
STATE OF MISSISSIPPI

Annual Comprehensive Financial Report



FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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Mississippi



Fiscal Year Ended June 30, 2022

Department of Finance and Administration

Post Office Box 267
Jackson, MS 39205

Liz Welch

Executive Director



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TATE REEVES
GOVERNOR



April 21, 2023

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, 2022. This report provides an overview of state government fiscal activity and accounting controls.

Mississippi's economy remains fiercely strong. We substantially exceeded revenue collections and are on pace to continue that trend. And due to the hard work of Mississippians, our state is in the best fiscal and financial shape in its history. Just last year, we brought in a record-setting \$6 billion of economic investment into our state. That means more high quality, good-paying jobs for the Mississippians we all represent.

The bedrock of this successful economy is our skilled workforce. That's why we recognize that the foundation of our future success will be the young Mississippians who will lead our state in the coming years.

Thanks to substantive reforms and our parents, teachers, and students, Mississippi's graduation rate is at an all-time high and better than the national average. We led the nation in fourth grade reading and math gains, and students of all backgrounds are learning more than ever before. We've invested record amounts toward workforce development initiatives to equip emerging workers with the skills needed to succeed and prosper in lifelong careers, and because of that, unemployment in our state reached an all-time low. Long story short, Mississippi is ready to compete for the jobs of the future and is building a workforce prepared to take on these opportunities.

I am proud of everything that we've accomplished together over the last three years, and I am looking forward to the bright future ahead for our state. I have no doubt that our combined efforts can continue to shepherd in an unprecedented era of prosperity that will further solidify Mississippi as the best state in the nation to live, work, and raise a family.

Sincerely,

A handwritten signature in blue ink that reads "Tate Reeves".

Tate Reeves
Governor

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Introduction

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

**LIZ WELCH
EXECUTIVE DIRECTOR**

April 21, 2023

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, 2022, 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

Mississippi's economy expanded by 0.2 percent in 2022 as measured by real gross domestic product (GDP) according to the latest forecast by the University Research Center. U.S. real GDP expanded 2.1 percent in 2022 according to the latest estimate of the U.S. Bureau of Economic Analysis (BEA). The agency also estimates Mississippi real GDP grew at an annualized rate of 1.3 percent in the first quarter of 2022, followed by contractions in the second and third quarters at annualized rates of 1.1 percent and 0.7 percent, respectively.

Growth in both the U.S. and Mississippi economies slowed in 2022 following the largest annual expansions of real GDP in many years in 2021. Most pandemic-related federal assistance concluded by the first quarter of 2022 along with the pent-up demand from the reopening of state economies in 2021. These factors led to much less consumer spending in 2022 compared to the previous year. Annual inflation as measured by the Consumer Price Index (CPI) reached 8.0 percent in 2022, the highest annual rate since 1981, and contributed to the slowdown as well. This inflation resulted from multiple sources, including supply chain disruptions, geopolitical conflicts, and over support from both monetary and fiscal policy. Inflation appears to have peaked last summer as measured by the year-over-year change in the CPI; however, the annual rate of inflation is expected to remain elevated in 2023. The firm S&P Global forecasts the annual change in the CPI for all of 2023 will equal 4.4 percent.

Labor markets in both the U.S. and Mississippi are relatively tight in early 2023. The Bureau of Labor Statistics reported payroll employment in Mississippi increased 2.4 percent in 2022, which followed a 2.6 percent increase in 2021. This growth marked the first time the state experienced consecutive years of annual increases in employment of more than 2.0 percent since 1994. Mississippi recovered all of the jobs lost in 2020 by February 2022, four months before U.S. employment surpassed its pre-recession peak. As of January 2023, payroll employment in Mississippi exceeded the February 2020 level by 1.4 percent, an increase of 16,600 jobs. U.S. employment in January 2023 exceeded the February 2020 level by 2.0 percent, an increase of almost 3 million jobs. However, employment growth in both the U.S. and Mississippi is expected to slow in 2023 and the Federal Reserve continues to raise interest rate targets in an attempt to slow the rate of inflation.

The firm S&P global projects U.S. real GDP will expand 1.0 percent in 2023. If realized, this forecast would mark the second smallest annual change in U.S. real GDP since 2009, after the 2.8 percent contraction in 2020. The probability of a recession in the next twelve months remains elevated as the Federal Reserve continues to tighten monetary policy. However, such a downturn is expected to remain relatively mild due to factors such as the current strong job market and the amount of savings consumers accumulated in 2020 and 2021.

We estimate Mississippi real GDP will expand 0.2 percent in 2023, the same rate as in our forecast of the change in the state's real GDP for 2022.

Long-term Financial Planning

For the first half of fiscal year 2023, General Fund revenue collected by the Department of Revenue was \$323 million above the prior year and \$414.6 million above the Sine Die estimate. Projections for fiscal year 2024 General Fund revenue are \$536.4 million or 7.7 percent above the fiscal year 2023 estimate.

At the conclusion of fiscal year 2022, the State of Mississippi had an unencumbered cash balance of \$1.63 billion in the General Fund. As required by § 27-103-213, Mississippi Code Annotated (1972), the state deposited \$23.57 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 2022 with a balance of approximately \$581.9 million. This is the largest balance the WCSRFB 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, \$1.6 billion of the unencumbered funds was deposited into the Capital Expense Fund to be used as determined by the legislature.

Major Initiative

The American Rescue Plan Act of 2021 (ARPA) was signed by the President on March 11, 2021, to provide resources needed to respond to the Coronavirus pandemic, its economic effects and to build a stronger, more equitable economy during the recovery. The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), established by the ARPA Act, provided \$240 billion in aid to state, local and tribal governments. The Department of Finance and Administration continues to oversee and report on the \$1.51 billion appropriated by the Mississippi Legislature during the 2022 session. DFA will monitor those funds throughout the life of the program.

Economic development continues to be the focus in Mississippi. The Governor signed the largest economic development project in Mississippi history investing \$247 million into the \$2.5 billion Aluminum Dynamics facility in Lowndes County. With this expansion of Steel Dynamics, the project is anticipated to bring 1000 jobs with an average salary of \$93,000 to the area.

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 2022, 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.

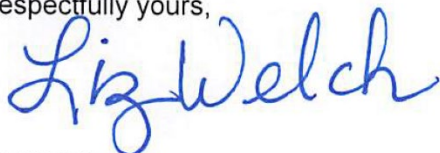
Awards and Acknowledgements

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, 2021. This was the thirty-fifth 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

Tom King

Willie Simmons

Public Service Commissioners

Brandon Presley

Brent Bailey

Dane Maxwell

State Fiscal Officer

Liz Welch

Legislative Branch

Speaker of the House of Representatives

Philip Gunn

Speaker Pro Tempore

of the House of Representatives

Jason White

President Pro Tempore of the Senate

Dean Kirby

Secretary of Senate

Buck Clarke

Clerk of the House of Representatives

Andrew Ketchings

Legislative Budget Office

Tony M. Greer, Director

**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

David M. Ishee

T. Kenneth Griffis

Josiah D. Coleman

James D. Maxwell II

Dawn H. Beam

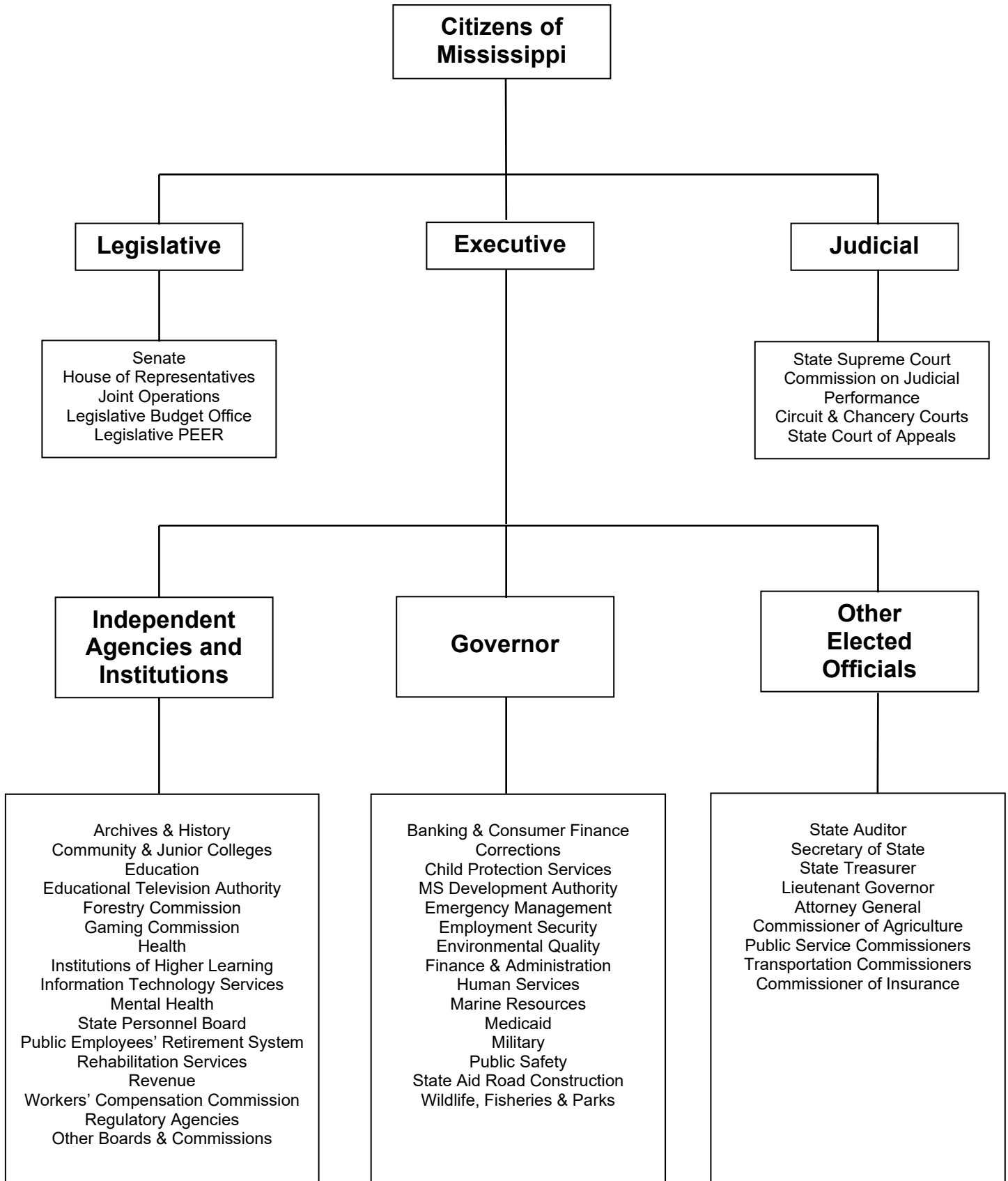
Robert P. Chamberlin

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, 2021

Christopher P. Morrell

Executive Director/CEO



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, 2022, 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 of the State of Mississippi, as of June 30, 2022, 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 Public Safety, Mississippi Development Authority, Department of Health, Department of Corrections, Mississippi State Hospital, Administrative Office of the Courts – Supreme Court, Boswell Regional Center, Department of Mental Health and selected funds at the Community College Board, Department of Marine Resources, and the Department of Transportation which, in the aggregate, represent 11 percent, 15 percent, and 10 percent, respectively, of the assets, net position, and revenues of the governmental activities;
 - Business-type Activities
 - 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, and the Department of Finance and Administration State Life and Health Plan which, in the aggregate, represent 63 percent, 60 percent, and 97 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 Public Safety, Mississippi Development Authority, Department of Health, Department of Corrections, Mississippi State Hospital, Administrative Office of the Courts – Supreme Court, Boswell Regional Center, Department of Mental Health and selected funds at the Community College Board, Department of Marine Resources, and the Department of Transportation, which, in the aggregate, represent 25 percent, 30 percent, and 10 percent, respectively, of the assets, fund balance, and revenues of the governmental activities;

• Proprietary Funds

- 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 51 percent, 44 percent, and 91 percent, respectively, of the assets, fund balance, and revenues of the proprietary funds;

• Aggregate Remaining Funds

- Nonmajor enterprise funds for AbilityWorks, Inc. within the Department of Rehabilitation Services and the Veterans' Home Purchase Board;
- 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 100 percent, respectively, of the assets, net position, and revenues of the aggregate remaining funds

as of June 30, 2022, 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 University of Southern 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 audited by other auditors upon whose reports we are relying, were audited in accordance with auditing 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 2022, the State of Mississippi adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. Our opinion is not modified with respect to this matter.

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 financial statements that are free from material misstatement, whether 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 an 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 *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 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 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 combining and individual fund financial statements and supporting schedules are presented for 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 report of other auditors, the combining and individual fund financial statements 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 in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2023, 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.



ANGELA MIRE, CPA, CFE
Director, Agency Division
Financial and Compliance Audit Division

Jackson, Mississippi
April 21, 2023

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, 2022. 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 \$19,636,463,000 (reported as "net position"). Of this amount, a negative \$3,579,925,000 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 \$6,680,544,000. Net position of governmental activities increased by \$2,453,316,000, while business-type activities decreased by \$14,539,000.

Fund Level - At the end of the fiscal year, the State's governmental funds reported combined ending fund balances of \$8,776,640,000, which is \$1,922,106,000 more than the previous year. Revenues from lottery proceeds and federal assistance decreased while taxes increased. As overall revenues increased, expenditures followed suit.

Long-term Debt - The total outstanding net long-term bonds and notes were \$5,742,593,000 at June 30, 2022. During the year, the State issued \$1,167,544,000 in bonds and notes, 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.

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

Mississippi

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 eight 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.

Opioid Settlement

In 2022, Mississippi signed on to settlement agreements with three opioid distributors, AmerisourceBergen, Cardinal Health, and McKesson, as well as pharmaceutical manufacturer Janssen, resolving legal claims for their role in the opioid crisis. The State will receive \$165,109,998 over 18 years from the distributors and \$38,134,860 over 11 years from Janssen. In accordance with the agreements, 15% of these totals will be distributed directly to certain counties and municipalities in Mississippi. The State recorded a related receivable for this settlement amount in the General Fund.

Other Information

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 (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.

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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.

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Government-wide Financial Analysis

Net Position

The State's combined net position for governmental and business-type activities increased \$2,429,522,000 in fiscal year 2022. Current year net position is \$19,636,463,000 in contrast to the prior year balance of \$17,206,941,000. 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 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 \$198,914,000 from the previous year. The governmental activities' increase of \$197,521,000 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 increased by \$1,513,416,000, or 29.3 percent during fiscal year 2022.

The remaining net position is classified as unrestricted. As of June 30, 2022, the State had a deficit unrestricted net position of \$3,579,925,000. 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 \$437,352,000 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.

	Governmental Activities		Business-type Activities		Total	
	2022	2021*	2022	2021*	2022	2021*
Current and other assets	\$ 13,645,572	\$ 10,574,162	\$ 1,764,238	\$ 1,822,651	\$ 15,409,810	\$ 12,396,813
Capital assets	17,448,781	17,174,319	681,804	670,227	18,130,585	17,844,546
Total Assets	31,094,353	27,748,481	2,446,042	2,492,878	33,540,395	30,241,359
Deferred outflows of resources	587,538	535,114	5,232	4,812	592,770	539,926
Noncurrent liabilities	8,363,229	9,203,703	291,072	312,573	8,654,301	9,516,276
Other liabilities	4,538,985	3,594,752	283,620	365,938	4,822,605	3,960,690
Total Liabilities	12,902,214	12,798,455	574,692	678,511	13,476,906	13,476,966
Deferred inflows of resources	937,582	96,361	82,214	1,017	1,019,796	97,378
Net position:						
Net investment in capital assets	15,871,159	15,673,638	664,685	663,292	16,535,844	16,336,930
Restricted	5,988,213	4,523,658	692,331	643,470	6,680,544	5,167,128
Unrestricted (deficit)	(4,017,277)	(4,808,517)	437,352	511,400	(3,579,925)	(4,297,117)
Total Net Position	\$ 17,842,095	\$ 15,388,779	\$ 1,794,368	\$ 1,818,162	\$ 19,636,463	\$ 17,206,941

*The 2021 amounts presented here have not been restated for the implementation of GASB 87.

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Changes in Net Position

Operating grants and contributions of \$9,761,534,000 and taxes of \$9,537,189,000 were the State's major revenue sources. Together, they accounted for 85.3 percent of total revenues. Revenue from taxes increased \$943,761,000. As in the prior year, the majority of the State's total expenses were related to the health and social services function at \$9,304,163,000 or 46.1 percent as medical expenses continued their upswing. Expenses within this function increased over the prior year by \$660,276,000. Unemployment compensation expenses decreased significantly by \$2,343,711,000 as demand for unemployment compensation benefits decreased.

