/>Services</u> |              | <u>Totals for the Year Ended</u> |               |  |
|---|---|--|--------------|----------------------------------|---------------|--|
| <b>Port<br/>Authority<br/>at Gulfport</b> | <b>Yellow Creek<br/>Inland Port<br/>Authority</b> | Allied<br>Enterprises                                | <b>Other</b> | June 30, 1996                    | June 30, 1995 |  |
| \$ 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     |  |

(Continued on Next Page)

## All Enterprise Funds

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

(Continued from Previous Page)

(Amounts Expressed in Thousands)

|   | Fair<br>Commission | Veterans'<br>Home<br>Purchase<br>Board | Veterans'<br>Memorial<br>Stadium<br>Commission | Port<br>Authority<br>at Gulfport |
|---|--------------------|--|--|----------------------------------|
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by<br/>(Used for) Operating Activities:</b> |                    |  |  |                                  |
| Operating income (loss)   | \$ 252             | \$ 5,048                               | \$ (416)                                       | \$ 7,300                         |
| Adjustments to reconcile operating income (loss) to net cash<br>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<br>Rehabilitation<br>Services |                       |          | Totals for the Year Ended |               |
|---|-----------------------|----------|---------------------------|---------------|
| Yellow Creek<br>Inland Port<br>Authority    | Allied<br>Enterprises | Other    | June 30, 1996             | June 30, 1995 |
| \$ (34)                                     | \$ (5,797)            | \$ (753) | \$ 5,600                  | \$ 4,166      |
| 406   |                       | 290      | 3,297                     | 3,023         |
| (47)  | (123)                 | (22)     | (431)                     | 120           |
|   |                       | (5)      | (50)                      | (8)           |
|   |                       | (71)     | (32)                      | 39            |
|   | (6)                   | (89)     | (89)                      | 10            |
|   | (4)                   | (104)    | (108)                     | (105)         |
| (13)  | 1                     |          | (559)                     | (17)          |
|   |                       |          | (4,254)                   | (9,217)       |
|   |                       | 56       | 183                       | 21            |
|   |                       | (21)     | 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)      |

## Other Enterprise Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

|   | <b>Department of<br/>Agriculture<br/>and Commerce</b> | <b>Department of Corrections</b> |            |                                       |
|---|---|----------------------------------|------------|---------------------------------------|
|   | Farmers'<br>Central<br>Market Board                   | Restaurants                      | Commissary | Prison<br>Agricultural<br>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                          |   | 11                               | 206        | 120                                   |
| Inventories                                       |   |                                  |            |                                       |
| Total Current Assets                              | 42  | 138                              | 643        | 2,248                                 |
| Land  | 38  |                                  |            |                                       |
| Buildings and improvements, net                   | 827   | 25                               |            | 1,620                                 |
| Machinery and equipment, net                      | 48  | 28                               | 59         | 1,729                                 |
| Construction in progress                          |   |                                  |            |                                       |
| 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<br>Commission | Department of<br>Finance and<br>Administration |                                  | Totals        |               |
|------------------------|--|----------------------------------|---------------|---------------|
|                        | Tree<br>Seedling                               | Office of<br>Surplus<br>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         |
|                        |  |                                  |               |               |
|                        | 9  | 540                              | 14<br>6,815   | 14<br>5,413   |
|                        | 9  | 540                              | 6,829         | 5,427         |
| \$                     | 9  | \$ 794                           | \$ 8,248      | \$ 6,909      |



## Other Enterprise Funds

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

*(Amounts Expressed in Thousands)*

|  | <b>Department of<br/>Agriculture<br/>and Commerce</b> | <b>Department of Corrections</b> |            |                                       |
|--|---|----------------------------------|------------|---------------------------------------|
|  | Farmers'<br>Central<br>Market Board                   | Restaurants                      | Commissary | Prison<br>Agricultural<br>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<br>Commission | Department of<br>Finance and<br>Administration |                                  | Totals for the Year Ended |               |
|------------------------|--|----------------------------------|---------------------------|---------------|
|                        | Tree<br>Seedling                               | Office of<br>Surplus<br>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                         |               |
|                        |  | 6                                | 15                        | 14            |
|                        |  |                                  |                           | 2             |
|                        |  | 9                                | 18                        | 16            |
|                        |  |                                  |                           | 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      |

