
STATE OF
MISSISSIPPI
Annual Comprehensive Financial Report



FOR THE FISCAL YEAR ENDED JUNE 30, 2024



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State of Mississippi



Fiscal Year Ended June 30, 2024

Department of Finance and Administration

Post Office Box 267

Jackson, MS 39205

Liz Welch

Executive Director

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TATE REEVES
GOVERNOR



March 20, 2026

To the Members of the Legislature and fellow Mississippians:

As the 65th Governor of the great state of Mississippi, I present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2024. This report provides an overview of state government fiscal activity and accounting controls.

Mississippi's economy continues to break record after record. Since I've been governor, Mississippi has witnessed unprecedented levels of new capital investment, an all-time low unemployment rate multiple times, and thousands of high-paying jobs created in our state. In 2024, we finalized the then-largest economic development project in our state's history: a \$10 billion investment by Amazon Web Services to establish state-of-the-art data center complexes in Mississippi. On top of this, I was proud to announce the largest payroll commitment in Mississippi's history through a \$1.9 billion joint venture between Accelera by Cummins, Daimler Trucks & Buses, and PACCAR.

As Mississippi's economy reaches new heights, our state's momentum remains strong. The Mississippi Miracle continues, our state's graduation rate remains at an all-time high and above the national average, and students are learning more than ever before. Mississippi's historic performance is the result of our people. It is because of them that we've been able to achieve these remarkable accomplishments.

Thank you for your many contributions to Mississippi. Together, we will continue setting new records and improving the lives of the over three million people who call our state home. Mississippi's future is incredibly bright, and I look forward to working with you to achieve even more.

Sincerely,

A handwritten signature in blue ink, reading "Tate Reeves".

Tate Reeves
Governor



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Mississippi

Table of Contents

INTRODUCTION

Letter of Transmittal	5
Officials of State Government	8
Organization Chart	9
Certificate of Achievement for Excellence in Financial Reporting	10

FINANCIAL SECTION

Auditor's Report	12
Management's Discussion and Analysis	16

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Position	28
Statement of Activities	32

Governmental Funds Financial Statements	
Balance Sheet	34
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35
Statement of Revenues, Expenditures, and Changes in Fund Balances	36
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	37

Proprietary Funds Financial Statements	
Statement of Net Position	38
Statement of Revenues, Expenses, and Changes in Fund Net Position	42
Statement of Cash Flows	44

Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position	48
Statement of Changes in Fiduciary Net Position	49

Component Units Financial Statements	
Statement of Net position	50
Statement of Activities	52

Notes to Financial Statements	
Note 1 - Significant Accounting Policies	53
Note 2 - Other Accounting Disclosures	59
Note 3 - Interfund Transactions	61
Note 4 - Deposits and Investments	62
Note 5 - Receivables	76
Note 6 - Due From Other Governments	77
Note 7 - Loans and Notes Receivables	77
Note 8 - Capital Assets	78
Note 9 - Long-term general Obligations Bonds and Notes and Limited Obligation Bonds	82
Note 10 - Bonds Authorized But Unissued	85
Note 11 - Revenue Bonds and Notes	85
Note 12 - Other Long-term Liabilities	86
Note 13 - Changes in Long-term Liabilities	87
Note 14 - Leases	88
Note 15 - Retirement Plans	89
Note 16 - Other Postemployment Benefits	95
Note 17 - Commitments	98
Note 18 - Risk Management	99
Note 19 - Contingencies	100
Note 20 - Tax Abatements	101
Note 21 - Subsequent Events	102

Mississippi

Required Supplementary Information

Budgetary Comparison Schedule - Budget and Actual(Non-GAAP Basis) - All Budgetary Funds and Notes	104
Schedule of Employer Contribution - Mississippi Highway Safety Patrol Retirement System	108
Schedule of Employer Contributions - Supplemental Legislative Retirement System	110
Schedule of Employer Contributions - Public Employees' Retirement System	112
Schedule of Changes in the Net Pension Liability - Mississippi Highway Safety Patrol Retirement System	114
Schedule of Changes in the Net Pension Liability - Supplemental Legislative Retirement System	116
Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System	118
Notes to Required Supplementary Information - Mississippi Highway Safety Patrol Retirement System	120
Notes to Required Supplementary Information - Supplemental Legislative Retirement System	122
Notes to Required Supplementary Information - Public Employees' Retirement System	124
Schedule of the Proportionate Share of the Net OPEB Liability	126
Schedule of Employer Contributions OPEB	128
Notes to Required Supplementary Information State Life and Health Insurance OPEB Plan	130

Supplementary Information - Combining and Individual Fund Financial Statements and Supporting Schedules

Proprietary Funds	
Nonmajor Enterprise Funds	
Descriptions	133
Combining Statement of Net Position	134
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	136
Combining Statement of Cash Flows	138
Fiduciary Funds	
Descriptions	143
Pension and Other Employee Benefits Trust Funds	
Combining Statement of Fiduciary Net Position	144
Combining Statement of Changes in Fiduciary Net Position	146
Custodial Funds	
Combining Statement of Fiduciary Net Position	148
Combining Statement of Changes in Fiduciary Net Position	149
Nonmajor Component Units	
Descriptions	151
Combining Statement of Net Position	152
Combining Statement Activities	154

STATISTICAL SECTION

Statistical Section	157
Table 1 - Net Position by Component	158
Table 2 - Changes in Net Position	160
Table 3 - Fund Balances of Governmental Funds	164
Table 4 - Changes in Fund Balances of Governmental Funds	166
Table 5 - Taxable Sales by Industry	170
Table 6 - Sales Tax Revenue Payers by Industry	172
Table 7 - Ratios of Outstanding Debt by Type	174
Table 8 - Legal Debt Margin	176
Table 9 - Demographic and Economic Statistics	177
Table 10 - Employment by Industry	177
Table 11 - Public School Enrollment	178
Table 12 - Community and Junior College Enrollment	178
Table 13 - University Enrollment	178
Table 14 - Capital Asset Statistics by Function	180
Table 15 - State Government Employees by Function	182
Table 16 - Operating Indicators by Function	184

Mississippi

Introduction



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

**LIZ WELCH
EXECUTIVE DIRECTOR**

March 20, 2026

To Governor Reeves, Members of the Legislature, and Citizens of the State of Mississippi:

It is my pleasure to transmit to you the Annual Comprehensive Financial Report (ACFR) of the State of Mississippi for the year ended June 30, 2024, 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's management. This report was prepared in conformity with generally accepted accounting principles (GAAP).

State managers are responsible for establishing and maintaining internal controls to ensure that adequate accounting data is compiled to allow preparation of financial statements in conformity with GAAP. Because the cost of a control should not exceed the benefits likely to be derived, internal controls have been implemented to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements. I believe the information as presented is complete and accurate in all material respects.

Pursuant to Section 7-7-211(d), Mississippi Code Annotated (1972), the Office of the State Auditor has performed an audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, of the State's basic financial statements. An unmodified 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 a report on compliance and internal control over compliance on major federal program funds expended by state government. This report, along with the report on internal control over financial reporting and on compliance and other matters, will be published separately.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the Auditor's report.

Profile of the Government

Mississippi is named for the Mississippi River, which forms its western boundary and empties into the Gulf of Mexico. The name translated from Native American folklore means "Father of Waters." Mississippi was organized as a territory in 1798 and was admitted as the 20th State to the Union on December 10, 1817. The state's constitution separates the legal powers of state government into three distinct branches - the legislative, the executive, and the judicial.

The financial statements present information on the financial position and operations of state government as a single comprehensive reporting entity. The state's various agencies, commissions, departments, and boards that comprise the state's reporting entity are included in this report in accordance with criteria established by the Governmental Accounting Standards Board (GASB). The state's reporting entity is also comprised of its discretely presented component units for which the State is financially accountable. The criteria used in defining the State's reporting entity are fully discussed in Note 1 to the financial statements.

The state provides a full range of services to enhance and protect the lives of its citizenry. These services include among others: education; health and social services; public safety and justice; recreation and resource development and protection; business regulation; and highway construction and maintenance.

The Governor and Joint Legislative Budget Committee (JLBC) submit a budget based on revenue projections at the beginning of each legislative session for the upcoming fiscal year. The Legislature enacts the annual state budget through the passage of specific departmental appropriation bills. The Governor has the power to approve or veto each line item appropriation; however, vetoes are subject to legislative override. For the majority of the appropriations, the legal level of budgetary control is at the

agency level by activity or function as well as by major expenditure classification. Unexpended appropriations at June 30 are available for subsequent expenditure if they have been encumbered and are presented for payment during the succeeding two-month lapse period.

Factors Affecting Financial Condition

The U.S. Bureau of Economic Analysis (BEA) reported in its latest estimate that real gross domestic product (GDP) for Mississippi expanded 3.3 percent in 2024. The agency estimates that in the first quarter of 2025, Mississippi real GDP grew at an annualized rate of 0.6 percent. BEA also estimates Mississippi real GDP contracted 0.9 percent at an annualized rate in the second quarter of 2025. However, these first and second quarter changes were heavily influenced by the surge in imports that occurred in the first quarter and subsequent decrease in the second quarter in response to potential tariffs. Comparing the state's real GDP in the second quarter of 2025 with the fourth quarter of 2024 results in a contraction in real GDP in the first six months of 2025 of 0.3 percent at an annualized rate, which is likely a more representative measure of economic activity in the first half of the year. U.S. real GDP expanded 2.8 percent in 2024 based on the latest estimate by BEA. The University Research Center, in its latest forecast, projects real GDP for Mississippi will expand 1.5 percent in 2025. The firm S&P Global Market Intelligence projects U.S. real GDP will grow 2.0 percent in 2025 in its latest forecast.

Growth in real GDP for both the U.S. and Mississippi in 2024 was similar to the previous year and both were above trend. Output in several sectors of the state improved in 2024 over 2023, most notably in the agriculture, forestry, fishing, and hunting sector, which expanded at a rate of 25.6 percent. The state's manufacturing sector, one of its largest in terms of real GDP, expanded at a rate of 8.7 percent in 2024, which powered overall growth in the Mississippi economy. Petroleum and coal products manufacturing and chemical manufacturing contributed substantially to the growth in the manufacturing sector. Annual inflation as measured by the Consumer Price Index (CPI) slowed to 2.8 percent in 2024, more than a percentage point less than the annual rate of the previous year, which likely contributed to growth as well. Somewhat restrictive monetary policy in terms of interest rates and other factors continued to push inflation lower in 2024. The firm S&P Global Market Intelligence forecasts the CPI will increase at an annual rate of 2.9 percent in 2025, a rate essentially the same as in 2024 because of higher prices due to increases in tariffs during the year.

Employment growth in the U.S. and Mississippi slowed in 2024 following three consecutive years of relatively tight job markets. The Bureau of Labor Statistics reported payroll employment in Mississippi increased 0.7 percent in 2024, about half the rate of increase in the previous year and the slowest annual growth rate since 2020. Most sectors in Mississippi have recovered all of the jobs lost in 2020 as of mid-2025, with exceptions including the leisure and hospitality and government sectors. The state's manufacturing sector employed fewer workers in August 2025 than in February 2020, but the sector had already recovered the jobs lost during the pandemic; jobs losses resumed as interest rates began to rise in 2022. Payroll employment in Mississippi as of August 2025 exceeded the February 2020 level by 3.8 percent, an increase of 44,500 jobs. U.S. employment in August 2025 exceeded the February 2020 level by 4.8 percent, an increase of about 7.2 million jobs. Employment growth in both the U.S. is expected to slow in 2025 as the labor market pulls back from full employment levels. In Mississippi, employment growth in 2025 likely will be similar to growth in 2024.

The firm S&P Global Market Intelligence projects U.S. real GDP will expand 2.0 percent in 2025, down almost a full percentage point from 2024. If realized, this forecast will result in the smallest annual U.S. real GDP growth since 2020. The probability of a recession in the next twelve months is elevated due to a weaker labor market, elevated prices, and uncertainty regarding U.S. trade policy. Nevertheless, a downturn in the U.S. and Mississippi economies over the next year currently is not the base case.

We estimate Mississippi real GDP will expand 1.5 percent in 2025, less than half the rate of growth in the state's real GDP in 2024.

Long-term Financial Planning

During fiscal year 2025, General Fund revenue collected by the Department of Revenue was \$111.7 million less than the prior year and \$85.7 less than the Sine Die Estimate. For the first half of fiscal year 2026, General fund revenue collected by the Department of Revenue was \$148.9 million more than the prior year at the same period and \$97.4 million above Sine Die estimate. Projections for fiscal year 2027 General Fund revenue are \$19.6 million less or 0.3 percent less the fiscal year 2026 estimate.

At the conclusion of fiscal year 2024, the State of Mississippi had an unencumbered cash balance of \$1.04 billion in the General Fund. As required by § 27-103-213, Mississippi Code Annotated (1972), the state deposited \$25.3 million of the unencumbered funds into the Working Cash Stabilization Reserve Fund (WCSRF) which brought the total fund to its statutory maximum limit for fiscal year 2024 with a balance of approximately \$667 million. This is the largest balance the WCSRF has had since its creation in the early 1990's which puts the State in a strong financial position to handle future downturns in the economy. Additionally, \$1 billion of the unencumbered funds was deposited into the Capital Expense Fund to be used as determined by the legislature. At the conclusion of fiscal year 2025, the State of Mississippi had an unencumbered cash balance of \$635.9 million in the General Fund. As required by § 27-103-213, Mississippi Code Annotated (1972), the state deposited \$26.1 million of the unencumbered funds into the Working Cash Stabilization Reserve Fund (WCSRF) which brought the total fund to its statutory maximum limit for fiscal year 2025 with a balance of approximately \$705 million. This is the largest balance the WCSRF has had since its creation

in the early 1990's which puts the State in a strong financial position to handle future downturns in the economy. Additionally, \$601.8 million of the unencumbered funds was deposited into the Capital Expense Fund to be used as determined by the legislature.

Major Initiative

Mississippi continues to use American Rescue Plan Act (ARPA) funds to address critical needs. Drinking water, wastewater, and stormwater projects all received appropriations, along with funding for backlogs in the judicial system and autopsy cases. The State's foster care, public health, and mental health system all received funding for improvements. Impacted industries including healthcare and tourism received needed support. Workforce development was also targeted to receive funding. At the end of FY 2024, over \$429,563,426.00 of these funds had been expended in the 32 projects established by the legislation.

Tax Abatements

To help provide continuing employment opportunities, the State Legislature created the Mississippi Major Economic Impact Authority (MMEIA) to secure major economic impact projects by providing assistance and incentives in connection with certain businesses to locate or expand operations in the State.

In accomplishing this purpose, MMEIA acts for the benefit of the people of the State by entering into agreements with individuals and businesses in the performance of essential public functions to promote the health, welfare and prosperity of its citizenry. During fiscal year 2023, eight eligible tax abatement programs existed under MMEIA of which five provided tax reductions to businesses to locate or expand in the State. The long-term benefits of these abatements were to promote economic development and job growth.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Mississippi for its ACFR for the fiscal year ended June 30, 2023. This was the thirty-sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was possible by the dedicated services of the staff of the Office of Financial Reporting within the Department of Finance and Administration, along 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.

Respectfully yours,



Liz Welch

Mississippi

Officials of State Government

Executive Branch

Governor

Tate Reeves

Lieutenant Governor

Delbert Hosemann

Secretary of State

Michael Watson

State Auditor

Shad White

State Treasurer

David McRae

Attorney General

Lynn Fitch

**Commissioner of Agriculture
and Commerce**

Andy Gipson

Commissioner of Insurance

Mike Chaney

Transportation Commissioners

John Caldwell

Willie Simmons

Charles Busby

Public Service Commissioners

Chris Brown

De'Keither Stamps

Wayne Carr

State Fiscal Officer

Liz Welch

Legislative Branch

Speaker of the House of Representatives

Jason White

**Speaker Pro Tempore
of the House of Representatives**

Manly Barton

President Pro Tempore of the Senate

Dean Kirby

Secretary of Senate

Amanda White

Clerk of the House of Representatives

Andrew Ketchings

Legislative Budget Office

Lee Anne Robinson

**Joint Legislative Committee on
Performance Evaluation and
Expenditure Review**

James F. "Ted" Booth, Director

Judicial Branch

Supreme Court of Mississippi**Chief Justice**

Michael K. Randolph

Presiding Justices

James W. Kitchens

Leslie D. King

Justices

Robert P. Chamberlin

James D. Maxwell II

Josiah D. Coleman

T. Kenneth Griffis

David M. Ishee

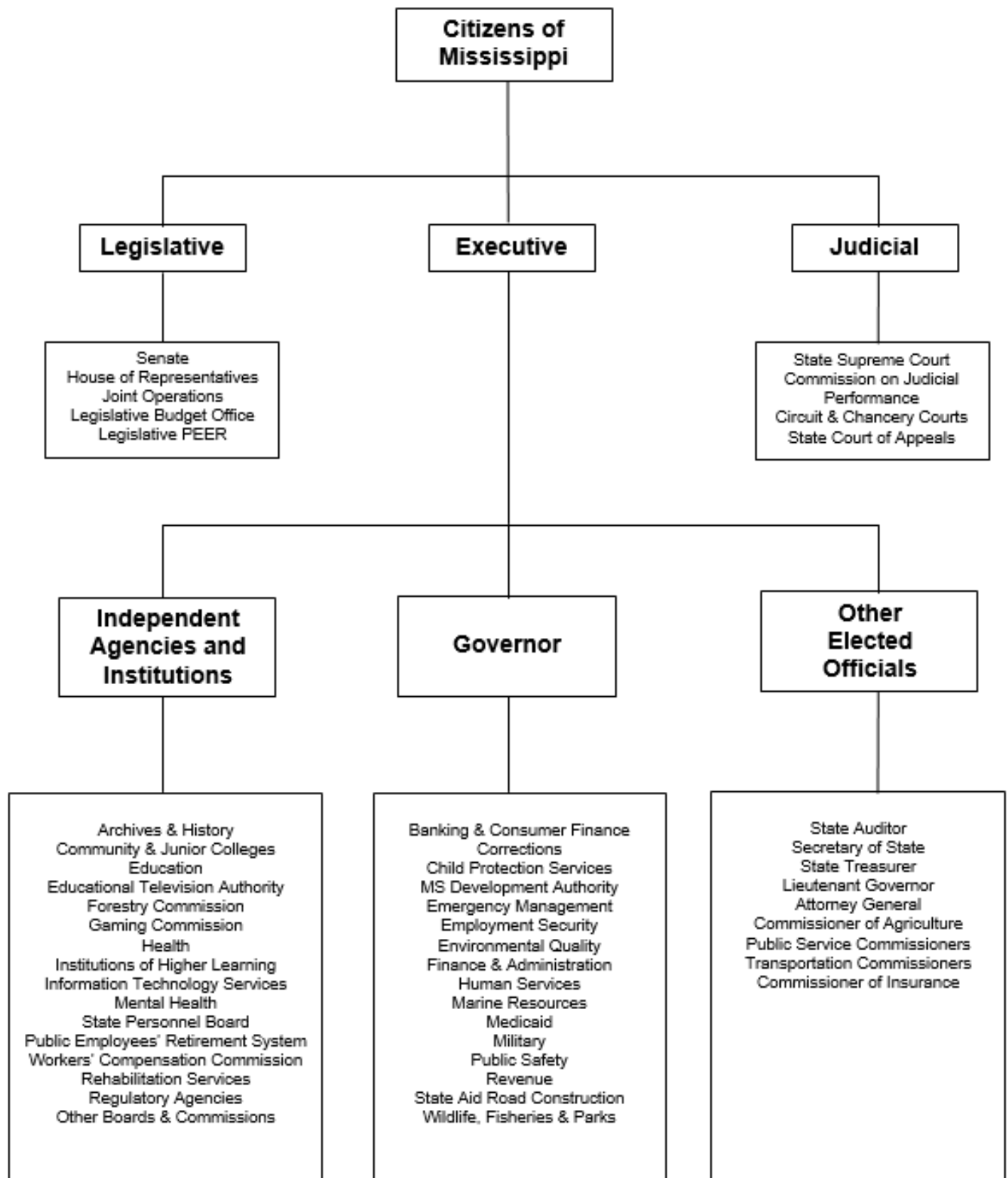
Dawn H. Beam

Clerk of the Supreme Court

Jeremy Whitmire

Mississippi

Organization Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

State of Mississippi

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Mississippi

Financial Section



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Mississippi (the State), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of:

- Government-wide Financial Statements
 - Governmental Activities
 - the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the State Agencies Self-Insured Workers' Compensation Trust Fund, Department of Employment Security, Department of Public Safety, Mississippi Development Authority, Department of Health, Department of Corrections, Mississippi State Hospital, Mississippi Military Department, Boswell Regional Center, Department of Mental Health, and the selected funds at the Community College Board, Department of Marine Resources, Department of Rehabilitation Services, and the Department of Transportation which, in the aggregate, represent 14 percent, 18 percent, and 20 percent, respectively, of the assets, net position, and revenues of the governmental activities;
 - Business-type Activities
 - the Unemployment Compensation Fund, AbilityWorks, Inc., within the Department of Rehabilitation Services, The Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board, Yellow Creek State Inland Port Authority, and the Department of Finance and Administration State Life and Health Plan which, in the aggregate, represent 100 percent, 100 percent, and 99 percent, respectively, of the assets, net position, and revenues of the business-type activities;
- Component Units
 - The Universities and the nonmajor component units.

- Fund Financial Statements

- Governmental Funds

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the State Agencies Self-Insured Workers' Compensation Trust Fund, Department of Employment Security, Department of Public Safety, Mississippi Development Authority, Department of Health, Department of Corrections, Mississippi State Hospital, Mississippi Military Department, Boswell Regional Center, Department of Mental Health and the selected funds at the Community College Board, Department of Marine Resources, Department of Rehabilitation Services, and the Department of Transportation which, in the aggregate, represent 32 percent, 37 percent, and 12 percent, respectively, of the assets, fund balance, and revenues of the governmental funds;

- Proprietary Funds

- the Unemployment Compensation Fund, the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, and the Department of Finance and Administration State Life and Health Plan, which are considered major enterprise funds which, in the aggregate, represent 86 percent, 84 percent, and 97 percent, respectively, of the assets, net position, and revenues of the proprietary funds;

- Aggregate Remaining Funds

- Nonmajor enterprise funds for AbilityWorks, Inc. within the Department of Rehabilitation Services, Veterans' Home Purchase Board, and Yellow Creek State Inland Port Authority;
 - Other Employee Benefits Trust Fund – State Life and Health Insurance Plan;
 - The Pension Trust Funds;
 - The Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;

all of which represent 99 percent, 99 percent, and 90 percent, respectively, of the assets, net position, and revenues of the aggregate remaining funds

as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us; and our opinions, insofar as they relate to the amounts included for those agencies, funds, and component units, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Mississippi, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund, which were all audited by other auditors upon whose reports we are relying, were audited in accordance with standards generally accepted in the United States of America, but not in accordance with *Government Auditing Standards*.

Emphasis of Matter

As described in Note 1 to the basic financial statements, in 2024, the State of Mississippi adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, where due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Mississippi's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore is not a guarantee that the audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and corresponding notes, the Schedules of Employer Contributions and corresponding notes, the Schedules of Changes in the Net Pension Liability and corresponding notes, the Schedule of the Proportionate Share of the Net Pension Liability and corresponding notes, the Schedule of the Proportionate Share of the Net OPEB Liability and corresponding notes, and the Schedule of Employer Contributions - OPEB and corresponding notes listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Mississippi's basic financial statements. The accompanying combining and individual fund financial statements and supporting schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the reports of other auditors, the combining and individual fund financial statements and supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

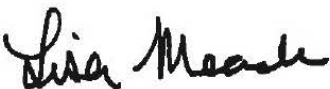
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.



Director, Agency Federal Audit
Audit Division

Jackson, Mississippi
March 20, 2026

Mississippi

Management's Discussion and Analysis

The following discussion and analysis of the State of Mississippi's financial performance provides an overview of the State's financial activities for the fiscal year ended June 30, 2024. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter, which is located in the Introduction of this report, and the State's financial statements, which immediately follow this discussion and analysis.

Financial Highlights

Government-wide - The assets and deferred outflows of resources of the State exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$22,097,785,000 (reported as "net position"). Of this amount, a negative \$3,394,805 was reported as "unrestricted net position", which means that it would be necessary to convert a portion of the restricted component of net position to unrestricted if the government's ongoing obligations to citizens and creditors were immediately due and payable. The restricted component of net position amounted to \$7,488,078,000. Net position of governmental activities decreased by \$83,096,000, while business-type activities increased by \$48,293,000.

Fund Level - At the end of the fiscal year, the State's governmental funds reported combined ending fund balances of \$9,794,825,000, which is \$811,960,000 less than the previous year. The primary contributors to this decline were reductions in corporate and franchise tax revenue and individual income tax revenue. Corporate and franchise tax collections declined largely due to changes in state corporate tax policy following federal conformity. States that have started to align their corporate tax laws with federal provisions, which permanently allows full expensing for certain business investments, have experienced notable decreases in corporate tax revenue. Mississippi observed similar impacts as businesses accelerated deductions under these provisions. Individual income tax revenue also declined due to tax law changes enacted in 2022. Effective January 2023, Mississippi eliminated the 4 percent income tax rate on taxable income between \$5,000 and \$10,000. In January 2024, the remaining 5 percent tax rate on taxable income above \$10,000 was reduced to 4.7 percent. Both changes contributed to lower individual income tax collections during FY2024 and were significant factors in the reduction of ending fund balances. Additionally, revenues from lottery proceeds increased while taxes and federal assistance decreased. As overall revenues decreased, expenditures increased.

Long-term Debt - The total outstanding net long-term bonds and notes were \$5,027,418,000 at June 30, 2024. During the year, the State issued \$2,000,000 in bonds and note, including premiums. These bonds and notes were issued primarily for refunding and capital improvements.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the State's basic financial statements, which include government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also contains required supplementary information and other supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the State's finances. These statements consist of the statement of net position and the statement of activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The statement of net position presents all of the State's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the State's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements for the primary government report two types of activities:

Governmental Activities - The State's basic services are reported here, including general government; education; health and social services; law, justice and public safety; recreation and resource development; regulation of business and professions; and transportation. Taxes and federal grants finance most of these activities.

Business-type Activities - The cost of providing goods or services to the general public, which is financed or recovered primarily through user charges, is reported here. State fair and coliseum operations; home mortgage loans to veterans; port facilities; and unemployment compensation services are examples of these activities.

Mississippi

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The State's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds. These categories use different accounting approaches and should be interpreted differently.

Governmental Funds - The State's general activities are reported in governmental funds. Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. This approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the State's near-term financing requirements. Governmental funds are comprised of the General Fund, which is presented separately as a major fund, and nonmajor funds, which consist of permanent funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may gain a better understanding of the long-term impact of the State's near-term financing decisions. Both the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds - The State reports the enterprise fund type as proprietary funds. Enterprise funds charge fees for services to outside customers. They are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting, and are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Unemployment Compensation Fund, the Port Authority at Gulfport Fund, the Prepaid Affordable College Tuition Fund, and the State Life and Health Insurance Plan are presented separately as major funds, with the nonmajor enterprise funds combined into a single column. The seven nonmajor enterprise funds are presented in detail in the combining financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the state government. Because these resources are not available to support the State's own programs, fiduciary funds are not reported in the government-wide financial statements. The State's fiduciary activities are presented in a statement of fiduciary net position and a statement of changes in fiduciary net position, with related combining financial statements. These funds, which include pension and other employee benefits trust funds, private-purpose trust funds, and custodial funds, are reported using the accrual basis of accounting.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements. Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and note proceeds result in liabilities on the government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements. Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the component unit financial statements.

This report also contains the following required supplementary information (RSI): the Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds, the Schedule of Employer Contributions for each pension plan, the Schedules of Changes in the Net Pension Liability for the single employer plans, the Schedule of Proportionate Share of the Net Pension Liability for the multiple employer plan, the Schedule of Proportionate Share of the Net Other Post-Employment Benefits

Mississippi

(OPEB) Liability, and the Schedule of Employer Contributions OPEB along with the accompanying notes. The combining financial statements are presented as supplementary information immediately following RSI.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State of Mississippi's finances and to demonstrate the State's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact: Department of Finance and Administration, Office of Financial Reporting, P. O. Box 1060, Jackson, MS 39215.

Mississippi

Government-wide Financial Analysis

Net Position

The State's combined net position for governmental and business-type activities decreased \$34,803,000 in fiscal year 2024. Current year net position is \$22,097,785,000 in contrast to the prior year balance of \$22,132,588,000. Business-type activities reported positive balances in all three components of net position, while governmental activities and the State as a whole continued to reflect a negative balance in the unrestricted component of net position.

Net position consisted primarily of investment in capital assets such as land, buildings, machinery and equipment, and infrastructure, less any outstanding debt used to acquire those assets. The State uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the State's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay any this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Net investment in capital assets increased \$1,028,714,000 from the previous year. The governmental activities' increase of \$1,032,462,000 was primarily due to additions to construction in progress related to building projects, as well as, additions to infrastructure for roads, highways, and bridges.

Restricted net position represents resources that are subject to externally imposed restrictions. Restricted net position decreased by \$(572,477,000), or (7.1) percent during fiscal year 2024.

The remaining net position is classified as unrestricted. As of June 30, 2024, the State had a deficit unrestricted net position of \$3,394,805,000. The deficit is due, in part, to the State issuing debt on behalf of component units and other entities for construction, repair and renovation of non-state capital assets. The positive unrestricted balance of \$596,621,000 in business-type activities may be used to meet ongoing obligations to citizens and creditors; however, internally imposed designations of certain resources further limit the purposes for which those resources may be used.

Net Position						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Current and other assets	\$14,588,808	\$15,513,984	\$ 1,898,847	\$ 1,860,553	\$16,487,655	\$17,374,537
Capital assets	18,367,822	17,802,137	666,680	674,615	19,034,502	18,476,752
Total Assets	<u>32,956,630</u>	<u>33,316,121</u>	<u>2,565,527</u>	<u>2,535,168</u>	<u>35,522,157</u>	<u>35,851,289</u>
Deferred outflows of resources	1,146,069	691,950	10,047	6,459	1,156,116	698,409
Noncurrent liabilities	9,392,514	8,991,639	271,604	282,887	9,664,118	9,274,526
Other liabilities	4,474,585	4,656,948	219,074	234,626	4,693,659	4,891,574
Total Liabilities	<u>13,867,099</u>	<u>13,648,587</u>	<u>490,678</u>	<u>517,513</u>	<u>14,357,777</u>	<u>14,166,100</u>
Deferred inflows of resources	130,317	171,105	92,394	80,402	222,711	251,507
Net Position:						
Net investment in Capital assets	17,350,199	16,317,737	654,313	658,061	18,004,512	16,975,798
Restricted	6,746,510	7,308,380	741,568	752,175	7,488,078	8,060,555
Unrestricted (deficit)	(3,991,426)	(3,437,738)	596,621	533,973	(3,394,805)	(2,903,765)
Total Net Position	<u>\$20,105,283</u>	<u>\$20,188,379</u>	<u>\$ 1,992,502</u>	<u>\$ 1,944,209</u>	<u>\$22,097,785</u>	<u>\$22,132,588</u>

- The 2023 amounts presented here have been restated for prior period adjustments. See Note 2 for details of these adjustments.

Mississippi

Changes in Net Position

Operating grants and contributions of \$10,224,713,000 and taxes of \$9,668,948,000 were the State's major revenue sources. Together, they accounted for 83.3 percent of total revenues. Revenue from taxes decreased \$212,296,000. As in the prior year, the majority of the State's total expenses were related to the health and social services function at \$10,623,182,000 or 44.4 percent as medical expenses continued their upswing. Expenses within this function increased over the prior year by \$881,884,000.

Changes in Net Position (amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Revenues:						
Program Revenues:						
Charges for services	\$ 2,581,739	\$ 1,992,514	\$ 1,011,470	\$ 976,986	\$ 3,593,209	\$ 2,969,500
Operating grants and contributions	10,223,511	9,932,507	1,202	7,304	10,224,713	9,939,811
Capital grants and contributions	778,884	724,896	—	—	778,884	724,896
General Revenues:						
Taxes	9,668,948	9,881,244	—	—	9,668,948	9,881,244
Other	—	—	—	970	—	970
Investment income	(430,327)	1,056,327	48,207	65,686	(382,120)	1,122,013
Total Revenues	22,822,755	23,587,488	1,060,879	1,050,946	23,883,634	24,638,434
Expenses:						
General government	4,615,468	4,050,860	—	—	4,615,468	4,050,860
Education	5,061,034	4,898,803	—	—	5,061,034	4,898,803
Health and social services	10,623,182	9,741,298	—	—	10,623,182	9,741,298
Law, justice and public safety	1,008,758	1,233,011	—	—	1,008,758	1,233,011
Recreation and resources development	349,949	537,641	—	—	349,949	537,641
Regulation of business and profession	61,977	49,665	—	—	61,977	49,665
Transportation	960,773	475,441	—	—	960,773	475,441
Interest on long-term debt	182,109	186,476	—	—	182,109	186,476
Unemployment compensation	—	—	94,033	25,154	94,033	25,154
Port Authority at Gulfport	—	—	34,678	35,315	34,678	35,315
Prepaid affordable college tuition	—	—	12,077	10,652	12,077	10,652
State life and health plan	—	—	883,364	867,367	883,364	867,367
Other business-type	—	—	31,035	30,626	31,035	30,626
Total Expenses	22,863,250	21,173,195	1,055,187	969,114	23,918,437	22,142,309
Excess/ (Deficit) before extraordinary Items and Transfers	(40,495)	2,414,293	5,692	81,832	(34,803)	2,496,125
Extra item, impairment loss from hurricane damage, net of insurance recovery	—	—	—	—	—	—
Transfer	(42,601)	(68,009)	42,601	68,009	—	—
Change in Net Position	(83,096)	2,346,284	48,293	149,841	(34,803)	2,496,125
Net Position- Beginning, as previously reported	20,188,379	17,842,095	1,943,712	1,794,368	22,132,091	19,636,463
Restatement	—	—	497	—	497	—
Net Position - Beginning as restated	20,188,379	17,842,095	1,944,209	1,794,368	22,132,588	19,636,463
Net position - Ending	\$ 20,105,283	\$ 20,188,379	\$ 1,992,502	\$ 1,944,209	\$ 22,097,785	\$ 22,132,588

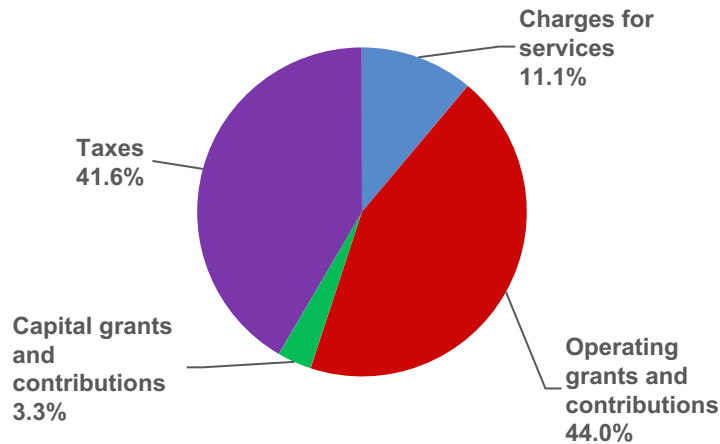
- The 2023 amounts presented here have been restated for prior period adjustments. See Note 2 for details of these adjustments.

Mississippi

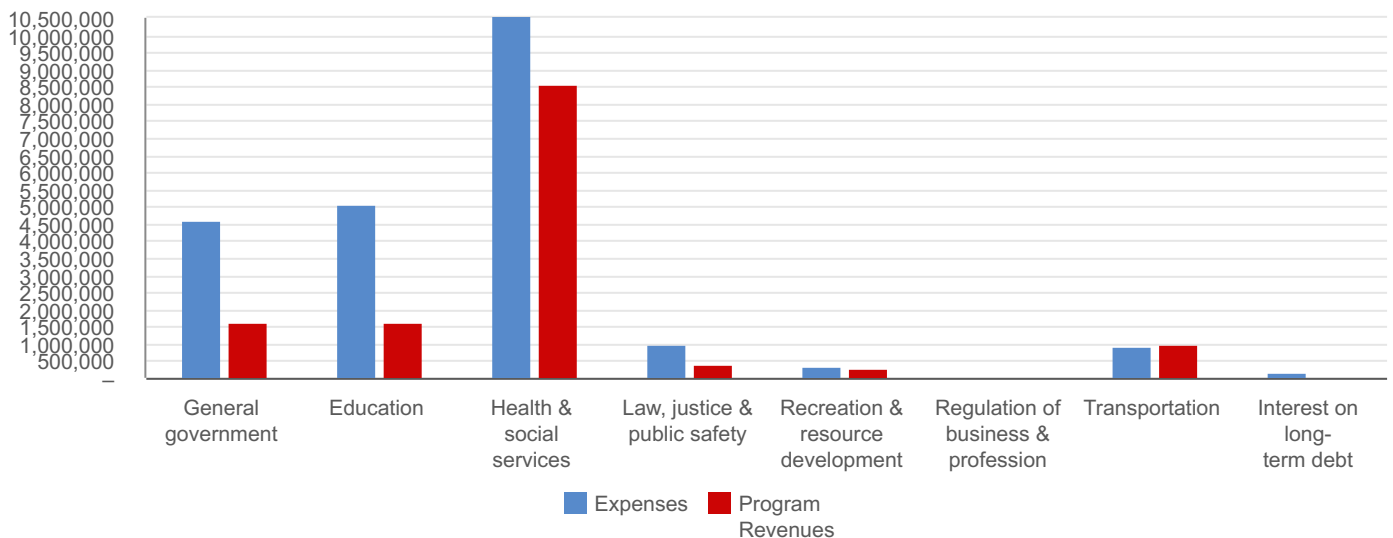
Governmental Activities

Governmental activities decreased the State's net position by \$83,096,000 for fiscal year 2024. While revenues from charges for services and operating and capital grants increased, taxes decreased by \$212,296,000, in comparison to the prior year. This is due to the changes in corporate income and franchise tax policy changes to conform with federal policy. Income tax also decreased from prior year as the gradual reduction in tax rates are being implemented in preparation for the elimination of individual income tax. The decline in investment revenue is directly attributable to changes in the value of investments. Health and Social Services expenses of \$10,623,182,000 was mainly related to Medicaid expenses. Medicaid expenditures continued to be affected by the COVID-19 pandemic. The Families First Coronavirus Response Act (FFCRA) provided enhanced federal funding from FY 2021 through FY 2024 and required states to maintain Medicaid eligibility standards in place as of January 1, 2020, resulting in increased enrollment and reduced state funding needs. Continuous coverage requirements remained in effect through March 31, 2023. The Consolidated Appropriations Act, 2023 (CAA) separated the enhanced 6.2% FMAP from the public health emergency, allowing states to resume disenrollments after March 1, 2023. DOM began disenrollments on April 1, 2023, with the process completed by June 30, 2024. The CAA also phased down the enhanced FMAP during calendar year 2023, reducing it to 5% on April 1, 2.5% on July 1, and 1.5% on October 1, resulting in a 6.5% decrease in the underlying federal match rate. The increase in expenditures was primarily driven by an approximately \$960 million increase in Mississippi Hospital Access Payment program payments and a return to more typical medical service utilization patterns among a reduced beneficiary population, which lowered other medical service costs. The increase in federal revenue reflects higher expenditures but does not align proportionally due to the 6.5% reduction in the federal match rate. Education expenses of \$5,061,033,826 exceeded program revenues of \$1,640,129,000 resulting in a negative \$3,420,905,000 to be funded from general revenues. Fiscal year 2024 saw the implementation of a new school funding formula, the Mississippi Student Funding Formula (MSFF), which was fully funded by the legislature. This along with increased funding for specific programs including Career and Technical Education increased expenses for the year. The below chart does not include negative investment income of (1.9%).