Changes in Net Position (amounts expressed in thousands)

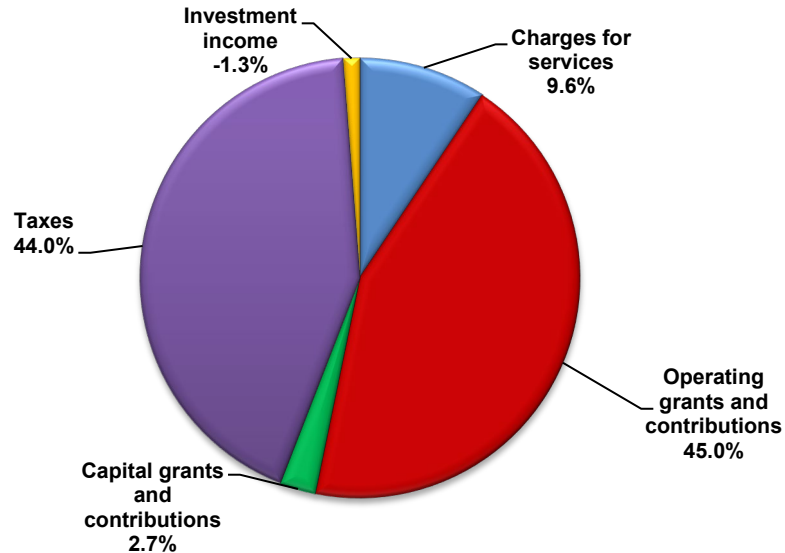
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 2,083,433	\$ 1,859,949	\$ 950,676	\$ 903,506	\$ 3,034,109	\$ 2,763,455
Operating grants and contributions	9,754,027	9,747,825	7,507	2,060,185	9,761,534	11,808,010
Capital grants and contributions	593,164	609,699	319	254	593,483	609,953
General Revenues:						
Taxes	9,537,189	8,593,428			9,537,189	8,593,428
Other			1,234		1,234	
Investment income	(273,373)	24,296	(31,054)	95,536	(304,427)	119,832
Total Revenues	21,694,440	20,835,197	928,682	3,059,481	22,623,122	23,894,678
Expenses:						
General government	3,013,112	3,082,051			3,013,112	3,082,051
Education	4,310,039	3,999,625			4,310,039	3,999,625
Health and social services	9,304,163	8,643,887			9,304,163	8,643,887
Law, justice and public safety	984,391	985,135			984,391	985,135
Recreation and resource development	409,737	601,528			409,737	601,528
Regulation of business and professions	43,502	46,066			43,502	46,066
Transportation	957,153	975,611			957,153	975,611
Interest on long-term debt	198,943	252,159			198,943	252,159
Unemployment compensation			39,726	2,383,437	39,726	2,383,437
Port Authority at Gulfport			33,850	41,393	33,850	41,393
Prepaid affordable college tuition			7,780	(39,396)	7,780	(39,396)
State life and health plan			853,898	840,168	853,898	840,168
Other business-type			28,051	27,536	28,051	27,536
Total Expenses	19,221,040	18,586,062	963,305	3,253,138	20,184,345	21,839,200
Excess/(Deficit) before extraordinary Items and Transfers	2,473,400	2,249,135	(34,623)	(193,657)	2,438,777	2,055,478
Extra item, impairment loss from hurricane damage, net of insurance recovery				(878)		(878)
Transfers	(20,084)	(419,988)	20,084	419,988		
Change in Net Position	2,453,316	1,829,147	(14,539)	225,453	2,438,777	2,054,600
Net Position - Beginning, as restated	15,388,779	13,559,632	1,808,907	1,592,709	17,197,686	15,152,341
Net Position - Ending	\$ 17,842,095	\$ 15,388,779	\$ 1,794,368	\$ 1,818,162	\$ 19,636,463	\$ 17,206,941

Mississippi

Governmental Activities

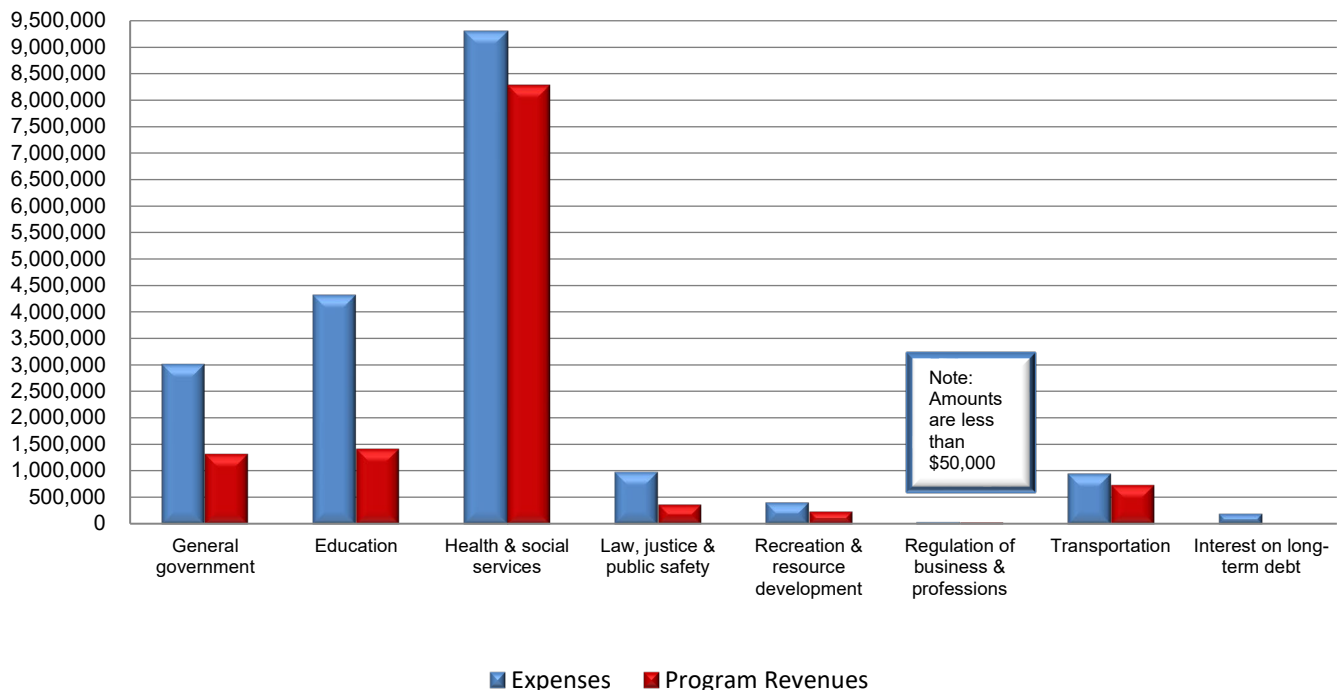
Governmental activities increased the State's net position by \$2,453,316,000 for fiscal year 2022. Taxes increased by \$943,761,000, in comparison to the prior year. The majority of both expenses and program revenues were in the health and social services function at \$9,304,163,000 and \$8,279,766,000, respectively. Education expenses of \$4,310,039,000 exceeded program revenues of \$1,428,202 resulting in a negative \$2,881,837,000 to be funded from general revenues.

Governmental Activities - Revenues by Source



Governmental Activities - Expenses and Program Revenues

(amounts expressed in thousands)

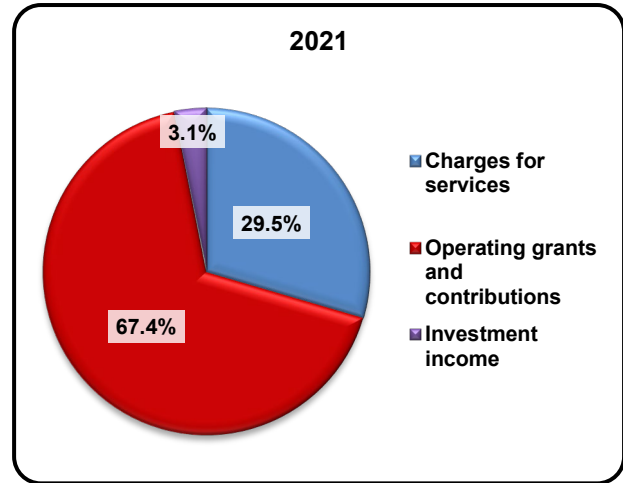
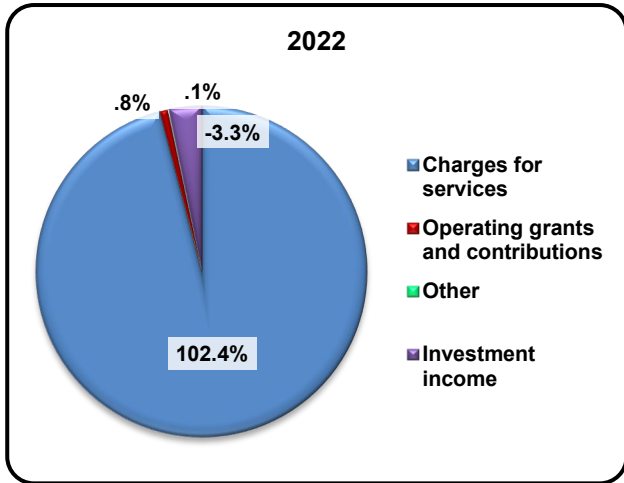


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Business-type Activities

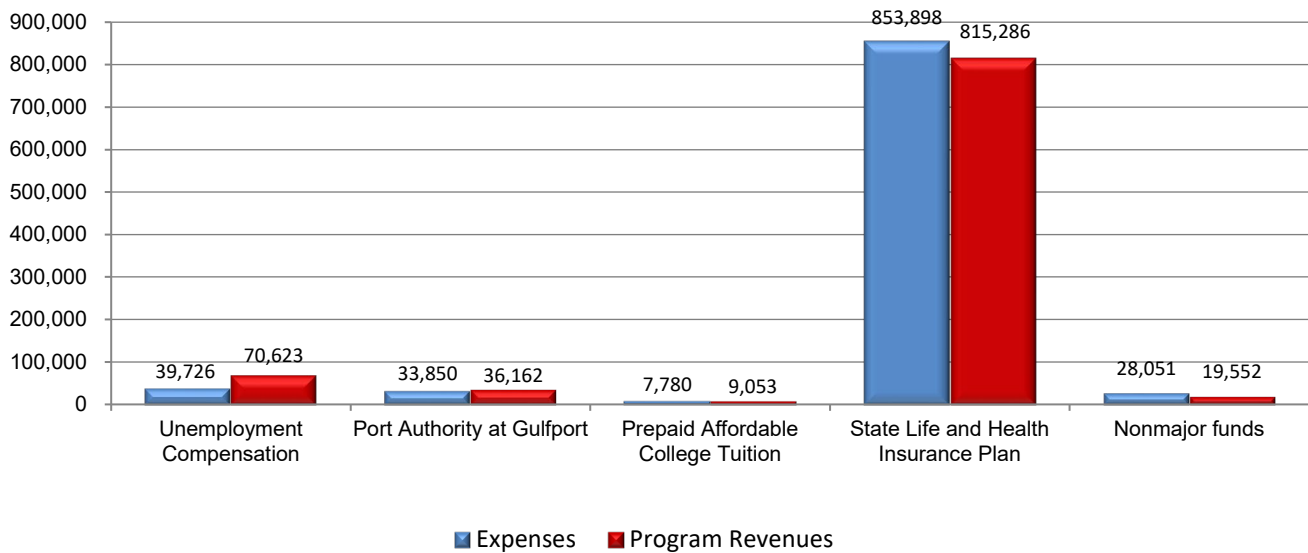
Business-type activities decreased the State's net position by \$14,539,000. The percentage of revenues from charges for services increased slightly while federal revenue for the Emergency Unemployment Compensation program decreased. The amount of investment income decreased from the prior year, as did the investment income as a percentage of total revenues, due to market conditions. For the current year, Unemployment Compensation Fund decreased in both revenue and expenses with a positive change in net position of \$48,861,000. Operations at the Port Authority at Gulfport added \$11,499,000 to net position in the current year.

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, 2022, the governmental funds reported combined fund balances of \$8,776,640,000, indicating an increase of \$1,922,106,000 from the prior year. Within fund balances, \$105,442,000 or 1.2 percent was classified as nonspendable. The majority of the fund balance, \$5,882,771,000 or 67 percent was restricted. Committed fund balance equaled \$1,341,726,000 or 15.3 percent of the total. Assigned fund balance comprised \$31,473,000 or .4 percent while the remaining 16.1 percent, or \$1,415,228,000, of fund balance was unassigned.

The General Fund is the chief operating fund of the State. The fund balance for the General Fund increased \$1,927,221,000 from the prior year. The increase resulted in an ending fund balance of \$8,708,514,000. Overall, taxes increased \$961,433,000 or 11.2 percent. The \$217,459,000 increase in corporate income and franchise tax revenues can be attributed to an increase in before-tax corporate profits. Sales and use tax revenues were relatively strong, fueled by an increase in wage disbursements and inflation, causing an increase of \$372,883,000. Individual income tax revenues increased \$335,238,000 as a result of an increase in personal income. Federal revenues decreased by \$4,240,000 or .04 percent as a result of reduced federal funding related to COVID-19. Lottery proceeds decreased by \$14,835,000 as ticket sales decreased due to inflationary pressures impacting players and a decrease in comparably sized megamillion jackpots in 2022, compared to 2021. The Department of Medicaid, which is reported within the General Fund, experienced an increase in expenditures of \$427,134,000 or 7.2 percent during fiscal year 2022 due to the implementation of the Families First Coronavirus Response Act (FFCRA) and a reduction of service utilization. FFCRA provided an additional level of federal funding, decreasing the need for state funding for the payments made for medical services. The enrollment increases, due to the FFCRA requirements, will continue until the end of the public health emergency, as will the associated costs for those beneficiaries.

Proprietary Funds

The Unemployment Compensation Fund experienced an increase in net position of \$48,861,000 as compared to prior year, largely due to transfer of CARES Act funds. Claims and benefits expense decreased as the economy recovered. Assessments' revenue increased by \$9,802,000 or 16.12 percent due to an incline in taxable wages. Additionally, federal revenue used to pay claims decreased by \$2,053,000.

The Port Authority at Gulfport Fund increased net position by \$11,499,000 as compared to \$2,513,000 increase reported in the prior year. Operating revenues and expenses increased by \$2,566,000 and \$821,000, respectively. The increase in net position can be attributed to an increase in charges for services, interest revenue from leases, and federal pass through grants from other state agencies.

The Prepaid Affordable College Tuition Fund's net position decreased by \$36,192,000. Tuition receipts decreased by .08 percent over the prior year due to reduced cash receipts of contract payments in current year. The \$47,188,000 increase in claims and benefits expense are due to a decrease in the actuarial value of future contract benefits. Investment income significantly decreased by \$114,307,000 due to a lower rate of return on investments.

The State Life and Health Insurance Fund reported a decrease in net position by \$42,655,000 as compared to \$52,907,000 decrease from the prior year. Operating revenue experienced an increase of \$26,598,000 due to a 5 percent premium increase. Claims and benefits expense increased by \$14,680,000 due to an increase in COVID-19 claims and pharmacy utilization.

General Fund Budgetary Highlights

Actual fiscal year 2022 General Fund revenue collections increased by \$645,321,000 or 9.6 percent over the prior year. These revenues were \$1,459,706,000 above estimated amounts. Individual income tax increased by \$273,430,000 or 12.3 percent, sales tax collection increased by \$309,292,000 or 13.8 percent, and corporate income and franchise tax increased by \$9,433,000 or 1.1 percent.

The final expenditure budget was \$6,367,000 more than the original budget and actual expenditures were \$49,273,000 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.

Mississippi

Capital Assets and Debt Administration

Capital Assets

The State's investment in capital assets for governmental and business-type activities as of June 30, 2022 were \$25,134,974,000, less accumulated depreciation of \$7,004,388,000, resulting in a net book value of \$18,130,586,000. For the current fiscal year, governmental activities increased by \$274,462,000, and business-type activities increased by \$8,210,000. These changes amount to 1.6 percent increase and 1.7 percent increase, respectively, over the prior year.

Major capital asset events during fiscal year 2022 included the following:

Construction in progress for governmental activities increased by \$761,125,000 and had the largest amount of decreases of any asset class with \$1,479,854,000. Mississippi Department of Transportation accounts for the majority of the increase with \$721,668,000. Decreases to construction in progress are primarily for completed Mississippi Department of Transportation projects moved to infrastructure.

Governmental activities added \$1,487,873,000 to infrastructure for roads, highways, and bridges. These additions included pavement rehabilitation projects in Panola, Tate, and Stone counties. The Surface Transportation Program (Urban street projects) was completed in Stone and Coahoma counties. Vision 21 highway projects were completed for Desoto County. Land and building projects were completed for several counties including Lincoln, Jackson, and Desoto.

During fiscal year 2022, net capital assets for business-type activities increased by \$8,210,000. The Port Authority at Gulfport added \$21,311,000 to Construction in Progress, which includes the following current projects: Port connector road, Northport land improvements, Cotton Compress site improvements, and Ocean Enterprise Facility. The completed projects were valued at \$5,727,000.

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	
	2022	2021	2022	2021*	2022	2021
Land	\$ 2,547,144	\$ 2,524,770	\$ 137,833	\$ 132,534	\$ 2,684,977	\$ 2,657,304
Software	84,971	95,427			84,971	95,427
Buildings	1,485,012	1,518,623	121,856	124,678	1,606,868	1,643,301
Land improvements	87,900	99,391	128,138	134,276	216,038	233,667
Machinery and equipment	214,573	230,072	23,337	25,067	237,910	255,139
Infrastructure	9,987,825	9,079,014	218,773	225,960	10,206,598	9,304,974
Construction in progress	2,908,293	3,627,022	49,118	27,712	2,957,411	3,654,734
Right-to-use lease assets, net	133,063		2,750	3,368	135,813	3,368
Total	<u>\$ 17,448,781</u>	<u>\$ 17,174,319</u>	<u>\$ 681,805</u>	<u>\$ 673,595</u>	<u>\$ 18,130,586</u>	<u>\$ 17,847,914</u>

*The 2021 amounts presented here have been restated for the implementation of GASB 87.

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Debt Administration

As of June 30, 2022, outstanding general obligation debt for the State was \$4,587,741,000, including premiums. General Obligation Refunding bonds of \$2,253,746,000, Capital Improvements bonds of \$987,990,000, and Industry Incentive Financing bonds of \$167,864,000 comprise 74.3 percent of this outstanding debt. During the current fiscal year, the State issued \$1,130,970,000 in general obligation bonds and notes which are reported in governmental activities. Within business-type activities, general obligation bonds decreased by \$74,000 as the Port Authority at Gulfport continued to repay its long-term debt.

The State issued \$2,575,000 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	
	2022	2021	2022	2021	2022	2021
General obligation bonds and notes	\$ 4,587,705	\$ 4,594,578	\$ 36	\$ 110	\$ 4,587,741	\$ 4,594,688
Limited obligation bonds	455,042	473,179			455,042	473,179
Notes payable	691,169	755,933	8,641	4,756	699,810	760,689
Total	<u>\$ 5,733,916</u>	<u>\$ 5,823,690</u>	<u>\$ 8,677</u>	<u>\$ 4,866</u>	<u>\$ 5,742,593</u>	<u>\$ 5,828,556</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, 2022, the State had established a constitutional debt limit of \$15,630,995,000, 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 2021 was 5.6 percent, which is higher than the national average of 5.3 percent. In calendar year 2021, Mississippi's personal income increased by 7.2 percent and per capita personal income increased by 7.5 percent compared to national average increases of 7.4 percent and 7.3 percent, respectively.