## Other Enterprise Funds

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

*(Amounts Expressed in Thousands)*

|  | <b>Department of<br/>Agriculture<br/>and Commerce</b> | <b>Department of Corrections</b> |            |
|--|---|----------------------------------|------------|
|  | Farmers'<br>Central<br>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<br>Commission | Department of<br>Finance and<br>Administration | Totals for the Year Ended |               |
|---------------------------------------|------------------------|--|---------------------------|---------------|
| Prison<br>Agricultural<br>Enterprises | Tree<br>Seedling       | Office of<br>Surplus<br>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)

|   | Department of<br>Agriculture<br>and Commerce | Department of Corrections |            |
|---|--|---------------------------|------------|
|   | Farmers'<br>Central<br>Market Board          | Restaurants               | Commissary |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by (Used for) Operating Activities:</b> |  |                           |            |
| Operating income (loss)   | \$ (24)                                      | \$ 31                     | \$ 320     |
| Adjustments to reconcile operating income (loss) to net cash<br>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<br>Commission | Department of<br>Finance and<br>Administration | Totals for the Year Ended |               |
|---------------------------------------|------------------------|--|---------------------------|---------------|
| Prison<br>Agricultural<br>Enterprises | Tree<br>Seedling       | Office of<br>Surplus<br>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

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

#### 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.

#### 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.

#### 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.



## Internal Service Funds

### Combining Balance Sheet June 30, 1996

(Amounts Expressed in Thousands)

|   | <b>Personnel<br/>Board</b> | <b>Information<br/>Technology<br/>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                                      |

| Department of<br>Finance and<br>Administration |         | Totals        |               |
|--|---------|---------------|---------------|
| Risk<br>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)

|  | Personnel<br>Board | Information<br>Technology<br>Services |
|--|--------------------|---------------------------------------|
| <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<br>Finance and<br>Administration |                    | Totals for the Year Ended |               |
|--|--------------------|---------------------------|---------------|
|  | Risk<br>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)

|  | Personnel<br>Board | Information<br>Technology<br>Services |
|--|--------------------|---------------------------------------|
| <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<br>Finance and<br>Administration |               | Totals for the Year Ended |  |
|--|---------------|---------------------------|--|
| Risk<br>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

(Continued From Previous Page)

(Amounts Expressed in Thousands)

|   | Personnel<br>Board | Information<br>Technology<br>Services |
|---|--------------------|---------------------------------------|
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by<br/>(Used for) Operating Activities:</b> |                    |                                       |
| Operating income (loss)   | \$ 405             | \$ (19)                               |
| Adjustments to reconcile operating income (loss) to net cash<br>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<br>Finance and<br>Administration |         | Totals for the Year Ended |                   |
|--|---------|---------------------------|-------------------|
| Risk<br>Management                             |         | June 30, 1996             | June 30, 1995     |
| \$   | (7,625) | \$                        | (7,239) \$ 38,455 |
|  | 15      | 2,003                     | 1,942             |
|  | (3,014) | (2,821)                   | 167               |
|  |         | (30)                      | (5)               |
|  | 466     | 664                       | (578)             |
|  | (174)   | (669)                     | 660               |
|  | (50)    | 279                       | 1,655             |
|  |         | (1)                       | 2                 |
|  | 167     | (214)                     | 190               |
|  | 6,197   | 6,197                     | 31,949            |
|  | (442)   | (442)                     | 549               |
|  | 3,165   | 4,966                     | 36,531            |
| \$   | (4,460) | \$                        | (2,273) \$ 74,986 |

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## Trust and Agency Funds

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

### Significant Trust and Agency Funds Descriptions

#### Expendable Trust Funds

|                                       |   |
|---------------------------------------|---|
| <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. |
|---------------------------------------|---|

#### Nonexpendable Trust Funds

|                  |  |
|------------------|--|
| <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. |
|------------------|--|

#### Pension Trust Funds

|  |  |
|--|--|
| <b>Public Employees' Retirement System</b> | <p><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.</p> <p><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.</p> <p><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.</p> <p><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.</p> |
|--|--|

## 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             |                  |                      | Agency            | Totals               |                      |
|--|-------------------|------------------|----------------------|-------------------|----------------------|----------------------|
|  | Expendable        | Nonexpendable    | Pension              |                   | 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>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> |