Governmental Activities - Revenue by Source



Governmental Activities - Expenses and Program Revenues (amounts expressed in thousands)

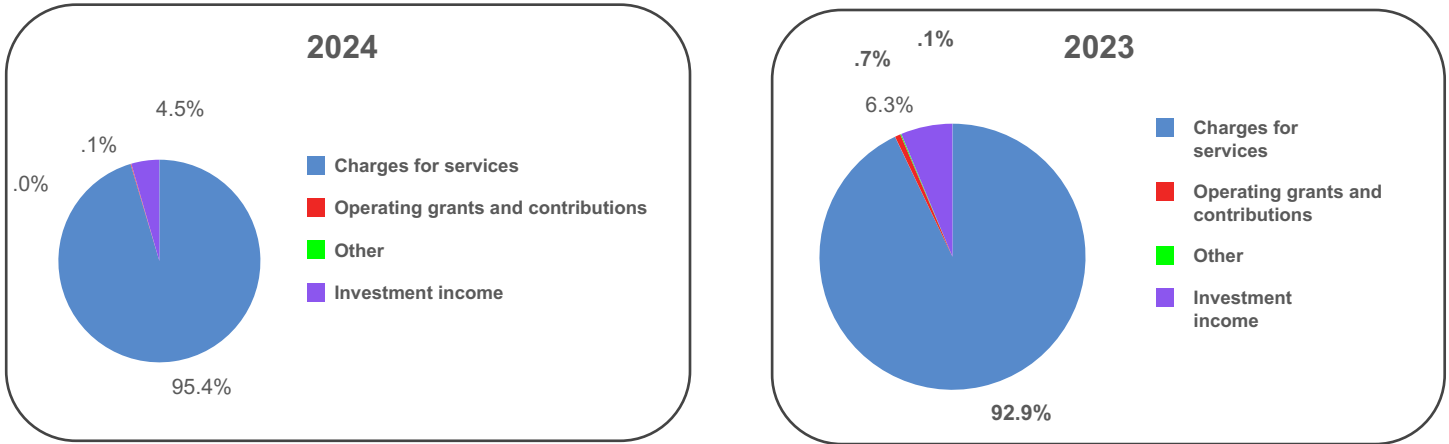


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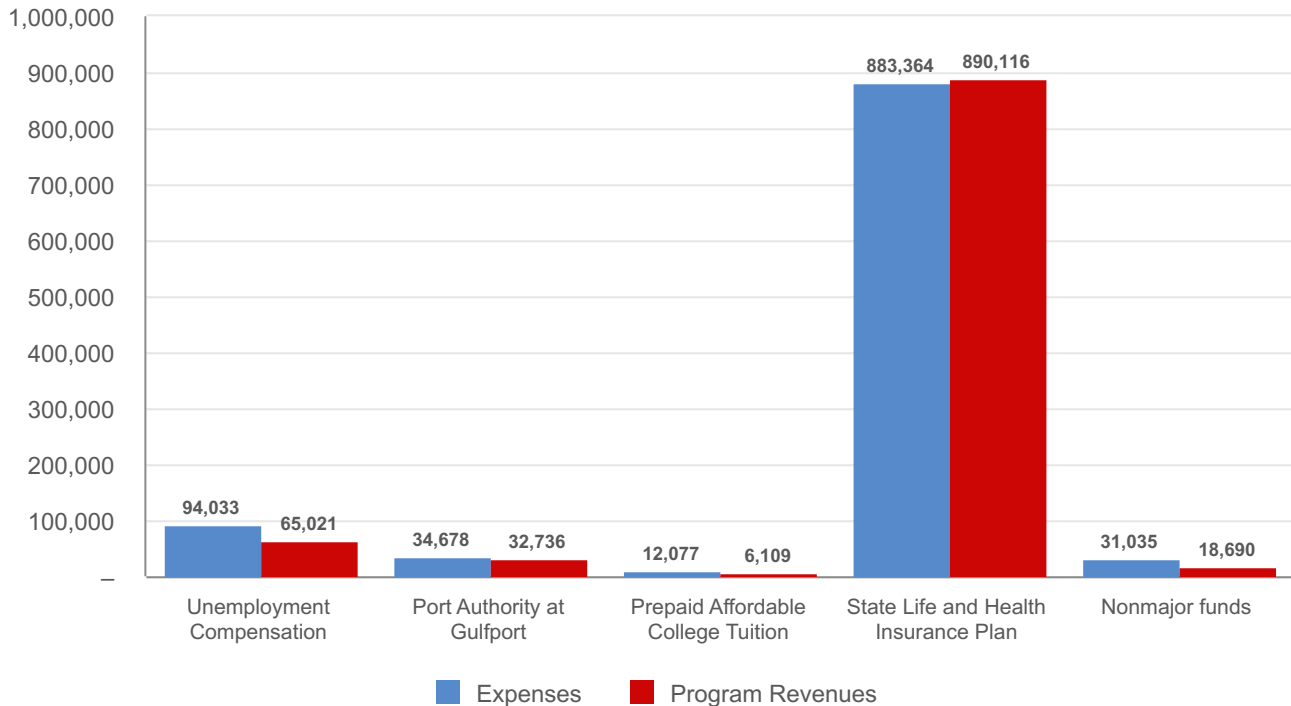
Business-type Activities

Business-type activities increased the State's net position by \$48,293,000. The percentage of revenues from charges for services increased slightly while federal revenue for the Emergency Unemployment Compensation program decreased. The amount of investment income decreased from the prior year, as did the investment income as a percentage of total revenues, due to market conditions. For the current year, Unemployment Compensation Fund decreased in revenue and expenses increased with a negative change in net position of \$10,607,000. The decrease in revenue was mainly due to a decline in assessment revenue, investment income, and federal revenue. Operations at the Port Authority at Gulfport added \$3,321,000 to net position in the current year largely attributed to strategic management of both operating and nonoperating revenues, including federal grant funding and investments in infrastructure, despite the impact of accumulated depreciation on overall capital assets.

Business-type Activities - Revenues by Source



Business-type Activities - Expenses and Program Revenues (amounts expressed in thousands)



Mississippi

Financial Analysis of the State's Individual Funds

As noted earlier, the State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

At June 30, 2024, the governmental funds reported combined fund balances of \$9,794,825,000, indicating a decrease of \$811,960,000 from the prior year. Within fund balances, \$126,247,000 or 1.3 percent was classified as nonspendable. The majority of the fund balance, \$6,620,263,000 or 67.6 percent was restricted while committed fund balance equaled \$2,928,925,000 or 29.9 percent of the total. Assigned fund balance comprised \$29,238,000 or .3 percent while the remaining 0.9 percent, or \$90,152,000, of fund balance was unassigned.

The General Fund is the chief operating fund of the State. The fund balance for the General Fund decreased \$814,684,000 from the prior year. The decrease resulted in an ending fund balance of \$9,723,009,000. Overall, taxes decreased by \$195,112,000 or (2.0) percent. The significant changes in taxes related to corporate income and franchise tax, sales and use tax, and individual income tax. The \$191,137,000 decrease in corporate income and franchise tax revenues can be attributed to changes in state corporate tax policy following federal conformity. States that have started to align their corporate tax laws with federal provisions, which permanently allows full expensing for certain business investments, have experienced notable decreases in corporate tax revenue Mississippi observed similar impacts as businesses accelerated deductions under these provisions. Sales and use tax revenues were relatively strong, fueled by an increase in wage disbursements and inflation, causing an increase of \$127,506,000. Individual income tax revenues decreased by \$203,569,000 due to legislation enacted in 2022. Effective January 2023, Mississippi eliminated the 4 percent income tax rate on taxable income between \$5,000 and \$10,000. In January 2024, the remaining 5 percent tax rate on taxable income above \$10,000 was reduced to 4.7 percent. Both changes contributed to lower individual income tax collections during FY2024 and were significant factors in the reduction of ending fund balances.

Net Federal revenues increased by \$345,626,000 or 3.25 percent. Lottery proceeds increased by \$2,726,000 due to higher ticket sales. This growth was driven in part by the introduction and expansion of draw-style games which accounted for 16.6% of total ticket sales in 2024. The significant changes in taxes related to corporate income and franchise tax, sales and use tax, and individual income tax. The Department of Medicaid, which is reported within the General Fund, experienced a increase in expenditures of \$778,982,032.39 or 11.32 percent during fiscal year 2024. This change is influenced by a blended FMAP that still included some enhanced match due to the pandemic's FMAP ending just before the fiscal year began, in addition to growth in Medicaid's services, payments, and utilization.

Proprietary Funds

The Unemployment Compensation Fund experienced a decrease in net position of \$10,607,000 as compared to prior year, largely due to an increase in operating expenses of 273.8 percent while operating revenues remained relatively stable only decreasing 14.2 percent largely due to a reduction in federal grants. Claims and benefits expense increased due to an increase in claims and benefits as well as overpayment reimbursements.

The Port Authority at Gulfport Fund increased net position by \$3,321,000 as compared to \$572,000 increase reported in the prior year. Operating revenues and expenses decreased by \$684,000 and decreased by \$782,000, respectively. The increase in net position can be attributed to an increase in investment income and a reduction in operating expenses due to reduced commodities costs.

The Prepaid Affordable College Tuition Fund's net position increased by \$19,345,000. Tuition receipts increased by 12.98 percent over the prior year reflecting higher contract payments received during the year. The \$1,255,000 increase in claims and benefits expense are due to increased utilization of contracts and higher tuition prices. Investment income significantly decreased by \$1,931,441 due to a decrease in total long-term investment assets.

The State Life and Health Insurance Fund reported an increase in net position by 33,514,000 as compared to \$55,001,000 increase from the prior year. Operating revenue experienced an increase of \$38,685,000 due to a 4.5 percent premium increase consistent with expected medical care prior to the effect of benefit changes. Claims and benefits expense increased by \$17,161,000 due to an increase in Select employee deductibles.

General Fund Budgetary Highlights

Actual fiscal year 2024 General Fund revenue collections increased by \$13,004,000 or 0.2 percent over the prior year. These revenues were \$183,306,000 above estimated amounts. Individual income tax decreased by \$141,823,695 or 5.9 percent, sales tax collection increased by \$81,834,977 or 3.0 percent, and corporate income and franchise tax decreased by \$69,467,269 or 6.7 percent.

Mississippi

The final expenditure budget was \$23,748,000 more than the original budget and actual expenditures were \$99,145,000 less than the final budget. Amounts budgeted but not expended during the year are reappropriated in the following year or retained in the General Fund and made available for the subsequent year budget allocations.

Capital Assets and Debt Administration

Capital Assets

The State's investment in capital assets for governmental and business-type activities as of June 30, 2024 were \$26,966,395,000, less accumulated depreciation of \$7,931,893,000, resulting in a net book value of \$19,034,502,000. For the current fiscal year, governmental activities increased by \$565,685,000, and business-type activities decreased by \$7,935,000. These changes amount to 3.2 percent increase and 1.2 percent decrease, respectively, over the prior year.

Major capital asset events during fiscal year 2024 included the following:

Construction in progress for governmental activities increased by \$2,212,725,466 and had the largest amount of decreases of any asset class with \$1,294,189,000. Mississippi Department of Transportation accounts for the majority of the increase with \$1,249,693,000. Decreases to construction in progress are primarily for completed Mississippi Department of Transportation projects moved to infrastructure.

Governmental activities added \$208,232,410 to infrastructure for roads, highways, and bridges. These additions included two pavement rehabilitation projects in Jasper County. State road projects were completed across Mississippi, including work in Neshoba, Chickasaw, Pontotoc, Sharkey, and Bolivar Counties. Land and building projects were completed in Holmes, Hinds, Warren, Neshoba, Claiborne, Washington, Sunflower, and Jackson Counties.

During fiscal year 2024, net capital assets for business-type activities decreased by \$7,935,000. The Port Authority at Gulfport added \$10,241,000 to Construction in Progress, which included multiple projects that were completed and transferred into buildings and land improvements during the year. Therefore, there was an increase in depreciation expense for 2024 causing net capital assets to decrease.

Additional information about the State's capital assets is presented in Note 8 to the financial statements. Note 17 addresses the State's outstanding long-term contracts related to the construction of state and county roads, highways, and bridges, as well as building projects for various state agencies.

Capital Assets, Net of Depreciation and Amortization

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,584,641	\$ 2,559,456	\$ 138,019	\$ 138,019	\$ 2,722,660	\$ 2,697,475
Software	64,057	74,515	—	—	64,057	74,515
Building	1,416,666	1,439,856	165,443	162,489	1,582,109	1,602,345
Land improvements	67,611	71,886	119,165	122,665	186,776	194,551
Machinery and equipment	245,514	227,066	20,649	21,245	266,163	248,311
Infrastructure	9,595,284	9,963,625	205,493	212,651	9,800,777	10,176,276
Construction in progress	4,224,342	3,305,806	16,122	15,156	4,240,464	3,320,962
Right-to-use lease assets	169,707	159,927	1,789	2,390	171,496	162,317
Total	<u>\$18,367,822</u>	<u>\$17,802,137</u>	<u>\$ 666,680</u>	<u>\$ 674,615</u>	<u>\$19,034,502</u>	<u>\$18,476,752</u>

Mississippi

Debt Administration

As of June 30, 2024, outstanding general obligation debt for the State was \$4,057,671,000, including premiums, of \$139,607,000. General Obligation Refunding bonds of \$1,981,198,000, Capital improvements bonds of \$1,023,280,000, and industry Incentive Financing bonds of \$92,795,000 comprise 76.3 percent of this outstanding debt.

The State issued \$2,000,000 of notes payable for purchase of equipment. This amount is reported in governmental activities.

Outstanding Long-term Debt Bonds and Notes

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds and notes	\$ 4,057,671	\$ 4,386,049	\$ —	\$ —	\$ 4,057,671	\$ 4,386,049
Limited obligation bonds	416,463	436,150	—	—	416,463	436,150
Notes payable	543,333	618,647	9,951	11,119	553,284	629,766
Total	<u>\$ 5,017,467</u>	<u>\$ 5,440,846</u>	<u>\$ 9,951</u>	<u>\$ 11,119</u>	<u>\$ 5,027,418</u>	<u>\$ 5,451,965</u>

Mississippi has a rating of AA from Standard and Poor's, AA from Fitch, and Aa2 from Moody's. These ratings are based upon the State's conservative fiscal management practices, manageable debt levels, favorable effects of various budgetary reforms and the potential for future economic diversification.

The State's constitutional debt limit is established 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. Current practice restricts revenues included in the computation of this debt limitation to the following: taxes; licenses, fees and permits; investment income; rental income; service charges including net income from the Alcoholic Beverage Control Division; and fines, forfeitures and penalties. As of June 30, 2024, the State had established a constitutional debt limit of \$17,673,762,000, which significantly exceeds the amount of debt applicable to the debt limit. Additional information about the State's long-term debt can be found in Notes 9 through 13 to the financial statements.

Economic Factors and Next Year's Budget

Mississippi's average unemployment rate for the calendar year 2023 was 3.2 percent, which is lower than the national average of 3.6 percent. In calendar year 2023, Mississippi's personal income increased by 7.3 percent and per capita personal income increased by 7.4 percent compared to national average increases of 5.9 percent and 5.4 percent, respectively.

Fiscal year 2025 revenue collected by the Department of Revenue (DOR) decreased by \$111,771,728 or 1.5 percent compared to the revenue collected in fiscal year 2024. Individual income tax revenue decreased as a result of the reduction in the top income tax rate from 5.0 percent to 4.7 percent, which took effect in 2024 and resulted in lower collections during fiscal year 2025. Corporate and franchise tax collections declined significantly as corporations elected to utilize full expensing provisions and experienced lower corporate profits compared to the prior year. Sales tax for fiscal year 2025 exceeded fiscal year 2024 by \$49,961,844 or 1.8 percent, while individual income taxes decreased by \$34,678,088 or 1.5 percent. Fiscal year 2025 revenue from all sources exceeded projections by \$41,037,308 or .5 percent.

To-date fiscal year 2026 revenue collected by DOR is outperforming projections by \$39,853,909 or 1.36 percent. Revenue from other sources exceeds projections by 52.5 percent or \$50,256,288. Sales and individual income taxes account for approximately 71.6 percent of Mississippi's revenue, which has the state optimistic, that revenue collections will either meet or exceed expectations.



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Mississippi

Basic Financial Statements

Mississippi

Statement of Net Position

June 30, 2024 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets:				
Equity in internal investment pool	\$ 10,560,059	\$ 215,903	\$ 10,775,962	\$ 2,321
Cash and cash equivalents	180,096	884,661	1,064,757	827,353
Investments	7,478	8,860	16,338	593,758
Receivables, net	1,124,421	83,483	1,207,904	517,064
Due from other governments, net	963,581	1,152	964,733	125
Internal balances	(15,548)	15,548	—	—
Due from component units	9,503	73	9,576	—
Due from primary government	—	—	—	18,681
Inventories	46,971	202	47,173	46,139
Prepaid items	11,620	1,226	12,846	36,882
Lease receivable	1,428	3,135	4,563	50
Loans and notes receivable, net	19,265	7,220	26,485	40,476
Other assets	—	—	—	6,695
Total Current Assets	12,908,874	1,221,463	14,130,337	2,089,544
Noncurrent assets:				
Investments	137,782	369,873	507,655	1,137,370
Receivables, net	680,921	—	680,921	47,505
Due from other governments, net	616,087	—	616,087	—
Lease receivable	30,059	90,888	120,947	—
Loans and notes receivable, net	215,085	216,623	431,708	169,585
Restricted assets:				
Cash and cash equivalents	—	—	—	251,006
Investments	—	—	—	1,729,847
Capital assets:				
Land and construction in progress	6,808,983	154,141	6,963,124	776,298
Other capital assets, net	11,389,132	510,750	11,899,882	4,123,686
Right-to-use lease assets, net	169,707	1,789	171,496	179,229
Other assets	—	—	—	137,254
Total Noncurrent Assets	20,047,756	1,344,064	21,391,820	8,551,780
Total Assets	32,956,630	2,565,527	35,522,157	10,641,324
Deferred Outflows of Resources				
Refunding	62,149	—	62,149	38,631
Pensions	1,038,232	9,633	1,047,865	945,265
Other postemployment benefits	45,688	414	46,102	36,035
Total Deferred Outflows	1,146,069	10,047	1,156,116	1,019,931

(Continued on Next Page)

Mississippi

Statement of Net Position

June 30, 2024 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities:				
Warrants payable	\$ 77,827	\$ 762	\$ 78,589	\$ —
Accounts payable and other liabilities	785,575	8,389	793,964	434,968
Contracts payable	124,859	36	124,895	—
Income tax refunds payable	335,264	—	335,264	—
Due to other governments	737,474	61,616	799,090	—
Due to component units	18,681	—	18,681	—
Due to primary government	—	—	—	9,576
Claims and benefits payable	104,145	122,810	226,955	—
Deposits	216,528	—	216,528	—
Unearned revenues	1,596,126	23,639	1,619,765	166,561
Pollution remediation obligation	9,266	—	9,266	—
Bonds and notes payable, net	423,504	1,255	424,759	57,603
Lease liability	25,811	563	26,374	23,122
Subscription liabilities	14,633	—	14,633	17,437
Net other postemployment benefit liability	4,892	4	4,896	18
Other liabilities	—	—	—	131,108
Total Current Liabilities	4,474,585	219,074	4,693,659	840,393
Noncurrent liabilities:				
Due to other governments	81	—	81	—
Claims and benefits payable	28,314	222,216	250,530	—
Pollution remediation obligation	31,165	—	31,165	—
Bonds and notes payable, net	4,593,963	8,696	4,602,659	1,265,846
Lease liability	115,768	1,380	117,148	114,325
Subscription liabilities	13,409	—	13,409	24,312
Net pension liability	4,337,668	37,390	4,375,058	3,959,537
Net other postemployment benefit liability	112,839	1,085	113,924	103,865
Other liabilities	159,307	837	160,144	246,020
Total Noncurrent Liabilities	9,392,514	271,604	9,664,118	5,713,905
Total Liabilities	13,867,099	490,678	14,357,777	6,554,298
Deferred Inflows of Resources				
Refunding	—	—	—	3,099
Pensions	38,735	1,356	40,091	53,113
Other postemployment benefits	60,095	485	60,580	41,563
Leases	31,487	90,553	122,040	23,205
Beneficial interest in irrevocable trusts	—	—	—	47,374
Partnership Arrangements	—	—	—	4,564
Other deferred inflow of resources	—	—	—	448
Total Deferred Inflows	130,317	92,394	222,711	173,366

(Continued on Next Page)

Mississippi

Statement of Net Position

June 30, 2024 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$ 17,350,199	\$ 654,313	\$ 18,004,512	\$ 3,781,602
Restricted for:				
Expendable:				
General government	771,830	—	771,830	—
Education	340,869	—	340,869	—
Health and social services	1,590,592	—	1,590,592	—
Law, justice and public safety	136,858	—	136,858	—
Recreation and resources development	2,053,042	—	2,053,042	—
Regulation of business and professions	83,636	—	83,636	—
Transportation	835,264	—	835,264	—
Capital projects	523,691	—	523,691	—
Debt service	343,072	—	343,072	—
Capital Improvements	—	—	—	1,242
Unemployment compensation benefits	—	741,568	741,568	—
Other purposes	—	—	—	1,286,089
Nonexpendable:				
Education	48,280	—	48,280	1,191,598
Health and social services	2,025	—	2,025	—
Recreation and resources development	17,351	—	17,351	—
Unrestricted (deficit)	(3,991,426)	596,621	(3,394,805)	(1,326,941)
Total Net Position	<u>\$ 20,105,283</u>	<u>\$ 1,992,502</u>	<u>\$ 22,097,785</u>	<u>\$ 4,933,590</u>

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



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Mississippi

Statement of Activities

For the Year Ended June 30, 2024 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,615,468	\$ 1,225,595	\$ 404,961	\$ 7
Education	5,061,034	90,422	1,549,707	—
Health and social services	10,623,182	819,833	7,749,417	172
Law, justice and public safety	1,008,758	91,964	293,110	15,632
Recreation and resource development	349,949	151,226	144,702	—
Regulation of business and professions	61,977	50,625	4,165	40
Transportation	960,773	152,074	77,449	763,033
Interest on long-term debt	182,109	—	—	—
Total Governmental Activities	22,863,250	2,581,739	10,223,511	778,884
Business-type activities:				
Unemployment compensation	94,033	63,819	1,202	—
Port Authority at Gulfport	34,678	32,736	—	—
Prepaid affordable college tuition	12,077	6,109	—	—
State life and health insurance plan	883,364	890,116	—	—
Other business-type	31,035	18,690	—	—
Total Business-type Activities	1,055,187	1,011,470	1,202	—
Total Primary Government	\$ 23,918,437	\$ 3,593,209	\$ 10,224,713	\$ 778,884
Component units:				
Universities	\$ 5,006,199	\$ 2,978,540	\$ 648,549	\$ 41,873
Nonmajor	520,768	508,171	—	7,126
Total Component Units	\$ 5,526,967	\$ 3,486,711	\$ 648,549	\$ 48,999

General revenues:

Taxes:

Sales and use

Gasoline and other motor fuel

Individual income

Corporate income and franchise

Insurance

Other

Investment income

Other

Payment from State of Mississippi

Contributions to permanent endowments

Transfers

Total General Revenues, Contributions and Transfers

Change in Net Position

Net Position- Beginning, as previously reported

Restatements

Net Position - Beginning, as restated

Net Position - Ending

(Continued on Next Page)

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

Mississippi

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units
Governmental Activities	Business- type Activities	Total	
\$ (2,984,905)	\$ —	\$ (2,984,905)	
(3,420,905)	—	(3,420,905)	
(2,053,760)	—	(2,053,760)	
(608,052)	—	(608,052)	
(54,021)	—	(54,021)	
(7,147)	—	(7,147)	
31,783	—	31,783	
(182,109)	—	(182,109)	
(9,279,116)	—	(9,279,116)	
—	(29,012)	(29,012)	
—	(1,942)	(1,942)	
—	(5,968)	(5,968)	
—	6,752	6,752	
—	(12,345)	(12,345)	
—	(42,515)	(42,515)	
(9,279,116)	(42,515)	(9,321,631)	

\$ (1,337,237)
(5,471)
\$ (1,342,708)

\$ 5,058,880	\$ —	\$ 5,058,880	\$ —
436,647	—	436,647	—
2,196,953	—	2,196,953	—
900,592	—	900,592	—
510,090	—	510,090	—
565,786	—	565,786	—
(430,327)	48,207	(382,120)	282,800
—	—	—	275,466
—	—	—	943,803
—	—	—	154,243
(42,601)	42,601	—	—
9,196,020	90,808	9,286,828	1,656,312
(83,096)	48,293	(34,803)	313,604
20,188,379	1,943,712	22,132,091	4,619,811
—	497	497	175
20,188,379	1,944,209	22,132,588	4,619,986
\$ 20,105,283	\$ 1,992,502	\$ 22,097,785	\$ 4,933,590

Mississippi

Governmental Funds

Balance Sheet

June 30, 2024 (Expressed in Thousands)

	General	Permanent	Totals
Assets			
Equity in internal investment pool	\$ 10,555,059	\$ 5,000	\$ 10,560,059
Cash and cash equivalents	178,588	1,508	180,096
Investments	80,207	65,053	145,260
Receivables, net	1,804,788	554	1,805,342
Due from other governments, net	1,579,668	—	1,579,668
Due from other funds	2,299	6	2,305
Due from component units	9,503	—	9,503
Inventories	46,971	—	46,971
Prepaid Items	11,620	—	11,620
Loans receivable, net	234,350	—	234,350
Total Assets	<u>\$ 14,503,053</u>	<u>\$ 72,121</u>	<u>\$ 14,575,174</u>
Liabilities, Deferred Inflows and Fund Balances			
Liabilities:			
Warrants payable	\$ 77,827	\$ —	\$ 77,827
Accounts payable and accruals	956,526	305	956,831
Contracts payable	124,859	—	124,859
Income tax refunds payable	335,264	—	335,264
Due to other governments	737,555	—	737,555
Due to other funds	17,853	—	17,853
Due to component units	18,681	—	18,681
Claims payable	104,145	—	104,145
Unearned revenues	1,596,126	—	1,596,126
Total Liabilities	<u>3,968,836</u>	<u>305</u>	<u>3,969,141</u>
Deferred inflows of resources:			
Unavailable revenues	811,208	—	811,208
Fund balances:			
Nonspendable			
Inventories	46,971	—	46,971
Prepaid items	11,620	—	11,620
Principal	—	67,656	67,656
Restricted			
General government	770,143	—	770,143
Education	337,617	441	338,058
Health and social services	1,558,083	1,295	1,559,378
Law, justice and public safety	133,113	—	133,113
Recreation and resources development	2,050,456	2,424	2,052,880
Regulation of business and professions	64,664	—	64,664
Transportation	835,264	—	835,264
Capital projects	523,691	—	523,691
Debt service	343,072	—	343,072
Committed			
General government	862,191	—	862,191
Education	4,340	—	4,340
Health and social services	118,886	—	118,886
Law, justice and public safety	74,346	—	74,346
Recreation and resources development	375,499	—	375,499
Regulation of business and professions	371	—	371
Transportation	658,930	—	658,930
Capital projects	834,362	—	834,362
Assigned			
General government	22,292	—	22,292
Health and social services	3,676	—	3,676
Recreation and resources development	3,270	—	3,270
Unassigned	90,152	—	90,152
Total Fund Balances	<u>9,723,009</u>	<u>71,816</u>	<u>9,794,825</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 14,503,053</u>	<u>\$ 72,121</u>	<u>\$ 14,575,174</u>

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

Mississippi

Governmental Funds

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2024 (Expressed in Thousands)

Total fund balances for governmental funds		\$	9,794,825
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Land	2,584,641		
Construction in progress	4,224,342		
Software	171,924		
Buildings	2,398,661		
Land improvements	262,530		
Machinery and equipment	908,516		
Infrastructure	15,246,475		
Right-to-use lease assets	281,154		
Accumulated depreciation	(7,598,974)		
Accumulated amortization	(111,447)		18,367,822
Lease receivable used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			31,487
Deferred outflows of resources reported in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Refunding of debt	62,149		
Pensions	1,038,232		
Other postemployment benefits	45,688		1,146,069
Deferred inflows of resources reported in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Leases	(31,487)		
Pensions	(38,735)		
Other postemployment benefits	(60,095)		(130,317)
Some of the State's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds as deferred inflows of resources.			811,208
Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the governmental funds:			
General obligation bonds	(3,918,064)		
Limited obligation bonds	(377,230)		
Notes payable	(519,710)		
Unamortized premiums	(202,463)		
Leases - Right-to-use liabilities	(141,579)		
Subscription-based IT	(28,042)		
Accrued compensated absences	(153,859)		
Pollution remediation obligation	(40,431)		
Net pension liability	(4,337,668)		
Net other postemployment benefits liability	(117,731)		
Claims payable	(28,314)		
Accrued interest payable	(34,820)		
Other liabilities	(15,900)		(9,915,811)
Net position of governmental activities		\$	20,105,283

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

Mississippi

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2024 (Expressed in Thousands)

	General	Permanent	Totals
Revenues			
Taxes:			
Sales and use	\$ 5,069,172	\$ —	\$ 5,069,172
Gasoline and other motor fuel	437,177	—	437,177
Individual income	2,204,678	—	2,204,678
Corporate income and franchise	895,428	—	895,428
Insurance	510,090	—	510,090
Other	565,786	—	565,786
Licenses, fees and permits	605,935	—	605,935
Federal government	10,966,392	—	10,966,392
Investment income	(434,060)	3,733	(430,327)
Charges for sales and services	524,150	—	524,150
Rentals	(338)	71	(267)
Court assessments and settlements	253,676	—	253,676
Lottery proceeds	125,102	—	125,102
Other	986,215	13	986,228
Total Revenues	22,709,403	3,817	22,713,220
Expenditures			
Current:			
General government	4,534,533	—	4,534,533
Education	5,038,644	93	5,038,737
Health and social services	10,470,940	—	10,470,940
Law, justice and public safety	1,053,536	—	1,053,536
Recreation and resources development	326,252	—	326,252
Regulation of business and professions	58,723	—	58,723
Transportation	1,426,797	—	1,426,797
Debt service:			
Principal	448,284	—	448,284
Interest and other fiscal charges	191,596	—	191,596
Total Expenditures	23,549,305	93	23,549,398
Excess of Revenues over (under) Expenditures	(839,902)	3,724	(836,178)
Other Financing Sources (Uses)			
Bonds and notes issued	—	—	—
Notes payable issued	2,000	—	2,000
Leases issued	50,867	—	50,867
Subscriptions agreements	8,252	—	8,252
Insurance recovery	5,700	—	5,700
Premiums on bonds issued	—	—	—
Transfers in	3,962	—	3,962
Transfers out	(45,563)	(1,000)	(46,563)
Net Other Financing Sources (Uses)	25,218	(1,000)	24,218
Net Change in Fund Balances	(814,684)	2,724	(811,960)
Fund Balances - Beginning	10,537,693	69,092	10,606,785
Fund Balances - Ending	\$ 9,723,009	\$ 71,816	\$ 9,794,825

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

Mississippi

Governmental Funds

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2024 (Expressed in Thousands)

Net change in fund balances - total governmental funds \$ (811,960)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	1,320,724	
Depreciation and amortization expense	(741,397)	579,327

Various capital asset related transactions affect the statement of activities but have no impact on governmental funds. These transactions include disposition of capital assets by sale, trade, or scrap.

(13,877)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the statement of activities

Premiums on bonds issued	—	
Bonds and notes issued	(2,000)	
Leases issued	(50,867)	
Subscription agreements	(8,252)	
Payments of debt principal	448,284	
Accrued interest payable	(2,999)	384,166

Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities include:

Donations of equipment	235	
Change in claims payable	(191)	
Change in compensated absences	(17,430)	
Change in deferred revenues	75,417	
Change in other postemployment benefit payable, net	17,377	
Change in pollution remediation obligation	5,321	
Change in pension costs, net	(329,283)	
Change in other liabilities	15,474	
Amortization of premiums	26,233	
Amortization of deferred amount on refunding	(13,905)	(220,752)

Change in net position of governmental activities \$ (83,096)

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

Mississippi

Proprietary Funds

Statement of Net Position

June 30, 2024 (Expressed in Thousands)

	Business-type Activities -		
	Department of Employment Security	Port Authority at Gulfport	State Treasurer
	Unemployment Compensation		Prepaid Affordable College Tuition
Assets			
Current assets:			
Equity in internal investment pool	\$ —	\$ 720	\$ 478
Cash and cash equivalents	747,756	13,785	12,531
Receivables, net	76,031	2,985	795
Investments	—	8,860	—
Due from other governments, net	616	530	—
Due from other funds	145	3,326	—
Due from component units	73	—	—
Inventories	—	—	—
Prepaid items	—	111	—
Lease receivable	—	3,135	—
Loans and notes receivable, net	—	—	—
Total Current Assets	824,621	33,452	13,804
Noncurrent assets:			
Investments	—	83,966	285,907
Lease receivable	—	84,132	—
Loans and notes receivable	—	—	—
Capital assets:	—	—	—
Land and construction in progress	—	140,214	—
Other capital assets, net	—	474,655	—
Right-to-use lease assets, net	—	736	—
Total Noncurrent Assets	—	783,703	285,907
Total Assets	824,621	817,155	299,711
Deferred Outflows of Resources			
Pension	—	2,723	455
Other postemployment benefits	—	50	15
Total Deferred Outflows of Resources	—	2,773	470

(Continued on Next Page)

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

Mississippi

Proprietary Funds

Enterprise Funds

Department of Finance and Administration			
State Life and Health Insurance Plan	Nonmajor Funds	Totals	
\$ 158,841	\$ 55,864	\$	215,903
95,862	14,727		884,661
—	3,672		83,483
—	—		8,860
6	—		1,152
195	14,181		17,847
—	—		73
—	202		202
—	1,115		1,226
—	—		3,135
—	7,220		7,220
254,904	96,981		1,223,762
—	—		369,873
—	6,756		90,888
—	216,623		216,623
—	—		—
—	13,927		154,141
—	36,095		510,750
—	1,053		1,789
—	274,454		1,344,064
254,904	371,435		2,567,826
—	6,455		9,633
—	349		414
—	6,804		10,047

(Continued on Next Page)

Mississippi

Proprietary Funds

Statement of Net Position

June 30, 2024 (Expressed in Thousands)

(Continued from Previous Page)

	Business-type Activities -		
	Department of Employment Security	Port Authority at Gulfport	State Treasurer
	Unemployment Compensation		Prepaid Affordable College Tuition
Liabilities			
Current Liabilities			
Warrants payable	\$ —	\$ —	\$ 289
Accounts payable and other liabilities	72	1,199	1,383
Retainage payable	—	36	—
Due to other governments	60,738	—	—
Due to other funds	2,296	—	—
Claims and benefits payable	7,498	—	34,525
Bonds and notes payable	—	—	—
Unearned revenues	12,449	561	—
Lease Liability	—	307	—
Net other postemployment benefits liability	—	—	1
Total Current Liabilities	83,053	2,103	36,198
Noncurrent liabilities:			
Claims and benefits payable	—	—	222,216
Bonds and notes payable	—	—	—
Lease Liability	—	561	—
Net pension liability	—	10,564	1,509
Net other postemployment benefits liability	—	138	32
Other liabilities	—	222	50
Total Noncurrent Liabilities	—	11,485	223,807
Total Liabilities	83,053	13,588	260,005
Deferred Inflows of Resources			
Pension	—	510	—
Other postemployment benefits	—	72	15
Leases	—	83,797	—
Total Deferred Inflows of Resources	—	84,379	15
Net Position			
Net investment in capital assets	—	614,264	—
Restricted for:			
Expendable			
Unemployment compensation benefits	741,568	—	—
Unrestricted	—	107,697	40,161
Total Net Position	\$ 741,568	\$ 721,961	\$ 40,161

(Continued on Next Page)

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

Mississippi

Proprietary Funds

Enterprise Funds

Department of Finance and Administration		
State Life and Health Insurance Plan	Nonmajor Funds	Totals
\$ —	\$ 473	\$ 762
2,419	3,316	8,389
—	—	36
878	—	61,616
—	3	2,299
80,787	—	122,810
—	1,255	1,255
10,629	—	23,639
—	256	563
—	3	4
94,713	5,306	221,373
—	—	222,216
—	8,696	8,696
—	819	1,380
—	25,317	37,390
—	915	1,085
—	565	837
—	36,312	271,604
94,713	41,618	492,977
—	846	1,356
—	398	485
—	6,756	90,553
—	8,000	92,394
—	40,049	654,313
—	—	741,568
160,191	288,572	596,621
\$ 160,191	\$ 328,621	\$ 1,992,502

Mississippi

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Fund Net Position

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Business-type Activities -		
	Department of Employment Security	State Treasure	
	Unemployment Compensation	Port Authority at Gulfport	Prepaid Affordable College Tuition
Operating Revenues			
Charges for sales and services/premiums	\$ —	\$ 22,635	\$ —
Assessments	63,819	—	—
Investment income	—	—	—
Federal agencies	1,202	—	—
Rentals	—	—	—
Fees	—	—	—
Tuition receipts	—	—	6,109
Other	—	5,088	—
Total Operating Revenues	65,021	27,723	6,109
Operating Expenses			
Cost of sales and services	—	—	—
General and administrative	—	4,738	751
Contractual services	—	9,894	1,212
Commodities	—	345	6
Depreciation and amortization	—	19,507	—
Claims and benefits	94,033	—	10,108
Other	—	—	—
Total Operating Expenses	94,033	34,484	12,077
Operating Income (Loss)	(29,012)	(6,761)	(5,968)
Nonoperating Revenues			
Revenue from counties	—	1,818	—
Insurance recovery	—	—	—
Interest income	—	3,190	—
Gain on disposal of capital assets	—	5	—
Investment income	18,926	4,663	25,313
Other	—	—	—
Total Nonoperating Revenues (Loss)	18,926	9,676	25,313
Nonoperating Expenses			
Interest and other fiscal charges	—	194	—
Other	—	—	—
Total Nonoperating Expenses	—	194	—
Income (Loss) before Capital Contributions and Transfers	(10,086)	2,721	19,345
Capital contributions	—	—	—
Transfers In	—	600	—
Transfers Out	(521)	—	—
Change in Net Position	(10,607)	3,321	19,345
Net Position- Beginning, as previously reported	752,175	718,640	20,816
Adjustments and Restatements	—	—	—
Total Net Position - Beginning, as restated	752,175	718,640	20,816
Total Net Position - Ending	\$ 741,568	\$ 721,961	\$ 40,161

(Continued on Next Page)

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

Mississippi

Proprietary Funds

Enterprise Funds

Department of Finance and Administration		
State Life and Health Insurance Plan	Nonmajor Funds	Totals
\$ 890,116	\$ 8,491	\$ 921,242
—	—	63,819
—	6,777	6,777
—	—	1,202
—	6,710	6,710
—	529	529
—	—	6,109
—	2,946	8,034
890,116	25,453	1,014,422
—	4,603	4,603
—	13,098	18,587
29,166	10,193	50,465
—	908	1,259
—	1,718	21,225
854,198	—	958,339
—	118	118
883,364	30,638	1,054,596
6,752	(5,185)	(40,174)
—	—	1,818
—	—	—
—	—	3,190
—	14	19
(6,138)	(1,334)	41,430
—	—	—
(6,138)	(1,320)	46,457
—	397	591
—	—	—
—	397	591
614	(6,902)	5,692
—	—	—
35,000	9,963	45,563
(2,100)	(341)	(2,962)
33,514	2,720	48,293
126,677	325,404	1,943,712
—	497	497
126,677	325,901	1,944,209
\$ 160,191	\$ 328,621	\$ 1,992,502