Fiscal year 2023 revenue collected by the Department of Revenue (DOR) continues to outperform revenue collected in fiscal year 2022. DOR collections from the beginning of fiscal year 2023 through January 2023 were up by \$345,050,00 or 9.0 percent. Mississippi's two largest revenue generators are collected from sales and individual income taxes. To-date, sales taxes and individual income taxes are outperforming projections by 8.8 percent and 12.9 percent, respectively. Sales and individual income taxes account for approximately 71 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, 2022 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets:				
Equity in internal investment pool	\$ 9,608,814	\$ 187,667	\$ 9,796,481	\$ 2,198
Cash and cash equivalents	325,666	772,001	1,097,667	790,667
Investments	10,703		10,703	463,781
Receivables, net	1,179,707	185,379	1,365,086	382,329
Due from other governments, net	837,864	2,479	840,343	93
Internal balances	(21,939)	21,939		
Due from component units	10,660	56	10,716	
Due from primary government				9,582
Inventories	39,260	334	39,594	44,008
Prepaid items	13,798	805	14,603	30,021
Lease receivable	2,210	2,261	4,471	245
Loans and notes receivable, net	36,527	6,063	42,590	41,154
Other assets				13,294
Total Current Assets	12,043,270	1,178,984	13,222,254	1,777,372
Noncurrent assets:				
Investments	130,688	352,091	482,779	1,038,397
Receivables, net	668,609		668,609	
Due from other governments, net	595,094		595,094	
Lease receivable	33,356	75,161	108,517	
Loans and notes receivable, net	174,555	158,002	332,557	163,926
Restricted assets:				
Cash and cash equivalents				144,217
Investments				1,337,730
Capital assets:				
Land and construction in progress	5,455,437	186,950	5,642,387	504,458
Other capital assets, net	11,860,281	492,105	12,352,386	4,063,334
Right-to-use lease assets, net	133,063	2,749	135,812	115,674
Other assets				159,055
Total Noncurrent Assets	19,051,083	1,267,058	20,318,141	7,526,791
Total Assets	31,094,353	2,446,042	33,540,395	9,304,163
Deferred Outflows of Resources				
Refunding	92,732		92,732	45,456
Pensions	458,549	4,808	463,357	421,606
Other postemployment benefits	36,257	424	36,681	28,527
Total Deferred Outflows	\$ 587,538	\$ 5,232	\$ 592,770	\$ 495,589

(Continued on Next Page)

Mississippi

Statement of Net Position

June 30, 2022 (Expressed in Thousands)

(Continued from Previous Page)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities:				
Warrants payable	\$ 47,650	\$ 1,892	\$ 49,542	\$
Accounts payable and other liabilities	682,530	10,394	692,924	360,684
Contracts payable	101,412	1,457	102,869	
Income tax refunds payable	245,433		245,433	
Due to other governments	780,114	128,655	908,769	
Due to component units	9,582		9,582	
Due to primary government				10,716
Claims and benefits payable	78,390	109,945	188,335	
Deposits	161,641		161,641	
Unearned revenues	1,986,295	29,852	2,016,147	135,321
Pollution remediation obligation	9,140		9,140	
Bonds and notes payable, net	407,927	785	408,712	55,138
Lease liability	23,225	587	23,812	18,287
Net other postemployment benefit liability	5,646	53	5,699	39
Other liabilities				123,996
Total Current Liabilities	4,538,985	283,620	4,822,605	704,181
Noncurrent liabilities:				
Due to other governments	81		81	
Claims and benefits payable	27,583	255,922	283,505	
Pollution remediation obligation	42,013		42,013	
Bonds and notes payable, net	5,325,989	7,892	5,333,881	1,112,862
Lease liability	109,665	2,314	111,979	99,626
Net pension liability	2,579,163	22,741	2,601,904	2,360,185
Net other postemployment benefit liability	136,337	1,414	137,751	120,223
Other liabilities	142,398	789	143,187	249,003
Total Noncurrent Liabilities	8,363,229	291,072	8,654,301	3,941,899
Total Liabilities	12,902,214	574,692	13,476,906	4,646,080
Deferred Inflows of Resources				
Refunding				3,869
Pensions	835,017	7,433	842,450	757,843
Other postemployment benefits	66,999	562	67,561	46,012
Lease	35,566	74,219	109,785	40,799
Beneficial interest in irrevocable trusts				38,317
Total Deferred Inflows	\$ 937,582	\$ 82,214	\$ 1,019,796	\$ 886,840

Mississippi

Statement of Net Position

June 30, 2022 (Expressed in Thousands)

(Continued from Previous Page)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	15,871,159	664,685	16,535,844	3,426,058
Restricted for:				
Expendable:				
General government	222,307		222,307	
Education	560,792		560,792	
Health and social services	1,564,455		1,564,455	
Law, justice and public safety	63,545		63,545	
Recreation and resources development	2,015,553		2,015,553	
Regulation of business and professions	46,042		46,042	
Transportation	728,935		728,935	
Capital projects	453,268		453,268	
Debt service	267,134		267,134	
Capital Improvements				2,446
Unemployment compensation benefits		692,331	692,331	
Other purposes				1,006,548
Nonexpendable:				
Education	47,626		47,626	963,748
Health and social services	2,025		2,025	
Recreation and resources development	16,531		16,531	
Unrestricted (deficit)	(4,017,277)	437,352	(3,579,925)	(1,131,968)
Total Net Position	\$ 17,842,095	\$ 1,794,368	\$ 19,636,463	\$ 4,266,832

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, 2022 (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	\$ 3,013,112	\$ 1,182,412	\$ 146,637	\$
Education	4,310,039	55,476	1,372,726	
Health and social services	9,304,163	493,005	7,785,727	1,034
Law, justice and public safety	984,391	85,642	286,175	2,876
Recreation and resource development	409,737	107,299	134,573	
Regulation of business and professions	43,502	35,682	1,326	
Transportation	957,153	123,917	26,863	589,254
Interest on long-term debt	198,943			
Total Governmental Activities	19,221,040	2,083,433	9,754,027	593,164
Business-type activities:				
Unemployment compensation	39,726	70,623	7,507	
Port Authority at Gulfport	33,850	36,162		
Prepaid affordable college tuition	7,780	9,053		
State life and health insurance plan	853,898	815,286		
Other business-type	28,051	19,552		319
Total Business-type Activities	963,305	950,676	7,507	319
Total Primary Government	\$ 20,184,345	\$ 3,034,109	\$ 9,761,534	\$ 593,483
Component units:				
Universities	\$ 4,057,317	\$ 2,498,112	\$ 656,586	\$ 20,324
Nonmajor	455,853	451,923		1,191
Total Component Units	\$ 4,513,170	\$ 2,950,035	\$ 656,586	\$ 21,515

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 restated

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,684,063)	\$	\$ (1,684,063)	
(2,881,837)		(2,881,837)	
(1,024,397)		(1,024,397)	
(609,698)		(609,698)	
(167,865)		(167,865)	
(6,494)		(6,494)	
(217,119)		(217,119)	
(198,943)		(198,943)	
(6,790,416)		(6,790,416)	
	38,404	38,404	
	2,312	2,312	
	1,273	1,273	
	(38,612)	(38,612)	
	(8,180)	(8,180)	
	(4,803)	(4,803)	
(6,790,416)	(4,803)	(6,795,219)	
			\$ (882,295)
			(2,739)
			(885,034)
4,669,682		4,669,682	
450,053		450,053	
2,488,924		2,488,924	
961,442		961,442	
404,552		404,552	
562,536		562,536	
(273,373)	(31,054)	(304,427)	(211,985)
	1,234	1,234	384,579
			808,923
			38,210
(20,084)	20,084		
9,243,732	(9,736)	9,233,996	1,019,727
2,453,316	(14,539)	2,438,777	134,693
15,388,779	1,808,907	17,197,686	4,132,139
\$ 17,842,095	\$ 1,794,368	\$ 19,636,463	\$ 4,266,832

Mississippi

Governmental Funds

Balance Sheet

June 30, 2022 (Expressed in Thousands)

	General	Permanent	Totals
Assets			
Equity in internal investment pool	\$ 9,604,606	\$ 4,208	\$ 9,608,814
Cash and cash equivalents	325,250	416	325,666
Investments	77,958	63,433	141,391
Receivables, net	1,847,957	359	1,848,316
Due from other governments, net	1,432,958		1,432,958
Due from other funds	1,116	1	1,117
Due from component units	10,660		10,660
Inventories	39,260		39,260
Prepaid Items	13,798		13,798
Loans receivable, net	211,082		211,082
Total Assets	\$ 13,564,645	\$ 68,417	\$ 13,633,062
Liabilities, Deferred Inflows and Fund Balances			
Liabilities:			
Warrants payable	\$ 47,650	\$	\$ 47,650
Accounts payable and accruals	799,415	291	799,706
Contracts payable	101,412		101,412
Income tax refunds payable	245,433		245,433
Due to other governments	780,195		780,195
Due to other funds	23,056		23,056
Due to component units	9,582		9,582
Claims payable	78,390		78,390
Unearned revenues	1,986,295		1,986,295
Total Liabilities	4,071,428	291	4,071,719
Deferred inflows of resources:			
Unavailable revenues	784,703		784,703
Fund balances:			
Nonspendable			
Inventories	39,260		39,260
Principal		66,182	66,182
Restricted			
General government	221,378		221,378
Education	559,718		559,718
Health and social services	1,547,229	1,127	1,548,356
Law, justice and public safety	59,159		59,159
Recreation and resources development	2,014,560	913	2,015,473
Regulation of business and professions	46,042		46,042
Transportation	712,243		712,243
Capital projects	453,268		453,268
Debt service	267,134		267,134
Committed			
General government	1,113,365		1,113,365
Education	11,541		11,541
Health and social services	135,678		135,678
Law, justice and public safety	22,088		22,088
Recreation and resources development	5,927		5,927
Regulation of business and professions	880		880
Transportation	743		743
Capital projects	51,504		51,504
Assigned			
General government	22,872		22,872
Health and social services	4,708		4,708
Recreation and resources development	3,893		3,893
Unassigned	1,415,324	(96)	1,415,228
Total Fund Balances	8,708,514	68,126	8,776,640
Total Liabilities, Deferred Inflows and Fund Balances	\$ 13,564,645	\$ 68,417	\$ 13,633,062

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, 2022 (Expressed in Thousands)

Total fund balances for governmental funds \$ 8,776,640

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	\$ 2,547,144	
Construction in progress	2,908,293	
Software	171,924	
Buildings	2,389,077	
Land improvements	277,700	
Machinery and equipment	829,205	
Infrastructure	14,994,670	
Right-to-use lease assets	154,130	
Accumulated depreciation	(6,802,295)	
Accumulated amortization	(21,067)	17,448,781

Deferred outflows of resources reported in governmental activities are not
financial resources and therefore are not reported in the governmental funds:

Refunding of debt	92,732	
Pensions	458,549	
Other postemployment benefits	36,257	587,538

Deferred inflows of resources reported in governmental activities are not
financial resources and therefore are not reported in the governmental funds:

Pensions	(835,017)	
Other postemployment benefits	(66,999)	(902,016)

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.

784,703

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	(4,415,994)	
Limited obligation bonds	(409,735)	
Notes payable	(650,184)	
Unamortized premiums	(258,003)	
Lease liability	(132,890)	
Accrued compensated absences	(130,466)	
Pollution remediation obligation	(51,153)	
Net pension liability	(2,579,163)	
Net other postemployment benefits liability	(141,983)	
Claims payable	(27,583)	
Accrued interest payable	(33,957)	
Other liabilities	(22,440)	(8,853,551)

Net position of governmental activities \$ 17,842,095

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, 2022 (Expressed in Thousands)

	General	Permanent	Totals
Revenues			
Taxes:			
Sales and use	\$ 4,667,415	\$	\$ 4,667,415
Gasoline and other motor fuel	449,289		449,289
Individual income	2,506,048		2,506,048
Corporate income and franchise	961,647		961,647
Insurance	404,553		404,553
Other	562,536		562,536
Licenses, fees and permits	601,325	819	602,144
Federal government	10,310,293		10,310,293
Investment income	(267,988)	(5,385)	(273,373)
Charges for sales and services	522,466	42	522,508
Rentals	828	620	1,448
Court assessments and settlements	235,872		235,872
Lottery proceeds	122,883		122,883
Other	480,103	20	480,123
Total Revenues	21,557,270	(3,884)	21,553,386
Expenditures			
Current:			
General government	3,012,845		3,012,845
Education	4,309,615	170	4,309,785
Health and social services	9,341,117		9,341,117
Law, justice and public safety	1,011,237		1,011,237
Recreation and resources development	423,757	41	423,798
Regulation of business and professions	44,802		44,802
Transportation	1,142,267		1,142,267
Debt service:			
Principal	369,065		369,065
Interest and other fiscal charges	220,630		220,630
Total Expenditures	19,875,335	211	19,875,546
Excess of Revenues over (under) Expenditures	1,681,935	(4,095)	1,677,840
Other Financing Sources (Uses)			
Bonds and notes issued	292,940		292,940
Notes payable issued	2,575		2,575
Leases issued	17,469		17,469
Insurance recovery	1,310		1,310
Payments to note escrow agent	(87,000)		(87,000)
Payments to refunded bonds and note escrow agent	(834,973)		(834,973)
Premiums on bonds issued	33,999		33,999
Refunding bonds and notes issued	838,030		838,030
Transfers in	2,975		2,975
Transfers out	(22,039)	(1,020)	(23,059)
Net Other Financing Sources (Uses)	245,286	(1,020)	244,266
Net Change in Fund Balances	1,927,221	(5,115)	1,922,106
Fund Balances - Beginning	6,781,293	73,241	6,854,534
Fund Balances - Ending	\$ 8,708,514	\$ 68,126	\$ 8,776,640

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, 2022 (Expressed in Thousands)

Net change in fund balances - total governmental funds **\$ 1,922,106**

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	\$ 858,567	
Depreciation and amortization expense	<u>(710,168)</u>	148,399

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. (11,357)

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	(33,999)	
Bonds and notes issued	(295,515)	
Leases issued	(17,469)	
Payments of debt principal	369,065	
Payments of note escrow agent	87,000	
Payments to refunded bonds and note escrow agent	834,973	
Refunding bonds and notes issued	(838,030)	
Accrued interest payable	11,051	
Interest at refunding	<u>(4,290)</u>	112,786

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	755	
Change in claims payable	7,125	
Change in compensated absences	(2,000)	
Change in unavailable revenues	118,574	
Change in other postemployment benefit payable, net	15,408	
Change in pollution remediation obligation	(4,529)	
Change in pension costs, net	121,176	
Change in other liabilities	10,355	
Amortization of premiums	35,561	
Amortization of deferred amount on refunding	<u>(21,043)</u>	281,382

Change in net position of governmental activities **\$ 2,453,316**

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

Mississippi

Proprietary Funds

Statement of Net Position

June 30, 2022 (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	\$	\$ 714	\$ 888
Cash and cash equivalents	664,547	20,124	7,861
Receivables, net	178,431	2,607	519
Due from other governments, net	1,676	792	
Due from other funds	2,613	3,053	
Due from component units	56		
Inventories			
Prepaid items		93	
Lease receivable		2,261	
Loans and notes receivable, net			
Total Current Assets	847,323	29,644	9,268
Noncurrent assets:			
Investments		68,741	283,350
Lease receivable		71,898	
Loans and notes receivable			
Capital assets:			
Land and construction in progress		169,462	
Other capital assets, net		462,604	
Right-to-use lease assets, net		1,289	
Total Noncurrent Assets		773,994	283,350
Total Assets	\$ 847,323	\$ 803,638	\$ 292,618
Deferred Outflows of Resources			
Pension		1,206	136
Other postemployment benefits		54	8
Total Deferred Outflows of Resources		1,260	144

Enterprise Funds

Department of Finance and Administration			
State Life and Health Insurance Plan		Nonmajor Funds	Totals
\$	86,123	\$	99,942
	65,671		13,798
			3,822
	11		2,479
	29	17,360	23,055
			56
		334	334
		712	805
			2,261
		6,063	6,063
	151,834	142,031	1,180,100
			352,091
		3,263	75,161
		158,002	158,002
		17,488	186,950
		29,501	492,105
		1,460	2,749
		209,714	1,267,058
\$	151,834	\$	351,745
			2,447,158
		3,466	4,808
		362	424
		3,828	5,232

(Continued on Next Page)

Mississippi

Proprietary Funds

Statement of Net Position

June 30, 2022 (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	\$	\$	\$ 562
Accounts payable and other liabilities	61	3,573	78
Retainage payable		1,457	
Due to other governments	128,649		
Due to other funds	1,112		
Claims and benefits payable	6,658		36,253
Bonds and notes payable		36	
Unearned revenues	18,512	563	
Lease Liability		266	
Net other postemployment benefits liability		6	1
Total Current Liabilities	154,992	5,901	36,894
Noncurrent liabilities:			
Claims and benefits payable			255,922
Bonds and notes payable			
Lease Liability		1,155	
Net pension liability		6,163	739
Net other postemployment benefits liability		177	31
Other liabilities		283	38
Total Noncurrent Liabilities		7,778	256,730
Total Liabilities	154,992	13,679	293,624
Deferred Inflows of Resources			
Pension		2,132	302
Other postemployment benefits		63	19
Leases		70,956	
Total Deferred Inflows of Resources		73,151	321
Net Position			
Net investment in capital assets		627,779	
Restricted for:			
Expendable			
Unemployment compensation benefits	692,331		
Unrestricted		90,289	(1,183)
Total Net Position	\$ 692,331	\$ 718,068	\$ (1,183)

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

Enterprise Funds			
Department of Finance and Administration			
State Life and Health Insurance Plan	Nonmajor Funds	Totals	
\$	\$	1,330	\$ 1,892
2,347	4,335		10,394
			1,457
	6		128,655
	4		1,116
67,034			109,945
	749		785
10,777			29,852
	321		587
	46		53
80,158	6,791		284,736
			255,922
	7,892		7,892
	1,159		2,314
	15,839		22,741
	1,206		1,414
	468		789
	26,564		291,072
80,158	33,355		575,808
	4,999		7,433
	480		562
	3,263		74,219
	8,742		82,214
	36,906		664,685
			692,331
71,676	276,570		437,352
\$ 71,676	\$ 313,476	\$	1,794,368

Mississippi

Proprietary Funds

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

For the Year Ended June 30, 2022 (Expressed in Thousands)

	Business-type Activities -		
	Department of Employment Security	Port Authority at Gulfport	State Treasurer
	Unemployment Compensation		Prepaid Affordable College Tuition
Operating Revenues			
Charges for sales and services/premiums	\$	\$ 28,956	\$
Assessments	70,623		
Investment income			
Federal agencies	7,507		
Rentals			
Fees			
Tuition receipts			9,053
Other			
Total Operating Revenues	78,130	28,956	9,053
Operating Expenses			
Cost of sales and services			
General and administrative		3,761	430
Contractual services		10,880	1,238
Commodities		715	1
Depreciation and amortization		18,431	
Claims and benefits	39,726		6,111
Other			
Total Operating Expenses	39,726	33,787	7,780
Operating Income (Loss)	38,404	(4,831)	1,273
Nonoperating Revenues			
Revenue from counties		2,848	
Insurance recovery		1,627	
Interest income		2,721	
Gain on disposal of capital assets		10	
Investment income	9,730	(3,974)	(37,465)
Other			
Total Nonoperating Revenues (Loss)	9,730	3,232	(37,465)
Nonoperating Expenses			
Interest and other fiscal charges		63	
Total Nonoperating Expenses		63	
Income (Loss) before Capital Contributions and Transfers	48,134	(1,662)	(36,192)
Capital contributions			
Transfers In	832	13,161	
Transfers Out	(105)		
Change in Net Position	48,861	11,499	(36,192)
Total Net Position - Beginning, as restated	643,470	706,569	35,009
Total Net Position - Ending	\$ 692,331	\$ 718,068	\$ (1,183)

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

Enterprise Funds

Department of Finance and Administration		
State Life and Health Insurance Plan	Nonmajor Funds	Totals
\$ 815,286	\$ 11,577	\$ 855,819
		70,623
	5,039	5,039
		7,507
	3,861	3,861
	262	262
		9,053
	3,452	3,452
815,286	24,191	955,616
	6,779	6,779
	9,117	13,308
30,552	6,868	49,538
	1,464	2,180
	1,507	19,938
823,346		869,183
	415	415
853,898	26,150	961,341
(38,612)	(1,959)	(5,725)
		2,848
	4	1,631
		2,721
	396	406
(2,193)	(2,191)	(36,093)
	1,234	1,234
(2,193)	(557)	(27,253)
	1,901	1,964
	1,901	1,964
(40,805)	(4,417)	(34,942)
	319	319
	8,046	22,039
(1,850)		(1,955)
(42,655)	3,948	(14,539)
114,331	309,528	1,808,907
\$ 71,676	\$ 313,476	\$ 1,794,368