## Expendable Trust Funds

### Combining Balance Sheet June 30, 1996

(Amounts Expressed in Thousands)

|                            | <b>Employment<br/>Security<br/>Commission</b> |        | <b>Totals</b> |               |
|----------------------------|---|--------|---------------|---------------|
|                            | Unemployment<br>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               | \$ 600,871                                    | \$ 835 | \$ 601,706    | \$ 589,004    |
| <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          | 8,175   | 809    | 8,984         | 8,412         |
| <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        | 592,696                                       | 26     | 592,722       | 580,592       |
| Total Liabilities and      |   |        |               |               |
| Fund Balances              | \$ 600,871                                    | \$ 835 | \$ 601,706    | \$ 589,004    |



## Expendable Trust Funds

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

*(Amounts Expressed in Thousands)*

|   | <u>Employment<br/>Security<br/>Commission</u> |       | <u>Totals for the Year Ended</u> |               |
|---|---|-------|----------------------------------|---------------|
|   | Unemployment<br>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<br>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<br>over Expenditures<br>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    |



## Nonexpendable Trust Funds

### Combining Balance Sheet June 30, 1996

(Amounts Expressed in Thousands)

|                                     | Treasurer                                    |        | Totals        |               |
|-------------------------------------|--|--------|---------------|---------------|
|                                     | Oil and Gas<br>Taxes on State-<br>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<br>Taxes on State-<br>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)*

|   | <u>Treasurer</u>                             |        | <u>Totals for the Year Ended</u> |               |
|---|--|--------|----------------------------------|---------------|
|   | Oil and Gas<br>Taxes on State-<br>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<br/>Cash Provided by Operating Activities:</b> |  |        |                                  |               |
| Operating income  | \$ 1,897                                     | \$ 105 | \$ 2,002                         | \$ 1,983      |
| Adjustments to reconcile operating income to net cash<br>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<br/>Employees'<br/>Retirement<br/>System</b> | <b>Mississippi<br/>Highway<br/>Safety Patrol<br/>Retirement<br/>System</b> | <b>Municipal<br/>Retirement<br/>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>                           |

| <b>Totals</b>       |       |               |               |
|---------------------|-------|---------------|---------------|
| <hr/>               |       |               |               |
| <b>Supplemental</b> |       |               |               |
| <b>Legislative</b>  |       |               |               |
| <b>Retirement</b>   |       |               |               |
| <b>Plan</b>         |       | June 30, 1996 | June 30, 1995 |
| <hr/>               |       |               |               |
| \$                  | 12    | \$ 200,582    | \$ 92,502     |
|                     |       | 260           | 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     |
| <hr/>               |       |               |               |
| \$                  | 4,137 | \$ 9,705,486  | \$ 8,366,546  |
| <hr/>               |       |               |               |

## Agency Funds

### Combining Balance Sheet June 30, 1996

*(Amounts Expressed in Thousands)*

|                                    | <b>Deferred<br/>Compensation<br/>Plan</b> | <b>Local<br/>Government<br/>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**

| <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/> \$ 3,130       | <hr/> \$ 338,987 | <hr/> \$ 285,882 |
|                      |                  |                  |
| \$ 13                | \$ 81            | \$ 31            |
|                      | 750              | 461              |
|                      | 7,799            | 9,043            |
| 299                  | 17,984           | 15,202           |
| 2,818                | 312,373          | 261,145          |
| <hr/> \$ 3,130       | <hr/> \$ 338,987 | <hr/> \$ 285,882 |



## 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<br>Equivalents | Investments | Receivables | Due from<br>Other<br>Funds | Commodity<br>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<br>Payable | Accounts<br>Payable<br>and Accruals | Due to Other<br>Governments | Due to<br>Other<br>Funds | Amounts Held<br>In Custody<br>for Others | Total<br>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.



## General Fixed Assets

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

(Amounts Expressed in Thousands)

|  | Land      | Buildings  | Improvements<br>Other Than<br>Buildings | Machinery<br>and<br>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<br>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<br>July 1, 1995 | Additions  | Deletions | Balance<br>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<br>July 1, 1995 | Additions  | Deletions | Balance<br>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.