Mississippi

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Business-type Activities		
	Department of Employment Security	Port Authority at Gulfport	State Treasurer
	Unemployment Compensation		Prepaid Affordable College Tuition
Cash Flows from Operating Activities			
Cash receipts from federal agencies	\$ (11,589)	\$ —	\$ —
Cash receipts/premiums from customers	—	27,603	6,109
Cash receipts from assessments	91,383	—	—
Cash payments to suppliers for goods and services	—	(10,622)	(1,366)
Cash payments to employees for services	—	(3,917)	(595)
Cash payments for claims and benefits	(88,676)	—	—
Other operating cash receipts	—	—	(26,920)
Other operating cash payments	—	—	—
Principal and interest received on program loans	—	—	—
Issuance of program loans	—	—	—
Net Cash Provided by (Used for) Operating Activities	(8,882)	13,064	(22,772)
Cash Flows from Noncapital Financing Activities			
Transfers in	—	459	—
Transfers out	(521)	—	1
Revenues from counties	—	1,515	—
Net Cash Provided by (Used for) Noncapital Financing Activities	(521)	1,974	1
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	—	—	—
Principal received from lease receivable	—	(11,994)	—
Proceeds from sales of capital assets	—	—	—
Proceeds from sale of bonds for capital related financing	—	38	—
Principal paid on bonds and capital asset contracts	—	—	—
Interest paid on bonds and capital asset contracts	—	—	—
Bond Issuance costs for capital related financing	—	—	—
Proceeds on other sales	—	—	—
Interest paid on right-to-use lease assets contracts	—	(195)	—
Proceeds from insurance recovery	—	—	—
Net Cash Used for Capital and Related Financing Activities	—	(12,151)	—
Cash Flows From Investing Activities			
Proceeds from sales of investments	—	4,599	77,841
Purchases of investments	—	(22,536)	(64,530)
Investment income(loss)	18,926	6,790	15,561
Net Cash Provided by (Used for) Investing Activities	18,926	(11,147)	28,872
Net Change in Cash and Cash Equivalents	9,523	(8,260)	6,101
Cash and Cash Equivalents - Beginning	738,233	22,765	6,908
Cash and Cash Equivalents - Ending	\$ 747,756	\$ 14,505	\$ 13,009

(Continued on Next Page)

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

Mississippi

Proprietary Funds

Enterprise Funds

Department of Finance and Administration			
State Life and Health Insurance Plan	Nonmajor Funds		Totals
\$	\$	\$	
—	—	(11,589)	
890,146	12,866	936,724	
—	—	91,383	
(28,826)	(16,523)	(57,337)	
—	(11,144)	(15,656)	
(850,681)	—	(939,357)	
—	2,347	(24,573)	
(1,082)	—	(1,082)	
—	22,520	22,520	
—	(35,508)	(35,508)	
9,557	(25,442)	(34,475)	
35,000	9,963	45,422	
(2,100)	(341)	(2,961)	
—	—	1,515	
32,900	9,622	43,976	
—	(2,639)	(2,639)	
—	—	(11,994)	
—	193	193	
—	(1,169)	(1,131)	
—	(723)	(723)	
—	(19)	(19)	
—	—	—	
—	20	20	
—	—	(195)	
—	—	—	
—	(4,337)	(16,488)	
—	206	82,646	
—	—	(87,066)	
(6,103)	(1,334)	33,840	
(6,103)	(1,128)	29,420	
36,354	(21,285)	22,433	
218,349	91,876	1,078,131	
\$ 254,703	\$ 70,591	\$ 1,100,564	

(Continued on Next Page)

Mississippi

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2024 (Expressed in Thousands)

(Continued from Previous Page)

	Business-type Activities		
	Department of Employment Security	Port Authority at Gulfport	State Treasurer
	Unemployment Compensation		Prepaid Affordable College Tuition
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating income (Loss)	\$ (29,012)	\$ (6,761)	\$ (5,968)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	—	19,507	—
Change in assets and liabilities:			
(Increase) decrease in assets:			
Receivable, net	30,810	(272)	—
Due from the government	3,137	—	—
Due from other funds	(35)	—	—
Due from component units	(27)	—	—
Inventories	(11)	—	—
Prepaid items	—	4	—
Leases receivables	—	(11,418)	—
Loans and notes receivable	—	—	—
Increase (decrease) in liabilities:			
Warrants payable	—	5	(493)
Accounts payable and other liabilities	13	(74)	11
Due to other governments	(7,738)	(43)	—
Due to other funds	939	—	—
Deposits	—	—	—
Claims and benefits payable	(4,437)	—	—
Unearned revenues	(2,520)	36	—
Lease Liability	—	(286)	—
Pension cost	—	803	148
Other postemployment benefits cost	—	(14)	(7)
Deferred Inflows - Leases	—	12,027	—
Other liabilities	(1)	(450)	(16,463)
Total adjustments	20,130	19,825	(16,804)
Net Cash Provided by (Used for) Operating Activities	\$ (8,882)	\$ 13,064	\$ (22,772)

Noncash Capital and Related Financing and Investing Activities

Gain on disposal of Capital Assets	—	5	—
Change in fair value of investments	—	(53)	44,723
Right-to-use lease asset	—	—	—

(Continued on Next Page)

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

Mississippi

Proprietary Funds

Enterprise Funds

Department of Finance and Administration		
State Life and Health Insurance Plan	Nonmajor Funds	Totals
\$ 6,752	\$ (5,185)	\$ (40,174)
—	1,718	21,225
—	—	—
—	173	30,711
1	—	3,138
—	(3,719)	(3,754)
—	—	(27)
—	33	22
—	(458)	(454)
—	—	(11,418)
—	(18,836)	(18,836)
—	(851)	(1,339)
9	(85)	(126)
340	5	(7,436)
—	(35)	904
—	—	—
—	—	(4,437)
29	—	(2,455)
—	—	(286)
—	1,936	2,887
—	(103)	(124)
—	—	12,027
2,426	(35)	(14,523)
2,805	(20,257)	5,699
\$ 9,557	\$ (25,442)	\$ (34,475)

—	14	19
—	—	44,670
—	16	16

Mississippi

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2024 (Expressed in Thousands)

	Pension and Other Employee Benefits Trust Funds	Private-purpose Trust Fund	Custodial Funds
Assets			
Equity in internal investment pool	\$ 1,858	\$ 2,181	\$ 6,584
Cash and cash equivalents	1,011,142	—	235,580
Investments, at fair value:			
Short-term investments	1,119,077	—	—
Long-term debt securities	6,553,556	72,653	—
Equity securities	19,155,535	180,443	—
Private Credit	43,228	—	—
Private equity	3,729,019	—	—
Real estate investments	2,873,587	11,108	—
Life insurance contracts	—	47,283	—
Securities lending:			
Short-term investments	1,014,002	—	—
Long-term debt securities	1,035,154	—	—
Receivables, net:			
Employer contributions	69,227	—	—
Employee contributions	37,060	—	—
Investment proceeds	474,433	—	—
Interest and dividends	156,857	617	—
Other	111,583	647	14,537
Capital assets:			
Land and construction in progress	1,717	—	—
Other capital assets, net	12,243	—	—
Total Assets	37,399,278	314,932	256,701
Deferred Outflow of Resources			
Pension	—	64	—
Other postemployment benefits	215	4	—
Total Deferred Outflows	215	68	—
Liabilities			
Investment purchases payable	1,304,833	—	—
Warrants payable	82	—	189
Accounts payable and accruals	12,939	800	1,299
Due to other governments	—	4	48
Lease liability	110	—	—
Subscription liability	923	—	—
Net pension liability	—	252	—
Net other postemployment benefits liability	696	8	—
Obligations under securities lending	2,046,830	—	—
Total Liabilities	3,366,413	1,064	1,536
Deferred Inflow of Resources			
Other postemployment benefits	290	4	—
Total Deferred Inflows	290	4	—
Net Position			
Restricted for:			
Pensions	34,031,685	—	—
Postemployment benefits other than pensions	1,105	—	—
Other trust beneficiaries	—	313,932	—
Individuals, organizations and other governments	—	—	255,165
Total Net Position	\$ 34,032,790	\$ 313,932	\$ 255,165

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

Mississippi

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Pension and Other Employee Benefits Trust Funds	Private-purpose Trust Fund	Custodial Funds
Additions			
Contributions:			
Employer	\$ 1,406,194	\$ –	\$ –
Plan participant	685,833	38,551	–
State	110,000	–	–
Total Contributions	2,202,027	38,551	–
Net Investment Income:			
Net change in fair value of investments	2,646,877	21,619	–
Interest and dividends	721,106	7,860	337
Securities lending:			
Income from securities lending	132,469	–	–
Interest expense and trading costs from securities lending	(118,766)	–	–
Managers' fees and trading costs	(105,743)	–	–
Net Investment Income	3,275,943	29,479	337
Other Additions:			
Administrative fees	314	178	1,569
Tax collection for other governments	–	–	37,118
Child support collections	–	–	342,549
Legal settlement collections	–	–	139,368
Inmates' account collections	–	–	182
Patients' account collections	–	–	46,428
Other	–	–	21,766
Total Other Additions	314	178	588,980
Total Additions	5,478,284	68,208	589,317
Deductions			
Benefits	3,493,513	42,564	404
Refunds to terminated employees	118,566	–	–
Administrative expenses	17,656	1,815	22,591
Tax payments to other governments	–	–	36,730
Child support payments	–	–	337,708
Legal settlement payments	–	–	82,179
Patients' account payments	–	–	45,165
Depreciation	1,243	–	–
Total Deductions	3,630,978	44,379	524,777
Change in Net Position	1,847,306	23,829	64,540
Net Position - Beginning	32,185,484	290,103	190,625
Net Position - Ending	\$ 34,032,790	\$ 313,932	\$ 255,165

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

Mississippi

Component Units

Statement of Net Position

June 30, 2024 (Expressed in Thousands)

	Universities	Nonmajor Component Units	Totals
Assets			
Current assets:			
Equity in internal investment pool	\$ —	\$ 2,321	\$ 2,321
Cash and cash equivalents	737,726	89,627	827,353
Investments	567,182	26,576	593,758
Receivables, net	498,509	18,555	517,064
Lease receivables, net	—	50	50
Due from other governments	—	125	125
Due from primary government	18,681	—	18,681
Inventories	45,300	839	46,139
Prepaid items	36,624	258	36,882
Notes receivable, net	40,476	—	40,476
Other assets	6,399	296	6,695
Total Current Assets	1,950,897	138,647	2,089,544
Noncurrent assets:			
Investments	1,137,370	—	1,137,370
Receivables, net	47,505	—	47,505
Notes receivable, net	169,585	—	169,585
Restricted assets:			
Cash and cash equivalents	248,571	2,435	251,006
Investments	1,729,847	—	1,729,847
Capital assets:			
Land and construction in progress	757,393	18,905	776,298
Other capital assets, net	4,073,713	49,973	4,123,686
Right-to-use lease assets, net	177,424	1,805	179,229
Other assets	137,254	—	137,254
Total Noncurrent Assets	8,478,662	73,118	8,551,780
Total Assets	10,429,559	211,765	10,641,324
Deferred Outflows of Resources			
Refunding	38,631	—	38,631
Pension	938,616	6,649	945,265
Other postemployment benefits	35,689	346	36,035
Total Deferred Outflows	1,012,936	6,995	1,019,931

(Continued on Next Page)

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

Mississippi

Component Units

Statement of Net Position

June 30, 2024 (Expressed in Thousands)

(Continued from Previous Page)

	Universities	Nonmajor Component Units	Totals
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	\$ 366,094	\$ 68,874	\$ 434,968
Due to primary government	427	9,149	9,576
Unearned revenues	165,591	970	166,561
Bonds and notes payable	57,255	348	57,603
Lease liabilities	22,646	476	23,122
Subscription liabilities	17,437	—	17,437
Net other postemployment benefits liability	—	18	18
Other liabilities	131,108	—	131,108
Total Current Liabilities	760,558	79,835	840,393
Noncurrent liabilities:			
Bonds and notes payable	1,265,846	—	1,265,846
Lease liabilities	112,978	1,347	114,325
Subscription liabilities	24,312	—	24,312
Net pension liability	3,933,233	26,304	3,959,537
Net other postemployment benefits liability	103,056	809	103,865
Other liabilities	245,370	650	246,020
Total Noncurrent Liabilities	5,684,795	29,110	5,713,905
Total Liabilities	6,445,353	108,945	6,554,298
Deferred Inflows of Resources			
Refunding	3,099	—	3,099
Pension	51,276	1,837	53,113
Other postemployment benefits	41,169	394	41,563
Beneficial interest in irrevocable trusts	47,374	—	47,374
Leases	23,158	47	23,205
Partnership Arrangements	4,564	—	4,564
Other deferred inflow of resources	448	—	448
Total Deferred Inflows	171,088	2,278	173,366
Net Position			
Net investment in capital assets	3,713,468	68,134	3,781,602
Restricted for:			
Capital Improvements	—	1,242	1,242
Other purposes	1,283,654	2,435	1,286,089
Permanent endowments:			
Nonexpendable	1,191,598	—	1,191,598
Unrestricted (deficit)	(1,362,667)	35,726	(1,326,941)
Total Net Position	\$ 4,826,053	\$ 107,537	\$ 4,933,590

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

Mississippi

Component Units

Statement of Activities

For the Year Ended June 30, 2024 (Expressed in Thousands)

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Universities	Nonmajor Component Units	Total
Universities	\$ 5,006,199	\$ 2,978,540	\$ 648,549	\$ 41,873	\$ (1,337,237)		\$ (1,337,237)
Nonmajor Component Units	520,768	508,171	–	7,126		(5,471)	(5,471)
Total	<u>\$ 5,526,967</u>	<u>\$ 3,486,711</u>	<u>\$ 648,549</u>	<u>\$ 48,999</u>	<u>(1,337,237)</u>	<u>(5,471)</u>	<u>(1,342,708)</u>
General revenues:							
					277,885	4,915	282,800
					271,728	3,738	275,466
					943,803		943,803
					154,243		154,243
					<u>1,647,659</u>	<u>8,653</u>	<u>1,656,312</u>
					310,422	3,182	313,604
					4,515,631	104,180	4,619,811
					–	175	175
					<u>4,515,631</u>	<u>104,355</u>	<u>4,619,986</u>
					<u>\$ 4,826,053</u>	<u>\$ 107,537</u>	<u>\$ 4,933,590</u>

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

Mississippi

Notes to the Financial Statement

June 30, 2024

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 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles.
- B. **Financial Reporting Entity** - For GAAP financial reporting purposes, the State's reporting entity includes all funds 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 and there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board.

As required by GAAP, these financial statements present the primary government and its component units. 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 (PERS) - 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 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, 2024, and their report has been issued under separate cover. The Annual Comprehensive Financial Report may be obtained by writing to Public Employees' Retirement System, Accounting Department, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Discretely presented component units, which are legally separate from the State, are reported in a separate column of the government-wide financial statements. The State reports the following major discretely presented component unit:

Universities - The Board of Trustees of State Institutions of Higher Learning (IHL) is appointed by the primary government. IHL includes 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. IHL is a body corporate and politic. The State provides financial support to IHL through state appropriations, tuition, federal grants, and private donations and grants. Also included in the Universities are the financial data of their significant fund-raising foundations. Because the restricted resources held by the foundations can only be used by, or for the benefit of, the specific universities, the foundations are considered component units of the Universities. The audited financial statements may be obtained from IHL at 3825 Ridgewood Road, Jackson, MS 39211.

The State reports the following nonmajor discretely presented component units:

Mississippi Business Finance Corporation - This is a legally separate entity created and established as a body corporate and politic. The State appoints the voting majority of the board and a financial benefit/burden relationship exists. The Corporation and the State work together, providing support, one to the other, in the State's economic development. The audited financial statements may be obtained from Mississippi Business Finance Corporation at 735 Riverside Drive, Suite 300, Jackson, MS 39202-1166.

Mississippi

Mississippi Development Bank - This is a legally separate entity created and established as a body corporate and politic. The State appoints the voting majority of the board and a financial benefit/burden relationship exists. The Bank and the State work together, providing support, one to the other, in the State's economic development. The audited financial statements may be obtained from Mississippi Development Bank at 735 Riverside Drive, Suite 300, Jackson, MS 39202-1166.

Mississippi Lottery Corporation - This is a legally separate entity created and established as a body corporate and politic. The State appoints the voting majority of the board and may impose its will on the corporation. A financial benefit/burden relationship exists. The Corporation conducts and administers lottery games within the State resulting in maximization of revenues to support various State programs. The audited financial statements may be obtained from Mississippi Lottery Corporation at P.O. Box 321433, Flowood, MS 39232.

MagCor Industries - This is a legally separate entity created and established as a body corporate and politic. The State appoints the voting majority of the board and may impose its will on the corporation. A financial benefit/burden relationship exists. The Corporation leases and manages the prison industry programs of the Mississippi Correctional Industries. The audited financial statements may be obtained from MagCor Industries at 663 North State Street, Jackson, MS 39202.

Pat Harrison Waterway District - This is a legally separate entity created and established as a body corporate and politic. The State does not appoint the voting majority of the board. The District is fiscally dependent and a financial benefit/burden relationship exists. Expenditures are subject to legislative budget approval. The District provides flood relief along the Pascagoula River and its tributaries and preserves and protects these waters for future generations and for economic enhancement of the area and its industrial growth. The audited financial statements may be obtained from Pat Harrison Waterway District at P.O. Drawer 1509, Hattiesburg, MS 39403-1509.

Pearl River Valley Water Supply District - This is a legally separate entity created and established as a body corporate and politic. The State appoints the voting majority of the board and may impose its will. A financial benefit/burden relationship exists. Expenditures are subject to legislative budget approval. The District operates and maintains the Ross Barnett Reservoir and surrounding district lands to provide water supply, flood reduction and recreational opportunities. The audited financial statements may be obtained from Pearl River Valley Water Supply District at P.O. Box 2180, Ridgeland, MS 39158-2180.

Tombigbee River Valley Water Management District - This is a legally separate entity created and established as a body corporate and politic. The State appoints the voting majority of the board and may impose its will. A financial benefit/burden relationship exists. Expenditures are subject to legislative budget approval. The District provides for a plan of conservation, recreation, water control and utilization, agricultural development and economic advancement within the district. The audited financial statements may be obtained from Tombigbee River Valley Water Management District at P.O. Box 616, Tupelo, MS 38802-0616.

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

- C. **Government-wide and Fund Financial Statements** - The Statement of Net Position and the Statement of Activities report information on all nonfiduciary activities of the primary government and its component units. The primary government is further subdivided between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents all of the State's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. GAAP requires that net position be subdivided into three categories:

Net investment in capital assets - capital assets net of accumulated depreciation and related deferred outflows of resources reduced by outstanding balances for bonds, notes and other debt net of unspent debt proceeds and related deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - assets and deferred outflows of resources less any related liabilities and deferred inflows of resources that are restricted externally by creditors, grantors, contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - assets that are not classified as net investment in capital assets or restricted net position.

Mississippi

The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, thus, are clearly identifiable to a particular function. Certain indirect costs have been included as part of the program expenses reported for the various functions and activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. General revenues include taxes and any sources of revenue that are not reported as program revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and component units. Major individual enterprise funds are reported as separate columns in the fund financial statements.

- D. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation** - The government-wide financial statements and the financial statements of the proprietary funds and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The revenues and expenses of proprietary funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's primary operations. All other revenues and expenses are reported as nonoperating.

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Assets, deferred outflows of resources, liabilities and deferred inflows of resources are included on the balance sheet as applicable. Revenues are recognized when measurable and available to finance operations of the current fiscal year. Available means collectible within the current year or soon enough after fiscal year end to liquidate liabilities existing at the end of the fiscal year. The State considers revenues received within 60 days after fiscal year end as available. 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 are recognized upon receipt of goods and services.

The State reports the following major governmental fund:

The General Fund accounts for all activities of the State not specifically required to be accounted for in other Funds. Transactions are related to general government, education, health and social services, law, justice and public safety, recreation and resource development, regulation of business and professions, transportation, capital projects, and debt service.

The State reports the following major enterprise funds:

The Unemployment Compensation Fund accounts for the collection of unemployment insurance assessments from employers and the payment of unemployment benefits to eligible claimants. Funds are also provided by the federal government and investment income.

The Port Authority at Gulfport Fund 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 investment income. Expenses include port operation, construction and the payment of maturing bond interest and principal.

The Prepaid Affordable College Tuition Fund accounts for operations of a prepaid college tuition program. Funding is provided by the purchasers' specified actuarially determined payments and investment income.

The State Life and Health Insurance Plan 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. Funding is provided by premiums collected from active and retired employees, local school districts, and the State's operating fund.

Additionally, the State reports the following nonmajor funds:

Governmental funds:

Permanent Funds account for transactions related to resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry.

Mississippi

Proprietary Funds:

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.

Fiduciary Funds:

Pension Trust and Other Employee Benefits Trust Funds account for transactions, assets, liabilities and net position held in trust for plan beneficiaries of the State's Public Employee Retirement System and the State Life and Health Insurance Plan.

Private-purpose Trust Fund accounts for operations of a college savings program under Section 529 of the Internal Revenue Code. Funding is provided by participants' contributions and investment earnings.

Custodial Funds account for funds distributed to the various counties and municipalities of the State; 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 various entities or individuals; and for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

- E. **Equity in Internal Investment Pool and Cash and Cash Equivalents** - Equity in internal investment pool is cash equity with the Treasurer and consists of pooled demand deposits and investments recorded at fair value. Cash and cash equivalents include bank accounts, petty cash, money market demand accounts, money market mutual funds and certificates of deposit with a maturity date within 90 days of the date acquired by the State.

In accordance with IHL policy, all highly liquid investments with an original maturity date of three months or less are included as cash and cash equivalents for the Universities, a major component unit.

- F. **Fair Value Measurements** - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB establishes a fair value reporting hierarchy to maximize the use of observable inputs when measuring fair value and defines the three levels of inputs as noted below:

Level 1 - Assets or liabilities for which the identical item is traded on an active exchange, such as publicly-traded instruments or futures contracts.

Level 2 - Assets and liabilities valued based on observable market data for similar instruments. Fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for assets and liabilities, either directly or indirectly.

Level 3 - Assets or liabilities for which significant valuation assumptions are not readily observable in the market and instruments, which are valued based on the best available data. Fair value is estimated using unobservable inputs that are significant to the fair value of the assets or liabilities. Level 3 assets may include instruments for which the determination of fair value requires significant management judgment or estimation.

- G. **Investments** - Investments, including any land or other real estate held as investments by endowments, are recorded at fair value with all investment income, including changes in the fair value of investments, reported as revenue in the financial statements. Income from short-term interest bearing securities is recognized as earned. Changes in the fair value of investment derivative instruments, including derivative instruments that are determined to be ineffective as hedges, are reported as investment income in the government-wide Statement of Activities.

Investments of the pension trust funds are reported at fair 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 fair value when published prices are available, or at cost plus accrued interest, which approximates fair value. The fair value of commingled real estate investment funds is based on independent appraisals, while Real Estate Investment Trusts (REIT) traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For individual investments where no readily ascertainable fair value exists, the Public Employees' Retirement System, in consultation with its investment advisors and custodial bank, has determined the fair values.

- H. **Receivables** - Receivables represent amounts due to the State for revenues earned that will be collected sometime in the future. Amounts expected to be collected in the next fiscal year are classified as "current" and amounts expected to be collected beyond the next fiscal year are classified as "noncurrent." Receivables are reported net of allowances for uncollectible accounts where applicable.

Mississippi

- I. **Interfund Activity** - Interfund activity consists primarily of transfers between funds. Transfers represent flows of assets between funds of the primary government without the equivalent flows of assets in return and without a requirement for payment. Eliminations have been made to minimize the internal activity. Transfers between governmental and business-type activities are reported at the net amount on the government-wide financial statements.
- J. **Interfund Balances** - Interfund receivables and payables have been eliminated from the government-wide Statement of Net Position, except for the residual amounts due between governmental and business-type activities. Fiduciary funds' receivables and payables have been reclassified to accounts receivable and accounts payable, respectively, on the government-wide Statement of Net Position.
- K. **Inventories and Prepaid Items** - Inventories of supplies and materials are stated at cost, generally using the first-in, first out method. Cost of inventories held for use by the Department of Transportation is determined by the weighted average method. Inventories of supplies and materials of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

- L. **Restricted Assets** - Proprietary fund and component unit assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets.
- M. **Capital Assets** - Capital assets are reported, net of depreciation, in the applicable governmental or business-type activities columns in the government-wide financial statements. Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their acquisition value on the date of donation. Classes of capital assets and their related capitalization thresholds are: land - cost or acquisition value on the date of donation, software - \$1,000,000, buildings - \$50,000, land improvements - \$25,000, machinery and equipment - \$5,000, infrastructure - \$100,000, and construction in progress - based on the project's class. Infrastructure acquired prior to July 1, 1980 is not reported in the basic financial statements. The costs of normal maintenance and repairs that do not add to the value of capital assets or materially extend their respective lives are not capitalized. Interest costs incurred before the end of the construction period is recognized as expenditures/expenses in the period in which the cost is incurred. Interest costs are not capitalized on capital assets.

Capital assets, excluding land and construction in progress, are depreciated using the straight-line method over the estimated service lives of the respective assets. Estimated service lives include 5 to 20 years for software, 40 years for buildings, 20 years for land improvements, 5 to 15 years for machinery and equipment, 3 years for computer equipment, 5 to 15 years for heavy and outdoor equipment, and 3 to 10 years for vehicles. The estimated service life varies from 12 to 50 years for infrastructure, based on the individual asset.

The State owns various collections, works of art and historical treasures that have not been capitalized because they are held for public exhibition, education or research, and are protected and preserved. The proceeds from sales of such items are used to acquire other items for the collections. These collections include paintings, photographs, various objects of art, historical and scientific artifacts, antique furniture, clothing, books, and relics.

- N. **Right-to-use Lease Assets and Subscription-Based Information Technology Arrangements** - Right-to-use lease assets and software subscription-based assets are intangible assets where a liability is recognized for the control of the right to use another entity's nonfinancial assets alone or in combination with tangible capital assets, the underlying assets, as specified in the contract, for a period of time in an exchange or exchange-like transaction.

The right-to use lease and software subscription liabilities are reported at net present value and amortized using the effective interest rate method over the term of the lease or contract. The lease asset is measured as the initial amount of the lease liability, plus lease payments made at or before the lease commencement date less any lease incentives received at or before the lease commencement date, plus any initial direct costs ancillary charges necessary to place the underlying asset into service.

The subscription asset is measured as the initial amount of the subscription liability plus payments associated with the subscription contract made to the vendor at the commencement of the subscription term less vendor incentives, plus capitalizable initial implementation costs.

The capitalization threshold for right-to-use lease and software subscription assets is \$100,000 and is reported net of amortization in the governmental and business-type activities' columns in the government-wide financial statements.

- O. **Claims and Benefits Payable** - In the government-wide and proprietary fund financial statements, a liability for an insurance 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.

Mississippi

In the Prepaid Affordable College Tuition Fund (a major proprietary fund), claims and benefits payable represents the actuarially determined present value of future tuition obligations. In the Unemployment Compensation Fund (a major proprietary fund), claims and benefits payable represents amounts incurred prior to the reporting date

- P. **Accumulated Unpaid Leave** - State law authorizes payment for a maximum of 30 days accrued personal leave in a lump sum upon termination of employment. Additionally, in accordance with the Fair Labor Standards Act, nonexempt employees may accrue up to 240 hours of compensatory leave (480 hours for emergency response personnel). 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 for accumulated unpaid personal leave, up to the maximum of 30 days per employee, is reported as "Other Liabilities" in the government-wide financial statements, as well as proprietary and fiduciary fund financial statements. In the governmental funds, only the amounts that normally would be liquidated with expendable available financial resources are accrued as current year expenditures. The reported liability applicable to all funds 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 the Universities, 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 the Universities 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.

- Q. **Unearned Revenues and Deferred Inflows of Resources** - Unearned revenues are recognized when assets are received prior to being earned in an exchange transaction. Unavailable revenues are reported in the governmental fund financial statements as deferred inflows of resources until such time as the revenues become available.
- R. **Pensions** - Net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense have been measured using the same basis as the PERS fiduciary net position. For the purpose of determining the PERS fiduciary net position, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension system reports investments at fair value.
- S. **Postemployment Benefits Other Than Pensions (OPEB)** - The OPEB liability is the actuarial present value of projected healthcare benefit payments to be provided to employees in the period after employment. The net OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB and OPEB expense have been measured using the same basis as the State Life and Health Insurance Plan's fiduciary net position. For the purpose of determining the OPEB fiduciary net position, benefit payments are recognized when due and payable in accordance with benefit terms. The OPEB Plan reports investments at fair value.
- T. **Net Position/Fund Balance** - Net Position is the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources on government-wide, proprietary and fiduciary funds financial statements and Fund Balance on governmental funds financial statements. Fund Balances of governmental funds are classified as:

Nonspendable - amounts that cannot be spent because they are not in a spendable form (not expected to be converted to cash) or are legally required to be maintained intact. Examples include inventories and permanent fund principal.

Restricted - amounts where legally enforceable constraints are imposed by an external party such as a grantor, or by the constitution, or by the State Legislature at the same time the revenue is created.

Committed - amounts where constraints are imposed by bills which become law after passage by the State Legislature, the highest decision-making authority in the State. These constraints are imposed separately from the creation of the revenue. The revenue cannot be used for any other purpose unless the State Legislature removes or changes the specified use by taking the same formal action that originally imposed the constraint.

Assigned - amounts where constraints are imposed on the use of resources through the intent of the State Legislature or by its delegation to each agency director.

Unassigned - the residual amount of the General Fund, which is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred for purposes in which all classifications of spendable fund balance are available, it is the State's general policy to use the fund balances in the following order: restricted, committed, assigned, and unassigned.

- U. **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.

Mississippi

- V. **Bonds and Notes** - Bond and note proceeds, premiums and discounts are reported as other financing sources or uses in the governmental fund financial statements. In the government-wide and proprietary fund financial statements, bond and note premiums and discounts, as well as refunding charges (the difference between the carrying amount of redeemed/defeased debt and its reacquisition price), are deferred and amortized over the life of the bonds and notes using the straight-line method. Bonds and notes payable are reported net of the applicable unamortized bond and note premium and discount while refunding charges are reported as deferred outflows or deferred inflows of resources. Issuance costs are recognized as debt service expenditures/expenses in the period incurred.
- W. **Changes in Accounting Standards** - The State implemented GASB Statement No. 100, Accounting Changes and Error Corrections, during the 2024 fiscal year. This Statement is an amendment of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance. The purpose of the standard is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

Note 2 - Other Accounting Disclosures

- A. **Net Position Restricted by Enabling Legislation** - The State's net position restricted by enabling legislation represent resources which a party external to government, such as citizens, public interest groups, or the judiciary, can compel the government to use only for the purpose specified by the legislation. The government-wide statement of net position reports \$7,488,078,000 of restricted net position, of which \$767,876,000 is restricted by enabling legislation.
- B. **Deficit Net Position** - At June 30, 2024, the Department of Finance and Administration Office of Surplus Property (a nonmajor enterprise fund) has a deficit net position of \$680,000. The deficit is a result of the actuarially determined net pension liability and net OPEB liability along with the deferred outflows and inflows of resources in the fund's financial statements.
- C. **Working Cash Stabilization Reserve Account** - The Budget Reform Act of 1992 created the Working Cash Stabilization Reserve Account (Account) and required that 100% of the unencumbered General Fund cash balance be deposited into the Account at the close of each fiscal year until the balance reaches \$40,000,000. Thereafter, 50% of the unencumbered General Fund ending cash balance must be deposited into the Account until it reaches 10% of General Fund appropriations for the fiscal year that the unencumbered General Fund cash balance represents. As required by law, the Account is not considered as a surplus or available funds when adopting a balanced budget. The Account balance in excess of \$40,000,000 may be permanently transferred to the General Fund to cover deficits up to a maximum of \$50,000,000 in any one fiscal year. These transfers are restored to the Account out of future annual General Fund ending cash balances until the 10% maximum is again attained. At June 30, 2024, the Account, as reported in the General Fund, has an unassigned fund balance of \$641,693,000.

Mississippi

D. **Fund Balances** - At June 30, 2024, the State's restricted, committed and assigned fund balances are summarized by purpose as follows (amounts expressed in thousands):

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
Governmental Funds			
General			
General Government			
Fiscal Affairs	\$ 161,650	\$ 804,230	\$ 22,292
Regulatory	29,314	2,754	—
Other	579,179	55,207	—
Education	337,617	4,340	—
Health and Social Services	1,558,083	118,886	3,676
Law, Justice and Public Safety			
Disaster Assistance	—	11,626	—
Highway safety	72,952	13,419	—
Other	60,161	49,301	—
Recreation and Resources Development			
Industrial Development	710,128	327,954	468
Natural Resources	1,226,144	3,156	—
Other	114,184	44,389	2,802
Regulation of Business and Professions	64,664	371	—
Transportation			
Highways	630,258	511,204	—
State Roads and Bridges	142,254	—	—
Other	62,752	147,726	—
Capital Projects	523,691	834,362	—
Debt Service	343,072	—	—
Total General Fund	<u>6,616,103</u>	<u>2,928,925</u>	<u>29,238</u>
Permanent			
Education	441	—	—
Health and Social Services	1,295	—	—
Recreation and Resources Development			
Wildlife Conservation	2,424	—	—
Total Permanent Fund	<u>4,160</u>	<u>—</u>	<u>—</u>
Total Governmental Funds	<u>\$ 6,620,263</u>	<u>\$ 2,928,925</u>	<u>\$ 29,238</u>

Mississippi

- E. **Restatements of Fund Balance and Net Position** - During fiscal year 2024, one of the State's component units and a nonmajor enterprise had prior period adjustments for error corrections in the amounts of \$175,000 and \$497,000 respectively. As a result, net position was increased for both component units and nonmajor enterprise funds.

Net Position Balance	June 30, 2023 as previously reported	Error Correction- Adjustment to capital assets carrying values and accumulated depreciation	Error Correction- Adjustment due to overstatement of project expense	June 30, 2023 as restated
Primary Government:				
Business-type Activities				
Net Investment in capital assets	\$ 657,564	\$ 497	\$ -	\$ 658,061
Restricted	752,175	-	-	752,175
Unrestricted (deficit)	533,973	-	-	533,973
Total Business-type Activities	\$ 1,943,712	\$ 497	-	\$ 1,944,209
Proprietary Funds				
Enterprise Funds				
Nonmajor Funds:				
Net Investment in capital assets	\$ 36,045	\$ 497	\$ -	\$ 36,542
Unrestricted (deficit)	289,359	-	-	289,359
Total Proprietary Funds	\$ 325,404	\$ 497	-	\$ 325,901
Component Units:				
Governmental Activities				
Net Investment in capital assets	\$ 64,143	\$ -	\$ -	\$ 64,143
Restricted	1,295	-	-	1,295
Unrestricted (deficit)	38,742	-	175	38,917
Total Component Units	\$ 104,180	\$ -	\$ 175	\$ 104,355

Note 3 - Interfund Transactions

At June 30, 2024, interfund receivables and interfund payables consisted of (amounts expressed in thousands):

Due From	Due To							Total
	General	Permanent	Unemployment Compensation	Port Authority at Gulfport	Prepaid Affordable College Tuition	State Life and Health Insurance Plan	Nonmajor Enterprise	
Governmental:								
General	\$ -	\$ 6	\$ 145	\$ 3,326	\$ -	\$ 195	\$ 14,181	\$ 17,853
Proprietary:								
Unemployment Compensation	2,296	-	-	-	-	-	-	2,296
Nonmajor Enterprise	3	-	-	-	-	-	-	3
Total	\$ 2,299	\$ 6	\$ 145	\$ 3,326	\$ -	\$ 195	\$ 14,181	\$ 20,152

Interfund receivables and payables are the results of 1) timing differences between the date expenses/expenditures occur and the date payments are made and 2) the accrual of tax distributions for taxes collected in the following fiscal year.

Mississippi

At June 30, 2024, amounts due from/to primary government and component units consisted of (amounts expressed in thousands):

Due From	Due To			
	Primary Government		Component Units	
	General	Unemployment Compensation	Universities	Total
Primary Government:				
General	\$ –	\$ –	\$ 18,681	\$ 18,681
Component Units:				
Universities	354	73	–	427
Nonmajor	9,149	–	–	9,149
Total	<u>\$ 9,503</u>	<u>\$ 73</u>	<u>\$ 18,681</u>	<u>\$ 28,257</u>

Amounts due to and due from the primary government and component units are the results of timing differences between the date expenses/expenditures occur and the date payments are made.

At June 30, 2024, interfund transfers consisted of (amounts expressed in thousands):

Transfer From	Transfer to				
	General	Port Authority at Gulfport	State Life and Health Insurance Plan	Nonmajor Enterprise	Total
Governmental:					
General	\$ –	\$ 600	\$ 35,000	\$ 9,963	\$ 45,563
Permanent	1,000	–	–	–	1,000
Proprietary:					
Unemployment Compensation	521	–	–	–	521
Nonmajor Enterprise	341	–	–	–	341
State Life and Health Insurance plan	2,100	–	–	–	2,100
Total	<u>\$ 3,962</u>	<u>\$ 600</u>	<u>\$ 35,000</u>	<u>\$ 9,963</u>	<u>\$ 49,525</u>

Interfund transfers are primarily used to 1) move revenues from funds required to collect them to funds required to expend them, 2) use revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) transfer capital facility construction and debt service expenditures to the funds making the payments.

Note 4 - Deposits and Investments

The State Treasurer maintains a cash and short-term investment pool for all state 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.

The State Treasurer is authorized to invest all excess treasury funds of the state under Section 27-105-33, Mississippi Code Ann. (1972). Funds in the Working Cash-Stabilization Reserve Account and the Education Improvement Trust Account are invested by the State Treasurer as authorized by Sections 27-103-203 and 7-9-103, respectively, Mississippi Code Ann. (1972).

Sections 37-155-9 and 37-155-115, Mississippi Code Ann. (1972) authorize the Board of Directors of the College Savings Plans of Mississippi Trust Funds (the Board) to invest funds held in the Mississippi Affordable College Tuition (MPACT) Account and the Mississippi Affordable College Savings (MACS) Account, respectively.

The System is authorized to invest funds under Section 25-11-121, Mississippi Code Ann. (1972). All investments are governed by the Board of Trustee's policy of the prudent person rule. The prudent person rule establishes a standard for all fiduciaries, to act as a prudent person would be expected to act, with discretion and intelligence, while investing for income and preservation of principal.

Mississippi

Primary Government Deposits (except for the System)

Section 27-105-5, Mississippi Code Ann. (1972) authorizes the State Treasurer to implement a statewide collateral pool program which secures all state and local public funds deposits through a centralized system of pledging securities to the State Treasurer. The program requires the State Treasurer as pledgee of all public funds to monitor the security portfolios of approved financial institutions and ensure public funds are adequately secured.

Section 27-105-5, Mississippi Code Ann. (1972) establishes the requirements for a financial institution to be approved as a qualified public funds depository. Generally, financial institutions make annual application to the State Treasurer for state funds by signing a contract and supplying the financial report as provided to its regulatory authority to assure the statutory required 5.5 percent primary capital to total assets ratio. When so approved by the State Treasurer, the financial institution is required to place on deposit with the State Treasurer collateral equal to at least 105 percent of the amount of public funds on deposit in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). Collateral may be held by a third party custodian, with approval of the State Treasurer, if conditions are met which protect the State's interests.

Sections 27-105-5 and 27-105-6, Mississippi Code Ann. (1972) establish a public funds guaranty pool administered by the Guaranty Pool Board and the State Treasurer. The Guaranty Pool Board is composed of the State Treasurer, Commissioner of Banking and Consumer Finance, five members nominated by the Mississippi Bankers Association, one member nominated by the Mississippi Supervisors Association, and one member nominated by the Mississippi Municipal League. The Guaranty Pool Board is responsible for reviewing and recommending criteria to be used by the State Treasurer in order to protect public deposits and the depositories in the guaranty pool program.

Sections 27-105-5 and 27-105-6, Mississippi Code Ann. (1972) establish criteria for a financial institution that has been in existence for three years or more to be approved as a qualified public funds depository and a public funds guaranty pool member. Potential guaranty pool members must submit an application and supply financial information to the State Treasurer as provided to its regulatory authority to verify the institution meets certain financial criteria established in the law. In addition to the requirements in the law, the Guaranty Pool Board has established additional membership requirements pursuant to its statutory authority. Once approved as a member of the public funds guaranty pool, the members must submit quarterly financial information to the State Treasurer. The Guaranty Pool Board uses this information to monitor the financial status of each member and the fiscal soundness of the guaranty pool.