Mississippi

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2022 (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	\$ 15,615	\$	\$
Cash receipts/premiums from customers		28,136	9,042
Cash receipts from assessments	138,617		
Cash payments to suppliers for goods and services		(11,443)	(1,195)
Cash payments to employees for services		(4,131)	(509)
Cash payments for claims and benefits	(120,459)		(27,232)
Other operating cash receipts			
Other operating cash payments			
Principal and interest received on program loans			
Issuance of program loans			
Net Cash Provided by (Used for) Operating Activities	33,773	12,562	(19,894)
Cash Flows from Noncapital Financing Activities			
Transfers in	832	12,213	
Transfers out	(105)		
Revenues from counties		2,341	
Net Cash Provided by (Used for)			
Noncapital Financing Activities	727	14,554	
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets		(19,309)	
Principal received from lease receivable			
Proceeds from sales of capital assets		10	
Proceeds from sale of bonds for capital related financing			
Principal paid on bonds and capital asset contracts		(74)	
Interest paid on bonds and capital asset contracts		(4)	
Bond Issuance costs for capital related financing			
Principal paid on right-to-use lease assets contracts			
Interest paid on right-to-use lease assets contracts		(59)	
Proceeds from insurance recovery		1,627	
Net Cash Used for Capital and Related			
Financing Activities		(17,809)	
Cash Flows From Investing Activities			
Proceeds from sales of investments		5,012	187,991
Purchases of investments		(17,995)	(171,733)
Investment income(loss)	9,730	6,058	3,471
Net Cash Provided by (Used for) Investing Activities	9,730	(6,925)	19,729
Net Change in Cash and Cash Equivalents	44,230	2,382	(165)
Cash and Cash Equivalents - Beginning	620,317	18,456	8,914
Cash and Cash Equivalents - Ending	\$ 664,547	\$ 20,838	\$ 8,749

Enterprise Funds

Department of Finance and Administration			
State Life and Health Insurance Plan	Nonmajor Funds	Totals	
\$	\$	\$	15,615
814,009	12,498		863,685
			138,617
(18,234)	(15,839)		(46,711)
	(9,173)		(13,813)
			(147,691)
	3,181		3,181
(842,946)			(842,946)
	27,520		27,520
	(23,367)		(23,367)
(47,171)	(5,180)		(25,910)
	8,046		21,091
(1,850)			(1,955)
			2,341
(1,850)	8,046		21,477
	(5,718)		(25,027)
	180		180
	408		418
	4,409		4,409
	(548)		(622)
	(192)		(196)
	(366)		(366)
	(7)		(7)
	(1)		(60)
	4		1,631
	(1,831)		(19,640)
			193,003
	(449)		(190,177)
(2,206)	(2,209)		14,844
(2,206)	(2,658)		17,670
(51,227)	(1,623)		(6,403)
203,021	115,363		966,071
\$ 151,794	\$ 113,740	\$	959,668

(Continued on Next Page)

Mississippi

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2022 (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)	\$ 38,404	\$ (4,831)	\$ 1,273
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization		18,431	
Deferred inflows - leases		(4,124)	
Change in assets and liabilities:			
(Increase) decrease in assets:			
Receivables, net	68,062	155	(11)
Due from other governments	5,611		
Due from other funds	(757)		
Due from component units	48		
Inventories			
Prepaid items		83	
Leases receivable		3,129	
Loans and notes receivable			
Increase (decrease) in liabilities:			
Warrants payable			278
Accounts payable and other liabilities	(1,004)	335	3
Due to other governments	(72,327)	43	
Due to other funds	(285)		
Claims and benefits payable	(7,067)		(21,357)
Unearned revenues	3,139	(22)	
Lease Liability		(248)	
Pension cost		(379)	(78)
Other postemployment benefits cost		(10)	(2)
Other liabilities	(51)		
Total adjustments	(4,631)	17,393	(21,167)
Net Cash Provided by (Used for) Operating Activities	\$ 33,773	\$ 12,562	\$ (19,894)
Noncash Capital and Related Financing and Investing Activities			
Capital contributions			
Gain on disposal of capital assets		10	
Change in fair value of investments		(22)	55,674
Right-to-use capital asset			

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

Enterprise Funds

Department of Finance and Administration			
State Life and Health Insurance Plan		Nonmajor Funds	Totals
\$	(38,612)	\$	(1,959)
			\$
			(5,725)
		1,507	19,938
			(4,124)
		138	68,344
(11)	(3,633)		1,967
	8		(749)
			48
	6		6
	60		143
			3,129
	(2,082)		(2,082)
		1,184	1,462
(97)	(158)		(921)
	3		(72,281)
	(49)		(334)
			(28,424)
(1,266)			1,851
			(248)
	15		(442)
	(144)		(156)
(7,185)	(76)		(7,312)
(8,559)	(3,221)		(20,185)
\$	(47,171)	\$	(5,180)
			\$
			(25,910)

	319	319
	396	406
(2,854)		52,798
	1,843	1,843

Mississippi

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2022 (Expressed in Thousands)

	Pension and Other Employee Benefits Trust Funds	Private-purpose Trust Fund	Custodial Funds
Assets			
Equity in internal investment pool	\$ 1,480	\$ 49	\$ 5,818
Cash and cash equivalents	1,099,387		115,221
Investments, at fair value:			
Short-term investments	729,100		
Long-term debt securities	6,235,379	69,326	
Equity securities	16,485,061	131,681	
Private equity	4,011,754		
Real estate investments	3,518,784	12,900	
Life insurance contracts		57,170	
Securities lending:			
Short-term investments	1,740,494		
Long-term debt securities	453,332		
Receivables, net:			
Employer contributions	61,105		
Employee contributions	30,995		
Investment proceeds	627,994		
Interest and dividends	109,532	10	
Other	683	281	13,173
Capital assets:			
Land and construction in progress	1,717		
Other capital assets, net	11,258		
Total Assets	35,118,055	271,417	\$ 134,212
Deferred Outflow of Resources			
Pension		31	
Other postemployment benefits	181	2	
Total Deferred Outflows	181	33	
Liabilities			
Investment purchases payable	1,559,904		
Warrants payable	151	4	125
Accounts payable and accruals	11,246	415	716
Due to other governments			49
Lease Liability	200		
Net Pension Liability		148	
Obligations under securities lending	2,196,224		
Net other postemployment benefits liability	848	8	
Total Liabilities	3,768,573	575	\$ 890
Deferred Inflow of Resources			
Pension		44	
Other postemployment benefits	310	5	
Total Deferred Inflows	310	49	
Net Position			
Restricted for:			
Pensions	31,348,304		
Postemployment benefits other than pensions	1,049		
Other trust beneficiaries		270,826	
Individuals, organizations and other governments			133,322
Total Net Position	\$ 31,349,353	\$ 270,826	\$ 133,322

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, 2022 (Expressed in Thousands)

	Pension and Other Employee Benefits Trust Funds	Private-purpose Trust Fund	Custodial Funds
Additions			
Contributions:			
Employer	\$ 1,266,906	\$	\$
Plan participant	618,022	39,288	
Total Contributions	1,884,928	39,288	
Net Investment Income:			
Net change in fair value of investments	(3,574,501)	(36,826)	
Interest and dividends	642,454	7,445	133
Securities lending:			
Income from securities lending	7,211		
Interest expense and trading costs from securities lending	(3,270)		
Managers' fees and trading costs	(106,458)		
Net Investment Income	(3,034,564)	(29,381)	133
Other Additions:			
Administrative fees		133	19,268
Tax collection for other governments			9,836
Child support collections			347,764
Legal settlement collections			108,275
Inmates' account collections			22,339
Patients' account collections			38,992
Other	10		1,011
Total Other Additions	10	133	547,485
Total Additions	(1,149,626)	10,040	547,618
Deductions			
Benefits	3,227,655	37,072	385
Refunds to terminated employees	120,942		
Administrative expenses	16,060	1,731	22,414
Tax payments to other governments			9,836
Child support payments			342,848
Legal settlement payments			95,300
Inmates' account payments			24,865
Patients' account payments			33,124
Depreciation	512		
Total Deductions	3,365,169	38,803	528,772
Change in Net Position	(4,514,795)	(28,763)	18,846
Net Position - Beginning	35,864,148	299,589	114,476
Net Position - Ending	\$ 31,349,353	\$ 270,826	\$ 133,322

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

Mississippi

Component Units

Statement of Net Position

June 30, 2022 (Expressed in Thousands)

	Universities	Nonmajor	Totals
Assets			
Current assets:			
Equity in internal investment pool	\$	\$ 2,198	\$ 2,198
Cash and cash equivalents	730,217	60,450	790,667
Investments	434,819	28,962	463,781
Receivables, net	367,179	15,150	382,329
Lease receivables, net		245	245
Due from other governments		93	93
Due from primary government	9,582		9,582
Inventories	42,289	1,719	44,008
Prepaid items	29,759	262	30,021
Notes receivable, net	41,154		41,154
Other assets	10,142	3,152	13,294
Total Current Assets	1,665,141	112,231	1,777,372
Noncurrent assets:			
Investments	1,038,397		1,038,397
Notes receivable, net	163,926		163,926
Restricted assets:			
Cash and cash equivalents	144,217		144,217
Investments	1,337,730		1,337,730
Capital assets:			
Land and construction in progress	491,887	12,571	504,458
Other capital assets, net	4,015,217	48,117	4,063,334
Right-to-use lease assets, net	113,766	1,908	115,674
Other assets	159,055		159,055
Total Noncurrent Assets	7,464,195	62,596	7,526,791
Total Assets	9,129,336	174,827	9,304,163
Deferred Outflows of Resources			
Refunding	45,456		45,456
Pension	417,084	4,522	421,606
Other postemployment benefits	28,214	313	28,527
Total Deferred Outflows	490,754	4,835	495,589

(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, 2022 (Expressed in Thousands)

(Continued from Previous Page)

	Universities	Nonmajor	Totals
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	319,721	40,963	360,684
Due to primary government	2,814	7,902	10,716
Unearned revenues	134,293	1,028	135,321
Bonds and notes payable	55,138		55,138
Lease liabilities	18,012	275	18,287
Net other postemployment benefits liability		39	39
Other liabilities	123,996		123,996
Total Current Liabilities	653,974	50,207	704,181
Noncurrent liabilities:			
Bonds and notes payable	1,112,862		1,112,862
Lease liabilities	97,958	1,668	99,626
Net pension liability	2,342,156	18,029	2,360,185
Net other postemployment benefits liability	119,272	951	120,223
Other liabilities	248,397	606	249,003
Total Noncurrent Liabilities	3,920,645	21,254	3,941,899
Total Liabilities	4,574,619	71,461	4,646,080
Deferred Inflows of Resources			
Refunding	3,869		3,869
Pension	752,068	5,775	757,843
Other postemployment benefits	45,576	436	46,012
Beneficial interest in irrevocable trusts	38,317		38,317
Leases	40,563	236	40,799
Total Deferred Inflows	880,393	6,447	886,840
Net Position			
Net investment in capital assets	3,365,485	60,573	3,426,058
Restricted for:			
Capital Improvements		2,446	2,446
Other purposes	1,006,548		1,006,548
Permanent endowments:			
Nonexpendable	963,748		963,748
Unrestricted (deficit)	(1,170,703)	38,735	(1,131,968)
Total Net Position	\$ 4,165,078	\$ 101,754	\$ 4,266,832

Mississippi

Component Units

Statement of Activities

For the Year Ended June 30, 2022 (Expressed in Thousands)

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Universities	Nonmajor	Total
Universities	\$ 4,057,317	\$ 2,498,112	\$ 656,586	\$ 20,324	\$ (882,295)	\$	\$ (882,295)
Nonmajor	455,853	451,923		1,191		(2,739)	(2,739)
Total	\$ 4,513,170	\$ 2,950,035	\$ 656,586	\$ 21,515	(882,295)	(2,739)	(885,034)
General revenues:							
					(211,327)	(658)	(211,985)
					381,398	3,181	384,579
					808,923		808,923
					38,210		38,210
					1,017,204	2,523	1,019,727
					134,909	(216)	134,693
					4,030,169	101,970	4,132,139
					\$ 4,165,078	\$ 101,754	\$ 4,266,832

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

Notes to the Financial Statements

June 30, 2022

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, 2022, 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

Government-wide 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 state funds or 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** – Right-to-use lease assets are intangible assets where the lessee recognizes a lease liability for the control of the right to use another entity's nonfinancial 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 assets are reported at the net present value and amortized using the effective interest rate method over the term of the lease. Right-to use lease assets are measured as the sum of the initial lease liability plus prepayments made at or before the commencement of the lease term less lease incentive received plus initial direct costs that are ancillary charges necessary to place the lease in service.

The capitalization threshold for right-to-use lease 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.

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.

Mississippi

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.
- 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.

Mississippi

- W. Changes in Accounting Standards** - The State implemented GASB Statement No. 87, *Leases* and No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* issued by GASB in the current fiscal year as required. The provisions of these standards have been incorporated into the financial statements and notes. GASB Statement No. 89 did not have a material impact on the financial statements and notes.

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 \$6,680,544,000 of restricted net position, of which \$1,088,275,000 is restricted by enabling legislation.
- B. Deficit Net Position** - At June 30, 2022, the State Treasurer Prepaid Affordable College Tuition Fund (a major proprietary fund) has a deficit net position of \$1,183,000. The deficit is a result of actual investment earnings being less than actuarial assumptions. The Department of Finance and Administration Office of Surplus Property (a nonmajor enterprise fund) has a deficit net position of \$161,000. 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, 2022, the Account, as reported in the General Fund, has an unassigned fund balance of \$557,737,000.

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D. Fund Balances – At June 30, 2022, the State's restricted, committed and assigned fund balances are summarized by purpose as follows (amounts expressed in thousands):

	Restricted	Committed	Assigned
Governmental Funds			
General			
General Government			
Fiscal Affairs	\$ 154,894	\$ 1,104,989	\$ 22,872
Regulatory	28,148	359	
Other	38,336	8,017	
Education	559,718	11,541	
Health and Social Services	1,547,229	135,678	4,708
Law, Justice and Public Safety			
Disaster Assistance		9,327	
Highway safety	36,156	3,793	
Other	23,003	8,968	
Recreation and Resources Development			
Industrial Development	757,354	3,299	388
Natural Resources	1,154,523	439	
Other	102,683	2,189	3,505
Regulation of Business and Professions	46,042	880	
Transportation			
Highways	469,430		
State Roads and Bridges	118,714		
Other	124,099	743	
Capital Projects	453,268	51,504	
Debt Service	267,134		
Total General Fund	5,880,731	1,341,726	31,473
Permanent			
Education			
Health and Social Services	1,127		
Recreation and Resources Development			
Wildlife Conservation	913		
Total Permanent Fund	2,040		
Total Governmental Funds	\$ 5,882,771	\$ 1,341,726	\$ 31,473

E. Restatements of Fund Balance and Net Position – During fiscal year 2022, the State implemented GASB 87, Leases. The provisions of this statement established standards of accounting by lessors and lessees. As a result of this implementation, net position was decreased for business type activities and component units.

The restatement of net position is summarized as follows (amounts expressed in thousands):

Net Position Balance	June 30, 2021 as previously reported	Implementation of GASB Statement No. 87 Leases	June 30, 2021 as restated
Business-type Activities			
Net Investment in capital assets	\$ 663,292	\$	663,292
Restricted	643,470		643,470
Unrestricted (deficit)	511,400	(9,255)	502,145
Total Business-type Activities	\$ 1,818,162	\$ (9,255)	\$ 1,808,907

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Component Units

Net Investment in capital assets	\$	3,341,084	\$	3,341,084
Restricted		2,077,880		2,077,880
Unrestricted (deficit)		(1,286,766)	(59)	(1,286,825)
Total Component Units	\$	4,132,198	\$ (59)	\$ 4,132,139

Note 3 - Interfund Transactions

At June 30, 2022, interfund receivables and interfund payables consisted of (amounts expressed in thousands):

Due From	Due To						
	General	Permanent	Unemployment Compensation	Port Authority at Gulfport	State Life and Health Insurance Plan	Nonmajor Enterprise	Total
Governmental:							
General	\$	\$	1	\$ 2,613	\$ 3,053	\$ 29	\$ 17,360
Proprietary:							
Unemployment Compensation	1,112						1,112
Nonmajor Enterprise	4						4
Total	\$ 1,116	\$ 1	\$ 2,613	\$ 3,053	\$ 29	\$ 17,360	\$ 24,172

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.

At June 30, 2022, 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	\$	\$	\$ 9,582	\$ 9,582
Component Units:				
Universities	2,758	56		2,814
Nonmajor	7,902			7,902
Total	\$ 10,660	\$ 56	\$ 9,582	\$ 20,298

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.

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At June 30, 2022, interfund transfers consisted of (amounts expressed in thousands):

Transfer From	Transfer To				
	General	Port Authority at Gulfport	Unemployment Compensation	Nonmajor Enterprise	Total
Governmental:					
General	\$	\$	\$	\$	\$
Permanent	1,020	13,161	832	8,046	22,039
Proprietary:					
Unemployment Compensation	105				105
State Life and Health Insurance Plan	1,850				1,850
Total	\$ 2,975	\$ 13,161	832	\$ 8,046	\$ 25,014

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.

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.

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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, 2022, of the statewide collateral pool cash deposits reported by the financial institutions, \$2,316,000 was uninsured and uncollateralized. Of the cash deposits not included in the statewide collateral pool, \$906,000 was uninsured and uncollateralized, and \$9,218,000 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.

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;

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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.

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, 2022 are as follows (amounts expressed in thousands):

Investment Type	Quality Ratings				
	AAA	AA	A	BBB	Not Rated
Asset backed securities	\$ 1,379	\$ 1,630	\$ 2,462	\$ 1,197	\$ 353
Collateralized mortgage obligations					540,551
Corporate bonds	1,792	2,709	22,178	3,554	7,817
International Equities		1,160			
Mortgage pass-throughs	714		110		324,395
Mutual funds	548,538				69,326
Repurchase Agreements					500,000
State and local obligations		1,464			165
U.S. Government agency obligations	79,065	4,574,514	727,622		499
Total	\$ 631,488	4,581,477	\$ 752,372	\$ 4,751	\$ 1,443,106

- 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, 2022, the primary government had the following investments and maturities (amounts expressed in thousands):

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Investment Type	Fair Value (in thousands)	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Asset backed securities	\$ 8,596	\$ 703	\$ 4,062	\$ 1,193	\$ 2,638
Collateralized mortgage obligations	851,174		18,874	24,246	808,054
Corporate bonds	43,981	8,902	26,465	3,567	5,047
Fixed income securities	50,149		8,787	41,362	
International fixed	23,376	9,849	10,860	2,667	
Mortgage pass-throughs	328,513	1,484	56,433	251,559	19,037
State and local obligations	1,629	250	1,171	208	
Mutual funds	533,944	533,944			
Other pass-throughs	160,606	238	3,950	58,213	98,205
Repurchase agreements	500,000	500,000			
U.S. Government agency obligations	5,362,734	1,615,897	2,606,275	1,139,034	1,528
U.S. Treasury Obligations	1,762,941	551,258	1,184,836	25,034	1,813
U.S. Treasury bills	149,300	149,300			
Total Primary Government	\$ 9,776,943	\$ 3,371,825	\$ 3,921,713	\$ 1,547,083	\$ 936,322

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. As of June 30, 2022, the primary government has the following recurring fair value measurements (amounts expressed in thousands):

Mississippi

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	\$ 8,596	\$	\$ 8,596
Collateralized mortgage obligations	851,173		851,173
Corporate bonds	43,981	2,603	41,378
Fixed income securities	50,150	50,150	
International fixed	2,667	2,667	
Mortgage pass-throughs	328,514		328,514
Mutual funds	44,811	44,811	
Other pass-throughs	160,607		160,607
Real estate investments	12,900	12,900	
State and local obligations	1,629		1,629
U.S. Government agency obligations	5,362,733		5,362,733
U.S. Treasury obligations	1,762,942	1,762,942	
U.S. Treasury bills	149,300	149,300	
Repurchase agreements	500,000		500,000
Total Debt Securities	9,280,003	\$ 2,025,373	\$ 7,254,630
Equity securities:			
Domestic equities	201,708	201,708	
International equities	74,972	54,263	20,709
Total Equity Securities	276,680	255,971	20,709
Total Investments By Fair Value Level	9,556,683	\$ 2,281,344	\$ 7,275,339
Open-ended commingled funds - foreign	65,420		
Real estate funds	18,064		
Total Investments Measured at NAV	83,484		
Total Investments Measured at Fair Value	\$ 9,640,167		

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	\$ 65,420	\$ -	Daily	Up to 30 days
Real estate funds	18,064	-	Daily	Up to 60 days
Total Investments at NAV	\$ 83,484	-		

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.