---

**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

|                        |  |
|------------------------|--|
| <b>Current Funds</b>   | <p><b>Unrestricted Fund</b> - accounts for currently expendable resources which may be either designated or not designated by the universities for specific purposes.</p> <p><b>Restricted Fund</b> - accounts for resources restricted by the donor or external agency for a specific use or program.</p>   |
| <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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## Component Units

### Combining Balance Sheet

June 30, 1996

(Amounts Expressed in Thousands)

|   | Governmental Fund Types              |   |  |
|---|--------------------------------------|---|--|
|   | Pat Harrison<br>Waterway<br>District | Pearl River<br>Basin<br>Development<br>District | Pearl River<br>Valley Water<br>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<br>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                                      |

|   |        | Proprietary<br>Fund Types                      |   |  |              | Totals        |    |               |
|---|--------|--|---|--|--------------|---------------|----|---------------|
| Tombigbee River<br>Valley Water<br>Management<br>District |        | Mississippi<br>Coast<br>Coliseum<br>Commission | Mississippi<br>Business<br>Finance<br>Corporation | Mississippi<br>Prison<br>Industries<br>Corporation | University   | June 30, 1996 |    | June 30, 1995 |
| \$  | 2,370  | \$ 71  | \$ 2,768  | \$ 84  | \$ 243,130   | \$ 252,307    | \$ | 155,823       |
|   |        | 3,882  | 6,589   | 404  | 155,921      | 169,393       |    | 247,374       |
|   | 41     | 213  | 135   | 329  | 52,482       | 53,261        |    | 61,647        |
|   | 32     |  |   |  | 44,600       | 44,813        |    | 21,108        |
|   |        |  |   | 47   | 24,623       | 24,623        |    | 21,486        |
|   | 42     |  |   | 451  | 10,544       | 10,591        |    | 14,162        |
|   |        | 156  |   | 47   | 15,761       | 16,258        |    | 15,459        |
|   |        |  |   |  | 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        |    |               |
|   |        |  |   |  | 24,623       | 24,623        |    | 21,486        |
|   |        |  |   |  | 2,499        | 2,499         |    | 11,457        |
|   | 11     | 55   |   |  | 9,080        | 9,146         |    | 5,785         |
|   |        | 165  |   |  | 21,529       | 21,529        |    | 21,700        |
|   |        |  |   |  | 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 |  |   |  | 1,259,181    | 1,342,820     |    | 1,225,384     |
|   |        | 4,264  | 4,995   | 297  |              | 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     |



## Component Units

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

(Amounts Expressed in Thousands)

|  | Current Funds     |                  |                  | Endowment<br>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                    |
| <b>Total Assets</b>                        | <b>\$ 293,431</b> | <b>\$ 43,688</b> | <b>\$ 90,835</b> | <b>\$ 34,701</b>         |
| <b>Liabilities:</b>                        |                   |                  |                  |                          |
| Warrants payable                           | \$ 4,300          | \$               | \$               | \$                       |
| Accounts payable and accruals              | 82,342            | 5,493            |                  | 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               |                  |                  |                          |
| <b>Total Liabilities</b>                   | <b>119,203</b>    | <b>21,615</b>    | <b>41</b>        |                          |
| <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           |                  |                  |                          |
| <b>Total Fund Balances</b>                 | <b>174,228</b>    | <b>22,073</b>    | <b>90,794</b>    | <b>34,701</b>            |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 293,431</b> | <b>\$ 43,688</b> | <b>\$ 90,835</b> | <b>\$ 34,701</b>         |



| 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      | \$            |  |
|             |                           | 122                        |                     |             | 91,766        | 83,962        |  |
|             |                           |                            |                     |             | 24,623        | 21,484        |  |
|             |                           | 66                         |                     |             | 2,499         | 11,457        |  |
|             |                           |                            |                     |             | 21,529        | 21,700        |  |
|             |                           |                            | 1,440               |             | 1,440         | 2,165         |  |
|             |                           |                            | 127,460             |             | 127,460       | 130,627       |  |
|             |                           |                            | 8,521               |             | 8,521         | 6,680         |  |
|             |                           |                            |                     | 9,080       | 9,080         | 5,752         |  |
|             |                           |                            |                     | 239         | 497           | 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         |  |
|             | 14,042                    | 14,974                     |                     |             | 29,016        | 31,752        |  |
| 120,423     |                           |                            |                     |             | 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<br>Waterway<br>District | Pearl River<br>Basin<br>Development<br>District | Pearl River<br>Valley Water<br>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                                       |

|   |       | <b>Totals for the Year Ended</b> |               |
|---|-------|----------------------------------|---------------|
| Tombigbee River<br>Valley Water<br>Management<br>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      |