Under the criteria established by the Guaranty Pool Board, an approved guaranty pool member must meet the 75 percent security requirement by depositing eligible collateral with the State Treasurer (or an approved custodian). The agreement provides that if a loss to a public depositor in the guaranty pool is not covered by deposit insurance and the proceeds from the sale of securities pledged by the defaulting depository, the difference will be provided by an assessment against other guaranty pool members on a pro rata basis.

Custodial credit risk for deposits is the risk that in the event of the failure of a financial institution, the government will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2024, of the statewide collateral pool cash deposits reported by the financial institutions, \$1,601,000 was uninsured and uncollateralized. Of the cash deposits not included in the statewide collateral pool, \$1,172,000 was uninsured and uncollateralized, and \$6,880,000 was uninsured and collateral held by the pledging financial institution's trust department or agent was not in the government's name.

Primary Government Investment Policies (except for the System)

The State Treasurer is authorized to invest all funds in the state pool in the following:

- Certificates of deposit or term repurchase agreements with approved financial institutions, banks and savings associations domiciled in Mississippi;

- Repurchase agreements and securities lending transactions (with at least 80 percent of the total dollar amount with qualified state depositories);

- Direct U.S. Treasury obligations fully guaranteed by the U.S. Government;

- U.S. Government agency, U.S. Government instrumentality, or U.S. Government sponsored enterprise obligations, the principal and interest of which are fully guaranteed by U.S. Government, U.S. Government agency, U.S. Government instrumentality, or U.S. Government sponsored enterprise; 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 U.S. (or its agencies, instrumentalities or sponsored enterprises) and to repurchase agreements fully collateralized by direct obligations of the U.S. (or its agencies, instrumentalities or sponsored enterprises). The total dollar amount of funds invested in all open-end and closed-end management type companies and investment trust cannot exceed 20 percent of total investments. Not more than \$500,000 may be invested with foreign financial institutions.

Mississippi

The State Treasurer, for the Working Cash-Stabilization Reserve Account and the Education Improvement Trust Account and the Board for the MPACT Account, are authorized to invest in the following:

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

School district bonds of the State;

Notes or certificates of indebtedness issued by the Veterans' Home Purchase Board, not to exceed five percent of total investments;

Highway bonds of the State;

Corporate bonds of Grade A or better as rated by Standard & Poor's Corporation (S&P) or by Moody's Investors Service. The Board may invest up to 5 percent of the book value of the total fixed income investment in corporate bonds of Grade BBB/Baa or better as rated by S&P 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 S&P or rated P-3 or better by Moody's Investors Service;

Bonds of the Tennessee Valley Authority;

Bonds, notes, certificates and other valid obligations of the U.S. or any federal instrumentality that issues securities under authority of an act of Congress and are exempt from registration with the U.S. Securities and Exchange Commission (SEC);

Bonds, notes, debentures and other securities issued by any federal instrumentality and fully guaranteed by the U.S.; and

Interest-bearing bonds or notes which are general obligations of any other state in the U.S. 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.

In addition, the Board for the MPACT Account, is authorized to invest in the following:

Bonds rated A or better, stocks and convertible securities of established non-U.S. 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 Board 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;

Shares of stock, common and/or preferred, of corporations created by or existing under the laws of the U.S. 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 SEC 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 SEC registered investment advisory firm retained as an investment manager by the Board.

The Board is authorized to invest for the MACS account as permitted under Section 529 of the Internal Revenue Code of 1986.

Mississippi

Primary Government Investments (except for the System)

- A. **Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The primary government follows the statutes as previously discussed as its policy for limiting exposure to credit risk. The Moody's or S&P credit ratings for the primary government's investments as of June 30, 2024 are as follows (amounts expressed in thousands):

Investment Type	Quality Ratings				
	AAA	AA	A	BBB	Not Rated
Asset backed securities	\$ 3,415	\$ –	\$ –	\$ –	\$ –
Collateralized mortgage obligations	1,162	–	–	414	565,804
Commercial Paper	–	–	1,547,429	–	–
Corporate bonds	1,392	5,746	29,195	4,773	2,112
International Equities	–	–	–	–	–
Mortgage pass-throughs	–	–	–	–	742,035
Mutual funds	39,233	–	205	209	58,579
Repurchase Agreements	–	–	–	–	580,560
State and local obligations	–	805	–	–	–
U.S. Government agency obligations	92,594	4,397,127	19,830	–	15,640
Total	<u>\$ 137,796</u>	<u>\$ 4,403,678</u>	<u>\$ 1,596,659</u>	<u>\$ 5,396</u>	<u>\$ 1,964,730</u>

Mississippi

- B. **Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The primary government has no formal policy on limiting exposure to interest rate risk. As of June 30, 2024, the primary government had the following investments and maturities (amounts expressed in thousands):

Investment Type	Fair Value (in thousands)	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Asset backed securities	\$ 3,415	\$ –	\$ 3,315	\$ 100	\$ –
Collateralized mortgage obligations					
Agency	1,376,165	112	21,632	4,977	1,349,444
Corporate	1,576		414	–	1,162
Commercial Paper	1,547,429	1,547,429	–	–	–
Corporate bonds	50,805	6,051	37,896	1,083	5,775
Fixed income securities	63,472	–	26,032	37,440	–
International fixed	19,830	9,974	9,856	–	–
Mortgage pass-throughs	745,283	32,489	283,135	178,548	251,111
State and local obligations	805	306	292	207	–
Mutual funds	41,233	41,233	–	–	–
Other pass-throughs	407,388	295	19,975	104,387	282,731
Repurchase agreements	580,560	580,560	–	–	–
U.S. Government agency obligations	4,492,949	919,568	2,723,191	848,980	1,210
U.S. Treasury Obligations	1,097,651	506,591	568,046	20,915	2,099
U.S. Treasury bills	2,080	2,080	–	–	–
Total Primary Government	\$ 10,430,641	\$ 3,646,688	\$ 3,693,784	\$ 1,196,637	\$ 1,893,532

Collateralized mortgage obligations (CMOs) 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.

Asset backed securities (ABS) are bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other credit providers. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Similar to CMOs, ABS have been structured as pass-throughs and as structures with multiple bond classes.

Mortgage pass-through securities are issued by the FNMA, FHLMC, and Government National Mortgage Association (GNMA). These investments are backed by mortgage loans in which the borrowers have the option of prepaying.

- C. **Fair Value Measurements** - The State categorizes its fair value measurements within the fair value hierarchy established by GASB Statement 72. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

Mississippi

As of June 30, 2024, the primary government has the following recurring fair value measurements (amounts expressed in thousands):

Investment by Fair Value Level	Fair Value	Fair Value Measurements Using:	
		Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt securities:			
Asset backed securities	\$ 3,415	\$ –	\$ 3,415
Collateralized mortgage obligations	814,357	–	814,357
Corporate bonds	50,805	9,181	41,624
Commercial Paper	1,547,429	–	1,547,429
Fixed income securities	63,472	63,472	–
International fixed	–	–	–
Mortgage pass-throughs	1,308,668	–	1,308,668
Mutual funds	39,120	39,120	–
Other pass-throughs	407,388	–	407,388
Real estate investments	11,108	11,108	–
State and local obligations	805	–	805
U.S. Government agency obligations	4,492,948	–	4,492,948
U.S. Treasury obligations	1,097,652	1,097,652	–
U.S. Treasury bills	2,080	2,080	–
Repurchase agreements	580,560	–	580,560
Total Debt Securities	10,419,807	1,222,613	9,197,194
Equity securities:			
Domestic equities	246,245	246,245	–
International equities	83,325	63,495	19,830
Total Equity Securities	329,570	309,740	19,830
Total Investments By Fair Value Level	10,749,377	\$ 1,532,353	\$ 9,217,024
Open-ended commingled funds - foreign	73,829		
Real estate funds	14,597		
Total Investments Measured at NAV	88,426		
Total Investments Measured at Fair Value	\$ 10,837,803		

Certain investments that are measured at fair value using the Net Asset Value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. Investments measured at NAV per share (or its equivalent) are (amounts expressed in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Open-ended Commingled funds - foreign	\$ 73,829	\$ –	Daily	Up to 30 days
Real estate funds	14,597	–	Daily	Up to 60 days
Total Investments at NAV	\$ 88,426	\$ –		

Open-ended commingled funds include two investments that take both long and short positions, primarily in foreign common stocks. Real estate funds include three real estate funds that invest primarily in U.S. commercial real estate and timberland. The investment in the timberland fund can be redeemed upon maturity of the fund. Distributions from the timberland fund will be made as the underlying investments of the funds are liquidated. The U.S. commercial real estate funds have quarterly liquidity availability.

Mississippi

- D. **Concentration of Credit Risk** - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The primary government limits investment in the Veteran's Home Purchase Board notes or certificates to not more than five percent of total investment holdings. By statute, the Board's investments in stocks of any one corporation are limited to not more than three percent of the book value of their assets. The primary government has the following investments that represent more than five percent of net investments (amounts expressed in thousands):

Federal National Mortgage Association	\$	681,010	5.75 %
Federal Home Loan Mortgage Corporation		1,465,000	12.38
Federal Farm Credit Bank		1,028,693	8.69
Federal Home Loan Bank		2,127,056	17.97

System Deposits

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, when possible, the types of collateral securing deposits be limited to securities in which the System itself may invest. The Board of Trustees has established a policy to require collateral equal to at least 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, and at June 30, 2024, the System had no deposits in foreign demand deposit accounts.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Section 25-11-121, Mississippi Code Ann. (1972), provides that the deposits of the System in any U.S. bank shall, where possible, be safeguarded and guaranteed by the posting of bonds, notes, and other securities as security by the depository. The System's Board of Trustees has formally adopted a short-term investment policy that requires that the fair value of securities guaranteeing the deposits shall at all times be equal to 100 percent of the amount of funds on deposit.

System Investment Policies

The System is authorized to invest in the following:

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

School district bonds of the State;

Notes or certificates of indebtedness issued by the Veterans' Home Purchase Board, not to exceed five percent of total investments;

Highway bonds of the State;

Corporate bonds rated by S&P 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-2 or better by S&P or rated P-2 or better by Moody's Investors Service;

Bonds of the Tennessee Valley Authority;

Bonds, notes, certificates and other valid obligations of the U.S. or any federal instrumentality that issues securities under authority of an act of Congress and are exempt from registration with the SEC;

Bonds, notes, debentures and other securities issued by any federal instrumentality and fully guaranteed by the U.S.;

Bonds, stocks, and convertible securities of established foreign companies that are listed on primary national stock exchanges of foreign nations and in foreign government securities. 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 that are general obligations of any other state in the U.S. or any city or county therein, provided such city or county had a population as shown by the most recent federal census 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;

Mississippi

Shares of common and/or preferred stock of corporations created by or existing under the laws of the U.S. 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 SEC 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;

Pooled or commingled real estate funds or real estate securities managed by a corporate trustee or by a SEC registered investment advisory firm retained as an investment manager by the System. Section 25-11-121, Mississippi Code Ann. (1972), allows the System to invest up to ten percent of the total portfolio in real estate only via real estate securities and commingled funds. Direct ownership of real estate assets is prohibited. The portfolio is divided between core commingled and value added real estate fund investments, which directly invest in properties, and in managed portfolios of Real Estate Investment Trusts (REITs). REITs are exchange traded securities that provide indirect exposure to real estate properties and real estate management companies. Fair values of commingled fund properties are based on the most recent independent appraisal values. Independent appraisal firms which are Members of Appraisal Institute (MAI) are required to conduct valuations at least annually; and

Up to ten percent of the total book value of investments can be types of investments not specifically authorized by this section, if the investments are in the form of a separate account managed by a SEC registered investment advisory firm retained as an investment manager by the Board of Trustees, or a limited partnership, or commingled fund.

System Investments

- A. **Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System follows the statutes as previously discussed as its policy for limiting exposure to credit risk. The Board of Trustees has adopted a short-term investment policy which further restricts commercial paper to be of corporations with long-term debt to be rated A or better by S&P or Moody's, and whose short-term obligations are of A-2 or P-2 or better ratings by S&P and Moody's, respectively. This applies to all short-term investments. Credit risk for derivatives results from the same considerations as other counterparty risk assumed by the System.

The Moody's or S&P credit ratings for the System's investments as of June 30, 2024 are as follows (amounts expressed in thousands):

Investment Type	Quality Ratings					
	Aaa/AAA	Aa/AA	A/A	Baa/BBB	Ba/BB	B/B
Asset backed securities	\$ 634,965	\$ 18,444	\$ 60,111	\$ 29,421	\$ 3,104	\$ 864
Collateralized mortgage obligations	320,385	330,302	9,351	30,793	19,420	2,045
Commercial paper	—	270,506	448,010	—	—	—
Corporate bonds	104,669	499,962	772,456	1,035,672	268,035	102,183
Mortgage pass-throughs	—	1,015,126	—	—	—	—
Repurchase agreements	—	—	120	—	—	—
Sovereign governments debt	58,678	190,481	189,556	268,596	208,424	68,598
State and local obligations	26,649	59,655	30,732	1,673	—	—
U.S. Government agency obligations	—	68,815	—	—	—	—
Yankee/Global bonds	17,362	8,618	12,052	592	—	—
Total	<u>\$ 1,162,708</u>	<u>\$ 2,461,909</u>	<u>\$ 1,522,388</u>	<u>\$ 1,366,747</u>	<u>\$ 498,983</u>	<u>\$ 173,690</u>

Mississippi

Quality Ratings

Investment Type	Caa/CCC	Ca/CC	C/C	D/D	Not Rated
Asset backed securities	\$ 2,717	\$ 1	\$ 8	\$ –	\$ –
Collateralized mortgage obligations	1,785	598	631	–	15,195
Commercial paper	–	–	–	–	–
Corporate bonds	9,147	2,045	876	–	7,163
Repurchase agreements	–	–	–	–	396,888
Sovereign governments debt	74,988	7,720	1,195	7,855	8,566
State and local obligations	–	–	–	–	–
Yankee/Global bonds	–	–	–	–	–
Total	<u>\$ 88,637</u>	<u>\$ 10,364</u>	<u>\$ 2,710</u>	<u>\$ 7,855</u>	<u>\$ 427,812</u>

- B. **Custodial Credit Risk** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Section 25-11-121, Mississippi Code Ann. (1972), requires that all investments be clearly marked as to ownership, and to the extent possible, shall be registered in the name of the System. Of the System's \$35,523,158,000 in investments at June 30, 2024, \$2,334,521,000 was exposed to custodial credit risk. These are cash collateral reinvestment securities held in the name of the custodian who acquired them as the lending agent/counterparty and the securities on loan for securities collateral that is held in the name of the lending agent. This is consistent with the securities lending agreement in place with the custodian.

The fair value of the System's cash collateral securities and the underlying securities on non-cash loans as of June 30, 2024, consisted of (amounts expressed in thousands):

Investment Type	Fair Value
Cash collateral securities	
Asset backed securities	\$ 490,268
Commercial paper	717,021
Corporate bonds	590,731
Repurchase agreements	251,136
Total cash collateral securities	<u>2,049,156</u>
Underlying securities on non-cash loans	
Debt securities	170,120
Equities	114,317
Real Estates Investment Trusts	928
Total underlying securities on non-cash loans	<u>285,365</u>
Total	<u>\$ 2,334,521</u>

Mississippi

- C. **Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System has no formal policy on limiting exposure to interest rate risk. As of June 30, 2024, the System had the following investments and maturities (amounts expressed in thousands):

Investment Types	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Asset backed securities	\$ 749,635	\$ 565,886	\$ 81,826	\$ 25,972	\$ 75,951
Collateralized mortgage obligations	730,505	323,290	3,746	4,290	399,179
Commercial paper	718,516	718,516	—	—	—
Corporate bonds	2,802,208	645,962	1,222,393	532,909	400,944
Mortgage pass-throughs	1,162,766	1	207	4,888	1,157,670
Repurchase agreements	397,008	397,008	—	—	—
Sovereign governments debt	1,084,657	47,821	291,326	414,112	331,398
State and local obligations	118,709	6,443	64,510	4,945	42,811
U.S. Government agency obligations	68,815	44,730	16,199	3,356	4,530
U.S. Treasury obligations	1,348,428	410,923	93,152	371,494	472,859
Yankee/Global bonds	38,624	12,052	15,505	10,475	592
Total	<u>\$ 9,219,871</u>	<u>\$ 3,172,632</u>	<u>\$ 1,788,864</u>	<u>\$ 1,372,441</u>	<u>\$ 2,885,934</u>

During fiscal year 2024, the investments in derivatives were exclusively in asset/liability based derivatives such as interest-only (IO) strips, CMOs and ABS. The System reviews fair values of all securities on a monthly basis and prices are obtained from recognized pricing sources. Derivative securities are held, in part, to maximize yields. IO and principal-only (PO) strips are transactions which involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors which may result from a decline in interest rates. The System held IO strips valued at \$11,100,000 at fiscal year-end. The derivatives policy limits IO and PO strips to three percent of the investment portfolio.

CMOs 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 more sensitive to interest rate fluctuations. In a declining interest rate environment, some CMOs may be subject to a reduction in interest payments as a result of prepayments of mortgages which make up the collateral pool. A reduction in interest payments causes a decline in cash flows and, thus a decline in the fair 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 System held \$730,500,000 in CMOs at June 30, 2024. Of this amount, \$24,200,000 were tranches that are highly sensitive to future changes in interest rates. CMO residuals are prohibited under the derivatives policy.

ABS are bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other credit providers. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Similar to CMOs, ABS have been structured as pass-throughs and as structures with multiple bond classes. Of the \$749,600,000 in ABS held as of June 30, 2024, \$32,200,000 are highly sensitive to changes in interest rates. ABS which are leveraged structures or residual interests are prohibited by the derivatives policy.

As of June 30, 2024, the System had invested in \$1,200,000,000 in mortgage pass-through securities issued by the FNMA, FHLMC, and GNMA. These investments are moderately sensitive to changes in interest rates because they are backed by mortgage loans in which the borrowers have the option of prepaying.

Mississippi

- D. **Foreign Currency Risk** - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The investment asset allocation policy does not limit foreign currency-denominated investments of the System. The Investment Committee of the Board of Trustees evaluates the actual investment asset allocation quarterly, in accordance with the adopted phase-in policy. Based on current market conditions, the Board adjusts the allocation as necessary. The System's exposure to foreign currency risk at June 30, 2024, is as follows (amounts expressed in thousands):

Currency	Cash and Equivalents	Equities and REITs	Debt Securities	Total Fair Value
Argentina peso	\$ 112	\$ —	\$ —	\$ 112
Australian dollar	(69,090)	261,938	68,523	261,371
Brazilian real	(6,510)	112,751	28,324	134,565
British pound sterling	(150,667)	830,584	157,253	837,170
Canadian dollar	(75,678)	423,756	72,457	420,535
Chilean peso	1,781	7,316	—	9,097
Chinese yuan renminbi	(16,819)	155,890	7,633	146,704
Columbian peso	(8,412)	—	12,050	3,638
Czech koruna	(5,282)	515	1,538	(3,229)
Danish krone	(2,064)	202,489	4,022	204,447
Egyptian pound	8	—	—	8
Euro	(462,410)	1,554,659	472,475	1,564,724
Hong Kong dollar	1,186	528,607	—	529,793
Hungarian forint	(6,697)	25,902	7,889	27,094
Indian rupee	(1,579)	186,578	15,126	200,125
Indonesian rupiah	(7,961)	59,274	13,876	65,189
Israeli shekel	410	17,495	352	18,257
Japanese yen	(47,554)	1,206,586	48,398	1,207,430
Kuwaiti dinar	632	11	—	643
Malaysian ringgit	147	10,980	—	11,127
Mexican peso	(6,094)	65,025	21,332	80,263
New Taiwan dollar	(6,522)	377,717	—	371,195
New Zealand dollar	(4,099)	5,896	6,234	8,031
Norwegian krone	1,292	34,416	—	35,708
Pakistani rupee	—	5,560	—	5,560
Peruvian nuevo sol	(4,471)	—	4,553	82
Philippines peso	36	190	—	226
Polish zloty	(324)	8,632	7,965	16,273
Qatari riyal	125	2,314	—	2,439
Romanian Leu	—	—	—	—
Russian ruble	82	4,019	—	4,101
Saudi Arabia riyal	157	23,746	—	23,903
Singapore dollar	(5,260)	71,524	—	66,264
South African rand	8,030	95,135	727	103,892
South Korean won	(29,681)	293,231	23,008	286,558
Swedish krona	(5,638)	237,796	3,799	235,957
Swiss franc	7,026	372,293	—	379,319
Thailand baht	(143)	24,083	—	23,940
Turkish lira	3,952	37,545	2,073	43,570
UAE dirham	334	5,400	—	5,734
Uruguayan peso	(1,631)	—	22,176	20,545
Total	<u>\$ (899,276)</u>	<u>\$ 7,249,853</u>	<u>\$ 1,001,783</u>	<u>\$ 7,352,360</u>

Mississippi

- E. **Investment Derivatives** - The System's derivatives policy limits foreign currency forwards to no more than 100 percent of the aggregate value of the portfolio securities denominated in the hedged currency. At June 30, 2024, the counterparties of the foreign currency forwards primarily had short term credit ratings of A as rated by the nationally recognized statistical rating organizations. The System's general policy requires that the counterparty has a long term credit rating of A or better and a short term credit rating of A1/P1 at a minimum. More specifically, the System's policy requires that all over-the-counter derivatives be rated AA or better by the nationally recognized statistical rating organizations. The counterparties of the to-be-announced securities were primarily rated A by the nationally recognized statistical rating organizations. The foreign currency forwards are presented in the foreign currency risk table, and the to-be-announced securities are disclosed in the interest rate risk table by years to maturity. The investment derivative instruments outstanding as of June 30, 2024, are as follows (amounts expressed in thousands):

Investment Type	Notional Amount	Changes in Fair Value		Fair Value at June 30, 2024	
		Classification	Amount	Classification	Amount
Foreign currency forwards	\$ (228,172,714)	Investment Income	\$ 7,765	Investment	\$ (7,765)
To-be-announced securities	141,669	Investment Income	(100)	Debt Securities	125,466

- F. **Securities Lending Transactions** - 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. The System lends securities for collateral in the form of either cash or other securities. The types of securities on loan at June 30, 2024, by the System are long-term U.S. Government and agency obligations, corporate bonds, REITs, and domestic and international equities. The contractual agreement with the 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. There have been no significant violations of the provisions of the agreement during the period of this statement.

At the initiation of a cash loan, borrowers are required to provide collateral amounts of 102 percent on U.S. securities and international securities denominated in the same currency of the loaned security. For international securities that are denominated in a currency other than the currency of the loaned security, 105 percent collateral is required at the initiation of the loan. In the event the collateral fair value on U.S. securities and sovereign debt falls to less than 100 percent of the respective fair value of the securities lent, the borrower is required to provide additional collateral by the end of the next business day. In the event the collateral fair value falls below 102 percent for international same-currency transactions or 105 percent for cross-currency transactions, the borrower is required to provide additional collateral.

For non-cash loans, 102 percent collateral is required from the borrowers. The System cannot pledge, lend, or sell securities received as collateral unless the borrower defaults. As such, these securities are not presented on the Statement of Fiduciary Net Position. Authorized securities' collateral includes U.S. and non-U.S. government debt obligations and securities, supranational debt obligations, U.S. and non-U.S. equity securities listed on specified indices, U.S. and non-U.S. corporate bonds, and convertible securities. Equities were held as collateral on the non-cash loans as of June 30, 2024.

The maturities of the investments made with cash collateral generally do not match the maturities of the 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 two days at June 30, 2024. Cash collateral was invested in commercial paper, repurchase agreements, corporate bonds, and asset-backed securities. The weighted average effective duration and the weighted average maturity of all collateral investments were 5 days.

Securities lent at year end for cash and non-cash collateral are presented by type. Securities lent for securities collateral are classified according to the custodial credit risk category for the collateral. There were \$285,365,000 securities lent for securities collateral as of June 30, 2024. The investments purchased with the cash collateral are presented in the discussion of custodial credit risk, 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 owed the borrowers exceeded the amount the borrowers owed the System. At June 30, 2024, the aggregate cost of securities lending holdings, including accrued interest, was \$2,055,807,000 (fair value of \$2,059,760,000) and the aggregate fair value, including accrued interest, of the underlying securities lent was \$2,278,346,000. The value of the collateral pledged by borrowers at year end was \$2,355,310,000.

- G. **Fair Value Measurements** - The System categorizes its fair value measurements within the fair value hierarchy established by GASB Statement 72. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the NAV value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

Mississippi

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. As of June 30, 2024, the System has the following recurring fair value measurements (amounts expressed in thousands):

Investment by Fair Value Level	Fair Value	(Level 1)	(Level 2)	(Level 3)
Debt securities:				
Commercial Paper	\$ 718,516	\$ –	\$ 718,516	\$ –
Repurchase agreement	397,008	–	397,008	–
U.S. Government agency obligations	68,815	–	68,815	–
U.S. Treasury obligations	1,348,428	1,348,428	–	–
Collateralized mortgage obligations	730,505	–	727,819	2,686
U.S. Corporate bonds	1,628,698	–	1,582,232	46,466
Non-U.S. Corporate bonds	1,173,510	–	1,173,510	–
Mortgage pass-throughs	1,162,766	–	1,162,766	–
State and local obligations	118,709	–	118,709	–
Asset-Backed securities	749,635	–	749,635	–
Yankee/Global bonds	38,624	–	38,624	–
Sovereign government debt	1,084,657	–	1,084,657	–
Total Debt Securities	9,219,871	1,348,428	7,822,291	49,152
Equity securities:				
Domestic Stock	11,398,075	11,398,075	–	–
Foreign Stock	8,067,178	8,067,178	–	–
Total Equity Securities	19,465,253	19,465,253	–	–
Total Investments by Fair Value Level	28,685,124	\$ 20,813,681	\$ 7,822,291	\$ 49,152
Investments measured at NAV:				
Real estate funds	2,563,869			
Private Credit Funds	43,228			
Private equity funds	3,729,019			
Total Investments Measured at NAV	6,336,116			
Total Investments Measured at Fair Value	\$ 35,021,240			
International Currency	501,918			
Total Investments	\$ 35,523,158			
Investment derivative instruments:				
Foreign exchange contracts (Liabilities)	1,393,918			
Total Investment Derivative Instruments	\$ 1,393,918			

Debt and Equity - The System's debt and equity securities in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a proprietary pricing source. The primary proprietary pricing source utilizes continuous evaluations throughout the trading day based on factors such as dealer quotes and trades, trade execution data, and transaction reporting services. Along with market sources, relative credit information, observed market movements, and sector news is integrated and incorporated into evaluation pricing applications and models. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using a proprietary model that monitors structured product markets, interest rate movements, new issue information, and other pertinent data. Evaluations of tranches (non-volatile and volatile) are based on market modeling, trading, and pricing conventions. New issue features are analyzed on data such as pricing speed, spread, and volatility. Information is also solicited from outside sources including secondary dealers, portfolio managers and research analysts.

Mississippi

Derivative Instruments - The System held derivative instruments in the form of U.S. Treasury strips, collateralized mortgage obligations, asset-backed securities, and currency conversions as of June 30, 2024.

Real Estate - The System's real estate funds include open-end funds and closed-end limited partnerships that invest primarily in US commercial real estate. The fair values of these investments have been determined using the NAV per share (or its equivalent) of the System's ownership interest in the fund or partners' capital, as applicable. The governing document for each open-end real estate fund provides investors the ability to request the redemption of all or part of their fund investments. The funds resulting from an investor's redemption request are raised by the sale of underlying real estate investments held by the open-end fund. Closed-end real estate funds, governed by limited partnership agreements, do not contain provisions for limited partner redemptions on demand. Closed-end funds have a finite life or term, which is defined in the limited partnership agreement. Typically, real estate investments must be made within the first three to four years of the partnership's lifespan, and liquidated by the end of the 10th year. As underlying real estate investments are sold over the life of the closed-end fund, pro-rata distributions of the proceeds are made to each partner in the fund partnership. The standard liquidation period of 10 years with the option of two one-year extensions applies to the one percent of the total portfolio invested in closed-end funds.

Private Equity - The System's private equity investments consist of two fund-of-funds (FOF) limited partnerships that invest in multiple private equity funds on behalf of the System. Private equity funds invest primarily in non-public companies whose prices are not quoted on a stock exchange; therefore, these investments are typically illiquid in nature. The System's ownership in the underlying private equity funds consists of limited partnership interests. Because these partnership interest are illiquid, the System's investments cannot be redeemed on demand. Instead pro-rata distributions are received through the liquidation of the assets of the underlying partnerships. Based on the terms of each limited partnership within the System's FOFs, all partnership assets should be liquidated over the 10-to-12 year life of the individual partnership.

As of June 30, 2024, it is probable that all the System's private equity underlying investments will be sold at an amount different from the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. Therefore, the fair values of these underlying investments have been determined using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments of each partnership. As of June 30, 2024, a buyer (or buyers) for these investments has not yet been identified. Each underlying private equity fund's general partner has full discretion for the disposition of each partnership investment. The general partner is solely responsible for determining the most appropriate timing for the sale of each investment and the best exit strategy to utilize. In addition, the general partner is responsible for identifying all buyers and approving all sale transactions of partnership investments.

Investments measured at the NAV (amounts expressed in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real Estate Funds:				
Core - Open End	\$ 1,974,899	\$ –	Quarterly	45-90 days
Value Added - Close End	552,222	359,066	N/A	N/A
Timber	36,748	–	N/A	N/A
Total Real Estate	2,563,869	359,066		
Private Credit Funds:				
Diversified	43,228	–	N/A	N/A
Total Private Credit	43,228	–		
Private Equity Funds:				
Diversified	3,729,019	1,799,495	N/A	N/A
Total Private Equity	3,729,019	1,799,495		
Total Investment Measured at NAV	\$ 6,336,116	\$ 2,158,561		
* Based on partnership agreement terms				

Mississippi

Note 5 - Receivables

At June 30, 2024, receivables consisted of (amounts expressed in thousands):

	Governmental Activities		
	General	Permanent	Total
Accounts	\$ 286,897	\$ 32	\$ 286,929
Settlements	629,761	—	629,761
Taxes:			
Sales	625,975	—	625,975
Income	394,144	—	394,144
Gasoline	40,452	—	40,452
Other	109,870	—	109,870
Interest and dividends	51,559	522	52,081
Other	4	—	4
Gross receivables	2,138,662	554	2,139,216
Allowance for uncollectibles	(333,874)	—	(333,874)
Receivables, net	<u>\$ 1,804,788</u>	<u>\$ 554</u>	<u>\$ 1,805,342</u>
Amounts not scheduled for collection in subsequent year	<u>\$ 680,921</u>	<u>\$ —</u>	<u>\$ 680,921</u>

A receivable of \$249,761,000 is included in settlements for the State's portion of the National Opioid Settlement.

	Business-type Activities				
	Unemployment Compensation	Port Authority at Gulfport	Prepaid Affordable College Tuition	Nonmajor	Total
Accounts	\$ 370,113	\$ 3,273	\$ 207	\$ 3,028	\$ 376,621
Assessments	58,152	—	—	—	58,152
Interest and dividends	—	1,217	588	644	2,449
Gross receivables	428,265	4,490	795	3,672	437,222
Allowance for uncollectibles	(352,234)	(1,505)	—	—	(353,739)
Receivables, net	<u>\$ 76,031</u>	<u>\$ 2,985</u>	<u>\$ 795</u>	<u>\$ 3,672</u>	<u>\$ 83,483</u>

	Component Units		
	Universities	Nonmajor	Total
Accounts	\$ 1,490,827	\$ 17,026	\$ 1,507,853
Grants	—	1,477	1,477
Interest	6,451	74	6,525
Gross receivables	1,497,278	18,577	1,515,855
Allowance for uncollectibles	(951,264)	(22)	(951,286)
Receivables, net	<u>\$ 546,014</u>	<u>\$ 18,555</u>	<u>\$ 564,569</u>
Amounts not scheduled for collection in subsequent year	<u>\$ 47,505</u>	<u>\$ —</u>	<u>\$ 47,505</u>

Mississippi

Note 6 - Due From Other Governments

At June 30, 2024, due from other governments consisted of (amounts expressed in thousands):

	Governmental Activities
	General
Due from other governments	\$ 1,606,684
Allowance for uncollectibles	(27,016)
Due from other governments, net	<u>\$ 1,579,668</u>
Amounts not scheduled for collection in subsequent year	<u>\$ 616,087</u>

	Business-type Activities			
	Unemployment Compensation	State Life and Health Insurance plan	Port Authority at Gulfport	Total
Due from other governments	\$ 1,827	\$ 6	\$ 530	\$ 2,363
Allowance for uncollectibles	(1,211)	—	—	(1,211)
Due from other governments, net	<u>\$ 616</u>	<u>\$ 6</u>	<u>\$ 530</u>	<u>\$ 1,152</u>

Note 7 - Loans and Notes Receivable

At June 30, 2024, loans and notes receivables consisted of (amounts expressed in thousands):

	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
	Governmental Funds	Proprietary Funds	
	General	Nonmajor	Universities
Loans and notes receivable	\$ 367,424	\$ 223,843	\$ 235,462
Allowance for uncollectibles	(133,074)	—	(25,401)
Loans and notes receivable, net	<u>\$ 234,350</u>	<u>\$ 223,843</u>	<u>\$ 210,061</u>
Amounts not scheduled for collection in subsequent year	<u>\$ 215,085</u>	<u>\$ 216,623</u>	<u>\$ 169,585</u>

Mississippi

Note 8 - Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2024, was as follows (amounts expressed in thousands):

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,559,456	\$ 26,478	\$ 1,293	\$ 2,584,641
Construction in progress	3,305,806	2,212,725	1,294,189	4,224,342
Total capital assets not being depreciated	5,865,262	2,239,203	1,295,482	6,808,983
Capital assets being depreciated/amortized:				
Software	171,924	—	—	171,924
Buildings	2,387,140	28,871	17,350	2,398,661
Land improvements	259,198	4,408	1,076	262,530
Machinery and equipment	863,469	80,499	35,452	908,516
Infrastructure	15,295,112	208,232	256,869	15,246,475
Right-to-use intangible assets:				
Land	532	683	—	1,215
Buildings	135,993	34,645	—	170,638
Machinery and equipment	26,574	15,602	—	42,176
Subscription-based IT arrangements (SBITAs)	58,872	8,253	—	67,125
Total capital assets being depreciated/amortized	19,198,814	381,193	310,747	19,269,260
Less accumulated depreciation/amortization for:				
Capital assets				
Software	97,409	10,458	—	107,867
Buildings	947,284	44,687	9,976	981,995
Land improvements	187,312	8,300	693	194,919
Machinery and equipment	636,403	51,977	25,378	663,002
Infrastructure	5,331,487	576,572	256,868	5,651,191
Right-to-use intangible assets:				
Land	—	452	—	452
Buildings	31,156	19,278	—	50,434
Machinery and equipment	13,707	7,771	—	21,478
Subscription-based IT arrangements (SBITAs)	17,181	21,902	—	39,083
Total accumulated depreciation/amortization	7,261,939	741,397	292,915	7,710,421
Total capital assets being depreciated/amortized, net	11,936,875	(360,204)	17,832	11,558,839
Governmental activities capital assets, net	\$ 17,802,137	\$ 1,878,999	\$ 1,313,314	\$ 18,367,822

Mississippi

Business- type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 138,019	\$ –	\$ –	\$ 138,019
Construction in progress	15,156	11,636	10,670	16,122
Total capital assets not being depreciated	153,175	11,636	10,670	154,141
Capital assets being depreciated/amortized:				
Software	–	–	–	–
Buildings	204,139	7,204	24	211,319
Land improvements	173,647	3,065	–	176,712
Machinery and equipment	46,933	1,418	179	48,172
Infrastructure	293,121	269	–	293,390
Right-to-use intangible assets:				
Buildings	4,381	15	–	4,396
Machinery and equipment	20	2	–	22
Total capital assets being depreciated/amortized	722,241	11,973	203	734,011
Less accumulated depreciation/amortization for:				
Software	–	–	–	–
Buildings	41,650	3,892	(334)	45,876
Land improvements	50,982	6,654	89	57,547
Machinery and equipment	25,688	2,633	798	27,523
Infrastructure	80,470	7,427	–	87,897
Right-to-use intangible assets:				
Buildings	2,002	623	(2)	2,627
Machinery and equipment	9	(4)	3	2
Total accumulated depreciation/amortization	200,801	21,225	554	221,472
Total capital assets being depreciated/amortized, net	521,440	(9,252)	(351)	512,539
Capital assets, net	\$ 674,615	\$ 2,384	\$ 10,319	\$ 666,680

Mississippi

Depreciation and amortization expense was charged to functions/programs as follows (amounts expressed in thousands):

Governmental Activities:

General government	\$	46,419
Education		12,640
Health and social services		35,453
Law, justice and public safety		35,990
Recreation and resources development		11,951
Regulation of business and profession		1,236
Transportation		597,708
Total depreciation/amortization expense - governmental activities	\$	<u>741,397</u>

Business-type Activities:

Port Authority at Gulfport	\$	19,507
Other business-type		1,718
Total depreciation/amortization expense - business-type activities	\$	<u>21,225</u>

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

	Project Authorization	Expended To Date	Outstanding Commitment
Governmental Activities:			
Department of Transportation	\$ 5,959,874	\$ 3,856,282	\$ 2,103,592
Department of Finance and Administration	47,660	41,793	1,524
Department of Public Safety	139,120	77,890	14,470
Department of Rehabilitation Services	13,537	13,537	—
Veterans Affairs Board	83,876	43,702	11,749
State Fire Academy	12,901	12,325	407
East MS State Hospital	23,229	23,226	—
Military Department	53,344	38,105	40,116
Fair Commission	37,595	37,537	(1,101)
Other projects less than \$10 million	104,493	79,945	15,254
Total governmental activities	<u>6,475,629</u>	<u>4,224,342</u>	<u>2,186,011</u>
Business-type Activities:			
Port Authority at Gulfport	21,335	8,160	13,648
Yellow Creek Port Authority	10,635	7,962	2,672
Total business-type activities	<u>31,970</u>	<u>16,122</u>	<u>16,320</u>
Total construction in progress	<u>\$ 6,507,599</u>	<u>\$ 4,240,464</u>	<u>\$ 2,202,331</u>

Mississippi

Component Units

At June 30, 2024, capital assets consisted of (expressed in thousands):

	Universities	Nonmajor	Total
Capital assets not being depreciated:			
Land	\$ 140,877	\$ 10,392	\$ 151,269
Construction in progress	616,516	8,513	625,029
Total capital assets not being depreciated	757,393	18,905	776,298
Capital assets being depreciated/amortized:			
Buildings	5,020,851	31,754	5,052,605
Land improvements	586,610	50,837	637,447
Machinery and equipment	1,531,028	27,586	1,558,614
Infrastructure	—	61,359	61,359
Right-to-use intangible assets:			
Buildings	133,607	2,184	135,791
Land	9,305	—	9,305
Machinery and equipment	42,363	1,192	43,555
Subscription-based IT Arrangements (SBITAs)	81,943	—	81,943
Total capital assets being depreciated/amortized	7,405,707	174,912	7,580,619
Less accumulated depreciation/amortization for:			
Buildings	1,552,704	24,703	1,577,407
Land improvements	273,894	58,293	332,187
Machinery and equipment	1,238,178	18,907	1,257,085
Infrastructure	—	19,660	19,660
Right-to-use intangible assets:			
Leased assets	55,951	1,571	57,522
Subscription-based IT Arrangements (SBITAs)	33,843	—	33,843
Total accumulated depreciation/amortization	3,154,570	123,134	3,277,704
Total capital assets being depreciated/amortized, net	4,251,137	51,778	4,302,915
Component units capital assets, net	5,008,530	70,683	5,079,213

Mississippi

Note 9 - Long-term General Obligation Bonds and Notes and Limited Obligation Bonds

Bond indebtedness incurred by the State 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.