- 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

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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 Home Loan Bank	\$ 2,379,164	22.27%
Federal Home Loan Mortgage Corporation	1,131,606	10.59%
Federal Farm Credit Bank	1,749,036	16.37%
Federal Agricultural Mortgage Corporation	681,127	6.37%

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, 2022, 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;

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,

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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, 2022 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	\$ 209,372	\$ 23,895	\$ 44,215	\$ 38,933	\$ 187	\$ 301
Collateralized mortgage obligations	367,789	77,915	20,421	30,012	14,337	2,645
Commercial paper		825,874	571,208			
Corporate bonds	81,364	238,110	647,037	939,197	333,470	104,249
Mortgage pass-throughs		917,062				
Repurchase agreements	46,900	238,200	157,051			
Sovereign governments debt	256,297	132,875	262,590	151,111	151,547	68,590
State and local obligations	4,079	17,599	14,160	2,648		
U.S. Government agency obligations		49,638				
Yankee/Global bonds	21,546	14,005	4,010	15,269		
Total	\$ 987,347	\$ 2,535,173	\$ 1,720,692	\$ 1,177,170	\$ 499,541	\$ 175,785

Investment Type	Quality Ratings				
	Caa/CCC	Ca/CC	C/C	D/D	Not Rated
Asset backed securities	\$ 2,890	\$ 2	\$ 10	\$ 766	\$ 3,565
Collateralized mortgage obligations	2,702	613			31,859
Commercial paper					
Corporate bonds	14,042	155	78	297	4,615
Repurchase agreements					100,417
Sovereign governments debt	25,222	407	642	4,630	65,941
State and local obligations					
Yankee/Global bonds					
Total	\$ 44,856	\$ 1,177	\$ 730	\$ 5,693	\$ 206,397

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- 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 \$33,173,904,000 in investments at June 30, 2022, \$2,573,902,000 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, 2022, consisted of (amounts expressed in thousands):

Investment Type	Fair Value
Cash collateral securities	
Asset backed securities	\$ 80,911
Commercial paper	1,397,083
Corporate bonds	390,420
Repurchase agreements	325,412
Total cash collateral securities	2,193,826
Underlying securities on non-cash loans	
Debt securities	214,595
Equities	161,176
Real Estates Investment Trusts	4,305
Total underlying securities on non-cash loans	380,076
Total	\$ 2,573,902

- 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, 2022, the System had the following investments and maturities (amounts expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Asset backed securities	\$ 324,136	\$ 125,463	\$ 87,374	\$ 32,429	\$ 78,870
Collateralized mortgage obligations	548,293	286,722	5,124	12,545	243,902
Commercial paper	1,397,082	1,397,082			
Corporate bonds	2,362,614	366,457	899,775	532,457	563,925
Mortgage pass-throughs	969,330	4	2,480	4,229	962,617
Repurchase agreements	542,568	542,568			
Sovereign governments debt	1,119,852	35,149	458,517	346,837	279,349
State and local obligations	38,486	502	6,942	6,824	24,218
U.S. Government agency obligations	49,638		38,570	2,141	8,927
U.S. Treasury obligations	1,306,942	67,849	423,213	332,540	483,340
Yankee/Global bonds	54,830	10,126	30,793	9,707	4,204
Total	\$ 8,713,771	\$ 2,831,922	\$ 1,952,788	\$ 1,279,709	\$ 2,649,352

During fiscal year 2022, 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 \$15,700,000 at fiscal year-end. The derivatives policy limits IO and PO strips to three percent of the investment portfolio.

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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 \$548,300,000 in CMOs at June 30, 2022. Of this amount, \$78,200,000 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 \$324,100,000 in ABS held at June 30, 2022, \$21,000,000 are highly sensitive to changes in interest rates. ABS which are leveraged structures or residual interests are prohibited by the derivatives policy.

At June 30, 2022, the System has invested in \$969,300,000 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.

- 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, 2022, is as follows (amounts expressed in thousands):

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Currency	Cash and Equivalents	Equities and REITs	Debt Securities	Total Fair Value
Argentina peso	\$ 817	\$	\$	\$ 817
Australian dollar	(67,614)	285,118	78,636	296,140
Brazilian real	8,342	125,179		133,521
British pound sterling	(71,769)	670,525	66,117	664,873
Canadian dollar	(49,454)	407,911	39,520	397,977
Chilean peso	(4,460)	544		(3,916)
Chinese yuan renminbi	(21,308)	134,572	21,765	135,029
Columbian peso	(27)	125		98
Czech koruna	9	1,979		1,988
Danish krone	(21,026)	137,515	24,405	140,894
Egyptian pound	12	123		135
Euro	(396,766)	1,303,935	413,731	1,320,900
Hong Kong dollar	899	612,306		613,205
Hungarian forint	(1,337)	11,999	1,203	11,865
Indian rupee	13,658	132,613		146,271
Indonesian rupiah	1,639	62,290	5,022	68,951
Israeli shekel	(3,699)	23,313	3,407	23,021
Japanese yen	(98,417)	1,025,738	110,664	1,037,985
Kuwaiti dinar	21	1,349		1,370
Malaysian ringgit	(2,659)	5,555	2,372	5,268
Mexican peso	(6,326)	57,725	23,793	75,192
New Taiwan dollar	133	232,984		233,117
New Zealand dollar	(30,481)	4,594	17,961	(7,926)
Norwegian krone	7,958	51,993		59,951
Pakistani rupee	3	1,555		1,558
Peruvian nuevo sol	(7,550)		7,589	39
Philippines peso	16	979		995
Polish zloty	(12,620)	15,554		2,934
Qatari riyal	1,690	7,305		8,995
Russian ruble	130	3,783		3,913
Saudi Arabia riyal	1,889	32,626		34,515
Singapore dollar	(3,676)	79,973	10,348	86,645
South African rand	1,712	81,026	430	83,168
South Korean won	(23,166)	280,593	30,254	287,681
Swedish krona	12,744	182,680		195,424
Swiss franc	4,972	349,004	7,332	361,308
Thailand baht	(3,351)	32,358	3,008	32,015
Turkish lira	218	11,230		11,448
UAE dirham	75	4,110		4,185
Uruguayan peso			14,750	14,750
Total	\$ (768,769)	\$ 6,372,761	\$ 882,307	\$ 6,486,299

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- 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, 2022, 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, 2022, are as follows (amounts expressed in thousands):

Investment Type	Notional Amount	Changes in Fair Value		Fair Value at June 30, 2022	
		Classification	Amount	Classification	Amount
Foreign currency forwards	\$ (71,032,944)	Investment income	\$ 28,594	Investment	\$ (28,594)
To-be-announced securities	381,798	Investment income	1,248	Debt Securities	369,544

- 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, 2022, 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, 2022.

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 one day at June 30, 2022. 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 at June 30, 2022, were 2 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 \$380,076,000 securities lent for securities collateral as of June 30, 2022. 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, 2022, the aggregate cost of securities lending holdings, including accrued interest, was \$2,198,103,000 (fair value of \$2,196,042,000) and the aggregate fair value, including accrued interest, of the underlying securities lent was \$2,468,922,000. The value of the collateral pledged by borrowers at year end was \$2,596,150,000.

- 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.

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

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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, 2022, 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	\$ 1,397,082	\$	\$ 1,397,082	\$
Repurchase agreement	542,569		542,569	
U.S. Government agency obligations	49,638		49,638	
U.S. Treasury obligations	1,306,942	1,306,942		
Collateralized mortgage obligations	548,293		544,355	3,938
U.S. Corporate bonds	1,523,073		1,467,212	55,861
Non-U.S. Corporate bonds	839,541		839,541	
Mortgage pass-throughs	969,330		969,330	
State and local obligations	38,486		38,486	
Asset-Backed securities	324,136		324,136	
Yankee/Global bonds	54,830		54,830	
Sovereign government debt	1,119,851		1,119,851	
Total Debt Securities	8,713,771	\$ 1,306,942	\$ 7,347,030	\$ 59,799
Equity securities:				
Basic materials	706,081	706,081		
Communications	1,908,003	1,908,003		
Consumer, cyclical	1,620,622	1,620,402	220	
Consumer, non-cyclical	3,480,367	3,480,367		
Diversified	20,021	20,021		
Energy	896,004	896,004		
Financial	3,358,773	3,358,773		
Industrial	1,789,592	1,789,592		
Technology	2,737,887	2,737,887		
Utilities	393,991	393,991		
Total Equity Securities	16,911,341	16,911,121	220	0
Total Investments By Fair Value Level	25,625,112	\$ 18,218,063	\$ 7,347,250	\$ 59,799
Investments measured at NAV:				
Real estate funds	3,092,504			
Private equity funds	4,011,754			
Total Investments Measured at NAV	7,104,258			
Total Investments Measured at Fair Value	\$ 32,729,370			
International Currency	\$ 444,534			
Total Investments	\$ 33,173,904			
Investment derivative instruments:				
Foreign exchange contracts (Liabilities)	1,258,211			
Total Investment Derivative Instruments	\$ 1,258,211			

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.

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, 2022.

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

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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, 2022, 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, 2022, 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	\$ 2,495,423	\$	Quarterly	45-90 days
Value Added - Closed End	521,755	313,061	N/A	N/A
Timber	75,326		N/A	N/A
Total Real Estate	3,092,504	313,061		
Private Equity Funds:				
Diversified	4,011,754	1,463,618	N/A	N/A
Total Private Equity	4,011,754	1,463,618		
Total Investment Measured at NAV	<u>\$ 7,104,258</u>	<u>\$ 1,776,679</u>		

**Based on partnership agreement terms*

Mississippi

Note 5 - Receivables

At June 30, 2022, receivables consisted of (amounts expressed in thousands):

Governmental Activities			
	General	Permanent	Total
Accounts	\$ 361,565	\$ 146	\$ 361,711
Settlements	612,758		612,758
Taxes:			
Sales	567,943		567,943
Income	380,622		380,622
Gasoline	46,334		46,334
Other	91,910		91,910
Interest and dividends	19,944	213	20,157
Other	5		5
Gross receivables	2,081,081	359	2,081,440
Allowance for uncollectibles	(233,124)		(233,124)
Receivables, net	\$ 1,847,957	\$ 359	\$ 1,848,316
Amounts not scheduled for collection in subsequent year	\$ 668,609		\$ 668,609

A receivable of \$172,758,000 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	\$ 453,758	\$ 2,015	\$ 12	\$ 3,368	\$ 459,153
Assessments	32,320				32,320
Interest and dividends		592	507	454	1,553
Gross receivables	486,078	2,607	519	3,822	493,026
Allowance for uncollectibles	(307,647)				(307,647)
Receivables, net	\$ 178,431	\$ 2,607	\$ 519	\$ 3,822	\$ 185,379

Component Units			
	Universities	Nonmajor	Total
Accounts	\$ 1,023,660	\$ 15,091	\$ 1,038,751
Interest	3,553	85	3,638
Gross receivables	1,027,213	15,176	1,042,389
Allowance for uncollectibles	(656,132)	(26)	(656,158)
Receivables, net	\$ 371,081	\$ 15,150	\$ 386,231

Amounts not scheduled for collection in subsequent year	\$ 3,902	\$ 3,902
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Mississippi

Note 6 - Due From Other Governments

At June 30, 2022, due from other governments consisted of (amounts expressed in thousands):

	<u>Governmental Activities</u>	
	<u>General</u>	
Due from other governments	\$	1,461,393
Allowance for uncollectibles		(28,435)
Due from other governments, net	\$	<u>1,432,958</u>
Amounts not scheduled for collection in subsequent year	\$	<u>595,094</u>

Business-type Activities

Unemployment Compensation	State Life and Health Insurance plan	Port Authority at Gulfport	Total
\$ 2,546	\$ 11	\$ 792	\$ 3,349
(870)			(870)
\$ 1,676	\$ 11	792	\$ 2,479

Note 7 - Loans and Notes Receivable

At June 30, 2022, loans and notes receivables consisted of (amounts expressed in thousands):

	<u>Primary Government</u>	<u>Component Units</u>
	Governmental Activities	
	Governmental Funds	
	<u>General</u>	<u>Universities</u>
Loans and notes receivable	\$ 355,913	\$ 229,588
Allowance for uncollectibles	(144,831)	(24,508)
Loans and notes receivable, net	<u>\$ 211,082</u>	<u>\$ 205,080</u>
Amounts not scheduled for collection in subsequent year	<u>\$ 174,555</u>	<u>\$ 163,926</u>

Mississippi

Note 8 - Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2022, was as follows (amounts expressed in thousands):

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 2,524,770	\$ 25,419	\$ 3,045	\$ 2,547,144
Construction in progress	3,627,022	761,125	1,479,854	2,908,293
Right-to-use lease assets				
Land		1,307		1,307
Total capital assets not being depreciated	6,151,792	787,851	1,482,899	5,456,744
Capital assets being depreciated/amortized:				
Software	171,924			171,924
Buildings	2,383,954	11,071	5,948	2,389,077
Land improvements	295,970	4,246	22,516	277,700
Machinery and equipment	817,758	35,834	24,387	829,205
Infrastructure	13,764,599	1,487,873	257,802	14,994,670
Right-to-use lease assets				
Buildings		126,300		126,300
Machinery and equipment		26,523		26,523
Total capital assets being depreciated/amortized	17,434,205	1,691,847	310,653	18,815,399
Less accumulated depreciation/amortization for:				
Capital assets				
Software	76,497	10,456		86,953
Buildings	865,331	42,167	3,433	904,065
Land improvements	196,579	9,685	16,464	189,800
Machinery and equipment	587,686	47,731	20,785	614,632
Infrastructure	4,685,585	579,062	257,802	5,006,845
Right-to-use lease assets				
Buildings		15,046		15,046
Machinery and equipment		6,021		6,021
Total accumulated depreciation/amortization	6,411,678	710,168	298,484	6,823,362
Total capital assets being depreciated/amortized, net	11,022,527	981,679	12,169	11,992,037
Governmental activities capital assets, net	\$ 17,174,319	\$ 1,769,530	\$ 1,495,068	\$ 17,448,781

Mississippi

Business-type Activities:	Beginning Balance, as restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 132,534	\$ 5,311	\$ 12	\$ 137,833
Construction in progress	27,712	27,199	5,793	49,118
Total capital assets not being depreciated/amortized	160,246	32,510	5,805	186,951
Capital assets being depreciated/amortized:				
Buildings	160,936			160,936
Land improvements	171,911	532		172,443
Machinery and equipment	46,106	667	395	46,378
Infrastructure	291,593	204		291,797
Right-to-use lease assets				
Buildings	4,294	13	8	4,299
Machinery and equipment		27		27
Total capital assets being depreciated/amortized	674,840	1,443	403	675,880
Less accumulated depreciation/amortization for:				
Capital assets				
Buildings	36,258	2,822		39,080
Land improvements	37,635	6,670		44,305
Machinery and equipment	21,039	2,397	395	23,041
Infrastructure	65,633	7,391		73,024
Right-to-use lease assets				
Buildings	926	650	8	1,568
Machinery and equipment		8		8
Total accumulated depreciation/amortization	161,491	19,938	403	181,026
Total capital assets being depreciated/amortized, net	513,349	(18,495)	0	494,854
Business-type activities capital assets, net	\$ 673,595	\$ 14,015	\$ 5,805	\$ 681,805

Mississippi

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

Governmental Activities:

General government	\$	39,313
Education		2,439
Health and social services		26,342
Law, justice and public safety		41,953
Recreation and resources development		10,347
Regulation of business and profession		1,059
Transportation		588,715
Total depreciation/amortization expense - governmental activities	\$	<u>710,168</u>

Business-type Activities:

Port Authority at Gulfport	\$	18,431
Other business-type		1,507
Total depreciation/amortization expense - business-type activities	\$	<u>19,938</u>

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

	Project Authorization	Expended To Date	Outstanding Commitment
Governmental Activities:			
Department of Transportation	\$ 3,957,039	\$ 2,612,714	\$ 1,351,562
Department of Finance and Administration	132,948	119,239	10,227
Department of Public Safety	92,907	39,530	34,998
Department of Rehabilitation Services	13,536	13,536	
East MS State Hospital	25,977	20,980	3,787
Military Department	69,088	11,882	57,206
Fair Commission	37,595	35,726	1,857
Other projects less than \$10 million	129,009	54,686	51,755
Total governmental activities	<u>4,458,099</u>	<u>2,908,293</u>	<u>1,511,392</u>
Business-type Activities:			
Port Authority at Gulfport	50,659	37,409	17,369
Yellow Creek Port Authority	14,116	11,709	2,537
Total business-type activities	<u>64,775</u>	<u>49,118</u>	<u>19,906</u>
Total construction in progress	<u>\$ 4,522,874</u>	<u>\$ 2,957,411</u>	<u>\$ 1,531,298</u>

Mississippi

Component Units

At June 30, 2022, capital assets consisted of (expressed in thousands):

	Universities	Nonmajor	Total
Capital assets not being depreciated/amortized:			
Land	\$ 119,260	\$ 10,765	\$ 130,025
Construction in progress	372,627	1,806	374,433
Right-to-use lease assets			
Land	2,336		2,336
Total capital assets not being depreciated	494,223	12,571	506,794
Capital assets being depreciated/amortized:			
Buildings	4,823,297	26,262	4,849,559
Land improvements	537,432	58,675	596,107
Machinery and equipment	1,470,353	26,579	1,496,932
Infrastructure		50,769	50,769
Right-to-use lease assets			
Buildings	90,335	2,184	92,519
Machinery and equipment	40,219	388	40,607
Total capital assets being depreciated	6,961,636	164,857	7,126,493
Less accumulated depreciation/amortization	2,834,989	114,831	2,949,820
Total capital assets being depreciated/amortized, net	4,126,647	50,026	4,176,673
Component units capital assets, net	\$ 4,620,870	\$ 62,597	\$ 4,683,467

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, 2022, 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.

Refunding and Defeased Bonds

During fiscal year 2022, the State issued the following General Obligation Refunding Bonds; which are reported in governmental activities:

Taxable General Obligation Refunding Bonds, Series 2021E totaling \$838,030,000 dated December 9, 2021. The Series 2021E Bonds were issued for the purpose of providing funds to advance refund and defease certain maturities of the State's (i) \$150,695,000 of the State's \$154,685,000 (original principal amount) General Obligation Bonds, Series 2015A, dated February 18, 2015, (ii) \$28,640,000 of the \$249,980,000 (original principal amount) General Obligation Refunding Bonds, Series 2015C (Tax-Exempt), dated February 18, 2015, (iii) \$112,060,000 of the \$182,595,000 (original principal amount) General Obligation Bonds, Series 2015F, dated December 8, 2015, (iv) \$139,180,000 of the \$188,850,000 (original principal amount) General Obligation Bonds, Series 2016B (Tax-Exempt), dated December 22, 2016, (v) \$149,020,000 of the \$442,775,000 (original principal amount) General Obligation Refunding Bonds, Series 2017A, dated June 28, 2017, and (vi) \$137,960,000 of the \$188,860,000 (original principal amount) General Obligation Bonds, Series 2018A (Tax-Exempt), dated

Mississippi

November 7, 2018. These bonds will mature serially beginning in 2022 through 2036 with interest rates ranging from 0.304% to 2.537%. The advance refunding and defeasing was undertaken to reduce debt service payments by \$64,395,000 and to obtain an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$53,334,000.