## Component Units

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

*(Amounts Expressed in Thousands)*

|                                       | <b>Proprietary Fund Types</b>                  |   |  |
|---------------------------------------|--|---|--|
|                                       | Mississippi<br>Coast<br>Coliseum<br>Commission | Mississippi<br>Business<br>Finance<br>Corporation | Mississippi<br>Prison<br>Industries<br>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    |
| <hr/>                |        | <hr/>                |        |
|                      | 5,966  |                      | 5,488  |
| <hr/>                |        | <hr/>                |        |
|                      | 1,444  |                      | 1,009  |
|                      | 4,635  |                      | 4,340  |
|                      | 655    |                      | 689    |
|                      | 2      |                      | 69     |
| <hr/>                |        | <hr/>                |        |
|                      | 6,736  |                      | 6,107  |
| <hr/>                |        | <hr/>                |        |
|                      | (770)  |                      | (619)  |
|                      | 1,239  |                      | 1,099  |
|                      | (52)   |                      | (67)   |
| <hr/>                |        | <hr/>                |        |
|                      | 417    |                      | 413    |
|                      | 32,537 |                      | 32,124 |
| <hr/>                |        | <hr/>                |        |
| \$                   | 32,954 | \$                   | 32,537 |
| <hr/>                |        | <hr/>                |        |



## Component Units

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

(Amounts Expressed in Thousands)

|  | <b>Proprietary Fund Types</b>                  |   |  |
|--|--|---|--|
|  | Mississippi<br>Coast<br>Coliseum<br>Commission | Mississippi<br>Business<br>Finance<br>Corporation | Mississippi<br>Prison<br>Industries<br>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**

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

*(Continued on Next Page)*

## Component Units

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

*(Amounts Expressed in Thousands)*

*(Continued from Previous Page)*

|   | Proprietary Fund Types                         |   |  |
|---|--|---|--|
|   | Mississippi<br>Coast<br>Coliseum<br>Commission | Mississippi<br>Business<br>Finance<br>Corporation | Mississippi<br>Prison<br>Industries<br>Corporation |
| <b>Reconciliation of Operating Income (Loss) to Net Cash<br/>Provided by (Used for) Operating Activities:</b> |  |   |  |
| Operating income (loss)   | \$ (1,054)                                     | \$ 187  | \$ 97  |
| Adjustments to reconcile operating income (loss) to net cash<br>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**

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

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## Statistical and Economic Data

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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.

## 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       |
| Total Expenditures - All Governmental Fund Types | \$ 6,768,601 | \$ 6,325,001 | \$ 5,589,955 | \$ 5,209,010 |

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      |
| Total Revenues - All Governmental Fund Types | \$ 7,077,046 | \$ 6,843,031 | \$ 6,283,854 | \$ 5,796,828 |

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       |
| Total Tax Revenues - All Governmental Fund Types | \$ 3,563,533 | \$ 3,351,746 | \$ 3,126,925 | \$ 2,859,833 |

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.

|    | 1992         | 1991         | 1990         | 1989         | 1988         | 1987      |
|----|--------------|--------------|--------------|--------------|--------------|-----------|
| \$ | 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 |

|    | 1992         | 1991         | 1990         | 1989         | 1988         | 1987      |
|----|--------------|--------------|--------------|--------------|--------------|-----------|
| \$ | 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 |

|    | 1992         | 1991         | 1990         | 1989         | 1988         | 1987      |
|----|--------------|--------------|--------------|--------------|--------------|-----------|
| \$ | 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 |



## 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><u>4,970,203</u></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<br>Year | Applicable<br>Governmental<br>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<br>Year |                       |    | Direct<br>Operating<br>Expenses (2) | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements |          |        |      | Coverage |
|----------------|-----------------------|----|-------------------------------------|--|---------------------------|----------|--------|------|----------|
|                | Gross<br>Revenues (1) |    |                                     |  | 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.