A. General Obligation Bonds and Notes

General obligation bonds are issued to provide funds for capital improvements which include repairing, renovating, or constructing state owned facilities, to provide loans and grants to local governments and other entities for economic development and capital improvements, and to provide grants to community colleges and universities for capital improvements. General obligation notes are issued to provide funds for economic development. General obligation refunding bonds are issued to currently refund or advance refund certain outstanding bonds for both capital and non-capital related purposes, the majority of which are non-capital related. All general obligation debt has fixed rates of interest.

The *Tax Reform Act of 1986* requires governmental entities issuing tax-exempt bonds to refund to the U.S. Treasury interest earnings on bond proceeds in excess of the yield on those bonds. The State must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. As of June 30, 2024, no arbitrage rebate liability existed.

General obligation bonds and notes 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 business-type activities and is, therefore, recorded in those funds, the State remains contingently liable for its payment.

Defeased Bonds

In prior years, the State defeased certain outstanding general obligation bonds of the primary government by depositing the proceeds in irrevocable trusts to be used solely for satisfying all future scheduled principal and interest payments on the refunded debt. Accordingly, for financial reporting purposes, the defeased bonds and related trust accounts are not included in the financial statements. At June 30, 2024, \$773,450,000 of outstanding general obligation bonds are considered defeased.

Mississippi

At June 30, 2024, the primary government's outstanding general obligation bonds and notes as presented in governmental activities are (amounts expressed in thousands):

Purpose	Outstanding Amount	Interest Rates	Final Maturity Date	Original Amount
Governmental Activities:				
Bonds:				
ACE Fund	\$ 87,451	0.41 % - 5.54 %	10/01/32	\$ 159,172
Business Investment	40,853	0.41 % - 5.25 %	11/01/34	73,382
Capital Improvements	1,023,280	0.41 % - 5.67 %	10/01/41	1,134,445
Economic Develop Highway	111,242	1.95 % - 5.54 %	11/01/34	177,996
Existing Industry	11,520	4.05 % - 5.54 %	10/01/29	30,000
Farm Reform	5,698	0.41 % - 5.67 %	10/01/34	7,000
General Obligation Refunding Bonds	1,981,198	0.57 % - 5.54 %	11/01/36	2,415,787
Hinds County Development Project Loans	16,759	0.41 % - 4.55 %	10/01/32	42,100
Industry Incentive Financing	92,795	0.41 % - 4.05 %	06/01/30	313,010
Job Protection	415	2.68 % - 3.85 %	10/01/26	3,000
Local Governments Water System Improvement	5,956	0.41 % - 5.25 %	11/01/34	9,399
Local Governments Capital Improvements	2,925	2.68 % - 2.98 %	10/01/26	12,500
Local System Bridge Replacement and Rehabilitation	42,689	4.00 % - 5.25 %	11/01/38	43,731
Major Economic Impact	257,980	0.41 % - 5.00 %	10/01/41	458,203
North Central MS Regional Railroad Grant	6,627	3.01 % - 3.16 %	11/01/25	30,000
Port Improvements	818	0.84 % - 2.19 %	10/01/32	1,000
Rail Authority of East Mississippi	84	3.00 % - 5.00 %	11/01/26	357
Railroad Improvements	574	3.01 % - 3.16 %	11/01/25	2,600
Railroad Lines and Bridges Improvement	790	2.68 % - 3.85 %	10/01/26	4,900
Rural Fire Truck Acquisition	5,835	4.51 % - 5.67 %	11/01/34	5,900
Rural Impact	980	3.85 % - 5.54 %	10/01/29	3,700
Small Municipalities and Limited Population Counties	17,629	0.41 % - 5.67 %	10/01/34	34,747
State Shipyard Improvements	104,167	1.95 % - 4.00 %	10/01/32	199,961
Statewide Wireless Communication System	18,123	4.05 % - 5.54 %	10/01/29	37,000
Technology Alliance	910	1.95 % - 3.14 %	10/01/32	1,999
Transportation	78,985	1.95 % - 5.45 %	10/01/41	79,676
Workforce Training	1,781	2.68 % - 5.00 %	06/01/40	5,000
Total Bonds	3,918,064			5,286,565
Premiums	139,607			—
Total Governmental Activities	4,057,671			5,286,565
Total General Obligation Bonds and Notes	\$ 4,057,671			\$ 5,286,565

Mississippi

At June 30, 2024, future general obligation debt service requirements for the primary government are (amounts expressed in thousands):

Year Ending June 30	Government Activities	
	Bonds	
	Principal	Interest
2025	\$ 311,443	\$ 128,496
2026	320,114	118,501
2027	304,371	107,981
2028	310,093	97,412
2029	336,691	86,334
2030-2034	1,405,792	290,825
2035-2039	824,270	80,108
2040-2043	105,290	4,719
Total	3,918,064	914,376
Premiums	139,607	—
Total Debt Service, Net	\$ 4,057,671	\$ 914,376

B. Limited Obligation Bonds

Limited obligation bonds are payable exclusively from specific pledged General Fund revenues. Such obligations are not secured by the full faith, credit and taxing power of the state, and holders of such obligations are not entitled to look to other state resources for payment.

These bonds, with an original issue amount of \$468,775,000, were issued to provide funding for road and bridge projects and mature serially through fiscal year 2039 with interest rates ranging from 4.00% to 5.00%. At June 30, 2024, the primary government's future limited obligation debt service requirements are (amounts expressed in thousands):

Year Ending June 30	Principal	Interest
2025	\$ 17,480	\$ 18,078
2026	18,355	17,183
2027	19,275	16,242
2028	20,235	15,254
2029	21,250	14,217
2030-2034	123,285	53,619
2035-2039	157,350	18,878
2040-2043	—	—
Total	377,230	153,471
Premiums	39,233	—
Total Debt Service, Net	\$ 416,463	\$ 153,471

Mississippi

Note 10 - Bonds Authorized but Unissued

At June 30, 2024, authorized but unissued bond indebtedness existed to be used for various purposes as summarized below (amounts expressed in thousands):

Purpose	Authorized	Authorized But Unissued
General Obligation Bonds		
ABC Warehouse	\$ 55,000	\$ 55,000
ACE Fund	30,000	30,000
Business Investment Act	397,500	60,223
Capital Improvements	120,787	43,032
Deer Island Project	10,000	1,200
Economic Development Highway	78,000	65,600
Hinds County Development Project	30,000	7,900
Major Economic Impact	1,269,899	821,430
MS Industry Incentive Financing Program	211,000	91,000
Small Enterprise Development Finance	140,000	140,000
Transportation - Access Roads	4,000	4,000
	<u>\$ 2,346,186</u>	<u>\$ 1,319,385</u>

Note 11 - 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, 2024, outstanding revenue bonds and notes are (amounts expressed in thousands):

Purpose	Outstanding Amount	Interest Rates	Final Maturity Date	Original Amount
Component Units				
Universities:				
Bonds	\$ 1,313,988	.29%-5.90%	August 2053	\$ 1,629,195
Notes	5,515	2.59%-2.745%	June 2028	18,627
Total Component Units	<u>\$ 1,319,503</u>			<u>\$ 1,647,822</u>

At June 30, 2024, future revenue bond and note debt service requirements are (amounts expressed in thousands):

Year Ending June 30	Component Unit	
	Principal	Interest
2025	\$ 55,750	\$ 49,007
2026	60,450	46,773
2027	62,768	46,297
2028	65,233	43,874
2029	65,637	41,336
2030-2034	332,290	168,261
2035-2039	277,961	109,943
2040-2044	218,977	63,893
2045-2049	117,252	25,550
2050-2054	63,185	6,843
	<u>\$ 1,319,503</u>	<u>\$ 601,777</u>

Mississippi

Note 12 - Other Long-term Liabilities

A. **Compensated Absences** - The State's liability for compensated absences at June 30, 2024 is \$153,859,000 for governmental activities and \$906,000 for business-type activities. For governmental activities, accrued compensated absences are generally paid out of the general fund. The component units' liability for compensated absences is \$149,621,000 of which \$148,405,000 is for the Universities. 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-P).

B. **Pollution Remediation Obligation** - As of June 30, 2024, five Superfund sites in the State are in various stages of cleanup ranging from initial assessment of contamination to cleanup of chemical spills. Numerous leaking underground storage tank sites exist where motor fuels contaminate soil and groundwater, and present inhalation and explosive hazards. Under federal and state law, the State is legally obligated to remedy the detrimental effects of existing pollution through site investigation and assessment, restoration and replacement, cleanup, and monitoring.

At June 30, 2024, the primary government's pollution remediation obligation is \$40,431,000. This estimate is based on professional judgment, experience, historical cost data, and the use of the expected cash flow technique. Recoveries from other responsible parties, which would reduce the State's remediation liability, are not anticipated. Costs of pollution remediation are paid out of the general fund. Remediation obligation estimates may change over time. Estimated costs will vary due to changes in technology, fluctuation in prices, changes in potential responsible parties, and changes in regulations.

C. **Notes Payable - Direct Borrowings** At June 30, 2024, the primary government's outstanding notes payable from direct borrowings are (amounts expressed in thousands):

Purpose	Outstanding Amount	Interest Rates	Final Maturity Date	Original Amount
Governmental Activities:				
Buildings	\$ 95,281	1.1% - 5.37%	Feb. 2034	\$ 301,164
Roads and bridges	417,605	1% - 6.59%	Jan. 2040	781,550
Equipment	6,824	2.20% - 6.06%	Apr.2029	16,778
Total	519,710			1,099,492
Premiums	23,623			—
Total Notes Payable, Net	<u>\$ 543,333</u>			<u>\$ 1,099,492</u>
Business-Type Activities:				
Land	\$ 3,104	3.75 %	Apr.2029	\$ 5,750
Building	6,847	3.5 %	Apr.2033	7,539
Total Notes Payable, Net	<u>\$ 9,951</u>			<u>\$ 13,289</u>

The State's outstanding notes payable from direct borrowings related to business-type activities of \$9,951,000 is secured with land and a building.

Mississippi

At June 30, 2024, the primary government's future debt service requirements for notes payable are (amounts expressed in thousands):

Year Ending June 30	Notes Payable from Direct Borrowings			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 71,211	\$ 26,170	\$ 1,255	\$ 392
2026	75,632	23,105	1,311	335
2027	67,493	19,447	1,363	276
2028	65,193	16,171	1,438	216
2029	30,599	13,593	1,347	163
2030 - 2034	130,337	45,669	3,237	270
2035 - 2039	67,255	15,118	—	—
2040 - 2044	11,990	769	—	—
Total	519,710	160,042	9,951	1,652
Premiums	23,623	—	—	—
Total Debt Service, Net	\$ 543,333	\$ 160,042	\$ 9,951	\$ 1,652

Note 13 - Changes in Long-term Liabilities

Changes in the primary government's long-term liabilities for the year ended June 30, 2024 are summarized below (amounts expressed in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General Obligation Bonds (Note 9)	\$ 4,231,829	\$ —	\$ 313,765	\$ 3,918,064	\$ 311,443
Premiums/Discounts (Note 9)	154,220	—	14,613	139,607	13,943
Limited Obligation Bonds (Note 9)	393,880	—	16,650	377,230	17,480
Premiums (Note 9)	42,270	—	3,037	39,233	3,037
Notes Payable from Direct Borrowings, reclassified (Note 12)	586,441	2,000	68,731	519,710	71,211
Premiums (Note 12)	32,206	—	8,583	23,623	6,390
Total Bonds and Notes	5,440,846	2,000	425,379	5,017,467	423,504
Accrued Compensated Absences (Note 12)	136,429	107,815	90,385	153,859	10,448
Pollution Remediation Obligation (Note 12)	45,752	13,278	18,599	40,431	9,266
Lease Liability (Note 14)	117,947	50,867	27,235	141,579	25,811
Software Subscription Liability (Note 14)	41,691	8,252	21,901	28,042	14,633
	<u>\$ 5,782,665</u>	<u>\$ 182,212</u>	<u>\$ 583,499</u>	<u>\$ 5,381,378</u>	<u>\$ 483,662</u>
Business-type Activities:					
General Obligation Bonds (Note 9)	\$ —	\$ —	\$ —	\$ —	\$ —
Accrued Compensated Absences (Note 12)	827	414	335	906	71
Notes Payable From Direct Borrowings (Note 12)	11,119	—	1,168	9,951	1,255
Lease Liability (Note 14)	2,556	33	646	1,943	563
	<u>\$ 14,502</u>	<u>\$ 447</u>	<u>\$ 2,149</u>	<u>\$ 12,800</u>	<u>\$ 1,889</u>

The current portion of accrued compensated absences is reported in accounts payable and other liabilities and the long-term portion is included in noncurrent other liabilities.

Mississippi

Note 14 - Leases

A. Lessee - Lease Liability

The State leases land, office buildings, and office equipment for various terms under long-term, non-cancellable lease agreements. These leases expire at various dates through 2069 and provide for renewal options ranging from 1 to 35 years. For details on right-to-use lease assets, refer to Note 8 - Capital Assets.

At June 30, 2024, the future principal and interest lease payments are (amounts expressed in thousands):

RTU Lease Liabilities

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 25,811	\$ 4,931	\$ 563	\$ 41
2026	21,780	4,019	489	26
2027	16,104	3,286	381	11
2028	14,368	2,715	104	7
2029	11,362	2,209	85	6
2030-2034	38,564	5,882	321	10
2035-2039	12,015	1,482	—	—
2040-2044	192	283	—	—
2045-2049	233	242	—	—
2050-2054	281	193	—	—
2055-2059	341	134	—	—
2060-2064	412	63	—	—
2065-2069	116	3	—	—
Total	<u>\$ 141,579</u>	<u>\$ 25,442</u>	<u>\$ 1,943</u>	<u>\$ 101</u>

Year Ending June 30	Component Units	
	Principal	Interest
2025	\$ 23,122	\$ 3,682
2026	20,370	3,035
2027	18,409	2,449
2028	16,228	1,918
2029	10,655	1,513
2030-2034	34,227	4,247
2035-2039	8,404	1,505
2040-2044	3,217	524
2045-2049	810	273
2050-2054	1,019	170
2055-2059	986	48
Total	<u>\$ 137,447</u>	<u>\$ 19,364</u>

B. Lessor - Lease Receivable

The State leases land, building, and equipment to third parties under long-term, non-cancelable lease agreements. The leases expire at various dates through 2051. During the year end June 30, 2024, the State recognized the following lease related revenue (amounts expressed in thousands):

Year Ending June 30	Governmental Activities	Business-type Activities
Lease revenue	\$ 1,869	\$ 5,304
Interest revenue	\$ 378	\$ 4,117

Mississippi

C. Subscription-based Information Technology Liabilities

The State has Subscription-based IT liabilities that consist of licenses for software for varying periods. Components of variable payments that are fixed in substance, are included in the measurement of the SBITA liability presented in the table below. The debt requirements to maturity are as follows:

At June 30, 2024, the future principal and interest payments are (amounts expressed in thousands):

Year Ending June 30	Governmental Activities		Component Units	
	Principal	Interest	Principal	Interest
2025	\$ 14,633	\$ 777	\$ 17,437	\$ 1,250
2026	7,723	378	14,557	724
2027	3,399	164	5,985	282
2028	1,874	67	3,027	93
2029	413	6	726	28
2030-2034	—	—	17	1
Total	<u>\$ 28,042</u>	<u>\$ 1,392</u>	<u>\$ 41,749</u>	<u>\$ 2,378</u>

For details on SBITA assets, refer to Note 8 - Capital assets.

Note 15 - Retirement Plans

Plan Description

In accordance with state statutes, Public Employees' Retirement System (PERS) Board of Trustees (System) administers four defined benefit plans. The defined benefit plans are PERS, a cost-sharing multiple-employer public employee retirement system established in 1952, Mississippi Highway Safety Patrol Retirement System (MHSPRS), a single-employer public employee retirement system established in 1958, Supplemental Legislative Retirement Plan (SLRP), a single-employer public employee retirement system established in fiscal year 1990, and the Municipal Retirement Systems (MRS), which are agent multiple-employer defined benefit public employee retirement systems composed of 19 separate municipal retirement and fire and police disability and relief systems.

PERS, MHSPRS, SLRP and MRS are considered part of the State of Mississippi's financial reporting entity and are included in the accompanying financial statements as pension trust funds. The purpose of these plans is to provide pension benefits for all state employees, sworn 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. The System issues an Annual Comprehensive Financial Report, which includes PERS, MHSPRS, SLRP and MRS, that is available from Public Employees' Retirement System of Mississippi.

Membership and Benefit Provisions

Public Employees' Retirement System: Membership in PERS is a condition of employment granted upon hiring for qualifying 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 PERS by the System's Board of Trustees. If approved, membership for these employees is a condition of employment and eligibility is granted to those who qualify upon hiring. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2 percent of their average compensation for each year of credited service up to and including 30 years (25 years for those who became members before July 1, 2011) plus 2.5 percent for each additional year of credited service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of credited service. A member may elect a reduced retirement 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 eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. Benefit provisions are established by Section 25-11-1 et seq., Mississippi Code Ann. (1972) and may be amended only by the State Legislature.

Mississippi

A Cost-of-Living Adjustment (COLA) is made to eligible retirees and beneficiaries. The COLA is equal to 3 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3 percent compounded for each fiscal year thereafter. For the year ended June 30, 2024, the total annual COLA payments for PERS were \$952,896,000.

Mississippi Highway Safety Patrol Retirement System: Membership in MHSPRS is a condition of employment 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 sworn officers of the highway patrol in the enforcement of the laws of the State. Participating members who withdraw from service at or after age 55 with at least five years of membership service, or after reaching age 45 with at least 20 years of credited service, or with 25 years of service at any age, are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.5 percent of average compensation during the four highest consecutive years of earnings, reduced 3 percent for each year below age 55 or 3 percent for each year under 25 years of service, whichever is less. MHSPRS also provides certain death and disability benefits. A member who terminates employment from the highway patrol and who is not eligible to receive monthly retirement benefits may request a refund of his or her accumulated employee contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Benefit provisions for MHSPRS are established by Section 25-13-1 et seq., Mississippi Code Ann. (1972) and may be amended only by the State Legislature.

A COLA payment is made to eligible retirees and beneficiaries. The COLA is equal to 3 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60, with 3 percent compounded for each fiscal year thereafter. For the year ended June 30, 2024, the total annual COLA payments for MHSPRS were \$12,834,000.

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 SLRP became effective July 1, 1989, had 30 days to waive membership. Those elected after July 1, 1989, automatically become members. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees.

The retirement allowance is 50 percent of an amount equal to the retirement allowance payable by PERS, determined by credited service as an elected senator or representative in the State Legislature or as president of the Senate. Benefits vest upon completion of the requisite number of membership service years in PERS. SLRP also provides certain death and disability benefits. A member who terminates legislative employment and who is not eligible to receive monthly retirement benefits may request a refund of his or her accumulated employee contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Benefit provisions for SLRP are established by Section 25-11-301 et seq., Mississippi Code Ann. (1972) and may be amended only by the State Legislature.

Retirees and beneficiaries of SLRP may receive COLA calculated identically to PERS retirees and beneficiaries. For the year ended June 30, 2024, the total annual COLA payments for SLRP were \$469,000.

Municipal Retirement Systems: Membership in the two general Municipal Retirement Systems and the 17 Fire and Police Disability and Relief Systems was granted to all municipal employees, fire fighters, and police officers 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. Eligible employees hired after these periods automatically become members of PERS. The Municipal Retirement Systems were all closed to new members by July 1, 1987.

Regardless of age, participating employees who retire with at least 20 years of membership 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 beyond 20 years, not to exceed 66.67 percent of average monthly compensation, except as may otherwise be provided through local and private legislation. Average monthly compensation for the two Municipal Retirement Systems and 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 plans 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 full refund of employee contributions. Members covered by MRS do not receive interest on their accumulated contributions. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Benefit provisions are established by Sections 21-29-1 et seq., Articles 1, 3, 5 and 7, Mississippi Code Ann. (1972) and annual local and private legislation. Statutes may be amended only by the State Legislature.

The retirees and beneficiaries of MRS plans with provisions for COLA, who are receiving a retirement allowance on July 1 of each fiscal year, may be entitled to a COLA. This payment is equal to the annual percentage change of the Consumer Price Index (CPI) but not to exceed 2.5 percent of the annual retirement allowance for each full fiscal year of retirement. Certain MRS plans may adopt a COLA other than one linked to the change in the CPI. These additional payments will be made only when funded by the employers. For the year ended June 30, 2024, the total COLAs for MRS plans were \$5,198,000.

Mississippi

Contribution Requirements

Contribution provisions for PERS, MHSPRS and SLRP are established by state statute. The adequacy of these rates is assessed annually by actuarial valuation. Contribution provisions for MRS are established by state statute and annual local and private legislation. State statutes may be amended only by the State Legislature.

The following table provides information concerning funding policies (amounts expressed in thousands):

	<u>PERS</u>	<u>MHSPRS</u>	<u>SLRP</u>	<u>MRS</u>
Contribution rates as a percent of covered payroll:				
State	17.4%	49.08%	7.4%	N/A
Other employers	N/A	N/A	N/A	.84 - 5.38 mills***
Plan members	9%	7.25%	3% *	N/A
Employer contributions made	\$ 1,345,811	\$ 21,059 **	\$ 668	\$ 14,230

* In addition to 9% required by PERS

** Includes fees authorized by the State Legislature, which are reported as employer contributions in the pension trust funds. Due to Senate Bill No. 2659 enacted in 2004, an estimated additional contribution of \$3,400,000 was used to calculate the actuarially determined contributions for MHSPRS. The actual amount received in 2024 was \$3,293,000.

*** Based on assessed property value.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the State reported a net pension liability of \$4,126,666,000 for its proportionate share of the net pension liability in PERS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The State's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For governmental activities, net pension liability is typically paid from the general fund. At the measurement date, the State's proportion was 16.41%, a decrease of 0.02% from the prior year.

At June 30, 2024, the State reported a net pension liability of \$242,287,000 and \$6,355,000 for MHSPRS and SLRP, respectively. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022.

Mississippi

Changes in the Net Pension Liability

The following table details the changes in the net pension liability from the beginning to the end of the measurement year for the single-employer plans, MHSPRS and SLRP (amounts expressed in thousands):

MHSPRS	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at June 30, 2023	\$ 581,926	\$ 405,372	\$ 176,554
Changes for the Year:			
Service Cost	7,333	—	7,333
Interest	42,377	—	42,377
Change in benefit terms	15,058	—	15,058
Difference between expected and actual experience	9,498	—	9,498
Changes of assumptions	44,102	—	44,102
Contributions - employer	—	20,837	(20,837)
Contributions - employee	—	2,621	(2,621)
Net investment income	—	29,536	(29,536)
Benefit payment, including refunds of employee contributions	(41,283)	(41,283)	—
Administrative expense	—	(359)	359
Net Changes	77,085	11,352	65,733
Balances at June 30, 2024	\$ 659,011	\$ 416,724	\$ 242,287

SLRP	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at June 30, 2023	\$ 24,912	\$ 20,139	\$ 4,773
Changes for the Year:			
Service Cost	677	—	677
Interest	1,818	—	1,818
Difference between expected and actual experience	(22)	—	(22)
Changes of assumptions	1,458	—	1,458
Contributions - employer	—	629	(629)
Contributions - employee	—	255	(255)
Net Investment income	—	1,478	(1,478)
Benefit payment, including refunds of employee contributions	(1,658)	(1,658)	—
Administrative expense	—	(13)	13
Net Changes	2,273	691	1,582
Balances at June 30, 2024	\$ 27,185	\$ 20,830	\$ 6,355

Mississippi

For the year ended June 30, 2024, the State recognized pension expense of \$529,920,000 for PERS, \$47,954,000 for MHSPRS, and \$1,568,000 for SLRP for a total of \$579,442,000. At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS		
Difference between expected and actual experience	\$ 103,523	\$ —
Net difference between projected and actual earnings on pension plan investments	151,928	—
Changes in proportion	1,003	38,342
Changes of assumptions	485,998	—
Contributions subsequent to the measurement date	225,675	—
Total PERS	968,127	38,342
MHSPRS		
Difference between expected and actual experience	9,435	1,706
Net difference between projected and actual earnings on pension plan investments	12,644	—
Changes of assumptions	33,885	—
Contributions subsequent to the measurement date	21,059	—
Total MHSPRS	77,023	1,706
SLRP		
Difference between expected and actual experience	398	43
Net difference between projected and actual earnings on pension plan investments	630	—
Changes of assumptions	1,084	—
Contributions subsequent to the measurement date	668	—
Total SLRP	2,780	43
Total	\$ 1,047,930	\$ 40,091

Contributions subsequent to the measurement date of \$225,675,000 for PERS, \$21,059,000 for MHSPRS and \$668,000 for SLRP reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts expressed in thousands):

	PERS	MHSPRS	SLRP
Year ended June 30	Net Outflows & Inflows of Resources	Net Outflows & Inflows of Resources	Net Outflows & Inflows of Resources
2025	\$ 250,733	\$ 14,804	\$ 776
2026	152,023	10,334	437
2027	299,970	27,740	852
2028	1,384	1,380	4
Total	\$ 704,110	\$ 54,258	\$ 2,069

Mississippi

Actuarial Assumptions

The collective total pension liability was determined by an actuarial valuation prepared as of June 30, 2022, by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2022 valuation based on the experience investigation for the four-year period ending June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods included in the measurement:

	PERS	MHSPRS	SLRP
Inflation	2.4 %	2.4 %	2.4 %
Salary increases, including inflation	2.65% - 17.9%	3.5% - 5%	2.65 %
Investment rate of return*	7 %	7 %	7 %
Increases in benefits after retirement**	3 %	3 %	3 %

* net of pension plan investment expense, including inflation

** PERS and SLRP calculated 3% for each full fiscal year of retirement to age 60 (55 for those who became members before July 1, 2011), with 3% compounded for each fiscal year thereafter. MHSPRS calculated 3% simple interest to age 60, compounded each fiscal year thereafter.

Changes of Assumption

Mortality rates for service retirees for PERS, MHSPRS and SLRP were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period from July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

The long-term expected rate of return on pension plan investments for PERS, MHSPRS and SLRP was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	27 %	4.75 %
International equity	22	4.75
Global equity	12	4.95
Fixed income	20	1.75
Real estate	10	3.25
Private equity	8	6.00
Cash Equivalents	1	0.25
Total	100 %	

Single-Employer Benefit Plan Employees

The following employees were covered by the benefit terms of MHSPRS and SLRP at June 30, 2022:

	MHSPRS	SLRP
Inactive employees or beneficiaries currently receiving benefits	785	230
Inactive employees assumed eligible for a benefit at retirement date	42	37
Inactive employees assumed not to receive service retirement benefits	24	24
Active employees	478	174
Totals	1,329	465

Mississippi

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate of 9.00%, 7.25% and 3.00% for PERS, MHSPRS and SLRP, respectively. For PERS, employer contributions will be phased in to 22.4% over three years (the current rate of 17.40% for the fiscal year ending 2024, 19.4% for the fiscal year ending 2025, 21.4% for fiscal year ending 2026, and 22.4% for fiscal year ending 2027). Employer contributions will be made at 49.08% for MHSPRS and increased from 7.40% to 8.4% beginning July 1, 2024 for SLRP. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plans members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the State's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (amounts expressed in thousands):

	1% Decrease	Current	1% Increase
Net Pension Liability	6%	Discount Rate 7 %	8%
PERS	\$ 5,321,441	\$ 4,126,666	\$ 3,146,221
MHSPRS	327,069	242,287	172,637
SLRP	9,092	6,355	4,016
Total	<u>\$ 5,657,602</u>	<u>\$ 4,375,308</u>	<u>\$ 3,322,874</u>

Detailed information about the PERS, MHSPRS and SLRP pension plans is available on the PERS of Mississippi website at www.pers.ms.gov.

Note 16 - Other Postemployment Benefits

Plan Description

The State and School Employees' Health Insurance Management Board (the Board) administers the State Life and Health Insurance Plan (the Plan) established by Section 25-15-3 et seq., Mississippi Code Ann.(1972), which is amended annually by the Board. State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the Plan. The Plan provides other postemployment benefits (OPEB) as a cost-sharing multiple-employer defined benefit OPEB plan.

The 14-member Board, which administers the Plan, is comprised of the Chairman of the Workers' Compensation Commission; the State Personnel Director; the Commissioner of Insurance; the Commissioner of Higher Education; the State Superintendent of Public Education; the Executive Director of the Department of Finance and Administration; the Executive Director of the Mississippi Community College Board; the Executive Director of the Public Employees Retirement System; two appointees of the Governor; the Chairman of the Senate Insurance Committee, or his designee; the Chairman of the House of Representatives Insurance Committee, or his designee; the Chairman of the Senate Appropriations Committee, or his designee; and the Chairman of the House of Representatives' Appropriations Committee, or his designee. The Board has a fiduciary responsibility to manage the funds of the Plan.

Benefits Provided

Benefits of the Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing healthcare benefits to retirees under age 65 and the average cost of providing healthcare benefits to all participants when premiums paid by retirees are not age-adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan.

Per section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affect the overall cost of the Plan to the State, then the Board may impose a premium surcharge not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a base option and a select option for health benefits for non-Medicare participants. The Plan includes a separate level for Medicare eligible retirees, Medicare eligible surviving spouses and Medicare eligible dependents of retirees and surviving spouses.

Mississippi

Contributions

Pursuant to the authority granted by Mississippi Statute, the Board has the authority to establish and change premium rates for the participants, employers, and other contributing entities. The required premiums vary based on the plan selected and the type of participant. Employees' premiums are paid primarily by the employer. Employers do not pay premiums for retirees nor premiums for active employee spouse and dependent medical coverage. At June 30, 2024, the State's actuarially determined contributions to the OPEB plan were \$5,312,000.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the State reported a liability of \$119,523,000 for its proportionate share of the net OPEB liability. The liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The State's proportion of the OPEB liability was based on a projection of the long-term share of contribution to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. For governmental activities, the net OPEB liability is typically paid from the general fund. At the measurement date the State's proportion was 21.60% which is an increase of 0.05% from the previous year.

For the year ended June 30, 2024, the State recognized OPEB expense of (\$12,181,000). At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts expressed in thousands):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 19,592	\$ 33,744
Net difference between projected and actual OPEB		
Plan investments	7	—
Changes in proportion	10,736	18,139
Changes of assumptions	10,674	8,991
Contributions subsequent to the measurement date	5,312	—
Total	<u>\$ 46,321</u>	<u>\$ 60,874</u>

Contributions subsequent to the measurement date of \$5,312,000 reported as deferred outflows of resources will be recognized as a reduction of the collective net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts expressed in thousands):

Year ended June 30	Net Outflows & Inflows of Resources
2025	\$ (7,670)
2026	(7,788)
2027	(5,353)
2028	(1,544)
2029	1,247
Thereafter	1,243
	<u>\$ (19,865)</u>

Mississippi

Actuarial Assumptions

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to the periods included in the measurement:

Inflation	2.40%
Salary increases, including inflation	2.65% - 17.9%
Municipal bond index rate	
Measurement Date	3.66%
Prior Measurement Date	3.37%
Year FNP is projected to be deleted	
Measurement Date	2023
Prior Measurement Date	2022
Single equivalent interest rate, net of OPEB plan	
Investment expense, including price inflation	
Measurement Date	3.66%
Prior Measurement Date	3.37%
Healthcare cost trend rates	
Medicare supplement claims	6.5% for 2024 decreasing to an ultimate rate of 4.5% by 2029 FYE
Pre- Medicare	
Retirement age - by employee type shown:	
Highway safety patrol	Any age with 25 years of service Age 55 with at least 5 years of service Age 45 with at least 20 years of service
General state and school employees hired before July 1, 2011	Any age with 25 years of service or hire before July 1, 2007 Age 60 with at least 4 years of service or hired after July 1, 2007 Age 60 with at least 8 years of service
General state and school employees hired on or after July 1, 2011	Any age with 30 years of service or Age 60 with at least 8 years of service

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The demographic actuarial assumptions used in the June 30, 2023, valuation were based on the results of the last actuarial experience study, dated April 21, 2023.

The remaining actuarial assumptions (e.g., initial per capital costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023, valuation were based on a review of recent plan experience done concurrently with the June 30, 2023, valuation.

The long-term expected return on plan assets is reviewed as part of the valuation process. Since there were very little assets in the trust fund on the Measurement Date, there is no long-term expected return determination.

Changes in Benefit Terms

The schedule of monthly retiree contributions was increased as of January 1, 2024. In addition, the medical deductible was increased for the base family coverage beginning January 1, 2024.

Mississippi

Changes in Actuarial Assumptions and Methods

The discount rate was changed from 3.37% for the prior measurement date to 3.66% for the current measurement date. Withdrawal rates, disability rates, service retirement rates and salary merit rates were adjusted to reflect actual experience more closely.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.66%. The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2023, the trust has \$1,068,000. The fiduciary net position is projected to be depleted immediately; therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2022 and the June 30, 2023 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2023 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the State's proportionate Share of the collective OPEB Liability to Changes in the Discount Rate

The following table presents the State's proportionate share of the net OPEB liability using the discount rate of 3.66%, as well as what the State's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (2.66%) or 1-percentage-point higher (4.66%) than the current rate (amounts expressed in thousands):

	1% Decrease 2.66%	Current Discount Rate 3.66%	1% Increase 4.66%
State's proportionate share of net OPEB liability	\$ 130,919	\$ 119,523	\$ 109,640

Sensitivity of the State's proportionate Share of the collective OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the State's proportionate share of the net OPEB liability using the healthcare trend rate of 6.5% decreasing to 4.5% by 2029, as well as what the State's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower (5.5% decreasing to 3.5%) or 1-percentage-point higher (7.5% decreasing to 5.5%) than the current rate (amounts expressed in thousands):

	1% Decrease (5.5% decreasing to 3.5%)	Current Discount Rate (6.5% decreasing to 4.5%)	1% Increase (7.5% decreasing to 5.5%)
State's proportionate share of net OPEB liability	\$ 111,369	\$ 119,523	\$ 128,655

Detailed information about the Life and Health OPEB Plan is available on the Department of Finance and Administration website at www.dfa.ms.gov.

Note 17 - Commitments

A. Contracts

At June 30, 2024, the Department of Transportation had contracts outstanding of approximately \$1,711,512,000 with performance continuing during fiscal year 2025. Of this amount \$87,027,000 is related to local public agencies, such as planning and development districts, counties and municipalities. These contracts were primarily for construction, repair and maintenance and will be paid through the General Fund. Approximately 64 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 taxes.

The State Aid Road Division had contracts of \$47,687,000 outstanding at June 30, 2024 for construction, repair and maintenance of state and county roads. These contracts will be paid through the General Fund. Approximately 19 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 future State Aid Revenues.

The Office of Building, Grounds and Real Property Management had outstanding construction, repair and maintenance contracts of \$558,627,000 at June 30, 2024. These contracts will be paid from the General Fund.

The Military Department had contracts outstanding of approximately \$19,929,000 at June 30, 2024. Approximately 97 percent of future expenditures related to these commitments are expected to be reimbursed from proceeds of federal grants when the actual costs are incurred.

Mississippi

The Port Authority at Gulfport (a major enterprise fund) had contracts outstanding of approximately \$13,175,000 at June 30, 2024. These contracts were primarily for construction costs related to the port. These contracts will be paid from Port Authority at Gulfport's revenues and federal grants.

The Institute of Higher Learning System has estimated construction commitment costs of \$1,023,768,000 at June 30, 2024 to complete various construction projects.

B. Encumbrances

Encumbrances represent executed but unperformed purchase orders that are reported within governmental funds as restricted, committed, or assigned fund balance. At June 30, 2024, the encumbrance amounts in the General Fund were \$50,910,000.

Note 18 - Risk Management

The State has elected to finance most exposures to risk through the retention of risk, with the exception of State Property Insurance and NFIP Flood Insurance. 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 Risk Management Fund to account for these activities with the noted exception in workers' compensation benefits. Estimates of liabilities for incurred but unpaid claims include both reported and unreported insured events. Non-incremental claims adjustment expenses have not been included as part of the liability for claims and judgments due to immateriality. Changes in claim liabilities for fiscal years 2023 and 2024 are as follows (amounts expressed in thousands):

	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance	Due within one year
2023	\$ 173,007	\$ 964,428	\$ 935,983	\$ 201,452	\$ 173,329
2024	201,452	985,752	973,958	213,246	184,935

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 and life benefit coverage through this plan.

Estimates of the liability for unpaid claims are actuarially determined using the development method. This method uses past observed patterns of time between claim incurred 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 State 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 last three years, settled claims have not exceeded commercial coverage.

Claims payments are financed through an annual assessment to all state agencies based on amount of payroll and past loss history. Estimates of the liability for unpaid claims are actuarially determined based on observed patterns of claims payments, as well as the experience of similar programs in other states.

Unemployment Benefits: Unemployment benefits are established in statute and administered by the Mississippi Department of Employment Security. 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 Mississippi Workers' Compensation Commission and the Mississippi State Agencies Self-Insured Workers' Compensation Trust Board of Trustees. Three major state agencies have been granted exemption from participation in the Risk Management Fund.

The exposure of risk in the Risk Management Fund 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 claims payments. In the last three years, settled claims have not exceeded

Mississippi

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.

Exempted state agencies cover all claim settlements and judgments with the resources of the General Fund. Claim expenditures and estimates of the related liability are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

State Property Insurance: The State is required by MS Statute to purchase property and personal property insurance for all state-owned property and to maintain a Statement of Values for all buildings owned by the State. This program does not include colleges and universities that are within the Institute of Higher Learning (IHL). The procurement of state property insurance includes ancillary insurance policies consisting of fine arts, equipment breakdown, broadcasters and mobile equipment, terrorism, active assailant, and cyber liability insurance for all state-owned, non-IHL properties.

The State works with domestic and international insurance markets to provide comprehensive layered insurance programs for the building and personal property of state agencies and departments. The Office coordinates all active property claims, working with our Broker, individual agencies, the Bureau of Building department, commercial adjusters, consultants, engineers, and insurers to bring about expedient and efficient claims processes and reimbursements.

National Flood Insurance Program (NFIP) Flood Insurance: The State is required by MS Statute to purchase NFIP flood insurance for all state-owned property that meet certain characteristics, and to manage a Permit process for new construction located in state-owned Special Flood Hazard Areas. The Office manages the FEMA NFIP flood insurance program with individual flood policies for all state-owned properties, including IHL, that is located within FEMA Special Flood Hazard Areas. The Office serves as the State Floodplain Manager and maintains the State of Mississippi Floodplain Regulations Manual.

Boiler and Pressure Vessel Safety: The State is required by MS Statute to manage and maintain routine inspections and a certificate process for all boilers and pressure vessels in state-owned buildings and facilities. The Risk Management department works closely with and directly supports the Mississippi Department of Health, the Chief Inspector of the State, the Board of Health, and the Insurance company associated with this risk.

The Equipment Breakdown insurance policy purchased by the State is directly involved with this process. The insurance company provides all required inspections to all boilers and vessels for every building that is on the Statement of Values. The Risk Management department facilitates and coordinates all relational aspects of this working arrangement with the Department of Health.

Note 19 - 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.

The Division of Medicaid, which is reported within the General Fund, has been notified by the Centers for Medicare and Medicaid Services (CMS) of a potential claim relative to potential overpayments by CMS under Medical Assistance Program grants that may have been made between 1981 and 2009 to a number of states, including Mississippi. CMS is working with the Division of Medicaid, as well as various other states, to resolve the discrepancies. The amount questioned by CMS for the Division of Medicaid is approximately \$28,000,000.

Additionally, the Division of Medicaid has also been notified by the Office of the Inspector General (OIG) of a potential claim relative to unallowable school - based Medicaid administrative costs for federal fiscal years 2010 through 2012. The amount determined by the OIG to be unallowable was \$21,200,000.

The Department of Human Services has received a penalty notice from the Administration for Children & Families for the misuse of federal Temporary Assistance for Needy Family (TANF) funds during the fiscal years of 2016, 2017, 2018, and 2019. The final penalty amount has not yet been determined, however a total possible fine could be up to \$100,880,029.