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, 2022, \$1,121,530,000 of outstanding general obligation bonds are considered defeased.

At June 30, 2022, the primary government's outstanding general obligation bonds and notes as presented in governmental activities and business-type activities are (amounts expressed in thousands):

Purpose	Outstanding Amount	Interest Rates	Final Maturity Date	Original Amount
Governmental Activities:				
Bonds:				
Technology Alliance	\$ 1,285	1.81% - 3.14%	Oct. 2032	\$ 1,999
Farish Street Historic District	88	4.13% - 4.35%	Nov. 2023	500
Heritage, History, and Culture Tourism	125	4.13% - 4.35%	Nov. 2023	700
Small Business and Existing Forestry Industry	870	4.13% - 4.35%	Nov. 2023	5,000
State Railroad Revitalization	175	4.13% - 4.35%	Nov. 2023	1,000
Sustainable Energy	85	4.13% - 4.35%	Nov. 2023	500
Local Governments Capital Improvements	5,195	2.40% - 2.98%	Oct. 2026	12,500
State Shipyard Improvements	142,994	1.81% - 4%	Oct. 2032	199,961
Hinds County Development Project Loans	11,518	0.41% - 3.85%	Oct. 2032	27,000
Job Protection	940	2.40% - 3.85%	Oct. 2026	3,000
Railroad Lines and Bridges Improvement	1,824	2.40% - 4.35%	Oct. 2026	5,900
Workforce Training	2,874	2.40% - 5%	Oct. 2041	7,000
Industry Incentive Financing	167,864	0.41% - 4.35%	Jun. 2030	413,010
Small Enterprise Development Finance	715	4.88%	Jul. 2023	9,025
ACE Fund	91,747	0.41% - 5.54%	Oct. 2032	140,672
Existing Industry	17,042	3.39% - 5.54%	Oct. 2029	38,000
Rural Impact	1,671	3.39% - 5.54%	Oct. 2029	4,700
Statewide Wireless Communication System	20,088	3.39% - 5.54%	Oct. 2029	37,000
Major Economic Impact	338,739	0.41% - 5%	Oct. 2041	510,003
Port Improvements	1,000	0.84% - 2.19%	Oct. 2032	1,000
Rail Authority of East Mississippi	84	3% - 5%	Nov. 2026	357
North Central MS Regional Railroad Grant	12,871	2.67% - 3.16%	Nov. 2025	30,000
Railroad Improvements	1,115	2.67% - 3.16%	Nov. 2025	2,600
Farm Reform	3,149	0.41% - 5.67%	Oct. 2034	4,000
Small Municipalities and Limited				
Population Counties	23,388	0.41% - 5.67%	Oct. 2034	35,747
Business Investment	54,284	0.41% - 5.25%	Nov. 2034	76,382
Economic Development Highway	128,268	1.81% - 5.54%	Nov. 2034	177,996
Capital Improvements	987,990	0.41% - 5.67%	Oct. 2041	1,140,575
General Obligation Refunding Bonds	2,253,710	0.25% - 5.54%	Nov. 2036	3,134,182
Local Governments Water System Improvement	7,455	0.41% - 5.25%	Nov. 2034	9,399
Local System Bridge Replacement and				
Rehabilitation	43,731	4% - 5.25%	Nov. 2038	43,731
Rural Fire Truck Acquisition	5,900	4.35% - 5.67%	Nov. 2034	5,900
Transportation	87,210	1.81% - 5.45%	Oct. 2041	139,176
Total Bonds	4,415,994			6,218,515
Premiums	171,711			-
Total Governmental Activities	4,587,705			6,218,515
Business-type Activities:				
General Obligation Refunding Bonds	36	5.25%	Nov. 2022	1,025
Total General Obligation Bonds and Notes	<u>\$ 4,587,741</u>			<u>\$ 6,219,540</u>

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At June 30, 2022, future general obligation debt service requirements for the primary government are (amounts expressed in thousands):

Year Ending June 30	Governmental Activities	
	Bonds	
	Principal	Interest
2023	\$ 294,314	\$ 142,339
2024	308,665	133,408
2025	306,105	124,581
2026	314,505	114,835
2027	298,515	104,576
2028-2032	1,395,085	378,118
2033-2037	1,212,525	154,271
2038-2042	286,280	20,079
Total	4,415,994	1,172,207
Premiums	171,711	
Total Debt Service, Net	\$ 4,587,705	\$ 1,172,207

Year Ending June 30	Business-type Activities	
	Principal	Interest
2023	\$ 36	\$ 1
Total	36	1
Premiums		
Total Debt Service, Net	\$ 36	\$ 1

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, 2022, the primary government's future limited obligation debt service requirements are (amounts expressed in thousands):

Year Ending June 30	Principal	Interest
2023	\$ 15,855	\$ 19,744
2024	16,650	18,932
2025	17,480	18,078
2026	18,355	17,182
2027	19,275	16,242
2028-2032	111,820	65,367
2033-2037	142,720	33,700
2038-2042	67,580	2,901
Total	409,735	192,146
Premiums	45,307	
Total Debt Service, Net	\$ 455,042	\$ 192,146

Mississippi

Note 10 – Bonds Authorized but Unissued

At June 30, 2022, 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		
ACE Fund	80,000	51,000
Business Investment Act	397,500	60,223
Capital Improvements	534,315	114,087
Deer Island Project	10,000	1,200
Economic Development Highway	78,000	65,600
Emerging Crops	114,000	3,000
Hinds County Development Project	10,000	3,000
Major Economic Impact	281,100	75,350
MS Industry Incentive Financing Program	211,000	91,000
Small Enterprise Development Finance	140,000	139,285
Transportation - Access Roads	4,000	4,000
	<u>\$ 1,859,915</u>	<u>\$ 607,745</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, 2022, outstanding revenue bonds and notes are (amounts expressed in thousands):

Purpose	Outstanding Amount	Interest Rates	Final Maturity Date	Original Amount
Component Units				
Universities:				
Bonds	\$ 1,151,529	.29% - 5.90%	June 2047	\$ 1,514,138
Notes	<u>9,041</u>	<u>0.93% - 2.745%</u>	<u>June 2028</u>	<u>17,500</u>
Total Component Units	<u>\$ 1,160,570</u>			<u>\$ 1,531,638</u>

At June 30, 2022, future revenue bond and note debt service requirements are (amounts expressed in thousands):

Year Ending June 30	Component Units	
	Principal	Interest
2023	\$ 53,561	\$ 43,197
2024	55,650	41,215
2025	54,519	39,141
2026	56,535	36,758
2027	56,615	34,640
2028-2032	297,791	139,275
2033-2037	275,131	84,613
2038-2042	193,533	44,353
2043-2047	<u>117,235</u>	<u>12,825</u>
	<u>\$ 1,160,570</u>	<u>\$ 476,017</u>

Mississippi

Note 12 - Other Long-term Liabilities

A. Compensated Absences - The State's liability for compensated absences at June 30, 2022 is \$130,466,000 for governmental activities and \$850,000 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 \$138,813,000 of which \$138,032,000 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-O).

B. Pollution Remediation Obligation - As of June 30, 2022, four 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, 2022, the primary government's pollution remediation obligation is \$51,153,000. 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, 2022, 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:				
Energy efficiency	926	2.39% - 3.51%	Apr. 2023	4,825
Buildings	136,967	1.1% - 5.37%	Feb. 2034	301,164
Roads and bridges	505,750	1% - 6.59%	Jan. 2040	864,490
Equipment	6,541	2.20% - 4.49%	Apr. 2029	11,578
Total	650,184			1,182,057
Premiums	40,985			
Total Notes Payable, Net	<u>\$ 691,169</u>			<u>\$ 1,182,057</u>
Business-Type Activities:				
Land	4,232	4.5%	Apr. 2029	5,750
Building	4,409	3.5%	Aug. 2031	4,409
Total Notes Payable, Net	<u>\$ 8,641</u>			<u>\$ 10,159</u>

The State's outstanding notes payable from direct borrowings related to business-type activities of \$8,641,000 is secured with land and a building.

Refunding and Defeased Notes

In prior years, the State defeased certain outstanding notes 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 notes and related trust accounts are not included in the financial statements. At June 30, 2022, \$43,135,000 of outstanding notes are considered defeased.

At June 30, 2022, the primary government's future debt service requirements for notes payable are (amounts expressed in thousands):

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Notes Payable from Direct Borrowings

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 66,617	\$ 33,635	\$ 749	\$ 327
2024	67,956	28,700	896	345
2025	70,238	25,952	985	256
2026	74,604	22,942	1,033	208
2027	66,406	19,342	1,083	158
2028 - 2032	178,269	61,380	3,895	576
2033 - 2037	91,574	25,402		
2038 - 2042	34,520	4,489		
Total	650,184	221,842	8,641	1,870
Premiums	40,985			
Total Debt Service, Net	\$ 691,169	\$ 221,842	\$ 8,641	\$ 1,870

Note 13 - Changes in Long-term Liabilities

Changes in the primary government's long-term liabilities for the year ended June 30, 2022 are summarized below (amounts expressed in thousands):

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds (Note 9)	\$ 4,270,335	\$ 1,130,970	\$ 985,311	\$ 4,415,994	\$ 294,314
General Obligation Notes from Direct Borrowings (Note 9)	87,000		87,000	0	
Premiums/Discounts (Note 9)	237,243	33,999	99,531	171,711	19,325
Limited Obligation Bonds (Note 9)	424,835		15,100	409,735	15,855
Premiums (Note 9)	48,344		3,037	45,307	3,037
Notes Payable from Direct Borrowings, reclassified (Note 12)	712,575	2,575	64,966	650,184	66,617
Premiums (Note 12)	49,764		8,779	40,985	8,779
Total Bonds and Notes	5,830,096	1,167,544	1,263,724	5,733,916	407,927
Accrued Compensated Absences (Note 12)	128,466	74,289	72,289	130,466	10,515
Pollution Remediation Obligation (Note 12)	46,624	17,420	12,891	51,153	9,140
Lease Liability (Note 14)	136,664	17,469	21,243	132,890	23,225
	\$ 6,141,850	\$ 1,276,722	\$ 1,370,147	\$ 6,048,425	\$ 450,807
Business-type Activities:					
General Obligation Bonds (Note 9)	\$ 110	\$	\$ 74	\$ 36	\$ 36
Accrued Compensated Absences (Note 12)	740	134	24	850	61
Notes Payable from Direct Borrowings (Note 12)	4,756	4,409	524	8,641	749
Lease Liability (Note 14)	3,482	40	621	2,901	587
	\$ 9,088	\$ 4,583	\$ 1,243	\$ 12,428	\$ 1,433

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.

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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 throughout 2067 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, 2022, the future principal and interest lease payments are (amounts expressed in thousands):

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 23,225	\$ 4,650	\$ 587	\$ 69
2024	20,338	3,806	578	54
2025	15,920	3,111	497	38
2026	12,188	2,574	420	24
2027	7,579	2,188	319	11
2028-2032	30,967	7,170	410	21
2033-2037	16,139	2,560	90	1
2038-2042	5,069	493		
2043-2047	216	259		
2048-2052	261	214		
2053-2057	316	159		
2058-2062	382	93		
2063-2067	290	19		
Total	\$ 132,890	\$ 27,296	\$ 2,901	\$ 218

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 2077. During the year end June 30, 2022, the State recognized the following lease related revenue (amounts expressed in thousands):

Year Ending June 30	Governmental Activities	Business-type Activities
Lease revenue	\$ 1,543	\$ 4,304
Interest revenue	\$ 420	\$ 2,721

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.

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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.

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, 2022, the total annual COLA payments for PERS were \$849,803,000.

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, 2022, the total annual COLA payments for MHSPRS were \$11,901,000.

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 COLAs calculated identically to PERS retirees and beneficiaries. For the year ended June 30, 2022, the total COLAs for SLRP were \$433,000.

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

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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 COLAs, 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, 2022, the total COLAs for MRS plans were \$5,297,000.

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):

	PERS	MHSPRS	SLRP	MRS
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	.93 - 5.38 mills***
Plan members	9%	7.25%	3%*	N/A
Employer contributions made	\$1,211,004	\$19,476**	\$607	\$15,741

* 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 \$3,700,000 was used to calculate the actuarially determined contributions for MHSPRS. The actual amount received in 2022 was \$3,501,000.

*** Based on assessed property values.

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

At June 30, 2022, the State reported a net pension liability of \$2,489,564,000 for its proportionate share of the net pension liability in PERS. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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 16.85%, a decrease of .13% from the prior year.

At June 30, 2022, the State reported a net pension liability of \$112,166,000 and \$322,000 for MHSPRS and SLRP, respectively. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020.

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):

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MHSPRS	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 555,149	\$ 364,102	\$ 191,047
Changes for the Year:			
Service Cost	8,235		8,235
Interest	41,571		41,571
Difference between Expected and Actual Experience	7,018		7,018
Assumption Changes	1,677		1,677
Contributions - employer		19,563	(19,563)
Contributions - employee		2,378	(2,378)
Net investment income		115,761	(115,761)
Benefit payment, including refunds of employee contributions	(37,500)	(37,500)	0
Administrative expense		(320)	320
Net Changes	21,001	99,882	(78,881)
Balances at June 30, 2022	\$ 576,150	\$ 463,984	\$ 112,166

SLRP	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 22,388	\$ 17,995	\$ 4,393
Changes for the Year:			
Service Cost	594		594
Interest	1,673		1,673
Difference between expected and actual experience	(133)		(133)
Assumption Changes	364		364
Contributions - employer		604	(604)
Contributions - employee		245	(245)
Net investment income		5,732	(5,732)
Benefit payment, including refunds of employee contributions	(1,614)	(1,614)	0
Administrative expense		(12)	12
Net Changes	884	4,955	(4,071)
Balances at June 30, 2022	\$ 23,272	\$ 22,950	\$ 322

For the year ended June 30, 2022, the State recognized pension expense of \$87,779,000 for PERS, \$7,567,000 for MHSPRS, and (\$349,000) for SLRP for a total of \$94,997,000. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts expressed in thousands):

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	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS		
Difference between expected and actual experience	\$ 39,945	\$
Net difference between projected and actual earnings on pension plan investments		748,902
Changes in proportion	7,118	30,264
Changes of assumptions	191,595	
Contributions subsequent to the measurement date	196,599	
Total PERS	435,257	779,166
MHSPRS		
Differences between expected and actual experience	5,729	3
Net difference between projected and actual earnings on pension plan investments		60,234
Changes of assumptions	2,045	
Contributions subsequent to the measurement date	19,476	
Total MHSPRS	27,250	60,237
SLRP		
Differences between expected and actual experience		115
Net difference between projected and actual earnings on pension plan investments		2,976
Changes of assumptions	274	
Contributions subsequent to the measurement date	607	
Total SLRP	881	3,091
Total	\$ 463,388	\$ 842,494

Contributions subsequent to the measurement date of \$196,599,000 for PERS, \$19,476,000 for MHSPRS and \$607,000 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, 2023. 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):

Year ended June 30	PERS Net Outflows & Inflows of Resources	MHSPRS Net Outflows & Inflows of Resources	SLRP Net Outflows & Inflows of Resources
2023	\$ (102,260)	\$ (11,558)	\$ (651)
2024	(92,012)	(11,769)	(631)
2025	(122,815)	(12,333)	(660)
2026	(223,421)	(16,803)	(875)
Total	\$ (540,508)	\$ (52,463)	\$ (2,817)

Actuarial Assumptions

The collective total pension liability was determined by an actuarial valuation prepared as of June 30, 2020. Subsequent to the June 30, 2020 valuation, the Board adopted new actuarial assumptions based on the experience investigation for the four-year period ending June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021. 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% - 8.56 %	2.65% - 8.21% %
Investment rate of return*	7.55 %	7.55 %	7.55 %
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

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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 four-year period from July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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 as of June 30, 2020, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	27 %	4.60 %
International equity	22	4.50
Global equity	12	4.80
Fixed income	20	(0.25)
Real estate	10	3.75
Private equity	8	6.00
Cash	1	(1.00)
Totals	100 %	

Single-Employer Benefit Plan Employees

The following employees were covered by the benefit terms of MHSPRS and SLRP at June 30, 2020:

	MHSPRS	SLRP
Inactive employees or beneficiaries currently receiving benefits	740	235
Inactive employees assumed eligible for a benefit at retirement date	47	29
Inactive employees assumed not to receive service retirement benefits	25	33
Active employees	511	171
Totals	1,323	468

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. 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%, 7.25% and 3% for PERS, MHSPRS and SLRP, respectively, and that employer contributions will be made at the current employer contribution rate 17.4%, 49.08% and 7.4% for PERS, MHSPRS and SLRP, respectively. 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 7.55%, 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 (6.55%) or 1-percentage-point higher (8.55%) than the current rate (amounts expressed in thousands):

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	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	6.55%	7.55%	8.55%
PERS	\$ 3,525,806	\$ 2,489,564	\$ 1,635,618
MHSPRS	183,159	112,166	53,408
SLRP	2,545	322	(1,585)
Total	\$ 3,711,510	\$ 2,602,052	\$ 1,687,441

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.

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, 2022, the State's actuarially determined contributions to the OPEB plan were \$4,347,000.

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

At June 30, 2022, the State reported a liability of \$144,306,000 for its proportionate share of the net OPEB liability. The liability was measured as of June 30, 2021, 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

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governmental activities, the net OPEB liability is typically paid from the general fund. At the measurement date the State's proportion was 22.42% which is a decrease of .39% from the previous year.

For the year ended June 30, 2022, the State recognized OPEB expense of (\$11,302,000). At June 30, 2022, 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	\$ 157	\$ 45,123
Net difference between projected and actual OPEB		
Plan investments	7	
Changes in proportion	8,981	17,872
Changes of assumptions	23,372	4,881
Contributions subsequent to the measurement date	4,347	
Total	<u>\$ 36,864</u>	<u>\$ 67,876</u>

Contributions subsequent to the measurement date of \$4,347,000 reported as deferred outflows of resources will be recognized as a reduction of the collective net OPEB liability in the year ended June 30, 2023. 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
2023	\$ (9,651)
2024	(8,965)
2025	(6,316)
2026	(6,468)
2027	(3,959)
	<u>\$ (35,359)</u>

Actuarial Assumptions

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to the periods included in the measurement:

Inflation	2.40%
Salary increases, including inflation	2.65% - 17.9%
Investment rate of return	4.5%
Municipal bond index rate	
Measurement Date	2.13%
Prior Measurement Date	2.19%
Year FNP is projected to be deleted	
Measurement Date	2021
Prior measurement date	2020
Single equivalent interest rate, net of OPEB plan	
Investment expense, including price inflation	
Measurement Date	2.13%
Prior measurement date	2.19%
Healthcare cost trend rates	
Medicare supplement claims	6.5% for 2022 decreasing to an
Pre-Medicare	ultimate rate of 4.5% by 2030
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

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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
hired 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, 2021 valuation were based on the results of the last actuarial experience study, dated April 20, 2021.