## Demographic Statistics

For the Last Ten Calendar Years

Table VIII

| Calendar Year | Population | Per Capita<br>Income<br>(Current \$) | Public School<br>Enrollment | Unemployment<br>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

| <i>(Amounts Expressed in Thousands)</i> |  |   |                                    |   |  |
|---|--|---|------------------------------------|---|--|
| Calendar Year                           | Gross State<br>Product<br>(Current \$) | Gross State<br>Product<br>(Inflation-<br>Adjusted \$) | Personal<br>Income<br>(Current \$) | Personal<br>Income<br>(Inflation-<br>Adjusted \$) | Average<br>Annual<br>Consumer<br>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





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

For the Last Ten Calendar Years

Table X

| Calendar Year | (Amounts Expressed in Thousands) |               |              | Individual IRS Collections | Median Household Disposable (Aftertax) Income |
|---------------|----------------------------------|---------------|--------------|----------------------------|---|
|               | Bank Deposits                    | Retail Sales  |              |                            |   |
| 1995          | \$ 23,960,825                    | \$ 25,796,258 | \$ 6,005,092 | \$                         | 24  |
| 1994          | 22,832,705                       | 24,059,806    | 5,426,511    |                            | 27  |
| 1993          | 20,493,525                       | 21,240,615    | 4,852,941    |                            | 25  |
| 1992          | 19,700,197                       | 19,778,000    | 4,480,498    |                            | 23  |
| 1991          | 19,068,256                       | 19,108,000    | 4,295,655    |                            | 22  |
| 1990          | 18,501,795                       | 18,631,000    | 4,149,090    |                            | 20  |
| 1989          | 17,219,683                       | 17,883,000    | 3,074,403    |                            | 18  |
| 1988          | 16,511,181                       | 17,207,000    | 3,477,964    |                            | 17  |
| 1987          | 15,829,544                       | 17,400,000    | 3,108,726    |                            | 17  |
| 1986          | 15,106,582                       | 16,202,000    | 2,648,968    |                            | 17  |

Source: Bank Deposits -- Mississippi Department of Banking and Consumer Finance  
 Retail Sales -- Years 1985-1986 -- Mississippi Econometric Model  
 Years 1987-1994 -- Mississippi State Tax Commission  
 Individual IRS Collections -- Internal Revenue Service  
 Median Household Disposable (Aftertax) Income -- Sales and Marketing Management, Survey of Buying Power, 1985-1994

## Population and Employment

For the Last Ten Calendar Years

Table XI

|                               | 1995      | 1994      | 1993      | 1992      | 1991      | 1990      | 1989      | 1988      | 1987      | 1986      |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 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 | 2,594,000 |
| 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 | 1,020,000 |
| Unemployed                    | 77,100    | 82,900    | 78,300    | 97,700    | 104,100   | 90,100    | 91,000    | 96,000    | 117,000   | 135,000   |
| 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 | 1,155,000 |
| Mississippi Unemployment Rate | 6.1%      | 6.6%      | 6.4%      | 8.2%      | 8.7%      | 7.6%      | 7.8%      | 8.4%      | 10.2%     | 11.7%     |
| U.S. Unemployment Rate        | 5.6%      | 6.1%      | 6.9%      | 7.5%      | 6.8%      | 5.6%      | 5.3%      | 5.5%      | 6.2%      | 7.0%      |

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                | 3,765               |
| International Paper Company    | 8                | 3,611               |
| Georgia-Pacific Corporation    | 19               | 3,401               |
| Sara Lee Corporation           | 4                | 3,384               |
| B. C. Rogers, Inc.             | 4                | 3,132               |
| Peavey Electronics Corporation | 4                | 2,901               |
| Sunbeam Corporation            | 6                | 2,634               |
| Interco Incorporated           | 4                | 2,612               |
| General Motors Corporation     | 5                | 2,605               |
| Lennox International           | 3                | 2,580               |
| Choctaw Maid Farms, Inc.       | 4                | 2,362               |
| MTD Products, Inc.             | 3                | 2,000               |
| Howard Industries              | 2                | 1,825               |
| Weyerhaeuser Company           | 7                | 1,762               |
| Delta Pride Catfish, Inc.      | 3                | 1,715               |
| 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               |
| Peco Foods, Inc.               | 3                | 1,535               |
| MagneTek, 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      |

## 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

| 1991/1992 | 1990/1991 | 1989/1990 | 1988/1989 | 1987/1988 | 1986/1987 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 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   |

| 1991/1992 | 1990/1991 | 1989/1990 | 1988/1989 | 1987/1988 | 1986/1987 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 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    |

| 1991/1992 | 1990/1991 | 1989/1990 | 1988/1989 | 1987/1988 | 1986/1987 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 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