- B. **Litigation** - The State is party to various legal proceedings that arise in the normal course of governmental operations. The State's legal counsel believes that they will be successful in defending the State and its agencies in a majority of these cases. Of the \$15,900,000 in pending litigation, the State considers \$15,900,000 probable and reasonably estimable that a liability has occurred and is reported in the accompanying financial statements. In the opinion of the State, the ultimate disposition of these matters will not have a material adverse effect on the financial position of the State.
- C. **Loan Guarantees** - The Mississippi Development Authority (MDA), a state agency, is authorized by state law to provide loan guarantees through the Small Business Loan Guarantee Program, funded through the Federal State Small Business Credit Initiative, in order to increase the amount of capital made available by private lenders to small businesses. The length of the loan guarantees range from five to fifteen years. In the case of default by the borrower, following the private lender's

Mississippi

normal collection procedures to seek reimbursement from the loan recipient, the State pays the private lender a percentage of the outstanding loan amount. At June 30, 2024, outstanding MDA loan guarantees totaled \$24,869,000.

- D. **Conduit Debt** - The Mississippi Development Bank (a nonmajor component unit) issues special obligation bonds in order to provide funds for making loans to governmental units. Although the special obligation bonds bear the name of the Bank, the Bank is not responsible for the payment of the bonds but rather the bonds are secured only by the payments agreed to be paid by the governmental units under the terms of the loan agreements. The outstanding balance of special obligation bonds issued by the Bank was approximately \$2,473,463,000 at June 30, 2024. The faith, credit and taxing power of the State and the Bank are not pledged to the payment of such bonds.

Note 20 - Tax Abatements

As of June 30, 2024, the State provides tax abatements through eight programs subject to the requirements of GASB Statement No. 77: the Jobs Tax Credit; the Investment Tax Credit; the Income Tax Exemption; the Fee In Lieu of Franchise Tax; the Sales and Use Tax Exemption to Establish and Operate the Project the Sales and Use Tax Exemption for Machinery, Tooling, Leases, Repair parts and Services; the Withholding Rebate for New Job Creation and the Withholding Rebate for Maintaining Existing Jobs. The eight programs are available to entities authorized in Section 57-75-5 (f) of Mississippi Code Ann. (1972) to encourage businesses to locate or expand operations in the State and to create significant new job opportunities for State residents.

The Jobs Tax Credit Program provides an income tax credit to eligible entities that commit to make certain capital investments, to create a certain number of new full-time jobs and to maintain those employment levels. The credit amount is based on employment levels. Eligible entities can receive an annual credit equal to \$5,000 per employee at the project site for a set period of time ranging from 10 to 20 years with a three-to-ten-year carryforward. Eligible entities are able to elect the date when their credit period starts within certain parameters. The credit can be used to offset up to 100% of an eligible entity's state income tax liability. There are no recapture provisions for this program.

The Investment Tax Credit Program provides an income tax credit to eligible entities that commit to make certain capital investments, to create a certain number of new full-time jobs and to maintain those employment levels. An annual tax credit equal to 7.5% of the eligible investment is available to offset the entity's state income tax liability. An eligible entity is able to elect the start date for the credit, however, it must be within two years of becoming fully operational. Any credit claimed and not used in any taxable year can be carried forward for ten consecutive years from the close of the tax year in which it was earned. The amount of the credit that can be used in any one tax year is limited to the entity's total state income tax liability for that year and the credit is subject to recapture if the property for which the credit is received is disposed of, or converted to another nonbusiness use.

The Income Tax Exemption Program provides a full exemption from state income tax to eligible entities that commit to make certain capital investments, to create a certain number of jobs and to maintain those employment levels. An eligible entity is granted a full exemption from state income tax for a period of 20 to 25 years, including the year in which the exemption commences. The eligible entity can elect the date on which the exemption begins, though it typically cannot begin until the committed number of jobs is in place and it must start within five years of the start of production. If in any taxable year to which the exemption applies the average number of jobs falls below the business's jobs commitment, the income tax exemption may be reduced or suspended until the required number of jobs is restored. There are no recapture provisions for this program.

The Fee in Lieu of Franchise Tax Program allows eligible entities to pay a fee of \$25,000 per year instead of the calculated amount of the franchise tax that would have been due. The fee in lieu of franchise tax typically goes into effect the first year that an eligible entity's franchise tax liability exceeds \$25,000. Eligible entities have to commit to making certain capital investments and/or creating a certain number of jobs and maintaining those employment levels. Each fee in lieu of franchise tax agreement is negotiated with the eligible entity that is investing in the State and is available between ten and thirty years. There are no recapture provisions for this program.

The Sales and Use Tax Exemption to Establish and Operate the Project Program provides a full exemption from sales and use tax for the start-up of a project of eligible entities that commit to make certain capital investments, to create a certain number of jobs and to maintain those employment levels. The State grants eligible entities a full exemption from sales and use taxes on purchases and leases of component building materials and machinery and equipment required for the start-up and operation of a Mississippi Major Economic Impact Authority (MMEIA) eligible project. The amounts exempted under this program are not required to be reported to the State. There are no recapture provisions for this program.

The Sales and Use Tax Exemption for Machinery, Tooling, Leases, Repair Parts and Services Program provides a full exemption from sales and use tax for the perpetual operation of an eligible project to entities that commit to make certain capital investments, to create a certain number of jobs and to maintain those employment levels. The State grants eligible entities with a full exemption from sales and use tax on purchases and leases of machinery, special tooling, repair parts or replacement or leases thereof, supplies and repair services purchased by the eligible entity. The amounts exempted under this program are not required to be reported to the State. There are no recapture provisions for this program.

The Withholding Rebate for New Job Creation Program provides a rebate of new employees' state income tax withholding to eligible entities that commit to create a certain number of new high-paying jobs at certain average annual salary levels that

Mississippi

exceed between 110% and 150% of the state or county average annual salary and to maintain those employment levels throughout the possible rebate period. Eligible entities can receive a percentage of the employees', including leased employees, state income tax withholding in a quarterly payment. These withholding tax rebate payments are capped at 3.5% to 4% of the eligible entity's gross payroll or the actual amount of income tax withheld from their employees. Eligible entities can receive rebate payments on a quarterly basis for up to 25 years assuming the committed number of jobs at the required salary levels are met and maintained. There are no recapture provisions for this program.

The Withholding Rebate for Maintaining Existing Jobs Program provides a rebate to current large employers to retain their existing workforce and further invest in their State operations. It provides a rebate of new employees' state income tax withholding to eligible entities that make a new private investment at the project site and maintain a set number of existing jobs with average annual salaries of at least \$45,000. A rebate equal to one percent of existing employees' wages subject to state income withholding taxes is available for eligible entities for up to ten years or until a maximum rebate of \$6,000,000 has been reached. There are no recapture provisions for this program.

The amounts of taxes abated during fiscal year 2024 are (amounts expressed in thousands):

Program	Amount Abated
Jobs Tax Credit	\$ — *
Investment Tax Credit***	—
Income Tax Exemption***	—
Withholding Rebate for New Job Creation***	—
Withholding Rebate for Maintaining Existing Jobs	— *
Fee in Lieu of Franchise Tax	— *
Aggregate Total of Tax Credits , Tax Rebates, Income Tax Exemption, and Franchise Tax Exemption	32,176
Sales and Use Tax Exemption to Establish and Operate the Project	— **
Sales and Use Tax Exemption for Machinery, Tooling, Leases, Repair Parts and Services	— **
Total Sales and Use Tax Exemptions	10,491
Total	\$ 42,667

* The amounts abated under these programs are presented in the aggregate. Sections 27-3-73 and 27-7-83 (9) of Miss. Code Ann (1972) prevent disclosure of the individual amounts abated under these programs due to confidentiality of taxpayer reports and returns.

** Amounts of sales and use taxes abated are estimates.

*** There were no taxes abated under these programs in FY 2024.

Note 21 - Subsequent Events

In 2025, the State signed on to settlement agreements with Alvogen, Apotex, Hikma, Sun, Zydus, Indivior, Mylan, Amneal, and Purdue for their roles in the opioid crisis. Collectively, the State will receive a maximum amount of \$47,248,318 over 16 years. In accordance with the agreements, 15% of these totals will be distributed directly to certain counties and municipalities in Mississippi.

General Obligation Drawdown Note 2024B was issued October 23, 2024, for \$100,000,000. The note was upsized on December 17, 2025, for an additional \$160,000,000 for a total drawdown note of \$260,000,000. There were drawdowns of \$40,000,000 during FY25 and \$131,000,000 during FY26. There is a remaining drawdown amount of \$189,000,000.



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Mississippi

Required Supplementary Information

Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds

For the Year Ended June 30, 2024 (Expressed in Thousands)

	General Fund			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues				
Sales tax	\$ 2,722,800	\$ 2,722,800	\$ 2,815,902	\$ 93,102
Individual income tax	2,431,400	2,431,400	2,246,546	(184,854)
Corporate income and franchise taxes	897,500	897,500	967,757	70,257
Use and wholesale compensating taxes	404,000	404,000	407,943	3,943
Tobacco, beer and wine taxes	159,600	159,600	148,724	(10,876)
Insurance tax	387,200	387,200	477,879	90,679
Oil and gas severance taxes	32,000	32,000	32,179	179
Alcoholic Beverage Control excise and privilege taxes and net profit on sale of alcoholic beverages	109,400	109,400	108,952	(448)
Other taxes	14,200	14,200	11,536	(2,664)
Interest	30,000	30,000	150,014	120,014
Auto privilege, tag and title fees	6,700	6,700	1,015	(5,685)
Gaming fees	165,700	165,700	159,317	(6,383)
Highway Safety Patrol fees	18,700	18,700	18,065	(635)
Other fees and services	106,000	106,000	96,217	(9,783)
Miscellaneous	15,200	15,200	35,624	20,424
Medical Cannabis Tax	22,200	22,200	7,551	(14,649)
Court assessments and settlements	—	—	20,685	20,685
Special Fund revenues	—	—	—	—
Total Revenues	7,522,600	7,522,600	7,705,906	183,306
Expenditures by Major Budgetary Function				
Legislative	35,186	35,186	34,353	(833)
Judiciary and justice	127,120	130,467	124,543	(5,924)
Executive and administrative	17,080	16,838	16,626	(212)
Fiscal affairs	162,171	166,471	162,232	(4,239)
Public education	2,719,213	2,719,213	2,710,884	(8,329)
Higher education	861,631	861,433	802,601	(58,832)
Public health	60,271	78,671	73,301	(5,370)
Hospitals and hospital schools	234,206	234,206	234,175	(31)
Agriculture, commerce and economic development	120,643	120,643	119,859	(784)
Conservation and recreation	57,511	57,611	57,573	(38)
Insurance and banking	22,508	19,508	18,059	(1,449)
Corrections	405,228	405,228	399,276	(5,952)
Social welfare	1,085,018	1,085,018	1,084,919	(99)
Public protection and veterans assistance	184,686	185,727	185,678	(49)
Local assistance	92,000	92,000	90,230	(1,770)
Motor vehicle and other regulatory agencies	—	—	—	—
Miscellaneous	41,170	41,170	36,790	(4,380)
Public works	—	—	—	—
Debt service	437,397	437,397	436,543	(854)
Total Expenditures	6,663,039	6,686,787	6,587,642	(99,145)
Excess of Revenues over (under) Expenditures	859,561	835,813	1,118,264	282,451
Other Financing Sources (Uses)				
Transfers in	1,200	1,200	1,200	—
Transfers out	—	—	(1,035,093)	(1,035,093)
Other sources/uses of cash	—	—	(80,145)	(80,145)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	860,761	837,013	4,226	(832,787)
Budgetary Fund Balances - Beginning	7,013	7,013	7,013	—
Budgetary Fund Balances - Ending	\$ 867,774	\$ 844,026	\$ 11,239	\$ (832,787)

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

(Continued on Next Page)

Mississippi

Required Supplementary Information

Education Enhancement Fund				Special Fund			
Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
\$ 350,704	\$ 368,589	\$ 417,776	\$ 49,187	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
78,253	81,774	93,422	11,648	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	935	935	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	2,297	2,297	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	21,987,691	23,393,000	18,329,765	(5,063,235)
428,957	450,363	514,430	64,067	21,987,691	23,393,000	18,329,765	(5,063,235)
—	—	—	—	1,400	2,489	2,336	(153)
—	—	—	—	49,378	56,384	36,943	(19,441)
—	—	—	—	18,081	56,339	23,968	(32,371)
—	—	—	—	1,844,323	1,096,180	774,751	(321,429)
376,397	359,936	344,459	(15,477)	1,930,137	3,274,496	1,553,062	(1,721,434)
251,610	202,296	201,661	(635)	2,894,413	2,829,900	117,013	(2,712,887)
—	—	—	—	554,622	737,637	493,993	(243,644)
—	—	—	—	426,753	445,063	388,930	(56,133)
4,035	4,035	4,035	—	572,151	559,147	173,326	(385,821)
125	125	125	—	604,685	740,580	364,233	(376,347)
—	—	—	—	46,105	47,871	34,877	(12,994)
—	—	—	—	29,985	35,782	20,450	(15,332)
—	—	—	—	9,605,946	9,872,373	8,402,596	(1,469,777)
2,350	2,350	2,350	—	961,036	1,028,026	503,353	(524,673)
—	—	—	—	—	—	—	—
—	—	—	—	41,526	42,025	37,878	(4,147)
1,490	1,490	1,322	(168)	50,803	50,308	9,427	(40,881)
—	—	—	—	2,342,922	2,504,975	1,686,535	(818,440)
—	—	—	—	13,425	13,425	2,550	(10,875)
636,007	570,232	553,952	(16,280)	21,987,691	23,393,000	14,626,221	(8,766,779)
(207,050)	(119,869)	(39,522)	80,347	—	—	3,703,544	3,703,544
—	—	243,864	243,864	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
(207,050)	(119,869)	204,342	324,211	—	—	3,703,544	3,703,544
—	—	935,527	935,527	—	—	1,152,354	1,152,354
\$ (207,050)	\$ (119,869)	\$ 1,139,869	\$ 1,259,738	\$ —	\$ —	\$ 4,855,898	\$ 4,855,898

Mississippi

Required Supplementary Information

Notes to Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds

For the Year Ended June 30, 2024

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) - All Budgetary Funds presents the original legally adopted budget, as well as comparisons of the final legally adopted budget with actual data on a budgetary basis. The State's basis of budgeting is the cash basis plus commitments. The State has established three budgetary fund groups to account for its budgetary activities and functions. The General Fund group is established to receive and distribute general tax revenues and other general fund revenues and interest generated thereon. The Education Enhancement Fund group is established to receive specific tax revenues to support various educational programs. The Special Fund group is 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.

General Fund and Education Enhancement Fund original budget revenues represent the General Fund and Education Enhancement Fund revenue estimates 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 that are anticipated to be expended for special fund purposes.

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

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, a reconciliation of differences between budgetary and GAAP presentations for the year ended June 30, 2024 is presented below (amounts expressed in thousands):

Budgetary Funds	General	Education Enhancement	Special
Financial Statement Major Fund	General		
Net Change in Budgetary Fund Balances	\$ 4,226	\$ 204,342	\$ 3,703,544
Reclassifications:			
Budgetary fund excesses are reclassified to the General Fund for GAAP reporting	(3,907,326)	(204,342)	(3,702,985)
The state reports amounts in the budgetary funds that are reported in other major and non major funds	—	—	(559)
Adjustments:			
The financial reporting fund structure includes funds that are not part of the budgetary fund structure	510,139	—	—
Financial statements are presented using a modified accrual basis of accounting while budgetary basis is cash plus commitments	2,578,277	—	—
Net Change in GAAP Fund Balances	<u>\$ (814,684)</u>	<u>\$ —</u>	<u>\$ —</u>

Detailed information is available on the Mississippi Department of Finance and Administration website at www.dfa.ms.gov/publications.

Mississippi



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Mississippi

Required Supplementary Information

Schedule of Employer Contributions

Mississippi Highway Safety Patrol Retirement System

10 Fiscal Years (Amounts Expressed in Thousands)

	2024	2023	2022	2021	2020
Actuarially determined employer contribution	\$ 21,059	\$ 20,837	\$ 19,476	\$ 19,563	\$ 20,144
Contributions in relation to actuarially determined contribution	(21,059)	(20,837)	(19,476)	(19,563)	(20,144)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 34,664	\$ 34,846	\$ 30,895	\$ 29,780	\$ 32,346
Actual contributions as a percentage of covered payroll	60.75 %	59.80 %	63.04 %	65.69 %	62.28 %

(Continued on Next Page)

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Notes to Schedule of Employer Contributions:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, 2022, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll open
Remaining amortization period	19.9 years
Asset valuation method	5-year smoothed fair value
Price inflation	2.40%
Salary increase	3% to 8.56% including inflation
Investment rate of return	7.55% net of pension plan investment expense, including inflation

Other information:

Effective July 1, 2018, the employer contribution rate was increased by the MHSPRS Administrative Board from 37% to 49.08%. Motor vehicle and driver's license reinstatement fees augment employer contributions. The amount of fees vary each year depending on activity, with \$3,293,000 collected for fiscal year 2024.

Mississippi

Required Supplementary Information

2019	2018	2017	2016	2015
\$ 19,375	\$ 15,128	\$ 14,809	\$ 14,755	\$ 13,695
(19,375)	(15,128)	(14,809)	(14,755)	(13,695)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 31,811	\$ 29,555	\$ 28,845	\$ 27,380	\$ 25,505
60.91 %	51.19 %	51.34 %	53.89 %	53.70 %

Mississippi

Required Supplementary Information

Schedule of Employer Contributions Supplemental Legislative Retirement System

Last 10 Fiscal Years (Amounts Expressed in Thousands)

	2024	2023	2022	2021	2020
Actuarially determined employer contribution	\$ 668	\$ 629	\$ 607	\$ 604	\$ 512
Contributions in relation to actuarially determined contribution	(668)	(629)	(607)	(604)	(512)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 9,091	\$ 8,425	\$ 8,180	\$ 8,030	\$ 6,891
Actual contributions as a percentage of covered payroll	7.35 %	7.47 %	7.42 %	7.52 %	7.43 %

(Continued on Next Page)

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Notes to Schedule of Employer Contributions:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in schedule of employer contributions are calculated as of June 30, 2022, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll open
Remaining amortization period	21.9 years
Asset valuation method	5-year smoothed fair value
Price inflation	2.40%
Salary increase	2.65%
Investment rate of return	7.55% net of pension plan investment expense, including inflation

Mississippi

Required Supplementary Information

2019	2018	2017	2016	2015
\$ 525	\$ 513	\$ 522	\$ 514	\$ 511
(525)	(513)	(522)	(514)	(511)
\$ —	\$ —	\$ —	\$ —	\$ —
\$ 6,937	\$ 6,833	\$ 6,928	\$ 6,862	\$ 6,861
7.57 %	7.51 %	7.53 %	7.49 %	7.45 %

Mississippi

Required Supplementary Information

Schedule of Employer Contributions Public Employees' Retirement System

Last 10 Fiscal Years (Amounts Expressed in Thousands)

	2024	2023	2022	2021	2020
Contractually required employer contribution	\$ 225,675	\$ 211,398	\$ 196,599	\$ 194,673	\$ 196,508
Contributions in relation to actuarially determined contribution	(225,675)	(211,398)	(196,599)	(194,673)	(196,508)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 1,296,981	\$ 1,214,930	\$ 1,129,881	\$ 1,118,808	\$ 1,129,357
Actual contributions as a percentage of covered payroll	17.40 %	17.40 %	17.40 %	17.40 %	17.40 %

(Continued on Next Page)

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Notes to Schedule of Employer Contributions:

Method and assumptions used in calculations of contractually required contributions. The contractually required contribution rates in the schedule of employer contributions are calculated as of June 30, 2022, two years prior to the end of the fiscal year in which contributions are reported. The following contractually required rates and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll closed
Remaining amortization period	25.6 years
Asset valuation method	5-year smoothed fair value
Price inflation	2.40%
Salary increase	2.65% to 17.90% including inflation
Investment rate of return	7.55% net of pension plan investment expense, including inflation

Other information:

At its June 26, 2018 meeting, the Board voted to increase the employer contribution rate from 15.75 percent to 17.4 percent effective July 1, 2019. Along with this increase, the Board revised its funding policy which sets forth funding goals, objectives, and metrics for possible changes to the contribution rate for prospective fiscal years.

Mississippi

Required Supplementary Information

2019	2018	2017	2016	2015
\$ 173,162	\$ 172,818	\$ 177,852	\$ 179,792	\$ 179,936
(173,162)	(172,818)	(177,852)	(179,792)	(179,936)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 1,099,260	\$ 1,097,260	\$ 1,129,216	\$ 1,141,539	\$ 1,142,452
15.75 %	15.75 %	15.75 %	15.75 %	15.75 %

Mississippi

Required Supplementary Information

Schedule of Changes in the Net Pension Liability Mississippi Highway Safety Patrol Retirement System

Last 10 Fiscal Years (Amounts Expressed in Thousands)

	2024	2023	2022	2021	2020
Total pension liability					
Service Cost	\$ 7,333	\$ 7,711	\$ 8,235	\$ 8,104	\$ 7,372
Interest	42,377	41,965	41,571	40,624	39,532
Change in benefit terms	15,058	—	—	—	—
Difference between expected and actual experience	9,498	(3,244)	7,018	(7)	—
Changes in assumptions	44,102	—	1,677	—	2,286
Benefit payments	(41,122)	(40,522)	(37,433)	(35,455)	(34,671)
Refund of contributions	(161)	(134)	(67)	(48)	(16)
Net change in total pension liability	77,085	5,776	21,001	13,218	14,503
Total pension liability - beginning	581,926	576,150	555,149	541,931	527,428
Total pension liability - ending	<u>\$ 659,011</u>	<u>\$ 581,926</u>	<u>\$ 576,150</u>	<u>\$ 555,149</u>	<u>\$ 541,931</u>
Plan fiduciary net position					
Contributions - employer	\$ 20,837	\$ 19,476	\$ 19,563	\$ 20,144	\$ 19,375
Contributions - employee	2,621	2,356	2,378	2,428	2,340
Net investment income	29,536	(39,469)	115,761	11,196	25,280
Benefit payments	(41,122)	(40,522)	(37,433)	(35,455)	(34,671)
Refund of contributions	(161)	(134)	(67)	(48)	(16)
Administrative expense	(359)	(319)	(320)	(328)	(312)
Net Change in plan fiduciary net position	11,352	(58,612)	99,882	(2,063)	11,996
Plan fiduciary net position - beginning	405,372	463,984	364,102	366,165	354,169
Plan fiduciary net position - ending	<u>416,724</u>	<u>405,372</u>	<u>463,984</u>	<u>364,102</u>	<u>366,165</u>
Net pension liability - ending	<u>\$ 242,287</u>	<u>\$ 176,554</u>	<u>\$ 112,166</u>	<u>\$ 191,047</u>	<u>\$ 175,766</u>
Total pension liability	\$ 659,011	\$ 581,926	\$ 576,150	\$ 555,149	\$ 541,931
Total plan fiduciary net position	416,724	405,372	463,984	364,102	366,165
Net Pension liability total	<u>\$ 242,287</u>	<u>\$ 176,554</u>	<u>\$ 112,166</u>	<u>\$ 191,047</u>	<u>\$ 175,766</u>
Plan fiduciary net position as a percentage of the total pension liability	63.23 %	69.66 %	80.53 %	65.59 %	67.57 %
Covered payroll	\$ 34,846	\$ 30,895	\$ 29,780	\$ 32,346	\$ 31,811
Net pension liability as a percentage of covered payroll	695.31 %	571.46 %	376.65 %	590.64 %	552.53 %

(Continued on Next Page)

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented.

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Mississippi

Required Supplementary Information

2019	2018	2017	2016	2015
\$ 7,205	\$ 7,328	\$ 6,858	\$ 6,361	\$ 6,461
37,338	37,086	35,869	34,503	33,396
—	—	—	—	—
17,311	(5,780)	3,536	1,013	2,652
—	(3,598)	—	19,176	—
(32,315)	(31,001)	(29,913)	(28,909)	(28,220)
(103)	(144)	(52)	(163)	(42)
29,436	3,891	16,298	31,981	14,247
497,992	494,101	477,803	445,822	431,575
<u>\$ 527,428</u>	<u>\$ 497,992</u>	<u>\$ 494,101</u>	<u>\$ 477,803</u>	<u>\$ 445,822</u>

\$ 15,128	\$ 14,809	\$ 14,755	\$ 13,695	\$ 13,500
2,271	2,147	2,128	1,938	1,963
27,719	44,499	1,704	10,812	51,575
(32,315)	(31,001)	(29,913)	(28,909)	(28,220)
(103)	(144)	(52)	(163)	(42)
(250)	(203)	(217)	(198)	(200)
12,450	30,107	(11,595)	(2,825)	38,576
341,719	311,612	323,207	326,032	287,456
354,169	341,719	311,612	323,207	326,032
<u>\$ 173,259</u>	<u>\$ 156,273</u>	<u>\$ 182,489</u>	<u>\$ 154,596</u>	<u>\$ 119,790</u>

\$ 527,428	\$ 497,992	\$ 494,101	\$ 477,803	\$ 445,822
354,169	341,719	311,612	323,207	326,032
<u>\$ 173,259</u>	<u>\$ 156,273</u>	<u>\$ 182,489</u>	<u>\$ 154,596</u>	<u>\$ 119,790</u>

67.15 %	68.62 %	63.07 %	67.64 %	73.13 %
\$ 29,555	\$ 28,845	\$ 27,380	\$ 25,505	\$ 25,554
586.23 %	541.77 %	666.50 %	606.14 %	468.77 %

Mississippi

Required Supplementary Information

Schedule of Changes in the Net Pension Liability Supplemental Legislative Retirement System

Last 10 Fiscal Years (Amounts Expressed in Thousands)

	2024	2023	2022	2021	2020
Total pension liability					
Service Cost	\$ 677	\$ 714	\$ 594	\$ 589	\$ 590
Interest	1,818	1,693	1,673	1,638	1,595
Difference between expected and actual experience	(22)	920	(133)	(37)	—
Changes of assumptions	1,458	—	364	—	31
Benefit payments	(1,653)	(1,687)	(1,608)	(1,858)	(1,442)
Refund of contributions	(5)	—	(6)	(19)	—
Net change in total pension liability	2,273	1,640	884	313	774
Total pension liability - beginning	24,912	23,272	22,388	22,075	21,301
Total pension liability - ending	\$ 27,185	\$ 24,912	\$ 23,272	\$ 22,388	\$ 22,075
Plan fiduciary net position					
Contributions - employer	\$ 629	\$ 607	\$ 604	\$ 512	\$ 525
Contributions - employee	255	245	245	208	214
Net investment income	1,478	(1,964)	5,732	553	1,287
Benefit payments	(1,653)	(1,687)	(1,608)	(1,858)	(1,442)
Refund of contributions	(5)	—	(6)	(19)	—
Administrative expense	(13)	(12)	(12)	(10)	(11)
Net Change in plan fiduciary net position	691	(2,811)	4,955	(614)	573
Plan fiduciary net position - beginning	20,139	22,950	17,995	18,609	18,036
Plan fiduciary net position - ending	20,830	20,139	22,950	17,995	18,609
Net pension liability - ending	\$ 6,355	\$ 4,773	\$ 322	\$ 4,393	\$ 3,466
Total pension liability	\$ 27,185	\$ 24,912	\$ 23,272	\$ 22,388	\$ 22,075
Total plan fiduciary net position	20,830	20,139	22,950	17,995	18,609
Net Pension liability total	\$ 6,355	\$ 4,773	\$ 322	\$ 4,393	\$ 3,466
Plan fiduciary net position as a percentage of the total pension liability	76.62 %	80.84 %	98.62 %	80.38 %	84.30 %
Covered payroll	\$ 8,425	\$ 8,180	\$ 8,030	\$ 6,891	\$ 6,937
Net pension liability as a percentage of covered payroll	75.43 %	58.35 %	4.01 %	63.75 %	49.96 %

(Continued on Next Page)

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented.

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Mississippi

Required Supplementary Information

2019	2018	2017	2016	2015
\$ 431	\$ 433	\$ 420	\$ 406	\$ 404
1,557	1,593	1,586	1,569	1,549
(58)	(204)	(468)	(333)	(453)
—	(868)	(6)	588	—
(1,410)	(1,397)	(1,454)	(1,220)	(1,216)
(18)	(17)	(32)	(37)	(22)
502	(460)	46	973	262
20,799	21,259	21,213	20,240	19,978
<u>\$ 21,301</u>	<u>\$ 20,799</u>	<u>\$ 21,259</u>	<u>\$ 21,213</u>	<u>\$ 20,240</u>

\$ 513	\$ 522	\$ 514	\$ 511	\$ 514
207	212	208	207	208
1,412	2,264	86	552	2,605
(1,410)	(1,397)	(1,454)	(1,220)	(1,216)
(18)	(17)	(32)	(37)	(22)
(10)	(10)	(10)	(10)	(10)
694	1,574	(688)	3	2,079
17,342	15,768	16,456	16,453	14,374
18,036	17,342	15,768	16,456	16,453
<u>\$ 3,265</u>	<u>\$ 3,457</u>	<u>\$ 5,491</u>	<u>\$ 4,757</u>	<u>\$ 3,787</u>

\$ 21,301	\$ 20,799	\$ 21,259	\$ 21,213	\$ 20,240
18,036	17,342	15,768	16,456	16,453
<u>\$ 3,265</u>	<u>\$ 3,457</u>	<u>\$ 5,491</u>	<u>\$ 4,757</u>	<u>\$ 3,787</u>

84.67 %	83.38 %	74.17 %	77.58 %	81.29 %
\$ 6,833	\$ 6,928	\$ 6,862	\$ 6,861	\$ 6,918
47.78 %	49.90 %	80.02 %	69.33 %	54.74 %

Mississippi

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability Public Employees' Retirement System

Last 10 Fiscal Years (Amounts Expressed in Thousands)

	2024	2023	2022	2021	2020
State's proportion of the net pension liability	16.41 %	16.43 %	16.85 %	16.98 %	16.90 %
State's proportionate share of the net pension liability	\$ 4,126,666	\$ 3,381,687	\$ 2,489,564	\$ 3,287,003	\$ 2,972,649
State's covered payroll	\$ 1,214,930	\$ 1,129,881	\$ 1,118,808	\$ 1,129,357	\$ 1,099,260
State's proportionate share of the net pension liability as a percentage of its covered payroll	339.66 %	299.30 %	222.52 %	291.05 %	270.42 %
Plan fiduciary net position as a percentage of the total pension liability	55.70 %	59.93 %	70.44 %	58.97 %	61.59 %

(Continued on Next Page)

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented.

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Mississippi

Required Supplementary Information

2019	2018	2017	2016	2015
17.20 %	17.62 %	17.86 %	18.19 %	18.67 %
\$ 2,860,867	\$ 2,928,709	\$ 3,190,148	\$ 2,811,832	\$ 2,265,840
\$ 1,097,260	\$ 1,129,216	\$ 1,141,539	\$ 1,142,452	\$ 1,139,512
260.73 %	259.36 %	279.46 %	246.12 %	198.84 %
62.54 %	61.49 %	57.47 %	61.70 %	67.21 %

Mississippi

Required Supplementary Information

Notes to Required Supplemental Information Mississippi Highway Safety Patrol Retirement System For the Year Ended June 30, 2024

The changes of assumption for the years presented are as follows:

■ 2023

- The investment rate of return assumption was reduced from 7.55% to 7%.
- Disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- Assumed rates of salary increase were adjusted to reflect actual and anticipated experience more closely.

■ 2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72 scaled up to 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 97% of male rates for all ages.
 - For females, 110% of female rates for all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates for all ages.
 - For females, 121% of female rates for all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The investment rate of return assumption was reduced from 7.75% to 7.55%.
- The price inflation assumption was reduced from 2.75% to 2.4%.
- The wage inflation assumption was reduced from 3% to 2.65%.
- Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to reflect actual experience more closely.

■ 2019

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3%.
- Pre-retirement mortality rates were also adjusted to more closely reflect actual experience.

■ 2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Pre-retirement mortality, withdrawal and disability rates retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Mississippi

Required Supplementary Information

■ 2016

- The assumed rate of interest credited to employee contributions was changed from 3.5% to 2%.

■ 2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.5% to 3% and 8% to 7.75%, respectively.

The changes in benefit provision for the year presented is as follows:

■ 2023

- Senate Bill 2120 was passed by the Mississippi Legislation that increased the payroll scale for all levels of the Highway Safety Patrol.

■ 2016

- The interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Required Supplementary Information

Notes to Required Supplemental Information Supplemental Legislative Retirement System For the Year Ended June 30, 2024

The changes of assumption for the years presented are as follows:

■ 2023

- The investment rate of return assumption was reduced from 7.55% to 7%.
- Disability rates and service retirement rates were adjusted to reflect actual experience more closely.

■ 2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72 scaled up to 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 97% of male rates for all ages.
 - For females, 110% of female rates for all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The investment rate of return assumption was reduced from 7.75% to 7.55%.
- The price inflation assumption was reduced from 2.75% to 2.4%.
- The wage inflation assumption was reduced from 3% to 2.65%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to reflect actual experience more closely.

■ 2019

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to the PubT.H-2010 disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3%.
- Pre-retirement mortality rates were also adjusted to more closely reflect actual experience.

■ 2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022.
- Pre-retirement mortality rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The beginning of the attribution period was changed to be the first period in which a member's service accrues pension under the Supplemental Legislative Retirement Plan.

Mississippi

Required Supplementary Information

■ 2016

- The assumed rate of interest credited to employee contributions was changed from 3.5% to 2%.

■ 2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.5% to 3% and 8% to 7.75%, respectively.

The changes in benefit provision for the year presented is as follows:

■ 2016

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Required Supplementary Information

Notes to Required Supplemental Information Public Employees' Retirement System For the Year Ended June 30, 2024

The changes of assumption for the years presented are as follows:

■ 2023

- The investment rate of return assumption was changed from 7.55% to 7%.
- The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.
- Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.
- For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.
- The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.
- The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

■ 2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72, 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
 - For males, 97% of male rates at all ages.
 - For females, 110% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.4%.
- The wage inflation assumption was reduced from 3% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from .25% to .28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

■ 2019

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3% to 2.75%.

Mississippi

Required Supplementary Information

- The wage inflation assumption was reduced from 3.25% to 3%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

■ 2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for Disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

■ 2016

- The assumed rate of interest credited to employee contributions was changed from 3.5% to 2%.

■ 2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.5% to 3% and 8% to 7.75%, respectively.

The changes in benefit provision for the year presented is as follows:

■ 2016

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Mississippi

Required Supplementary Information

Schedule of the Proportionate Share of the Net OPEB Liability State Life and Health Insurance OPEB Plan

Last 10 Fiscal Years (Amounts Expressed in Thousands)*

	2024	2023	2022
State's proportion of the net OPEB liability	21.60 %	21.65 %	22.42 %
State's proportionate share of the net OPEB liability	\$ 119,523	\$ 106,687	\$ 144,307
State's covered employee payroll**	\$ 1,145,792	\$ 1,043,475	\$ 1,018,907
State's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	10.43 %	10.22 %	14.16 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.19 %	0.21 %	0.16 %

(Continued on Next Page)

*Only seven fiscal years are presented because 10-year data is not yet available.

**OPEB contributions are not based on a measure of pay.

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the prior year to the fiscal year presented.

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Mississippi

Required Supplementary Information

2021	2020	2019	2018
22.81 %	22.89 %	23.51 %	24.07 %
\$ 177,506	\$ 194,255	\$ 181,836	\$ 188,888
\$ 1,069,584	\$ 721,196	\$ 1,001,976	\$ 1,053,049
16.60 %	26.94 %	18.15 %	17.94 %
0.13 %	0.12 %	0.13 %	— %

Mississippi

Required Supplementary Information

Schedule of Employer Contributions OPEB

State Life and Health Insurance OPEB Plan

Last 10 Fiscal Years (Amounts Expressed in Thousands)*

	2024	2023	2022
Actuarially determined employer contribution	\$ 5,312	\$ 5,328	\$ 4,347
Contributions in relation to actuarially determined contribution	(5,312)	(5,328)	(4,347)
Contribution deficiency (excess)	\$ —	\$ —	\$ —
Covered employee payroll	\$ 1,162,668	\$ 1,145,792	\$ 1,043,475
Actual contributions as a percentage of covered employee payroll	0.46 %	0.47 %	0.42 %

(Continued on Next Page)

Notes to Schedule of Employer Contributions:

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of June 30, 2023. The following actuarial methods and assumptions were used to determine the most recent contribution rates reported in that schedule.

Actuarial cost method	Entry Age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price Inflation	2.40%
Salary increase, including wage inflations	2.65% to 17.90%
Initial health care cost trend rates	
Medicare supplement claims - Pre Medicare	6.50%
Ultimate health care cost trend rates	
Medicare supplement claims - Pre Medicare	4.50%
Year of ultimate trend rates	
Medicare supplement claims - Pre Medicare	2029
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.66%

*Only seven fiscal years are presented because 10-year data is not yet available.

Mississippi

Required Supplementary Information

2021	2020	2019	2018
\$ 5,788	\$ 7,079	\$ 7,813	\$ 8,097
(5,788)	(7,079)	(7,813)	(8,097)
\$ —	\$ —	\$ —	\$ —
\$ 1,018,907	\$ 1,069,584	\$ 721,196	\$ 1,001,976
0.57 %	0.66 %	1.08 %	0.81 %

Required Supplementary Information

Notes to Required Supplemental Information State Life and Health Insurance OPEB Plan Methods and Assumptions

The changes to benefit terms were as follows:

- 2024
 - The schedule of monthly retiree contributions was increased as of January 1, 2025.
 - The base coverage deductible was changed to \$3,300 per calendar year.
- 2023
 - The schedule of monthly retiree contributions was increased as of January 1, 2024.
- 2022
 - The schedule of monthly retiree contributions was increased as of January 1, 2023.
- 2021
 - The schedule of monthly retiree contributions was increased as of January 1, 2022.
 - The in-network medical deductible was increased for the Select coverage beginning January 1, 2022.
- 2020
 - The schedule of monthly retiree contributions was increased as of January 1, 2021.
 - The deductible and coinsurance maximums were increased for the Select Coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

The changes in actuarial assumptions and methods were as follows:

- 2024
 - The SEIR was changed from 3.66% for the prior Measurement Date to 3.94% for the current Measurement Date.
- 2023
 - The SEIR was changed from 3.37% for the prior Measurement Date to 3.66% for the current Measurement Date.
 - Withdrawal rates, disability rates, service retirement rates and salary merit rates were adjusted to reflect actual experience more closely.
- 2022
 - The SEIR was changed from 2.13% for the prior Measurement Date to 3.37% for the current Measurement Date.

Mississippi

Required Supplementary Information

- 2021
 - The SEIR was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.
 - The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of female rates up to age 72, 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
 - For males, 97% of male rates at all ages.
 - For females, 110% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
 - The price inflation assumption was reduced from 2.75% to 2.40%.
 - The wage inflation assumption was reduced from 3.00% to 2.65%.
 - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- 2020
 - The SEIR was changed from 3.5% for the prior Measurement Date to 2.19% for the current Measurement Date.
- 2019
 - The SEIR was changed from 3.89% for the prior Measurement Date to 3.5% for the current Measurement Date. In addition, the following changes were made in the actuarial assumptions due to the PERS experience study for the four year period ending June 30, 2018:
 - The expectation of retired life mortality was changed to the Pubs.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
 - The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
 - The price inflation assumption was reduced from 3% to 2.75%.
 - The wage inflation assumption was reduced from 3.25% to 3%.
 - Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.

Mississippi

Nonmajor 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.

Nonmajor Enterprise Funds Descriptions

Veterans' Home Purchase Board - The **Veterans' Home Purchase Board Fund** 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.