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, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 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 Actuarial Assumptions and Methods

The discount rate was changed from 2.19% for the prior measurement date to 2.13% for the current measurement date.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.13%. The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2021 the trust has \$1,044,000. 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, 2020 and the June 30, 2021 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2021 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 2.13%, 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 (1.13%) or 1-percentage-point higher (3.13%) than the current rate (amounts expressed in thousands):

	1% Decrease 1.13%	Current Discount Rate 2.13%	1% Increase 3.13%
State's proportionate share of net OPEB liability	\$ 159,727	\$ 144,307	\$ 131,159

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 2030, 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	\$ 133,665	\$ 144,307	\$ 156,349

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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, 2022, the Department of Transportation had contracts outstanding of approximately \$1,287,000,000 with performance continuing during fiscal year 2023. Of this amount \$57,215,000 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 67 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 \$68,589,000 outstanding at June 30, 2022 for construction, repair and maintenance of state and county roads. These contracts will be paid through the General Fund. Approximately 12 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 tax levies.

The Office of Building, Grounds and Real Property Management had outstanding construction, repair and maintenance contracts of \$199,612,000 at June 30, 2022. These contracts will be paid from the General Fund.

The Military Department had contracts outstanding of approximately \$51,379,000 at June 30, 2022. Approximately 100 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 Port Authority at Gulfport (a major enterprise fund) had contracts outstanding of approximately \$13,250,000 at June 30, 2022. 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.

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, 2022, the encumbrance amounts in the General Fund were \$54,576,000.

Note 18 - Risk Management

The State has elected to finance most exposures to risk through the retention of risk. The exposures to risk retained by the State are health and life benefits, tort liability, unemployment benefits and workers' compensation benefits. The State utilizes the 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. Nonincremental 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 2021 and 2022 are as follows (amounts expressed in thousands):

		Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance	Due within one year
2021	\$	149,304	861,837	836,161	174,980	140,272
2022		174,980	948,278	950,251	173,007	145,424

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

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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 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.

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.

- 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 \$22,440,000 in pending litigation, the State considers \$22,440,000 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 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, 2022, outstanding MDA loan guarantees totaled \$6,333,000.

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- C. **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 \$2,299,517,000 at June 30, 2022. 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, 2022, 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 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,

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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 2022 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	<u>23,822</u>
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	<u>8,747</u>
Total	<u>\$ 32,569</u>

* 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 2022.

Note 21 - Subsequent Events

Subsequent to year end, the State issued the following general obligation bonds:

Tax-Exempt General Obligation Bonds, Series 2022A totaling \$46,435,000, dated September 29, 2022. These bonds were issued to provide funding to finance various capital improvements for institutions of higher learning and community colleges in the State. Principal payments begin in October 2026 with interest payments of 4.54% or 3.20% and maturing October 2032.

Taxable General Obligation Bonds, Series 2022B totaling \$15,100,000 dated September 29, 2022. These bonds were issued to provide funds to finance economic development projects in the State through the Hinds County Development Loan Project Fund. These bonds will mature in October 2025 with an interest rate of 4.55%.

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Required Supplementary Information

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

For the Year Ended June 30, 2022 (Expressed in Thousands)

	General Fund			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues				
Sales tax	\$ 2,243,900	\$ 2,243,900	\$ 2,553,653	\$ 309,753
Individual income tax	1,883,600	1,883,600	2,499,590	615,990
Corporate income and franchise taxes	490,000	490,000	854,566	364,566
Use and wholesale compensating taxes	385,300	385,300	428,958	43,658
Tobacco, beer and wine taxes	169,900	169,900	163,971	(5,929)
Insurance tax	361,400	361,400	385,951	24,551
Oil and gas severance taxes	16,800	16,800	33,631	16,831
Alcoholic Beverage Control excise and privilege taxes and net profit on sale of alcoholic beverages	94,000	94,000	108,813	14,813
Other taxes	12,200	12,200	14,268	2,068
Interest	12,500	12,500	15,865	3,365
Auto privilege, tag and title fees	9,300	9,300	8,561	(739)
Gaming fees	125,000	125,000	174,004	49,004
Highway Safety Patrol fees	18,700	18,700	19,706	1,006
Other fees and services	89,200	89,200	108,217	19,017
Miscellaneous	14,000	14,000	15,751	1,751
Court assessments and settlements			1	1
Special Fund revenues				
Total Revenues	5,925,800	5,925,800	7,385,506	1,459,706
Expenditures by Major Budgetary Function				
Legislative	30,809	30,954	30,130	(824)
Judiciary and justice	106,257	106,954	106,574	(380)
Executive and administrative	15,409	16,509	14,351	(2,158)
Fiscal affairs	141,073	141,203	136,881	(4,322)
Public education	2,317,007	2,319,357	2,309,396	(9,961)
Higher education	746,335	746,695	745,893	(802)
Public health	33,274	33,274	33,004	(270)
Hospitals and hospital schools	214,082	214,082	213,669	(413)
Agriculture, commerce and economic development	111,953	111,953	111,436	(517)
Conservation and recreation	43,832	43,832	43,803	(29)
Insurance and banking	16,892	16,892	16,563	(329)
Corrections	323,552	323,552	321,928	(1,624)
Social welfare	1,041,736	1,043,321	1,042,973	(348)
Public protection and veterans assistance	125,506	125,506	125,470	(36)
Local assistance	79,013	79,013	79,013	0
Motor vehicle and other regulatory agencies				
Miscellaneous	22,659	22,659	21,949	(710)
Public works				
Debt service	439,070	439,070	412,520	(26,550)
Total Expenditures	5,808,459	5,814,826	5,765,553	(49,273)
Excess of Revenues over (under) Expenditures	117,341	110,974	1,619,953	1,508,979
Other Financing Sources (Uses)				
Transfers in	1,200	1,200	1,200	
Transfers out			(1,626,993)	(1,626,993)
Other sources/uses of cash			(68)	(68)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	118,541	112,174	(5,908)	(118,082)
Budgetary Fund Balances - Beginning	10,148	10,148	10,148	
Budgetary Fund Balances - Ending	\$ 128,689	\$ 122,322	\$ 4,240	\$ (118,082)

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

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)
\$ 343,661	\$ 345,380	\$ 378,115	\$ 32,735	\$	\$	\$	\$
64,945	62,152	85,230	23,078				
		67	67				
		69	69				
				17,076,568	20,369,934	12,632,436	(7,737,498)
408,606	407,532	463,481	55,949	17,076,568	20,369,934	12,632,436	(7,737,498)
				4,750	1,108	1,086	(22)
				42,511	54,644	38,102	(16,542)
				16,340	43,037	35,948	(7,089)
				559,852	512,562	454,442	(58,120)
317,186	311,522	303,948	(7,574)	1,926,824	3,821,490	1,380,171	(2,441,319)
120,333	120,333	118,633	(1,700)	2,766,999	2,767,658	84,206	(2,683,452)
				553,928	916,708	408,752	(507,956)
				410,088	433,992	360,552	(73,440)
3,276	3,276	3,276		217,713	183,257	93,401	(89,856)
125	125	125		470,181	637,101	246,100	(391,001)
				33,915	35,225	29,023	(6,202)
				30,045	32,430	24,645	(7,785)
				7,530,437	8,328,524	7,454,104	(874,420)
				1,010,669	1,037,572	454,803	(582,769)
				30,464	30,670	25,217	(5,453)
490	490	475	(15)	23,208	25,079	4,032	(21,047)
				1,418,129	1,478,362	1,291,019	(187,343)
				30,515	30,515	1,978	(28,537)
441,410	435,746	426,457	(9,289)	17,076,568	20,369,934	12,387,581	(7,982,353)
(32,804)	(28,214)	37,024	65,238	0	0	244,855	244,855
		161,418	161,418				
(32,804)	(28,214)	198,442	226,656	0	0	244,855	244,855
		517,161	517,161			706,711	706,711
\$ (32,804)	\$ (28,214)	\$ 715,603	\$ 743,817	\$ 0	\$ 0	\$ 951,566	\$ 951,566

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Required Supplementary Information

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

For the Year Ended June 30, 2022

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, 2022 is presented below (amounts expressed in thousands):

Budgetary Funds	General	Education Enhancement	Special
Financial Statement Major Fund	General		
Net Change in Budgetary Fund Balances	\$ (5,908)	\$ 198,442	\$ 244,855
Reclassifications:			
Budgetary fund excesses are reclassified to the General Fund for GAAP reporting	(442,287)	(198,442)	(243,845)
The State reports amounts in the budgetary funds that are reported in other major and nonmajor funds			(1,010)
Adjustments:			
The financial reporting fund structure includes funds that are not part of the budgetary fund structure	(1,762,712)		
Financial statements are presented using a modified accrual basis of accounting while budgetary basis is cash plus commitments	4,138,128		
Net Change in GAAP Fund Balances	\$ 1,927,221	\$ 0	\$ 0

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Mississippi

Required Supplementary Information

Schedule of Employer Contributions

Mississippi Highway Safety Patrol Retirement System

Last 10 Fiscal Years (Amounts Expressed in Thousands)*

	2022	2021	2020	2019	2018
Actuarially determined employer contribution	\$ 19,476	\$ 19,563	\$ 20,144	\$ 19,375	\$ 15,128
Contributions in relation to actuarially determined contribution	(19,476)	(19,563)	(20,144)	(19,375)	(15,128)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 30,895	\$ 29,780	\$ 32,346	\$ 31,811	\$ 29,555
Actual contributions as a percentage of covered payroll	63.04%	65.69%	62.28%	60.91%	51.19%

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, 2020, 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	21.7 years
Asset valuation method	5-year smoothed fair value
Price Inflation	2.75%
Salary increase	3% to 8.56%, including inflation
Investment rate of return	7.75%, 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 \$3,501,000 collected for fiscal year 2022.

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

2017	2016	2015
\$ 14,809	\$ 14,755	\$ 13,695
(14,809)	(14,755)	(13,695)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 28,845	\$ 27,380	25,505
51.34%	53.89%	53.7%

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Required Supplementary Information

Schedule of Employer Contributions Supplemental Legislative Retirement System

Last 10 Fiscal Years (Amounts Expressed in Thousands)*

	2022	2021	2020	2019	2018
Actuarially determined employer contribution	\$ 607	\$ 604	\$ 512	\$ 525	\$ 513
Contributions in relation to actuarially determined contribution	(607)	(604)	(512)	(525)	(513)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 8,180	\$ 8,030	\$ 6,891	\$ 6,937	\$ 6,833
Actual contributions as a percentage of covered payroll	7.42%	7.52%	7.43%	7.57%	7.51%

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, 2020, 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	27.7 years
Asset valuation method	5-year smoothed fair value
Price Inflation	2.75%
Salary increase	3%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

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

2017		2016		2015	
\$	522	\$	514	\$	511
	(522)		(514)		(511)
<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>
\$	6,928	\$	6,862	\$	6,861
	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)*

	2022	2021	2020	2019	2018
Contractually required employer contribution	\$ 196,599	\$ 194,673	\$ 196,508	\$ 173,162	\$ 172,818
Contributions in relation to contractually required contribution	(196,599)	(194,673)	(196,508)	(173,162)	(172,818)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 1,129,881	\$ 1,118,808	\$ 1,129,357	\$ 1,099,260	\$ 1,097,260
Actual contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	15.75%	15.75%

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, 2020, 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	27.7 years
Asset valuation method	5-year smoothed fair value
Price Inflation	2.75%
Salary increase	3% to 18.25%, including inflation
Investment rate of return	7.75%, 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.

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

2017	2016	2015
\$ 177,852	\$ 179,792	\$ 179,936
(177,852)	(179,792)	(179,936)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
\$ 1,129,216	\$ 1,141,539	\$ 1,142,452
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)*

	2022	2021	2020	2019	2018
Total pension liability					
Service Cost	\$ 8,235	\$ 8,104	\$ 7,372	\$ 7,205	\$ 7,328
Interest	41,571	40,624	39,532	37,338	37,086
Differences between expected and actual experience	7,018	(7)		17,311	(5,780)
Changes in assumptions	1,677		2,286		(3,598)
Benefit payments	(37,433)	(35,455)	(34,671)	(32,315)	(31,001)
Refund of contributions	(67)	(48)	(16)	(103)	(144)
Net change in total pension liability	21,001	13,218	14,503	29,436	3,891
Total pension liability - beginning	555,149	541,931	527,428	497,992	494,101
Total pension liability - ending	\$ 576,150	\$ 555,149	\$ 541,931	\$ 527,428	\$ 497,992
Plan fiduciary net position					
Contributions - employer	\$ 19,563	\$ 20,144	\$ 19,375	\$ 15,128	\$ 14,809
Contributions - employee	2,378	2,428	2,340	2,271	2,147
Net investment income	115,761	11,196	25,280	27,719	44,499
Benefit payments	(37,433)	(35,455)	(34,671)	(32,315)	(31,001)
Refund of contributions	(67)	(48)	(16)	(103)	(144)
Administrative expense	(320)	(328)	(312)	(250)	(203)
Net Change in plan fiduciary net position	99,882	(2,063)	11,996	12,450	30,107
Plan fiduciary net position - beginning	364,102	366,165	354,169	341,719	311,612
Plan fiduciary net position - ending	463,984	364,102	366,165	354,169	341,719
Net pension liability - ending	\$ 112,166	\$ 191,047	\$ 175,766	\$ 173,259	\$ 156,273
Total pension liability	576,150	555,149	541,931	527,428	497,992
Total plan fiduciary net position	463,984	364,102	366,165	354,169	341,719
Net Pension liability	\$ 112,166	\$ 191,047	\$ 175,766	\$ 173,259	\$ 156,273
Plan fiduciary net position as a percentage of the total pension liability	80.53%	65.59%	67.57%	67.15%	68.62%
Covered payroll	\$ 29,780	\$ 32,346	\$ 31,811	\$ 29,555	\$ 28,845
Net pension liability as a percentage of covered payroll	376.65%	590.64%	552.53%	586.23%	541.77%

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

The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

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

2017	2016	2015
\$ 6,858	\$ 6,361	\$ 6,461
35,869	34,503	33,396
3,536	1,013	2,652
	19,176	
(29,913)	(28,909)	(28,220)
(52)	(163)	(42)
16,298	31,981	14,247
477,803	445,822	431,575
<u>\$ 494,101</u>	<u>\$ 477,803</u>	<u>\$ 445,822</u>
\$ 14,755	\$ 13,695	\$ 13,500
2,128	1,938	1,963
1,704	10,812	51,575
(29,913)	(28,909)	(28,220)
(52)	(163)	(42)
(217)	(198)	(200)
(11,595)	(2,825)	38,576
323,207	326,032	287,456
311,612	323,207	326,032
<u>\$ 182,489</u>	<u>\$ 154,596</u>	<u>\$ 119,790</u>
494,101	477,803	445,822
311,612	323,207	326,032
<u>\$ 182,489</u>	<u>\$ 154,596</u>	<u>\$ 119,790</u>
63.07%	67.64%	73.13%
\$ 27,380	\$ 25,505	\$ 25,554
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)*

	2022	2021	2020	2019	2018
Total pension liability					
Service Cost	\$ 594	\$ 589	\$ 590	\$ 431	\$ 433
Interest	1,673	1,638	1,595	1,557	1,593
Differences between expected and actual experience	(133)	(37)		(58)	(204)
Changes in assumptions	364		31		(868)
Benefit payments	(1,608)	(1,858)	(1,442)	(1,410)	(1,397)
Refund of contribution	(6)	(19)		(18)	(17)
Net change in total pension liability	884	313	774	502	(460)
Total pension liability - beginning	22,388	22,075	21,301	20,799	21,259
Total pension liability - ending	\$ 23,272	\$ 22,388	\$ 22,075	\$ 21,301	\$ 20,799
Plan fiduciary net position					
Contributions - employer	\$ 604	\$ 512	\$ 525	\$ 513	\$ 522
Contributions - employee	245	208	214	207	212
Net investment income	5,732	553	1,287	1,412	2,264
Benefit payments	(1,608)	(1,858)	(1,442)	(1,410)	(1,397)
Refund of contributions	(6)	(19)		(18)	(17)
Administrative expense	(12)	(10)	(11)	(10)	(10)
Net Change in plan fiduciary net position	4,955	(614)	573	694	1,574
Plan fiduciary net position - beginning	17,995	18,609	18,036	17,342	15,768
Plan fiduciary net position - ending	22,950	17,995	18,609	18,036	17,342
Net pension liability - ending	\$ 322	\$ 4,393	\$ 3,466	\$ 3,265	\$ 3,457
Total pension liability	23,272	22,388	22,075	21,301	20,799
Total plan fiduciary net position	22,950	17,995	18,609	18,036	17,342
Net Pension liability total	\$ 322	\$ 4,393	\$ 3,466	\$ 3,265	\$ 3,457
Plan fiduciary net position as a percentage of the total pension liability	98.62%	80.38%	84.30%	84.67%	83.38%
Covered payroll	\$ 8,030	\$ 6,891	\$ 6,937	\$ 6,833	\$ 6,926
Net pension liability as a percentage of covered payroll	4.01%	63.75%	49.96%	47.78%	49.90%

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

The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

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

2017	2016	2015
\$ 420	\$ 406	\$ 404
1,586	1,569	1,549
(468)	(333)	(453)
(6)	588	
(1,454)	(1,220)	(1,216)
(32)	(37)	(22)
46	973	262
21,213	20,240	19,978
\$ 21,259	\$ 21,213	\$ 20,240

\$ 514	\$ 511	\$ 514
208	207	208
86	552	2,605
(1,454)	(1,220)	(1,216)
(32)	(37)	(22)
(10)	(10)	(10)
(688)	3	2,079
16,456	16,453	14,374
15,768	16,456	16,453
\$ 5,491	\$ 4,757	\$ 3,787

21,259	21,213	20,240
15,768	16,456	16,453
\$ 5,491	\$ 4,757	\$ 3,787

74.17%	77.58%	81.29%
\$ 6,862	\$ 6,861	6,918
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)*

	2022	2021	2020	2019	2018
State's proportion of the net pension liability	16.85%	16.98%	16.90%	17.20%	17.62%
State's proportionate share of the net pension liability	\$ 2,489,564	\$ 3,287,003	\$ 2,972,649	\$ 2,860,867	\$ 2,928,709
State's covered payroll	\$ 1,118,808	\$ 1,129,357	\$ 1,099,440	\$ 1,097,260	\$ 1,129,216
State's proportionate share of the net pension liability as a percentage of its covered payroll	222.52%	291.05%	270.38%	260.73%	259.4%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%

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

The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

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

	2017		2016		2015
	17.86%		18.19%		18.67%
\$	3,190,148	\$	2,811,832	\$	2,265,840
\$	1,141,515	\$	1,135,172	\$	1,139,512
	279.5%		247.7%		198.84%
	57.47%		61.7%		67.21%

Required Supplementary Information

Notes to Required Supplemental Information Mississippi Highway Safety Patrol Retirement System For the Year Ended June 30, 2022

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

■ 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, 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.

Mississippi

- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

■ 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

- 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, 2022

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

■ 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 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

■ 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, 2022

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

■ 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%.
- 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%.