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

Yellow Creek Inland Port Authority - The **Yellow Creek Inland Port Authority Fund** accounts for operations of a public port facility at the conjunction of the Tennessee River and Yellow Creek in Tishomingo County, Mississippi. All costs of operating this port are accounted for in this fund. Funding is provided by gross receipts from port operations, proceeds from other governments and investment income.

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

Department of Agriculture and Commerce - The **Agriculture and Forestry Museum Fund** accounts for operations of the museum. Revenue is generated from the sale of goods, ticket sales and rental income. The **Fairground Operations Fund** accounts for expenses of the Fairground operation of the coliseum, Dixie National Livestock Show and Industrial Showcase Building. 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 transfers from the General Fund.

Department of Corrections - The **Prison Agricultural Enterprises Fund** accounts for a farming operation. Revenue sources include proceeds from the sale of row crops and rental income from leased land.

Mississippi

Nonmajor Enterprise Funds

Combining Statement of Net Position

June 30, 2024 (Expressed in Thousands)

	Veterans' Home Purchase Board	Department of Finance and Administration Office of Surplus Property	Yellow Creek Inland Port Authority
Assets			
Current assets:			
Equity in internal investment pool	\$ 51,101	\$ 482	\$ —
Cash and cash equivalents	14	—	1,852
Receivables, net	647	—	297
Due from other funds	122	—	—
Inventories	—	—	—
Prepaid items	—	—	53
Loans and notes receivable	7,023	—	197
Total Current Assets	58,907	482	2,399
Noncurrent assets:			
Lease receivable	—	—	6,756
Loans and notes receivable	210,134	—	6,489
Capital assets:			
Land and construction in progress	226	100	11,071
Other capital assets, net	819	204	21,080
Right-to-use assets, net	19	—	—
Total Noncurrent Assets	211,198	304	45,396
Total Assets	270,105	786	47,795
Deferred Outflow of Resources			
Pension	752	659	536
Other postemployment benefits	26	15	34
Total Deferred outflow of resources	778	674	570
Liabilities			
Current liabilities:			
Warrants payable	407	2	—
Accounts payable and other liabilities	159	7	429
Due to other funds	—	—	—
Notes payable	—	—	1,255
Lease liability	6	—	—
Net other postemployment benefits liability	—	—	3
Total Current Liabilities	572	9	1,687
Noncurrent liabilities:			
Notes payable	—	—	8,696
Lease liability	9	—	—
Net pension liability	3,232	2,012	2,215
Net other postemployment benefits liability	77	46	59
Other liabilities	72	39	74
Total Noncurrent liabilities	3,390	2,097	11,044
Total Liabilities	3,962	2,106	12,731
Deferred Inflow of Resources			
Leases	—	—	6,756
Pension	—	—	—
Other postemployment benefits	38	34	22
Total deferred inflow resources	38	34	6,778
Net Position			
Net investment in capital assets	1,048	304	22,201
Unrestricted (deficit)	265,835	(984)	6,655
Total Net Position	\$ 266,883	\$ (680)	\$ 28,856

(Continued on Next Page)

Mississippi

Nonmajor Enterprise Funds

Department of Rehabilitation Services		Department of Agriculture and Commerce		Department of Corrections					
		Agriculture and Forestry Museum	Fairground Operations	Prison Agricultural Enterprises	Totals				
\$	—	\$	181	\$	742	\$	3,358	\$	55,864
	12,710		45		106		—		14,727
	2,728		—		—		—		3,672
	13,988		—		71		—		14,181
	181		21		—		—		202
	1,062		—		—		—		1,115
	—		—		—		—		7,220
	30,669		247		919		3,358		96,981
	—		—		—		—		6,756
	—		—		—		—		216,623
	—		1,690		840		—		13,927
	—		1,139		10,796		2,057		36,095
	1,034		—		—		—		1,053
	1,034		2,829		11,636		2,057		274,454
	31,703		3,076		12,555		5,415		371,435
	3,541		—		695		272		6,455
	218		—		47		9		349
	3,759		—		742		281		6,804
	—		11		53		—		473
	2,581		46		90		4		3,316
	—		2		1		—		3
	—		—		—		—		1,255
	250		—		—		—		256
	—		—		—		—		3
	2,831		59		144		4		5,306
	—		—		—		—		8,696
	810		—		—		—		819
	14,085		—		3,018		755		25,317
	604		—		103		26		915
	—		98		101		181		565
	15,499		98		3,222		962		36,312
	18,330		157		3,366		966		41,618
	—		—		—		—		6,756
	480		—		217		149		846
	254		—		38		12		398
	734		—		255		161		8,000
	(26)		2,829		11,636		2,057		40,049
	16,424		90		(1,960)		2,512		288,572
\$	16,398	\$	2,919	\$	9,676	\$	4,569	\$	328,621

Mississippi

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Department of Finance and Administration		
	Veterans' Home Purchase Board	Office of Surplus Property	Yellow Creek Inland Port Authority
Operating Revenues			
Charges for sales and services	\$ —	\$ 254	\$ 3,426
Investment income	6,777	—	—
Rentals	—	—	233
Fees	263	—	—
Other	2	1	997
Total Operating Revenues	7,042	255	4,656
Operating Expenses			
Cost of sales and services	—	—	—
General and administrative	1,449	775	1,372
Contractual services	351	126	1,385
Commodities	45	9	272
Depreciation and amortization	32	35	855
Other	113	—	—
Total Operating Expenses	1,990	945	3,884
Operating Income (Loss)	5,052	(690)	772
Nonoperating Revenues			
Insurance recovery	—	—	—
Gain on disposal of a capital assets (loss)	—	—	14
Investment income(loss)	(2,591)	(21)	1,175
Other	—	—	—
Total Nonoperating Revenues	(2,591)	(21)	1,189
Nonoperating Expenses			
Interest	—	—	378
Other	—	—	—
Total Nonoperating Expenses	—	—	378
Income (Loss) before Capital Contributions and Transfers	2,461	(711)	1,583
Capital contributions	—	—	—
Transfers In	29	189	—
Transfers Out	—	—	—
Change in Net Position	2,490	(522)	1,583
Net Position- Beginning, as previously reported	264,393	(158)	26,776
Adjustments and Restatement	—	—	497
Total Net Position - Beginning, as restated	264,393	(158)	27,273
Total Net Position - Ending	\$ 266,883	\$ (680)	\$ 28,856

(Continued on Next Page)

Mississippi

Nonmajor Enterprise Funds

Department of Rehabilitation Services		Department of Agriculture and Commerce		Department of Corrections	
AbilityWorks		Agriculture and Forestry Museum	Fairground Operations	Prison Agricultural Enterprises	Totals
\$	3,458	\$ 212	\$ 23	\$ 1,118	\$ 8,491
	—	—	—	—	6,777
	—	159	4,133	2,185	6,710
	—	244	22	—	529
	557	70	1,316	3	2,946
	4,015	685	5,494	3,306	25,453
					—
					—
	4,477	117	9	—	4,603
	6,693	980	1,556	273	13,098
	1,644	516	4,160	2,011	10,193
	63	130	398	(9)	908
	347	45	228	176	1,718
	—	—	—	5	118
	13,224	1,788	6,351	2,456	30,638
	(9,209)	(1,103)	(857)	850	(5,185)
					—
					—
	—	—	—	—	—
	—	—	—	—	14
	103	—	—	—	(1,334)
	—	—	—	—	—
	103	—	—	—	(1,320)
					—
					—
	19	—	—	—	397
	—	—	—	—	—
	19	—	—	—	397
	(9,125)	(1,103)	(857)	850	(6,902)
	—	—	—	—	—
	7,504	1,021	1,220	—	9,963
	—	—	(341)	—	(341)
	(1,621)	(82)	22	850	2,720
	18,019	3,001	9,654	3,719	325,404
	—	—	—	—	497
	18,019	3,001	9,654	3,719	325,901
\$	16,398	\$ 2,919	\$ 9,676	\$ 4,569	\$ 328,621

Mississippi

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

For the Year Ended June 30, 2024 (Expressed in Thousands)

		Department of Finance and Administration	
	Veterans' Home Purchase Board	Office of Surplus Property	Yellow Creek Inland Port Authority
Cash Flows from Operating Activities			
Cash receipts from customers	\$ 141	\$ 254	\$ 3,628
Cash payments to suppliers for goods and services	(518)	(139)	(1,531)
Cash payments to employees for services	(1,272)	(482)	(1,145)
Other operating cash receipts	2	1	997
Principal and interest received on program loans	22,520	—	—
Issuance of program loans	(35,508)	—	—
Net Cash Provided by (Used for) Operating Activities	(14,635)	(366)	1,949
Cash Flows from Noncapital Financing Activities			
Transfers in	29	189	—
Transfers out	—	—	—
Net Cash Provided by Noncapital Financing Activities	29	189	—
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	—	(30)	(2,541)
Proceeds from sale of capital assets	—	—	193
Principal received from lease receivable	—	—	—
Proceeds from sale of bonds for capital related financing	—	—	(1,169)
Principal paid on bonds and capital asset contracts	—	—	(379)
Interest paid on bonds and capital assets contracts	—	—	—
Bond issuance costs for capital related financing	—	—	—
Proceeds from other sales	—	—	20
Intergovernmental revenues	—	—	—
Proceeds from insurance recovery	—	—	—
Net Cash Provided for (Used for) Capital and Related Financing Activities	—	(30)	(3,876)
Cash Flows from Investing Activities			
Proceeds from sales of investments	—	—	206
Purchases of investments	—	—	—
Investment income (loss)	(2,591)	(21)	1,175
Net Cash Provided by Investing Activities	(2,591)	(21)	1,381
Net Change in Cash and Cash Equivalents	(17,197)	(228)	(546)
Cash and Cash Equivalents - Beginning	68,312	710	2,398
Cash and Cash Equivalents - Ending	\$ 51,115	\$ 482	\$ 1,852

(Continued on Next Page)

Mississippi

Nonmajor Enterprise Funds

Department of Rehabilitation Services	Department of Agriculture and Commerce	Department of Corrections		
AbilityWorks	Agriculture and Forestry Museum	Fairground Operations	Prison Agricultural Enterprises	Totals
\$ 218	\$ 616	\$ 4,706	\$ 3,303	\$ 12,866
(6,988)	(719)	(4,606)	(2,022)	(16,523)
(5,796)	(965)	(1,264)	(220)	(11,144)
557	70	717	3	2,347
—	—	—	—	22,520
—	—	—	—	(35,508)
(12,009)	(998)	(447)	1,064	(25,442)
				—
				—
7,504	1,021	1,220	—	9,963
—	—	(341)	—	(341)
7,504	1,021	879	—	9,622
—	(13)	(49)	(6)	(2,639)
—	—	—	—	193
—	—	—	—	—
—	—	—	—	(1,169)
(344)	—	—	—	(723)
(19)	—	—	—	(19)
—	—	—	—	—
—	—	—	—	20
—	—	—	—	—
—	—	—	—	—
(363)	(13)	(49)	(6)	(4,337)
—	—	—	—	206
—	—	—	—	—
103	—	—	—	(1,334)
103	—	—	—	(1,128)
(4,765)	10	383	1,058	(21,285)
17,475	216	465	2,300	91,876
\$ 12,710	\$ 226	\$ 848	\$ 3,358	\$ 70,591

(Continued on Next Page)

Mississippi

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

For the Year Ended June 30, 2024 (Expressed in Thousands)

(Continued from Previous Page)

	Veterans' Home Purchase Board	Department of Finance and Administration Office of Surplus Property	Yellow Creek Inland Port Authority
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating income (loss)	\$ 5,052	\$ (690)	\$ 772
Adjustments to reconcile operating income (loss) to net cash provided by (Used for) operating activities:			
Depreciation and amortization Change in assets and liabilities:	32	35	855
(Increase) decrease in assets:			
Receivables, net	(82)	—	(31)
Due from other funds	(122)	—	—
Inventories	—	—	—
Prepaid items	4	—	(52)
Loans and notes receivable	(18,836)	—	—
Increase (decrease) in liabilities:			
Warrants payable	(848)	2	—
Accounts payable and other liabilities	6	(7)	254
Due to other governments	—	—	—
Due to other funds	(1)	—	—
Pension cost	220	300	165
Other postemployment benefit cost	(35)	(6)	(4)
Other liabilities	(25)	—	(10)
Total adjustments	(19,687)	324	1,177
Net cash provided by (Used for) operating activities:	\$ (14,635)	\$ (366)	\$ 1,949
Noncash Capital and Related Financing Activities			
Gain on disposal of capital assets	—	—	14
Right-to-use lease asset	—	—	—

(Continued on Next Page)

Mississippi

Nonmajor Enterprise Funds

Department of Rehabilitation Services	Department of Agriculture and Commerce		Department of Corrections		
AbilityWorks	Agriculture and Forestry Museum	Fairground Operations	Prison Agricultural Enterprises	Totals	
\$ (9,209)	\$ (1,103)	\$ (857)	\$ 850	(5,185)	
347	45	228	176	1,718	
286	—	—	—	173	
(3,526)	—	(71)	—	(3,719)	
20	13	—	—	33	
(410)	—	—	—	(458)	
—	—	—	—	(18,836)	
—	3	(8)	—	(851)	
(413)	43	25	7	(85)	
—	1	4	—	5	
—	—	(34)	—	(35)	
912	—	280	59	1,936	
(16)	—	(14)	(28)	(103)	
—	—	—	—	(35)	
(2,800)	105	410	214	(20,257)	
\$ (12,009)	\$ (998)	\$ (447)	\$ 1,064	\$ (25,442)	
—	—	—	—	14	
16	—	—	—	16	



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Mississippi

Fiduciary Funds

Fiduciary funds account for assets held in a trustee or agency capacity for others and cannot be used to support governments own programs.

Fiduciary Funds Descriptions

Pension Trust Funds

Public Employees' Retirement System - The **Public Employees' Retirement System Fund** 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. The **Mississippi Highway Safety Patrol Retirement System Fund** provides retirement and disability benefits to sworn officers of the Department of Public Safety. Benefits are funded by contributions from the members and the state and by investment income. The **Supplemental Legislative Retirement Plan Fund** 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. The **Municipal Retirement Systems Fund** provides retirement and disability benefits to employees, firefighters and police officers of participating municipalities. Benefits are funded by contributions from the members and the municipalities and by investment income.

Other Employee Benefits Trust Fund

State Life and Health Insurance Plan - The State Life and Health Insurance Plan Fund provides post employment healthcare benefits to employees of the State and its political subdivisions. Benefits are funded by premiums from employers, employees and retirees, and by investment income.

Custodial Funds

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

Pension and Other Employee Benefits Trust Funds

Combining Statement of Fiduciary Net Position

June 30, 2024 (Expressed in Thousands)

	Pension Trust Funds		
	Public Employees' Retirement System	Mississippi Highway Safety Patrol Retirement System	Supplemental Legislative Retirement System
Assets			
Equity in internal investment pool	\$ 754	\$ –	\$ –
Cash and cash equivalents	995,278	11,972	598
Investments, at fair value:			
Short - term investments	1,099,808	14,542	726
Long - term debt securities	6,440,712	85,161	4,253
Equity securities	18,825,700	248,920	12,430
Private Credit	42,483	562	28
Private equity	3,664,810	48,457	2,420
Real estate investments	2,824,107	37,341	1,865
Securities lending:			
Short-term investments	996,542	13,177	658
Long-term debt securities	1,017,330	13,451	672
Receivables:			
Employer contributions	67,971	271	–
Employee contributions	37,060	–	–
Investment proceeds	466,264	6,165	308
Interest and dividends	154,157	2,038	101
Other	111,578	2	–
Capital assets:			
Land and construction in progress	1,717	–	–
Other capital assets, net	12,243	–	–
Total Assets	36,758,514	482,059	24,059
Deferred Outflows of Resources			
Other postemployment benefits	215	–	–
Total Deferred Outflows of Resources	215	–	–
Liabilities			
Investment purchases payable	1,282,365	16,956	847
Warrants payable	82	–	–
Accounts payable and accruals	12,834	29	16
Lease liability	110	–	–
Software Subscription Liability	923	–	–
Net other postemployment benefit liability	696	–	–
Obligations under securities lending	2,011,586	26,598	1,328
Total Liabilities	3,308,596	43,583	2,191
Deferred Inflows of Resources			
Other postemployment benefits	290	–	–
Total Deferred Inflows of Resources	290	–	–
Net Position			
Net position restricted for pensions and other employee benefits	\$ 33,449,843	\$ 438,476	\$ 21,868

(Continued on Next Page)

Mississippi

Pension and Other Employee Benefits Trust Funds

		Other Employee Benefits Trust Fund	
Municipal Retirement Systems	Totals	State Life and Health Insurance Plan	Totals
\$ —	\$ 754	\$ 1,104	\$ 1,858
3,294	1,011,142	—	1,011,142
4,001	1,119,077	—	1,119,077
23,430	6,553,556	—	6,553,556
68,485	19,155,535	—	19,155,535
155	43,228	—	43,228
13,332	3,729,019	—	3,729,019
10,274	2,873,587	—	2,873,587
3,625	1,014,002	—	1,014,002
3,701	1,035,154	—	1,035,154
985	69,227	—	69,227
—	37,060	—	37,060
1,696	474,433	—	474,433
561	156,857	—	156,857
2	111,582	1	111,583
—	1,717	—	1,717
—	12,243	—	12,243
133,541	37,398,173	1,105	37,399,278
—	215	—	215
—	215	—	215
4,665	1,304,833	—	1,304,833
—	82	—	82
60	12,939	—	12,939
—	110	—	110
—	923	—	923
—	696	—	696
7,318	2,046,830	—	2,046,830
12,043	3,366,413	—	3,366,413
—	290	—	290
—	290	—	290
\$ 121,498	\$ 34,031,685	\$ 1,105	\$ 34,032,790

Mississippi

Pension and Other Employee Benefits Trust Funds

Combining Statement Of Changes in Fiduciary Net Position

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Pension Trust Funds		
	Public Employees' Retirement System	Mississippi Highway Safety Patrol Retirement System	Supplemental Legislative Retirement System
Additions			
Contributions:			
Employer	\$ 1,345,811	\$ 21,059	\$ 668
Employee	682,937	2,625	271
State	110,000	—	—
Total Contributions	2,138,748	23,684	939
Net Investment Income:			
Net change in fair value of investments	2,601,301	34,395	1,718
Interest and dividends	708,719	9,321	465
Securities lending:			
Income from securities lending	130,187	1,722	86
Interest expense and trading costs from securities lending	(116,721)	(1,543)	(77)
Managers' fees and trading costs	(103,922)	(1,374)	(69)
Net Investment Income:	3,219,564	42,521	2,123
Other Additions	314	—	—
Total Additions	5,358,626	66,205	3,062
Deductions			
Benefits	3,394,102	43,960	2,000
Refunds to terminated employees	118,413	143	10
Administrative expenses	17,008	350	13
Depreciation	1,243	—	—
Total Deductions	3,530,766	44,453	2,023
Change in Net Position	1,827,860	21,752	1,039
Net Position - Beginning	31,621,983	416,724	20,829
Net Position - Ending	\$ 33,449,843	\$ 438,476	\$ 21,868

(Continued on Next Page)

Mississippi

Pension and Other Employee Benefits Trust Funds

		Other Employee Benefits Trust Fund	
Municipal Retirement Systems	Totals	State Life and Health Insurance Plan	Totals
\$ 14,230	\$ 1,381,768	\$ 24,426	\$ 1,406,194
—	685,833	—	685,833
—	110,000	—	110,000
14,230	2,177,601	24,426	2,202,027
9,463	2,646,877	—	2,646,877
2,565	721,070	36	721,106
474	132,469	—	132,469
(425)	(118,766)	—	(118,766)
(378)	(105,743)	—	(105,743)
11,699	3,275,907	36	3,275,943
—	314	—	314
25,929	5,453,822	24,462	5,478,284
29,025	3,469,087	24,426	3,493,513
—	118,566	—	118,566
285	17,656	—	17,656
—	1,243	—	1,243
29,310	3,606,552	24,426	3,630,978
(3,381)	1,847,270	36	1,847,306
124,879	32,184,415	1,069	32,185,484
\$ 121,498	\$ 34,031,685	\$ 1,105	\$ 34,032,790

Mississippi

Custodial Funds

Combining Statement of Fiduciary Net Position

June 30, 2024 (Expressed in Thousands)

	Local Government Distributive	Program	Institutional	Totals
Assets				
Equity in internal investment pool	\$ 53	\$ 4,940	\$ 1,591	\$ 6,584
Cash and cash equivalent	—	222,003	13,577	235,580
Receivables, net:	—	—	—	—
Other	—	14,368	169	14,537
Total Assets	53	241,311	15,337	256,701
Liabilities				
Warrants payable	—	—	189	189
Accounts payable and accruals	2	2	1,295	1,299
Due to other governments	48	—	—	48
Total Liabilities	50	2	1,484	1,536
Net Position				
Net position restricted for individuals, organizations, and other governments	\$ 3	\$ 241,309	\$ 13,853	\$ 255,165

Mississippi

Custodial Funds

Combining Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2024 (Expressed in Thousands)

	Local Government Distributive	Program	Institutional	Totals
Additions				
Interest	\$ —	\$ 335	\$ 2	\$ 337
Net Investment Income	—	335	2	337
Other Additions:				
Tax collection for other governments	37,118	—	—	37,118
Child support collections	—	342,549	—	342,549
Legal settlement collections	—	139,368	—	139,368
Inmates' account collections	—	—	182	182
Patients' account collections	—	—	46,428	46,428
Administrative fees	278	1,243	48	1,569
Other	—	2,161	19,605	21,766
Total Other Additions	37,396	485,321	66,263	588,980
Total Additions	37,396	485,656	66,265	589,317
Deductions				
Benefits	—	404	—	404
Tax payments to other governments	36,730	—	—	36,730
Child support payments	—	337,708	—	337,708
Legal settlement payments	—	82,179	—	82,179
Patients' account payments	—	—	45,165	45,165
Administrative expenses	665	1,745	20,181	22,591
Total Deductions	37,395	422,036	65,346	524,777
Change in Net Position	1	63,620	919	64,540
Net Position - Beginning	2	177,689	12,934	190,625
Net Position - Ending	\$ 3	\$ 241,309	\$ 13,853	\$ 255,165



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Mississippi

Nonmajor Component Units

Component Units are organizations which are legally separate from the state for which the State is financially accountable.

Nonmajor Component Units Descriptions

Mississippi Business Finance Corporation - The corporation coordinates and oversees the delivery of services to small business communities of Mississippi.

Mississippi Development Bank - The bank fosters and promotes the provision of adequate markets and facilities for the borrowing of funds for public purposes by governmental units.

Mississippi Lottery Corporation - The corporation accounts for the operation of the State's lottery. Revenue is generated from the sale of lottery tickets.

MagCor Industries - The corporation is engaged in the manufacture of cloth related items, printing of forms, periodicals and manuals, and providing service work for manufacturers. Revenue is generated from the charges for goods and services.

Pat Harrison Waterway District - The district accounts for resources used to bring about the full beneficial use of surface and overflow waters of the Pascagoula River Basin.

Pearl River Valley Water Supply District - The district accounts for the operation and maintenance of the Ross Barnett Reservoir and surrounding lands, to provide water supply, flood reduction and recreational opportunities.

Tombigbee River Valley Water Management District - The 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.

Mississippi

Nonmajor Component Units

Combining Statement of Net Position

June 30, 2024 (Expressed in Thousands)

	Mississippi Business Finance Corporation	Mississippi Development Bank	Mississippi Lottery Corporation
Assets			
Current assets:			
Equity in internal investment pool	\$ 2,321	\$ —	\$ —
Cash and cash equivalents	1,121	358	51,473
Investments	14,952	4,632	—
Receivables, net	74	22	13,297
Lease receivables, net	—	—	—
Due from other governments	—	—	—
Inventories	—	—	—
Prepaid items	—	—	248
Other assets	—	—	282
Total Current Assets	18,468	5,012	65,300
Noncurrent assets:			
Restricted prize reserve on deposit	—	—	2,435
Capital assets:			
Land and construction in progress	—	—	—
Other capital assets, net	45	—	1,052
Right-to-use assets, net	—	—	1,199
Total Noncurrent Assets	45	—	4,686
Total Assets	18,513	5,012	69,986
Deferred Outflows of Resources			
Pension	241	—	—
Other postemployment benefits	5	—	—
Total Deferred Outflows of Resources	246	—	—
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	48	117	59,040
Due to primary government	—	—	9,103
Unearned revenues	—	—	531
Bonds and Notes payable	—	—	—
Lease liabilities	—	—	216
Net other postemployment benefits liability	—	—	—
Total Current liabilities	48	117	68,890
Noncurrent liabilities:			
Lease liabilities	—	—	1,096
Net pension liability	1,006	—	—
Net other postemployment benefits liability	15	—	—
Other liabilities	5	—	—
Total Noncurrent Liabilities	1,026	—	1,096
Total Liabilities	1,074	117	69,986
Deferred Inflows of Resources			
Pension	534	—	—
Other postemployment benefits	10	—	—
Leases	—	—	—
Total Deferred Inflows of Resources	544	—	—
Net Position			
Net investment in capital assets	45	—	938
Restricted for prize reserve on deposit	—	—	2,435
Restricted for Capital improvements	—	—	—
Unrestricted (deficit)	17,096	4,895	(3,373)
Total Net Position	\$ 17,141	\$ 4,895	\$ —

(Continued on Next Page)

Mississippi

Nonmajor Component Units

MagCor Industries	Pat Harrison Waterway District	Pearl River Valley Water Supply District	Tombigbee River Valley Water Management District	Totals
\$	\$	\$	\$	\$
—	—	—	—	2,321
31	3,697	22,466	10,481	89,627
—	6,992	—	—	26,576
2,085	298	2,759	20	18,555
—	50	—	—	50
—	55	—	70	125
839	—	—	—	839
10	—	—	—	258
14	—	—	—	296
2,979	11,092	25,225	10,571	138,647
—	—	—	—	2,435
312	1,903	16,133	557	18,905
7,612	3,611	36,077	1,576	49,973
574	32	—	—	1,805
8,498	5,546	52,210	2,133	73,118
11,477	16,638	77,435	12,704	211,765
1,644	826	3,004	934	6,649
95	42	157	47	346
1,739	868	3,161	981	6,995
3,697	3,036	2,801	135	68,874
—	5	41	—	9,149
16	30	393	—	970
348	—	—	—	348
253	7	—	—	476
7	11	—	—	18
4,321	3,089	3,235	135	79,835
238	13	—	—	1,347
6,095	3,521	12,576	3,106	26,304
155	128	426	85	809
—	88	428	129	650
6,488	3,750	13,430	3,320	29,110
10,809	6,839	16,665	3,455	108,945
33	504	766	—	1,837
76	70	205	33	394
—	47	—	—	47
109	621	971	33	2,278
8,007	5,513	51,498	2,133	68,134
—	—	—	—	2,435
—	—	1,242	—	1,242
(5,709)	4,533	10,220	8,064	35,726
2,298	10,046	62,960	10,197	107,537

Mississippi

Nonmajor Component Units

Combining Statement of Activities

For the Year Ended June 30, 2024 (Expressed in Thousands)

Program Revenues					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue
Mississippi Business Finance Corporation	\$ 554	\$ 430	\$ —	\$ —	\$ (124)
Mississippi Development Bank	325	269	—	—	(56)
Mississippi Lottery Corporation	477,845	475,524	—	—	(2,321)
MagCor Industries	13,949	9,340	—	1,796	(2,813)
Pat Harrison Waterway District	6,307	3,124	—	281	(2,902)
Pearl River Valley Water Supply District	18,824	17,466	—	5,049	3,691
Tombigbee River Valley Water	2,964	2,018	—	—	(946)
Total	<u>\$ 520,768</u>	<u>\$ 508,171</u>	<u>\$ —</u>	<u>\$ 7,126</u>	<u>\$ (5,471)</u>

(Continued on Next Page)

Mississippi

Nonmajor Component Units

General Revenues

Investment Income	Other	Change in Net Position	Net Position - Beginning, as previously reported	Error Correction Adjustments and Restatements	Net Position - Beginning, Restated	Net Position Ending
\$ 842	\$ —	\$ 718	\$ 16,423	\$ —	\$ 16,423	\$ 17,141
230	—	174	4,721	—	4,721	4,895
2,141	180	—	—	—	—	—
—	481	(2,332)	4,630	—	4,630	2,298
370	2,400	(132)	10,003	175	10,178	10,046
831	235	4,757	58,203	—	58,203	62,960
501	442	(3)	10,200	—	10,200	10,197
<u>\$ 4,915</u>	<u>\$ 3,738</u>	<u>\$ 3,182</u>	<u>\$ 104,180</u>	<u>\$ 175</u>	<u>\$ 104,355</u>	<u>\$ 107,537</u>



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Mississippi

Statistical Section

The Statistical Section provides additional historical perspective, context, and detail to assist financial statement users in understanding the State of Mississippi's overall financial health.

Financial Trends

These tables contain trend information to help users in understanding how the State's financial position has changed over time.

Table 1 - Net Position by Component	158
Table 2 - Changes in Net Position	160
Table 3 - Fund Balances of Governmental Funds	164
Table 4 - Changes in Fund Balances of Governmental Funds	166

Revenue Capacity

These tables contain information to help users in understanding and assessing the factors affecting the State's ability to generate its sales tax revenues.

Table 5 - Taxable Sales by Industry	170
Table 6 - Sales Tax Revenue Payers by Industry	172

Debt Capacity

These tables present information to help users assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in future.

Table 7 - Ratios of Outstanding Debt by Type	174
Table 8 - Legal Debt Margin	176

Demographic and Economic Information

These tables offer demographic and economic indicators to help users understand the environment within which the State's financial activities take place.

Table 9 - Demographic and Economic Statistics	177
Table 10 - Employment by Industry	177
Table 11 - Public School Enrollment	178
Table 12 - Community and Junior College Enrollment	178
Table 13 - University Enrollment	178

Operating Information

These tables contain information about the State's operations and resources to help users understand how the State's financial information relates to the services the State provides and the activities it performs.

Table 14 - Capital Asset Statistics by Function	180
Table 15 - State Government Employees by Function	182
Table 16 - Operating Indicators by Function	184

Mississippi

Net Position by Component

Last Ten Fiscal Year

Table 1

Accrual Basis of Accounting (Expressed in Thousands)

	2024	2023	2022	2021
Governmental activities				
Net investment in capital assets	\$ 17,350,199	\$ 16,317,737	\$ 15,871,159	\$ 15,673,638
Restricted	6,746,510	7,308,380	5,988,213	4,523,658
Unrestricted	(3,991,426)	(3,437,738)	(4,017,277)	(4,808,517)
Total governmental activities net position	<u>\$ 20,105,283</u>	<u>\$ 20,188,379</u>	<u>\$ 17,842,095</u>	<u>\$ 15,388,779</u>
Business-type activities				
Net investment in capital assets	\$ 654,313	\$ 658,061	\$ 664,685	\$ 663,292
Restricted	741,568	752,175	692,331	643,470
Unrestricted	596,621	533,973	437,352	511,400
Total business-type activities net position	<u>\$ 1,992,502</u>	<u>\$ 1,944,209</u>	<u>\$ 1,794,368</u>	<u>\$ 1,818,162</u>
Primary Government				
Net investment in capital assets	\$ 18,004,512	\$ 16,975,798	\$ 16,535,844	\$ 16,336,930
Restricted	7,488,078	8,060,555	6,680,544	5,167,128
Unrestricted	(3,394,805)	(2,903,765)	(3,579,925)	(4,297,117)
Total primary government net position	<u>\$ 22,097,785</u>	<u>\$ 22,132,588</u>	<u>\$ 19,636,463</u>	<u>\$ 17,206,941</u>

(Continued on Next Page)

Note:

This table has been restated for prior adjustments, if practical. Complete information necessary to fully restate fiscal year 2017 for the implementation of GASB Statement 75 was not available.

Mississippi

Net Position by Component

2020	2019	2018	2017	2016	2015
\$ 15,501,828	\$ 15,298,901	\$ 14,991,832	\$ 14,666,438	\$ 14,372,421	\$ 13,900,211
3,900,595	3,623,137	3,189,862	3,374,220	3,763,095	3,869,799
(5,831,564)	(6,036,354)	(5,845,872)	(6,058,425)	(5,532,216)	(6,005,860)
<u>\$ 13,570,859</u>	<u>\$ 12,885,684</u>	<u>\$ 12,335,822</u>	<u>\$ 11,982,233</u>	<u>\$ 12,603,300</u>	<u>\$ 11,764,150</u>
\$ 674,655	\$ 689,971	\$ 690,841	\$ 605,123	\$ 548,732	\$ 393,507
498,590	739,741	711,365	686,601	668,662	646,868
421,404	395,258	407,471	416,087	131,592	181,529
<u>\$ 1,594,649</u>	<u>\$ 1,824,970</u>	<u>\$ 1,809,677</u>	<u>\$ 1,707,811</u>	<u>\$ 1,348,986</u>	<u>\$ 1,221,904</u>
\$ 16,176,483	\$ 15,988,872	\$ 15,682,673	\$ 15,271,561	\$ 14,921,153	\$ 14,293,718
4,399,185	4,362,878	3,901,227	4,060,821	4,431,757	4,516,667
(5,410,160)	(5,641,096)	(5,438,401)	(5,642,338)	(5,400,624)	(5,824,331)
<u>\$ 15,165,508</u>	<u>\$ 14,710,654</u>	<u>\$ 14,145,499</u>	<u>\$ 13,690,044</u>	<u>\$ 13,952,286</u>	<u>\$ 12,986,054</u>

Mississippi

Changes in Net Position

Last Ten Fiscal Years

Table 2

Accrual Basis of Accounting (Expressed in Thousands)

	2024	2023	2022	2021
Expenses				
Governmental activities:				
General government	\$ 4,615,468	\$ 4,050,860	\$ 3,013,112	\$ 3,082,051
Education	5,061,034	4,898,803	4,310,039	3,999,625
Health and social services ¹	10,623,182	9,741,298	9,304,163	8,643,887
Law, justice and public safety	1,008,758	1,233,011	984,391	985,135
Recreation and resources development	349,949	537,641	409,737	601,528
Regulation of business and professions	61,977	49,665	43,502	46,066
Transportation	960,773	475,441	957,153	975,611
Interest on long-term debt	182,109	186,476	198,943	252,159
Total governmental activities expenses	<u>22,863,250</u>	<u>21,173,195</u>	<u>19,221,040</u>	<u>18,586,062</u>
Business-type activities:				
Unemployment compensation	94,033	25,154	39,726	2,383,437
Port Authority at Gulfport	34,678	35,315	33,850	41,393
Prepaid affordable college tuition	12,077	10,652	7,780	(39,396)
State life and health insurance plan	883,364	867,367	853,898	840,168
Other business-type activities expenses ²	31,035	30,626	28,051	27,536
Total business-type activities expenses	<u>1,055,187</u>	<u>969,114</u>	<u>963,305</u>	<u>3,253,138</u>
Total primary government expenses	<u>\$ 23,918,437</u>	<u>\$ 22,142,309</u>	<u>\$ 20,184,345</u>	<u>\$ 21,839,200</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,225,595	\$ 1,058,145	\$ 1,182,412	\$ 963,628
Education	90,422	52,253	55,476	73,534
Health and social services	819,833	483,566	493,005	473,343
Law, justice and public safety	91,964	84,021	85,642	86,939
Recreation and resources development	151,226	135,169	107,299	86,959
Regulation of business and professions	50,625	56,707	35,682	40,505
Transportation	152,074	122,653	123,917	135,041
Operating grants and contributions	10,223,511	9,932,507	9,754,027	9,747,825
Capital grants and contributions	778,884	724,896	593,164	609,699
Total governmental activities program revenues	<u>13,584,134</u>	<u>12,649,917</u>	<u>12,430,624</u>	<u>12,217,473</u>
Business-type activities:				
Charges for services:				
Unemployment compensation	63,819	68,494	70,623	60,821
Port Authority at Gulfport	32,736	32,506	36,162	27,868
Prepaid affordable college tuition	6,109	5,407	9,053	9,060
State life and health insurance plan	890,116	851,431	815,286	788,688
Other business-type ³	18,690	19,148	19,552	17,069
Operating grants and contributions ⁴	1,202	7,304	7,507	2,060,185
Capital grants and contributions	—	—	319	254
Total business-type activities program revenues	<u>1,012,672</u>	<u>984,290</u>	<u>958,502</u>	<u>2,963,945</u>
Total primary government program revenues	<u>\$ 14,596,806</u>	<u>\$ 13,634,207</u>	<u>\$ 13,389,126</u>	<u>\$ 15,181,418</u>
Net (Expense) Revenue				
Governmental activities	\$ (9,279,116)	\$ (8,523,278)	\$ (6,790,416)	\$ (6,368,589)
Business-type activities	(42,515)	15,176	(4,803)	(289,193)
Total primary government net expense	<u>\$ (9,321,631)</u>	<u>\$ (8,508,102)</u>	<u>\$ (6,795,219)</u>	<u>\$ (6,657,782)</u>

(Continued on Next Page)

Mississippi

Changes in Net Position

2020	2019	2018	2017	2016	2015
\$ 2,467,094	\$ 2,412,774	\$ 2,229,648	\$ 2,298,846	\$ 2,814,758	\$ 2,951,973
3,764,765	3,610,869	3,610,796	3,665,357	3,647,055	3,383,767
8,287,561	7,799,755	7,866,652	7,924,907	7,851,381	7,679,895
980,190	823,290	860,122	939,956	858,504	967,422
378,211	525,045	480,745	502,675	460,031	556,790
46,280	46,308	45,223	44,841	43,001	40,760
897,040	846,227	803,887	768,700	725,192	675,713
224,121	216,247	188,672	231,875	253,752	225,512
17,045,262	16,280,515	16,085,745	16,377,157	16,653,674	16,481,832
2,147,728	60,625	73,895	83,972	101,445	109,468
37,026	36,702	33,447	43,633	27,120	26,202
(2,222)	14,826	18,290	31,489	16,304	27,122
790,519	792,020	782,341	—	—	—
28,149	27,892	26,737	801,486	34,905	37,902
3,001,200	932,065	934,710	960,580	179,774	200,694
\$ 20,046,462	\$ 17,212,580	\$ 17,020,455	\$ 17,337,737	\$ 16,833,448	\$ 16,682,526
\$ 410,915	\$ 827,965	\$ 799,509	\$ 812,665	\$ 2,210,377	\$ 1,292,467
12,523	14,913	15,742	17,732	19,932	15,082
540,041	567,213	563,693	568,504	585,302	705,199
86,531	88,929	77,506	74,713	131,126	125,231
506,725	77,983	97,124	84,778	78,449	73,478
31,884	37,060	28,715	33,686	45,203	44,456
104,388	40,164	52,139	29,813	36,886	69,386
7,640,360	7,013,833	7,150,268	7,036,472	7,064,684	7,059,002
600,990	594,837	561,012	496,734	508,194	487,083
9,934,357	9,262,897	9,345,708	9,155,097	10,680,153	9,871,384
64,409	72,172	82,871	86,649	107,658	137,525
29,440	29,106	27,356	22,892	17,244	15,045
9,549	11,641	10,349	10,921	12,775	13,220
777,732	752,604	738,618	—	—	—
18,552	18,539	20,709	758,923	25,461	27,046
1,831,014	989	985	1,481	1,620	3,065
—	8	106	18	—	—
2,730,696	885,059	880,994	880,884	164,758	195,901
\$ 12,665,053	\$ 10,147,956	\$ 10,226,702	\$ 10,035,981	\$ 10,844,911	\$ 10,067,285
\$ (7,110,905)	\$ (7,017,618)	\$ (6,740,037)	\$ (7,222,060)	\$ (5,973,521)	\$ (6,610,448)
(270,504)	(47,006)	(53,716)	(79,696)	(15,016)	(4,793)
\$ (7,381,409)	\$ (7,064,624)	\$ (6,793,753)	\$ (7,301,756)	\$ (5,988,537)	\$ (6,615,241)

Mississippi

Changes in Net Position

Last Ten Fiscal Years

Table 2

Accrual Basis of Accounting (Expressed in Thousands)

(Continued from Previous Page)

	2024	2023	2022	2021
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Sales and use	\$ 5,058,880	\$ 4,942,614	\$ 4,669,682	\$ 4,288,970
Gasoline and other motor fuel	436,647	442,220	450,053	439,632
Individual income	2,196,953	2,413,093	2,488,924	2,177,134
Corporate income and franchise	900,592	1,085,142	961,442	746,748
Insurance	510,090	434,095	404,552	398,038
Other	565,786	564,080	562,536	542,906
Investment income	(430,327)	1,056,327	(273,373)	24,296
Transfers	(42,601)	(68,009)	(20,084)	(419,988)
Total governmental activities	9,196,020	10,869,562	9,243,732	8,197,736
Business-type activities:				
Investment income	48,207	65,686	(31,054)	95,536
Other	—	970	1,234	—
Extraordinary item - debt forgiveness	—	—	—	—
Extraordinary item - impairment loss from hurricane damage, net of insurance recovery	—	—	—	(878)
Transfers	42,601	68,009	20,084	419,988
Total business-type activities	90,808	134,665	(9,736)	514,646
Total primary government	\$ 9,286,828	\$ 11,004,227	\$ 9,233,996	\$ 8,712,382
Change in Net Position				
Governmental activities	\$ (83,096)	\$ 2,346,284	\$ 2,453,316	\$ 1,829,147
Business-type activities	48,293	149,841	(14,539)	225,453
Total primary government	\$ (34,803)	\$ 2,496,125	\$ 2,438,777	\$ 2,054,600

(Continued on Next Page)

Note:

This table has been restated for prior period adjustments, if practical. Complete information necessary to fully restate fiscal year 2017 for the implementation of GASB Statement 75 was not available.

² Other business-type activities expenses increased from 2016-2017. This is a result of the State Life and Health Insurance Plan being reclassified from an internal service fund to an enterprise fund.

³ Other business-type activities charges for services increased from 2016-2017 as a result of the State Life and Health Insurance Plan being reclassified from an internal service fund to an enterprise fund.

Operating grants and contributions increased from 2019-2020. This can be attributed to additional federal funding for unemployment compensation programs under the CARES Act.

Mississippi

Changes in Net Position

2020	2019	2018	2017	2016	2015
\$ 3,765,465	\$ 3,629,500	\$ 3,462,757	\$ 3,392,712	\$ 3,361,075	\$ 3,300,516
416,820	430,764	415,738	429,929	425,205	414,779
1,976,858	1,917,567	1,812,862	1,721,862	1,734,040	1,744,620
654,257	648,347	588,260	569,856	577,114	689,171
359,957	360,047	340,743	328,109	314,756	273,710
520,296	513,111	505,642	498,986	474,045	513,203
108,246	113,085	39,300	34,939	56,300	53,689
(5,819)	(17,901)	(95,075)	(79,494)	(129,864)	(103,182)
7,796,080	7,594,520	7,070,227	6,896,899	6,812,671	6,886,506
34,364	44,695	50,331	63,121	12,234	28,585
—	—	—	—	—	—
—	—	12,791	—	—	—
—	—	—	—	—	—
5,819	17,901	94,075	79,494	129,864	103,182
40,183	62,596	157,197	142,615	142,098	131,767
\$ 7,836,263	\$ 7,657,116	\$ 7,227,424	\$ 7,039,514	\$ 6,954,769	\$ 7,018,273
\$ 685,175	\$ 576,902	\$ 330,190	\$ (325,161)	\$ 839,150	\$ 276,058
(230,321)	15,590	103,581	62,919	127,082	126,974
\$ 454,854	\$ 592,492	\$ 433,771	\$ (262,242)	\$ 966,232	\$ 403,032

Mississippi

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Table 3

Modified Accrual Basis of Accounting (Expressed in Thousands)

	2024	2023	2022	2021
General Fund				
Nonspendable	\$ 58,591	\$ 38,442	\$ 39,260	\$ 42,824
Restricted	6,616,103	7,200,408	5,880,731	4,407,593
Committed	2,928,925	2,508,679	1,341,726	334,606
Assigned	29,238	41,395	31,473	26,816
Unassigned	90,152	748,769	1,415,324	1,969,454
Total General Fund	<u>\$ 9,723,009</u>	<u>\$ 10,537,693</u>	<u>\$ 8,708,514</u>	<u>\$ 6,781,293</u>
All Other Governmental Funds				
Nonspendable	\$ 67,656	\$ 67,604	\$ 66,182	\$ 63,322
Restricted	4,160	1,926	2,040	9,919
Unassigned	—	(438)	(96)	—
Total All Other Governmental Funds	<u>\$ 71,816</u>	<u>\$ 69,092</u>	<u>\$ 68,126</u>	<u>\$ 73,241</u>

(Continued on Next Page)

Mississippi

Fund Balances of Governmental Funds

2020	2019	2018	2017	2016	2015
\$ 41,638	\$ 39,579	\$ 46,513	\$ 48,671	\$ 51,896	\$ 52,877
3,786,131	3,515,329	3,079,797	3,262,166	3,647,183	3,754,248
271,812	112,429	129,083	56,179	41,724	88,919
30,576	26,265	14,309	10,865	10,072	12,121
900,891	849,408	531,384	405,825	546,979	232,990
<u>\$ 5,031,048</u>	<u>\$ 4,543,010</u>	<u>\$ 3,801,086</u>	<u>\$ 3,783,706</u>	<u>\$ 4,297,854</u>	<u>\$ 4,141,155</u>
\$ 61,582	\$ 60,080	\$ 58,485	\$ 57,994	\$ 57,305	\$ 57,201
11,244	8,149	5,067	5,389	6,709	5,473
—	—	—	—	—	—
<u>\$ 72,826</u>	<u>\$ 68,229</u>	<u>\$ 63,552</u>	<u>\$ 63,383</u>	<u>\$ 64,014</u>	<u>\$ 62,674</u>

Mississippi

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Table 4

Modified Accrual Basis Of Accounting (Expressed in Thousands)

	2024	2023	2022	2021
Revenues				
Taxes				
Sales and use	\$ 5,069,172	\$ 4,941,666	\$ 4,667,415	\$ 4,294,532
Gasoline and other motor fuel	437,177	442,791	449,289	439,581
Individual income	2,204,678	2,408,247	2,506,048	2,170,810
Corporate income and franchise	895,428	1,086,565	961,647	744,188
Insurance	510,090	434,094	404,553	398,038
Other	565,786	564,080	562,536	542,906
Licenses, fees and permits	605,935	601,030	602,144	599,530
Federal government	10,966,392	10,620,766	10,310,293	10,314,533
Investment income	(430,327)	1,056,327	(273,373)	24,296
Charges for sales and services	524,150	509,263	522,508	500,856
Rentals	(267)	(378)	1,448	2,149
Court assessments and settlements	253,676	215,785	235,872	218,936
Lottery proceeds	125,102	122,376	122,883	137,718
Other	986,228	605,825	480,123	438,468
Total Revenues	22,713,220	23,608,437	21,553,386	20,826,541
Expenditures				
General government	4,534,533	4,091,625	3,012,845	3,036,298
Education	5,038,737	4,891,441	4,309,785	3,991,640
Health and social services ¹	10,470,940	9,717,656	9,341,117	8,582,332
Law, justice and public safety	1,053,536	1,091,916	1,011,237	1,007,913
Recreation and resources development	326,252	540,751	423,798	595,078
Regulation of business and professions	58,723	48,079	44,802	44,629
Transportation	1,426,797	847,598	1,142,267	1,196,051
Debt service				
Principal	448,284	418,246	369,065	361,732
Interest and other fiscal charges	191,596	201,891	220,630	265,157
Total Expenditures	23,549,398	21,849,203	19,875,546	19,080,830
Excess of revenues over (under) expenditures	\$ (836,178)	\$ 1,759,234	\$ 1,677,840	\$ 1,745,711

(Continued on Next Page)

Mississippi

Changes in Fund Balances of Governmental Funds

2020	2019	2018	2017	2016	2015
\$ 3,753,113	\$ 3,626,296	\$ 3,466,388	\$ 3,399,477	\$ 3,375,755	\$ 3,324,776
417,306	430,910	414,770	430,162	424,615	419,622
1,959,893	1,908,011	1,829,073	1,728,682	1,733,198	1,747,961
643,954	650,618	592,988	567,316	573,873	691,769
359,957	360,047	340,743	328,109	314,756	273,710
520,296	513,111	505,642	498,986	474,045	515,596
504,012	551,619	529,731	546,216	569,717	564,702
8,201,641	7,575,374	7,671,041	7,499,244	7,494,821	7,500,282
108,246	113,085	41,696	28,487	68,870	57,002
464,522	423,684	388,401	353,640	382,441	361,793
1,751	2,427	1,405	1,658	25,504	15,789
246,024	239,531	202,735	204,378	384,080	163,915
70,703	—	—	—	—	—
466,223	492,774	534,320	537,349	616,830	653,608
17,717,641	16,887,487	16,518,933	16,123,704	16,438,505	16,290,525
2,466,328	2,356,261	2,186,733	2,269,629	2,228,370	2,475,434
3,761,275	3,614,734	3,603,390	3,656,763	3,643,209	3,381,946
8,246,255	7,757,625	7,782,448	7,823,462	7,806,591	7,685,805
908,341	835,203	823,278	866,469	861,793	959,927
404,345	514,244	460,451	487,526	458,957	555,793
45,477	45,536	42,942	42,704	42,123	41,284
1,147,155	1,126,873	1,104,440	1,157,251	1,062,860	1,047,355
336,004	354,249	323,203	399,019	358,206	319,916
246,655	231,184	235,639	243,751	244,996	224,400
17,561,835	16,835,909	16,562,524	16,946,574	16,707,105	16,691,860
\$ 155,806	\$ 51,578	\$ (43,591)	\$ (822,870)	\$ (268,600)	\$ (401,335)

Mississippi

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Table 4

Modified Accrual Basis Of Accounting (Expressed in Thousands)

(Continued from Previous Page)

	2024	2023	2022	2021
Other Financing Sources (Uses)				
Bonds and notes issued	\$ —	110,150	292,940	369,550
Notes payable issued	2,000	3,200	2,575	—
Leases issued	50,867	9,910	17,469	1,907
Subscription agreements	8,252	14,633	—	—
Insurance recovery	5,700	539	1,310	1,666
Discounts on bonds and notes issued	—	—	—	—
Payments on refunded bonds and notes	—	—	—	—
Payments to note escrow agent	—	—	(87,000)	(522,502)
Payments to refunded bond,note and lease escrow agents	—	—	(834,973)	—
Premiums on bonds,notes and refunding bonds and notes issued	—	488	33,999	39,143
Refunding bonds and notes issued	—	—	838,030	546,400
Transfers in	3,962	4,991	2,975	4,065
Transfers out	(46,563)	(73,000)	(23,059)	(424,053)
Net Other Financing Sources (Uses)	24,218	70,911	244,266	16,176
Net Change in Fund Balances	\$ (811,960)	\$ 1,830,145	\$ 1,922,106	\$ 1,761,887

Debt Service as a Percentage of Noncapital Expenditures

2.9 % 3.0 % 3.1 % 3.4 %

(Continued on Next Page)

Note:

This table has been restated for prior period adjustments

¹ Health and social services expenditures increased from 2014 to 2015 as Medicaid enrollment increased in response to the Affordable Care Act mandate for health insurance.

Mississippi

Changes in Fund Balances of Governmental Funds

2020	2019	2018	2017	2016	2015
\$ 422,540	\$ 727,919	\$ 151,651	\$ 334,135	\$ 498,895	\$ 366,575
—	—	—	—	—	—
3,087	2,840	1,819	1,637	3,420	2,322
—	—	—	—	—	—
1,047	177	810	478	1,498	22,732
—	—	—	—	—	(353)
—	—	—	—	—	—
(111,000)	—	—	—	—	—
(48,448)	(39,000)	(263,616)	(650,120)	(76,405)	483,163
26,387	48,028	16,487	136,029	56,328	86,758
49,035	—	221,850	551,030	71,125	429,115
8,173	3,184	3,117	3,017	4,082	3,513
(13,992)	(21,085)	(98,192)	(82,511)	(132,304)	(106,709)
336,829	722,063	33,926	293,695	426,639	1,287,116
<u>\$ 492,635</u>	<u>\$ 773,641</u>	<u>\$ (9,665)</u>	<u>\$ (529,175)</u>	<u>\$ 158,039</u>	<u>\$ 885,781</u>
3.5 %	3.7 %	3.5 %	4.0 %	3.8 %	3.4 %

Mississippi

Taxable Sales by Industry

Ten Fiscal Years

Table 5

(Expressed in Thousands)

	2023	2022	2021	2020
Accommodation and Food Services	\$ 7,298,785	\$ 6,848,101	\$ 6,338,173	\$ 5,376,072
Administrative, Support, Waste Management	765,623	616,188	507,340	413,690
Arts, Entertainment, Recreation	192,506	174,415	140,150	118,593
Construction	7,882,484	6,776,670	6,136,805	5,927,635
Information	2,800,347	2,824,589	2,644,580	2,450,463
Manufacturing	1,393,734	1,241,091	1,091,236	928,649
Mining, Quarrying and Oil and Gas Extraction	206,998	189,277	135,321	158,219
Other Services	2,313,257	2,106,227	1,883,902	1,685,538
Real Estate, Rental and Leasing	1,591,494	1,552,377	1,412,539	1,293,039
Retail Trade	33,505,922	32,646,724	31,734,135	28,412,102
Utilities	1,366,987	1,217,756	1,077,294	1,087,713
Wholesale Trade	4,786,364	5,066,185	4,604,919	4,104,402
Other Industries	667,642	578,359	482,004	494,053
Total taxable sales	<u>\$ 64,772,143</u>	<u>\$ 61,837,959</u>	<u>\$ 58,188,398</u>	<u>\$ 52,450,168</u>
Gross tax collections	\$ 4,104,627	\$ 3,935,118	\$ 3,698,514	\$ 3,326,544
Average effective rate	6.34 %	6.36 %	6.36 %	6.34 %
	2014			
Automotive	\$ 4,590,836			
Contracting	335,163			
Food and Beverage	124,955			
Furniture	5,716,050			
General Merchandise	2,635,722			
Lumber and Building Materials	896,040			
Machinery , Equipment and Supplies	412,702			
Miscellaneous Retail	1,335,779			
Miscellaneous Services	862,594			
Public Utilities	25,048,766			
Recreation	1,439,020			
Wholesale	3,658,202			
Other Industries	325,675			
Total taxable sales	<u>\$ 47,381,504</u>			
Gross tax collections	\$ 2,945,016			
Average effective rate	6.22 %			

Notes:

(Continued on Next Page)

During Fiscal year 2014, the Mississippi Department of Revenue converted sales tax collection data from the Standard Industrial Classification (SIC) System to the North American Industry Classification System (NAICS). Due to confidentiality issues, the names of the ten largest tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source:

Mississippi Department of Revenue

Mississippi

Taxable Sales by Industry

2019	2018	2017	2016	2015
\$ 5,693,692	\$ 5,456,740	\$ 5,248,968	\$ 5,069,440	\$ 4,802,372
439,645	438,035	411,341	391,177	361,743
153,094	133,364	124,183	123,077	122,846
5,543,854	5,064,972	5,271,234	4,994,170	5,461,065
2,616,450	2,602,386	2,666,288	2,696,693	2,706,468
892,263	871,331	806,532	797,074	783,109
225,382	169,696	156,831	170,269	398,300
1,622,592	1,562,639	1,511,868	1,489,721	1,389,561
1,224,385	1,134,767	1,089,123	946,120	929,136
27,161,867	28,201,445	26,554,174	26,582,734	25,604,974
1,187,300	1,196,302	1,126,915	1,147,208	1,271,311
4,082,259	3,872,348	3,772,150	3,577,702	3,624,257
471,075	436,595	389,628	367,121	339,919
<u>\$ 51,313,858</u>	<u>\$ 51,140,620</u>	<u>\$ 49,129,235</u>	<u>\$ 48,352,506</u>	<u>\$ 47,795,061</u>
\$ 3,255,559	\$ 3,264,296	\$ 3,113,618	\$ 3,070,307	\$ 3,014,604
6.34 %	6.38 %	6.34 %	6.35 %	6.31 %

Mississippi

Sales Tax Revenue Payers by Industry

Fiscal Years 2023 and 2014

Table 6

2023				
	Number of Filers	Percentage of Total	Tax Liability (expressed in thousands)	Percentage of Total
Accommodation and Food Services	11,548	12.1 %	\$ 510,799	12.4 %
Administrative, Support, Waste Management	2,020	2.1	52,868	1.3
Arts, Entertainment, Recreation	2,236	2.3	13,406	0.3
Construction	11,520	12.1	340,617	8.3
Information	1,166	1.2	196,008	4.8
Manufacturing	5,697	6.0	84,329	2.1
Mining, Quarrying and Oil and Gas Extraction	594	0.6	13,078	0.3
Other Services	6,634	6.9	159,779	3.9
Real Estate, Rental, and Leasing	2,314	2.4	102,103	2.5
Retail Trade	37,312	39.0	2,218,507	54.1
Utilities	773	0.8	95,687	2.3
Wholesale Trade	8,946	9.4	272,254	6.6
Other Industries	4,870	5.1	45,191	1.1
Total taxable sales	95,630	100.0 %	\$ 4,104,626	100.0 %
2014				
	Number of Filers	Percentage of Total	Tax Liability (expressed in thousands)	Percentage of Total
Accommodation and Food Services	9,649	10.8 %	\$ 321,277	10.9 %
Administrative, Support, Waste Management	1,686	1.9	23,380	0.8
Arts, Entertainment, Recreation	1,151	1.3	8,745	0.3
Construction	10,538	11.8	217,428	7.4
Information	778	0.9	184,498	6.3
Manufacturing	3,803	4.3	45,311	1.5
Mining, Quarrying and Oil and Gas Extraction	723	0.8	27,793	0.9
Other Services	5,834	6.5	92,139	3.1
Real Estate, Rental, and Leasing	2,160	2.4	55,689	1.9
Retail Trade	40,118	44.8	1,658,072	56.3
Utilities	763	0.9	80,171	2.7
Wholesale Trade	9,162	10.2	209,226	7.1
Other Industries	3,154	3.5 %	\$ 21,287	0.7
Total taxable sales	89,519	100.0 %	\$ 2,945,016	100.0 %

Notes:

During Fiscal year 2014, the Mississippi Department of Revenue converted sales tax collection data from the Standard Industrial Classification (SIC) System to the North American Industry Classification System (NAICS). Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source:

Mississippi Department of Revenue



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Mississippi

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Table 7

(Expressed in Thousands, except Per capita)

	2024	2023	2022	2021
Governmental Activities				
General Obligation Bonds and Notes	\$ 4,057,671	\$ 4,386,049	\$ 4,587,705	\$ 4,594,578
Limited Obligation Bonds	416,463	436,150	455,042	473,179
Capital Lease Obligations	—	—	—	6,406
Lease Liability	141,579	117,947	132,890	—
Subscription Liability	28,042	41,691	—	—
Notes Payable	543,333	618,647	691,169	762,339
Total Governmental Activities	5,187,088	5,600,484	5,866,806	5,836,502
Business-type Activities				
General Obligation Bonds	—	—	36	110
Capital Lease Obligations	—	—	—	—
Lease Liability	1,943	2,556	2,901	—
Subscription Liability	—	—	—	—
Notes Payable	9,951	11,119	8,641	4,756
Total Business-type Activities	11,894	13,675	11,578	4,866
Total Primary Government	\$ 5,198,982	\$ 5,614,159	\$ 5,878,384	\$ 5,841,368
Amount of Debt Per capita ¹	\$ 1,769	\$ 1,910	\$ 1,993	\$ 1,969
Debt as a percentage of Personal Income ²	3.6 %	4.1 %	4.4 %	4.7 %
Net General Obligation Bonded Debt ³				
General Obligation Bonds and Notes	\$ 4,057,671	\$ 4,386,049	\$ 4,587,705	\$ 4,594,578
Less: Debt Service	343,072	309,294	267,134	241,456
Net General Obligation Bonded Debt	\$ 3,714,599	\$ 4,076,755	\$ 4,320,571	\$ 4,353,122
Amount of Net General Obligation Bonded Debt Per capita ¹	\$ 1,264	\$ 1,387	\$ 1,465	\$ 1,467
Net General Obligation Bonded Debt as a percentage of Taxable Sales ⁴	5.7 %	6.6 %	7.4 %	8.3 %

(Continued on Next Page)

Notes:

¹ See Table 9 for population data. For the current fiscal year, the prior year population data is used in the calculation.

² See Table 9 for personal income data. For the current fiscal year, the prior year personal income data is used in the calculation.

³ Net General Obligation Bonded Debt is long-term debt reported in governmental activities.

⁴ See Table 5 for taxable sales data. For the current fiscal year, the prior year taxable sales data is used in the calculation.

Mississippi

Ratios of Outstanding Debt by Type

2020	2019	2018	2017	2016	2015
\$ 4,446,881	\$ 4,389,027	\$ 4,263,174	\$ 4,409,839	\$ 4,389,749	\$ 4,381,327
490,602	507,839	215,158	221,727	226,507	—
7,637	7,404	7,872	11,124	15,262	20,209
—	—	—	—	—	—
—	—	—	—	—	—
824,131	889,397	957,165	1,030,160	1,055,789	1,113,994
5,769,251	5,793,667	5,443,369	5,672,850	5,687,307	5,515,530
181	309	6,496	6,673	9,696	12,670
—	—	40	120	198	272
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
181	309	6,536	6,793	9,894	12,942
\$ 5,769,432	\$ 5,793,976	\$ 5,449,905	\$ 5,679,643	\$ 5,697,201	\$ 5,528,472
\$ 1,939	\$ 1,940	\$ 1,826	\$ 1,900	\$ 1,904	\$ 1,847
4.9 %	5.1 %	5.0 %	5.3 %	5.4 %	5.4 %
\$ 4,446,881	\$ 4,389,027	\$ 4,263,174	\$ 4,409,839	\$ 4,389,749	\$ 4,381,327
235,600	258,252	280,295	252,787	335,687	340,515
\$ 4,211,281	\$ 4,130,775	\$ 3,982,879	\$ 4,157,052	\$ 4,054,062	\$ 4,040,812
\$ 1,415	\$ 1,383	\$ 1,335	\$ 1,391	\$ 1,355	\$ 1,350
8.2 %	8.1 %	8.1 %	8.6 %	8.5 %	8.5 %

Mississippi

Legal Debt Margin

Last Ten Fiscal Years

Table 8

(Expressed in Thousands)

	2024	2023	2022	2021	2020
Legal debt limit	\$ 17,673,762	\$ 16,977,422	\$ 15,630,995	\$ 13,922,864	\$ 13,922,864
Less: Net debt applicable to limit	3,714,599	4,076,755	4,320,571	4,353,122	4,211,281
Legal debt margin	<u>\$ 13,959,163</u>	<u>\$ 12,900,667</u>	<u>\$ 11,310,424</u>	<u>\$ 9,569,742</u>	<u>\$ 9,711,583</u>
Net debt applicable to the limit as a percentage of legal debt limit	21.0 %	24.0 %	27.6 %	31.3 %	30.2 %
	2019	2018	2017	2016	2015
Legal debt limit	\$ 13,370,476	\$ 13,312,194	\$ 13,312,194	\$ 13,312,194	\$ 13,312,194
Less: Net debt applicable to limit	4,130,775	3,982,879	4,157,052	4,054,062	4,040,812
Legal debt margin	<u>\$ 9,239,701</u>	<u>\$ 9,329,315</u>	<u>\$ 9,155,142</u>	<u>\$ 9,258,132</u>	<u>\$ 9,271,382</u>
Net debt applicable to the limit as a percentage of legal debt limit	30.9 %	29.9 %	31.2 %	30.5 %	30.4 %

Legal Debt Margin Calculation For Fiscal Year 2024:

Legal debt limit ¹		\$ 17,673,762
Amount of debt applicable to limit ²	\$ 4,057,671	
Less : amounts available for debt service	<u>343,072</u>	
Less: Net debt applicable to limit		3,714,599
Legal debt margin		<u>\$ 13,959,163</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 revenues: taxes, licenses, fees and permits, investment income, rental income, service charges (including net income from the sale of alcoholic beverages), fines, forfeits, and penalties. Defined revenues for the four preceding years were:

Fiscal Year	Applicable Revenues
2023	\$ 11,782,508
2022	11,318,315
2021	10,420,663
2020	9,164,375

² The legal debt limit applies to total governmental activities long-term bonded debt.

Mississippi

Demographic and Economic Statistics

Last Ten Calendar Years

Table 9

Year	Population	Unemployment Rate		Personal Income	Per capita Personal Income
		Mississippi	U.S.		
2023	2,939,690	3.2%	3.6%	\$ 145,962,000,000	\$ 49,652
2022	2,940,057	3.9	3.6	135,972,000,000	46,248
2021	2,949,965	5.6	5.3	134,040,000,000	45,438
2020	2,966,786	6.5	8.1	123,849,000,000	41,745
2019	2,976,149	5.4	3.7	117,165,000,000	39,368
2018	2,986,530	4.8	3.9	113,469,000,000	37,994
2017	2,984,100	5.1	4.4	108,460,000,000	36,346
2016	2,988,726	5.8	4.9	107,403,000,000	35,936
2015	2,993,000	6.4	5.3	106,075,000,000	35,441
2014	2,994,000	7.5	6.2	102,795,000,000	34,334

Sources:

U.S. Bureau of Economic Analysis
U.S. Department of Labor, Bureau of Labor Statistics
Mississippi Department of Employment Security

Employment by Industry

Calendar Year 2023 and Nine Years Prior

Table 10

(Ranked by Number of Employees)

Industry	Rank	2023		Rank	2014	
		Average Number of Employees	Percentage of All Employees		Average Number of Employees	Percentage of All Employees
Government	1	236,700	19.9%	1	244,400	21.3%
Manufacturing	2	144,600	12.1	2	139,600	12.1
Retail Trade	3	138,800	11.6	3	135,900	11.8
Health Care and Social Assistance	4	137,400	11.5	4	123,500	10.7
Accommodation and Food Services	5	124,400	10.4	5	116,400	10.1
Professional and Business Services	6	117,100	9.8	6	101,100	8.8
Transportation and Warehousing	7	64,600	5.4	7	51,200	4.5
Construction	8	48,100	4.0	8	49,200	4.3
Other Services	9	39,600	3.3	9	39,000	3.4
Wholesale Trade	10	36,000	3.0	10	33,700	2.9
Total		1,087,300	91.2%		1,034,000	90.0%

Total Employed Labor Force	1,192,000	100.0%	1,149,300	100.0%
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Note:

This schedule is presented as an alternative to the principal employer schedule for which employer data could not be obtained. Information contained in the schedule represents nonagricultural employment.

Source:

Mississippi Department of Employment Security

Mississippi

Public School Enrollment

Last Ten Academic Years

Table 11

	2023/2024	2022/2023	2021/2022	2020/2021
Kindergarten	41,935	41,233	41,195	36,636
Grades 1-3	99,261	98,986	95,513	96,936
Grades 4-6	92,029	95,325	97,419	100,707
Grades 7-9	100,757	104,513	109,379	108,473
Grades 10-12	94,980	93,090	91,632	93,053
Special Education	7,561	7,138	6,862	6,822
Total Enrollment	436,523	440,285	442,000	442,627

Sources:

Mississippi Department of Education

Community and Junior College Enrollment

Last Ten Academic Years

Table 12

	2023/2024	2022/2023	2021/2022	2020/2021
Coahoma Community College	1,515	1,593	1,343	1,261
Copiah-Lincoln Community College	2,322	2,259	2,230	2,230
East Central Community College	2,012	1,915	1,956	1,957
East Mississippi Community College	3,073	2,857	2,670	2,670
Hinds Community College	7,203	7,273	7,289	7,260
Holmes Community College	4,198	4,250	4,475	4,475
Itawamba Community College	4,279	4,082	3,871	3,871
Jones County Junior College	3,670	3,723	3,684	3,683
Meridian Community College	2,181	2,232	2,360	2,360
Mississippi Delta Community College	1,639	1,680	1,691	1,691
Mississippi Gulf Coast Community College	6,837	6,595	6,880	6,835
Northeast Mississippi Community College	2,885	2,798	2,630	2,630
Northwest Mississippi Community College	5,844	5,668	5,182	5,182
Pearl River Community College	5,189	4,990	4,386	4,386
Southwest Mississippi Community College	1,579	1,670	1,585	1,585
Total Enrollment	54,426	53,585	52,232	52,076

Sources:

Mississippi Community College Board

University Enrollment

Last Ten Academic Years

Table 13

	2023/2024	2022/2023	2021/2022	2020/2021
Alcorn State University	2,894	2,933	3,074	3,230
Delta State University	2,716	2,556	2,727	2,999
Jackson State University	6,564	6,906	7,080	6,921
Mississippi State University	22,657	22,649	23,086	22,986
Mississippi University for Women	2,227	2,339	2,477	2,704
Mississippi Valley State University	2,196	1,879	2,064	2,032
University of Mississippi	24,710	22,951	21,856	21,676
University of Southern Mississippi	13,110	13,526	14,146	14,606
Total Enrollment	77,074	75,739	76,510	77,154

Sources:

Institutions of Higher Learning, Office of Strategic Data Management

(Continued on Next Page)

Mississippi

Public School Enrollment

2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
42,129	41,573	41,710	42,003	42,427	44,950
105,278	106,264	110,730	116,066	121,392	120,791
108,231	114,268	113,468	111,169	108,320	108,968
109,202	106,953	107,099	107,929	109,425	112,337
93,531	94,197	97,149	97,724	97,213	95,767
7,542	7,413	7,477	7,555	7,694	7,412
465,913	470,668	477,633	482,446	486,471	490,225

Community and Junior College Enrollment

2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
1,666	1,899	1,940	1,943	1,913	1,746
2,607	2,944	2,986	3,006	3,097	3,040
2,310	2,593	5,006	2,449	2,598	2,621
3,509	3,871	4,049	3,897	4,070	3,676
9,447	10,398	10,701	10,411	9,904	12,844
5,154	5,582	5,509	5,208	5,064	4,905
4,506	5,580	5,525	6,350	6,398	6,320
4,195	4,627	4,860	5,358	4,966	4,617
2,900	3,553	3,965	3,756	3,647	3,386
2,172	2,513	2,534	2,444	2,417	2,499
7,834	10,102	9,979	9,607	9,476	9,767
3,199	4,023	3,911	3,966	3,651	3,643
6,115	6,585	7,322	6,861	7,235	7,294
4,340	4,890	4,325	4,107	4,107	4,140
1,845	1,945	1,953	2,091	2,091	2,097
61,799	71,105	74,565	71,454	70,634	72,595

University Enrollment

2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
3,523	3,658	3,716	3,420	3,518	3,639
3,761	3,716	3,789	3,588	3,460	3,614
7,020	7,250	8,558	9,811	9,802	9,508
22,226	21,974	21,883	21,622	20,873	20,138
2,811	2,711	2,789	2,956	2,673	2,696
2,147	2,285	2,385	2,455	2,309	2,221
22,273	23,090	23,780	24,250	23,838	23,096
14,133	14,509	14,478	14,552	14,551	14,792
77,894	79,193	81,378	82,654	81,024	79,704

Mississippi

Capital Assets Statistics by Function

Last Ten Fiscal Years

Table 14

	2024	2023	2022	2021
General Government				
Department of Finance and Administration				
Buildings	72	64	64	62
Vehicles	37	38	38	65
Department of Revenue				
Vehicles	45	57	47	45
Education				
Department of Education				
Vehicles	44	48	48	41
Law, Justice and Public Safety				
Department of Corrections				
Buildings	251	251	251	251
Vehicles	531	581	572	563
Department of Public Safety				
Buildings	74	74	74	74
Vehicles	1,224	1,360	1,291	1,137
Recreation and Resources Development				
Department of Wildlife, Fisheries and Parks				
State Parks	25	25	25	25
Acres of State Parks	23,723	23,723	23,723	23,723
Buildings	230	228	228	228
Vehicles	761	769	757	694
Forestry Commission				
Buddings	19	19	19	20
Vehicles	282	295	302	303
Regulation of Business and Professions				
Workers' Compensation Commission				
Buildings	1	1	1	1
Transportation				
Department of Transportation				
Miles of state highway	10,956	10,948	10,949	10,948
Vehicles	2,048	2,159	2,121	2,153
Health and Social Services				
Department of Mental Health				
Buildings	479	476	474	511
Vehicles	752	745	733	779

(Continued on Next Page)

Sources:

MAGIC - Mississippi Accountability System for Government Information and Collaboration
Mississippi Department of Wildlife, Fisheries and Parks
Mississippi Department of Transportation

Mississippi

Capital Assets Statistics by Function

2020	2019	2018	2017	2016	2015
65	65	62	60	60	59
67	51	44	45	37	44
52	45	44	50	46	62
47	40	45	51	52	55
251	252	252	252	252	252
825	592	593	610	594	618
46	46	46	46	46	45
1,264	1,189	1,063	1,203	1,124	1,118
25	25	25	25	25	25
23,723	23,723	21,344	21,344	24,481	24,481
239	223	215	221	211	211
861	742	722	712	628	594
22	19	23	24	24	24
336	305	337	430	458	490
1	1	1	1	1	1
10,936	10,919	10,911	10,888	10,901	10,897
2,403	2,337	2,213	2,288	2,228	2,272
470	470	475	476	474	475
800	725	743	764	752	755

Mississippi

State Government Employees by Function

Last Ten Fiscal Years

Table 15

	2024	2023	2022	2021
General Government				
Department of Finance and Administration	294	295	302	411
Department of Revenue	549	619	613	614
Treasury	35	32	34	34
All Other	1,344	1,327	1,332	1,350
Education				
Department of Education	432	433	456	568
All Other	164	175	159	181
Health and Social Services				
Department of Human Services	1,544	3,159	2,977	3,016
Division of Medicaid	860	884	883	843
Department of Mental Health	4,791	4,776	4,930	5,212
Department of Rehabilitation Services	947	919	925	973
All Other	2,510	2,545	2,584	2,675
Law, Justice and Public Safety				
Department of Corrections	1,952	1,941	1,719	1,793
Department of Public Safety	1,598	1,537	1,440	1,174
All Other	2,239	2,177	2,188	2,217
Recreation and Resources Development				
Department of Environmental Quality	358	364	353	381
Department of Wildlife, Fisheries and Parks	558	530	535	460
Forestry Commission	237	239	248	255
Mississippi Development Authority	171	187	190	214
All Other	399	403	374	378
Regulation of Business and Professions				
Public Service Commission	51	50	53	55
Oil and Gas Board	32	32	31	31
All Other	293	282	285	298
Transportation				
Department of Transportation	2,664	2,622	2,610	2,859
Total	24,022	25,528	25,221	25,992

(Continued on Next Page)

Source :

Statewide Payroll and Human Resource System, Total Filled Positions

Mississippi

State Government Employees by Function

2020	2019	2018	2017	2016	2015
456	430	436	414	432	413
637	655	698	737	753	764
35	37	37	36	38	38
1,392	1,372	1,382	1,389	1,399	1,429
628	611	603	638	623	607
217	199	178	175	185	185
3,066	3,081	3,056	3,208	3,441	3,411
891	931	938	974	929	925
5,964	6,230	6,019	6,635	7,268	7,460
952	943	913	982	998	954
2,801	2,729	2,717	2,829	2,992	3,251
1,737	1,842	2,010	2,158	2,293	2,647
1,209	1,192	1,191	1,200	1,234	1,282
2,200	2,182	2,171	2,161	2,142	2,087
389	400	398	396	402	394
467	497	530	519	511	522
269	263	263	266	390	401
217	227	229	232	241	271
386	372	357	361	370	366
58	57	58	62	68	67
31	31	27	28	31	32
306	303	299	302	290	279
2,990	3,022	3,100	3,146	3,184	3,162
27,298	27,606	27,610	28,848	30,214	30,947

Mississippi

Operating Indicators by Function

Ten Fiscal Years

Table 16

	2023	2022	2021	2020
General Government				
Tax returns processed	3,550,867	3,825,944	3,898,134	3,769,958
On-going construction projects	592	548	558	470
Tort claims processed	1,000	982	920	858
Unclaimed property claims paid	15,000	12,542	8,365	6,069
Corporate filings processed **	—	—	—	—
UCC filings processed **	—	—	—	—
Education				
Average cost per public school student	\$ 14,677	\$ 12,849	\$ 12,107	\$ 10,655
Public high school graduates	28,637	29,409	29,313	29,118
Public school teachers, K-12	32,067	32,199	31,856	31,601
Third Grade Students Taking the Reading Summative Assessment **	—	—	—	—
Health and Social Services				
Average monthly households receiving food assistance ***	225,000	209,023	225,000	441,752
Child support collections from non-custodial parents	\$ 378,000,000	\$ 375,236,100	\$ 415,155,658	\$ 439,663,792
Medicaid recipients receiving medical services	710,000	814,114	772,934	697,178
CHIP Recipients	47,000	42,986	47,009	48,393
Law, Justice and Public Safety				
Custody population per 100,000 Mississippi residents	585	573	585	633
Average inmate population in prisons *	—	—	—	—
Supervised offenders in communities *	—	—	—	—
Driver licenses issues	604,249	607,662	549,318	514,645
Recreation and Resource Development				
Tourist registered at welcome centers	2,448,600	1,755,472	1,264,841	1,223,500
Land reforested (acres)	35,000	35,000	35,000	35,000
Hunting and fishing licenses sold	480,000	481,689	482,865	454,711
Overnight accommodations at state parks	910,000	1,050,882	790,406	5,715,378
Regulation of Business and Professions				
Utility complaints investigated	4,560	4,560	4,269	4,432
Well inspections by Oil and Gas Board	38,912	37,345	38,711	31,663
Transportation				
Overlays (miles) *	—	—	—	—
Repair and replacement of deficit local system bridges	85	56	41	51

(Continued on Next Page)

* Operating indicators for average inmate population in prisons, supervised offenders in communities and overlays (miles) are no longer available beginning fiscal year 2015.

** Operating indicators for corporate and UCC filings processed are no longer available beginning fiscal year 2016 and Third Grade Students Taking the Reading Summative Assessment are no longer available beginning fiscal year 2019.

*** Operating indicators for average monthly households receiving food assistance are not available for fiscal years 2017 & 2019.

**** 2023 information is based on estimates.

Sources:

Mississippi Joint Legislative Budget Committee, Legislative Budget Report
Mississippi Department of Education, Superintendent's Annual Report
Mississippi Department of Education, Office of Reporting

Mississippi

Operating Indicators by Function

2019	2018	2017	2016	2015	2014
3,540,043	3,489,318	3,099,217	3,054,931	3,367,215	4,950,000
470	470	671	656	690	699
869	1,018	891	1,135	1,167	929
8,406	5,378	5,042	10,131	5,352	5,187
—	—	—	—	168,421	67,873
—	—	—	—	320,819	318,307
\$ 10,421	\$ 100,034	\$ 9,781	\$ 9,704	\$ 9,394	\$ 9,209
30,245	29,965	30,083	29,991	29,802	28,556
31,657	31,252	31,658	32,101	32,230	32,102
—	37,825	36,544	—	—	—
—	231,543	—	279,491	297,854	304,060
\$ 371,714,793	\$ 368,935,532	\$ 360,687,014	\$ 352,077,839	\$ 352,077,839	\$ 333,825,397
673,247	687,906	711,923	726,473	740,937	689,153
46,080	46,585	48,344	—	—	—
630	619	623	609	641	—
—	—	—	—	—	9,719
—	—	—	—	—	30,689
382,223	417,848	600,134	650,757	600,239	594,005
1,924,736	2,113,594	2,390,882	2,441,086	2,494,990	2,454,373
35,000	39,119	30,267	35,000	21,470	32,238
433,557	449,336	500,000	483,751	560,219	571,785
866,480	844,227	794,504	793,777	550,186	689,774
4,560	4,587	4,612	4,538	2,347	3,915
35,761	33,367	31,722	33,179	26,930	25,073
—	—	—	—	—	320
48	31	46	62	62	66

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