Mississippi

- 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)*

	2022	2021	2020
State's proportion of the net OPEB liability	22.42%	22.81%	22.89%
State's proportionate share of the net OPEB liability	\$ 144,307	\$ 177,506	\$ 194,255
State's covered employee payroll**	\$ 1,018,907	\$ 1,069,584	\$ 721,196
State's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	14.16%	16.60%	26.94%
Plan fiduciary net position as a percentage of the total OPEB liability	0.16%	0.13%	0.12%

**Only five 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 6/30 of the prior year to the fiscal year presented.

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

2019	2018
23.51%	24.07%
\$ 181,836	\$ 188,888
\$ 1,001,976	\$ 1,053,049
18.15%	17.94%
0.13%	0.00%

Mississippi

Required Supplementary Information

Schedule of Employer Contributions OPEB

State Life and Health Insurance OPEB Plan

Last 10 Fiscal Years (Amounts Expressed in Thousands)*

	2022	2021	2020
Actuarially determined employer contribution	\$ 4,347	\$ 5,788	\$ 7,079
Contributions in relation to actuarially determined contribution	(4,347)	(5,788)	(7,079)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0
Covered employee payroll	\$ 1,018,907	\$ 1,018,907	\$ 1,069,584
Actual contributions as a percentage of covered employee payroll	0.57%	0.57%	0.66%

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 Contribution are calculated as of June 30, 2021. 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
Remaining amortization period	30 years, open
Asset valuation method	Fair value of assets
Price Inflation	2.75%
Salary increases, including wage inflations	3% to 18.25%
Initial health care cost trend rates	
Medicare supplement claims - Pre Medicare	7%
Ultimate health care cost trend rates	
Medicare supplement claims - Pre Medicare	4.75%
Year of ultimate trend rates	
Medicare supplement claims - Pre Medicare	2028
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	2.13%

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

<u>2019</u>		<u>2018</u>	
\$	7,813	\$	8,097
	(7,813)		(8,097)
<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>
\$	721,196	\$	1,001,976
	1.10%		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:

- 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:

- 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.

Mississippi

- 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.

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, 2022 (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	\$ 95,532	\$ 626	\$
Cash and cash equivalents	51		2,482
Receivables, net	455	25	428
Due from other funds	32		
Inventories			
Prepaid items	6		6
Loans and notes receivable	5,878		185
Total Current Assets	101,954	651	3,101
Noncurrent assets:			
Lease receivable			3,263
Loans and notes receivable	153,664		4,338
Capital assets:			
Land and construction in progress	226	100	14,632
Other capital assets, net	890	129	13,835
Right-to-use assets, net	19		
Total Noncurrent Assets	154,799	229	36,068
Total Assets	256,753	880	39,169
Deferred Outflow of Resources			
Pension	424	322	323
Other postemployment benefits	27	12	18
Total Deferred outflow resources	451	334	341
Liabilities			
Current liabilities:			
Warrants payable	1,219	4	
Accounts payable and other liabilities	132	8	956
Due to other governments			
Due to other funds	1		
Notes payable			749
Lease Liability	8		
Net other postemployment benefits liability	4	2	2
Total Current Liabilities	1,364	14	1,707
Noncurrent liabilities:			
Notes payable			7,892
Lease Liability	11		
Net pension liability	2,059	887	1,365
Net other postemployment benefits liability	96	50	57
Other liabilities	79	48	54
Total Noncurrent Liabilities	2,245	985	9,368
Total Liabilities	3,609	999	11,075
Deferred Inflow of Resources			
Leases			3,263
Pension	645	355	411
Other postemployment benefits	37	21	21
Total deferred inflow resources	682	376	3,695
Net Position			
Net investment in capital assets	1,135	229	19,826
Unrestricted (deficit)	251,778	(390)	4,914
Total Net Position	\$ 252,913	\$ (161)	\$ 24,740

Department of Rehabilitation Services		Department of Agriculture and Commerce		Department of Corrections	
AbilityWorks		Agriculture and Forestry Museum	Fairground Operations	Prison Agricultural Enterprises	Totals
\$		\$		\$	
	11,075	43	1,833	1,908	99,942
	2,914	107	83		13,798
	17,328				3,822
	231	12		91	17,360
	700				334
					712
					6,063
	32,248	162	1,916	1,999	142,031
					3,263
					158,002
		1,690	840		17,488
		1,225	11,092	2,330	29,501
	1,441				1,460
	1,441	2,915	11,932	2,330	209,714
	33,689	3,077	13,848	4,329	351,745
	1,623		681	93	3,466
	262		37	6	362
	1,885		718	99	3,828
		1	65	41	1,330
	2,822	35	118	264	4,335
		1	5		6
			3		4
					749
	313				321
	33		4	1	46
	3,168	37	195	306	6,791
					7,892
	1,148				1,159
	9,016		2,069	443	15,839
	879		96	28	1,206
		69	63	155	468
	11,043	69	2,228	626	26,564
	14,211	106	2,423	932	33,355
					3,263
	2,793		627	168	4,999
	349		36	16	480
	3,142	0	663	184	8,742
	(1,461)	2,915	11,932	2,330	36,906
	19,682	56	(452)	982	276,570
\$	18,221	\$	2,971	\$	11,480
					3,312
					\$
					313,476

Mississippi

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position For the Year Ended June 30, 2022 (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	\$	\$ 539	\$ 1,503
Investment income	5,039		
Rentals			370
Fees	124		
Other	3		1,365
Total Operating Revenues	5,166	539	3,238
Operating Expenses			
Cost of sales and services			
General and administrative	1,216	568	869
Contractual services	352	102	486
Commodities	56	20	134
Depreciation and amortization	44	23	642
Other	91		
Total Operating Expenses	1,759	713	2,131
Operating Income (Loss)	3,407	(174)	1,107
Nonoperating Revenues			
Insurance recovery			
Gain on disposal of a capital assets			396
Investment income (loss)	(2,723)	(16)	528
Other			1,234
Total Nonoperating Revenues	(2,723)	(16)	2,158
Nonoperating Expenses			
Interest	1		192
Other			1,683
Total Nonoperating Expenses	1		1,875
Income (Loss) before Capital Contributions and Transfers	683	(190)	1,390
Capital contributions			
Transfers In		520	
Change in Net Position	683	330	1,390
Total Net Position - Beginning, as restated	252,230	(491)	23,350
Total Net Position - Ending	\$ 252,913	\$ (161)	\$ 24,740

Department of Rehabilitation Services		Department of Agriculture and Commerce		Department of Corrections	
AbilityWorks		Agriculture and Forestry Museum	Fairground Operations	Prison Agricultural Enterprises	Totals
\$	5,341	\$ 262	\$ 1,218	\$ 2,714	\$ 11,577
					5,039
		167	3,324		3,861
		126	12		262
	1,559	3	522		3,452
	6,900	558	5,076	2,714	24,191
	6,542	167	70		6,779
	4,261	758	1,182	263	9,117
	1,021	330	4,155	422	6,868
	55	161	459	579	1,464
	374	54	178	192	1,507
				324	415
	12,253	1,470	6,044	1,780	26,150
	(5,353)	(912)	(968)	934	(1,959)
		4			4
					396
	20				(2,191)
					1,234
	20	4		0	(557)
	25				218
					1,683
	25			0	1,901
	(5,358)	(908)	(968)	934	(4,417)
				319	319
	5,649	851	1,026		8,046
	291	(57)	58	1,253	3,948
	17,930	3,028	11,422	2,059	309,528
\$	18,221	\$ 2,971	11,480	\$ 3,312	\$ 313,476

Mississippi

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

For the Year Ended June 30, 2022 (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	\$ 124	\$ 514	\$ 1,726
Cash payments to suppliers for goods and services	(520)	(140)	(553)
Cash payments to employees for services	(1,231)	(520)	(819)
Other operating cash receipts	7		1,365
Principal and interest received on program loans	27,520		
Issuance of program loans	(23,367)		
Net Cash Provided by (Used for) Operating Activities	2,533	(146)	1,719
Cash Flows from Noncapital Financing Activities			
Transfers in		520	
Net Cash Provided by Noncapital Financing Activities		520	
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets			(5,560)
Proceeds from sale of capital assets			408
Principal received from lease receivable			180
Proceeds from sale of bonds for capital related financing			4,409
Principal paid on bonds and capital asset contracts			(523)
Interest paid on bonds and capital asset contracts			(192)
Bond issuance costs for capital related financing			
Principal paid on right-to-use capital asset contracts	(7)		
Interest paid on right-to-use capital asset contracts	(1)		
Proceeds from insurance recovery			
Net Cash Provided for (Used for) Capital and Related Financing Activities	(8)		(1,278)
Cash Flows from Investing Activities			
Purchases of investments			(449)
Investment income (loss)	(2,741)	(16)	528
Net Cash Provided by Investing Activities	(2,741)	(16)	79
Net Change in Cash and Cash Equivalents	(216)	358	520
Cash and Cash Equivalents - Beginning	95,799	268	1,962
Cash and Cash Equivalents - Ending	\$ 95,583	\$ 626	\$ 2,482

Department of Rehabilitation Services		Department of Agriculture and Commerce		Department of Corrections		Totals
AbilityWorks		Agriculture and Forestry Museum	Fairground Operations	Prison Agricultural Enterprises		
\$ 1,853	\$ 555	\$ 5,011	2,715	\$ 12,498		
(7,452)	(661)	(4,684)	(1,829)	(15,839)		
(4,573)	(741)	(1,051)	(238)	(9,173)		
1,559	3	247		3,181		
				27,520		
				(23,367)		
(8,613)	(844)	(477)	648	(5,180)		
5,649	851	1,026		8,046		
5,649	851	1,026		8,046		
		(13)	(145)	(5,718)		
				408		
				180		
				4,409		
(25)				(548)		
				(192)		
(366)				(366)		
				(7)		
				(1)		
	4			4		
(391)	4	(13)	(145)	(1,831)		
				(449)		
20				(2,209)		
20				(2,658)		
(3,335)	11	536	503	(1,623)		
14,410	139	1,380	1,405	115,363		
\$ 11,075	\$ 150	\$ 1,916	\$ 1,908	\$ 113,740		

(Continued on Next Page)

Mississippi

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

For the Year Ended June 30, 2022 (Expressed in Thousands)

(Continued from Previous Page)

	Department of Finance and Administration		
	Veterans' Home Purchase Board	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)	\$ 3,407	\$ (174)	\$ 1,107
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	44	23	642
Change in assets and liabilities:			
(Increase) decrease in assets:			
Receivables, net	(9)	(25)	(147)
Due from other funds			
Due from other governments			
Inventories			
Prepaid items	4		(3)
Loans and notes receivable	(2,082)		
Increase (decrease) in liabilities:			
Warrants payable	1,208	(1)	
Accounts payable and other liabilities	(24)	7	90
Due to other governments			
Due to other funds	(15)	(6)	
Unearned revenues			
Pension cost	2	112	34
Other postemployment benefit cost	(7)	(1)	(4)
Other liabilities	5	(81)	
Total adjustments	(874)	28	612
Net Cash Provided by (Used for) Operating Activities	\$ 2,533	\$ (146)	\$ 1,719
Noncash Capital and Related Financing Activities			
Capital contributions			
Gain on disposal of capital assets			396
Right-to-use capital asset	27		

Department of Rehabilitation Services	Department of Agriculture and Commerce	Department of Corrections		
AbilityWorks	Agriculture and Forestry Museum	Fairground Operations	Prison Agricultural Enterprises	Totals
\$ (5,353)	\$ (912)	\$ (968)	\$ 934	\$ (1,959)
374	54	178	192	1,507
145		174		138
(3,633)		8		8
84			(78)	(3,633)
59				6
				60
				(2,082)
	(7)	18	(34)	1,184
23	20	15	(289)	(158)
	1	2		3
		(28)		(49)
				0
(209)		159	(83)	15
(103)		(35)	6	(144)
				(76)
(3,260)	68	491	(286)	(3,221)
\$ (8,613)	\$ (844)	\$ (477)	\$ 648	\$ (5,180)
			319	319
				396
1,816				1,843

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Fiduciary funds account for assets held in a trustee or agency capacity for others and cannot be used to support government's 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, 2022 (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	\$ 431	\$	\$
Cash and cash equivalents	1,081,060	13,335	664
Investments, at fair value:			
Short-term investments	716,093	9,464	471
Long-term debt securities	6,124,136	80,941	4,028
Equity securities	16,190,958	213,990	10,650
Private equity	3,940,182	52,076	2,592
Real estate investments	3,456,007	45,677	2,273
Securities lending:			
Short-term investments	1,709,443	22,593	1,124
Long-term debt securities	445,244	5,885	293
Receivables:			
Employer contributions	60,193	612	
Employee contributions	30,995		
Investment proceeds	616,790	8,152	406
Interest and dividends	107,577	1,422	71
Other	683		
Capital assets:			
Land and construction in progress	1,717		
Other capital assets, net	11,258		
Total Assets	34,492,767	454,147	22,572
Deferred Outflows of Resources			
Other postemployment benefits	181		
Total Deferred Outflows of Resources	181		
Liabilities			
Investment purchases payable	1,532,074	20,249	1,008
Warrants payable	151		
Accounts payable and accruals	11,207	17	6
Lease liability	200		
Net other postemployment benefit liability	848		
Obligations under securities lending	2,157,042	28,509	1,419
Total Liabilities	3,701,522	48,775	2,433
Deferred Inflows of Resources			
Other postemployment benefits	310		
Total Deferred Inflows of Resources	310		
Net Position			
Net position restricted for pensions and other employee benefits	\$ 30,791,116	\$ 405,372	\$ 20,139

		Other Employee Benefits Trust Fund	
Municipal Retirement Systems	Totals	State Life and Health Insurance Plan	Totals
\$	\$	\$	\$
4,328	431	1,049	1,480
	1,099,387		1,099,387
3,072	729,100		729,100
26,274	6,235,379		6,235,379
69,463	16,485,061		16,485,061
16,904	4,011,754		4,011,754
14,827	3,518,784		3,518,784
7,334	1,740,494		1,740,494
1,910	453,332		453,332
300	61,105		61,105
	30,995		30,995
2,646	627,994		627,994
462	109,532		109,532
	683		683
	1,717		1,717
	11,258		11,258
147,520	35,117,006	1,049	35,118,055
	181		181
	181		181
6,573	1,559,904		1,559,904
	151		151
16	11,246		11,246
	200		200
	848		848
9,254	2,196,224		2,196,224
15,843	3,768,573		3,768,573
	310		310
	310		310
\$	\$	\$	\$
131,677	31,348,304	1,049	31,349,353

Mississippi

Pension and Other Employee Benefits Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2022 (Expressed in Thousands)

	Pension Trust Funds		
	Public Employees' Retirement System	Mississippi Highway Safety Patrol Retirement System	Supplemental Legislative Retirement System
Additions			
Contributions:			
Employer	\$ 1,211,004	\$ 19,476	\$ 607
Employee	615,421	2,356	245
Total Contributions	1,826,425	21,832	852
Net Investment Income:			
Net change in fair value of investments	(3,510,730)	(46,400)	(2,309)
Interest and dividends	631,094	8,262	411
Securities lending:			
Income from securities lending	7,081	94	5
Interest expense and trading costs from securities lending	(3,212)	(42)	(2)
Managers' fees and trading costs	(104,558)	(1,382)	(69)
Net Investment Income	(2,980,325)	(39,468)	(1,964)
Other Additions	10		
Total Additions	(1,153,890)	(17,636)	(1,112)
Deductions			
Benefits	3,134,859	40,522	1,687
Refunds to terminated employees	120,807	135	
Administrative expenses	15,413	319	13
Depreciation	512		
Total Deductions	3,271,591	40,976	1,700
Change in Net Position	(4,425,481)	(58,612)	(2,812)
Net Position - Beginning	35,216,597	463,984	22,951
Net Position - Ending	\$ 30,791,116	\$ 405,372	\$ 20,139

		Other Employee Benefits Trust Fund			
Municipal Retirement Systems		Totals	State Life and Health Insurance Plan	Totals	
\$	15,741	\$ 1,246,828	\$ 20,078	\$ 1,266,906	
		618,022		618,022	
	15,741	1,864,850	20,078	1,884,928	
	(15,062)	(3,574,501)		(3,574,501)	
	2,682	642,449	5	642,454	
	31	7,211		7,211	
	(14)	(3,270)		(3,270)	
	(449)	(106,458)		(106,458)	
	(12,812)	(3,034,569)	5	(3,034,564)	
		10		10	
	2,929	(1,169,709)	20,083	(1,149,626)	
	30,509	3,207,577	20,078	3,227,655	
		120,942		120,942	
	315	16,060		16,060	
		512		512	
	30,824	3,345,091	20,078	3,365,169	
	(27,895)	(4,514,800)	5	(4,514,795)	
	159,572	35,863,104	1,044	35,864,148	
\$	131,677	\$ 31,348,304	\$ 1,049	\$ 31,349,353	

Mississippi

Custodial Funds

Combining Statement of Fiduciary Net Position

June 30, 2022 (Expressed in Thousands)

	Local Government Distributive	Program	Institutional	Totals
Assets				
Equity in internal investment pool	\$ 49	\$ 4,337	\$ 1,432	\$ 5,818
Cash and cash equivalents		97,111	18,110	115,221
Receivables, net:				
Other		13,032	141	13,173
Total Assets	49	114,480	19,683	134,212
Liabilities				
Warrants payable		1	124	125
Accounts payable and accruals		5	711	716
Due to other governments	49			49
Total Liabilities	49	6	835	890
Net Position				
Net position restricted for individuals, organizations, and other governments	\$	\$ 114,474	\$ 18,848	\$ 133,322

Mississippi

Custodial Funds

Combining Statement of Changes in Fiduciary Net Position

June 30, 2022 (Expressed in Thousands)

	Local Government Distributive	Program	Institutional	Totals
Additions				
Interest	\$	\$ 133	\$	\$ 133
Net Investment Income		133		133
Other Additions:				
Tax collection for other governments	9,836			9,836
Child support collections		347,764		347,764
Legal settlement collections		108,275		108,275
Inmates' account collections			22,339	22,339
Patients' account collections			38,992	38,992
Other	12	999		1,011
Administrative fees	282	1,170	17,816	19,268
Total Other Additions	10,130	458,208	79,147	547,485
Total Additions	10,130	458,341	79,147	547,618
Deductions				
Benefits		385		385
Tax payments to other governments	9,836			9,836
Child support payments		342,848		342,848
Legal settlement payments		95,300		95,300
Inmates' account payments			24,865	24,865
Patients' account payments			33,124	33,124
Administrative expenses	751	2,772	18,891	22,414
Total Deductions	10,587	441,305	76,880	528,772
Change in Net Position	(457)	17,036	2,267	18,846
Net Position - Beginning	457	97,438	16,581	114,476
Net Position - Ending	\$ 0	\$ 114,474	\$ 18,848	\$ 133,322

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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, 2022 (Expressed in Thousands)

	Mississippi Business Finance Corporation	Mississippi Development Bank	Mississippi Lottery Corporation
Assets			
Current assets:			
Equity in internal investment pool	\$ 2,198	\$	\$
Cash and cash equivalents	808	1,406	31,354
Investments	14,282	3,538	
Receivables, net	141	33	11,810
Lease receivables, net			
Due from other governments			
Inventories			
Prepaid items			220
Other assets			692
Total Current Assets	17,429	4,977	44,076
Noncurrent assets:			
Capital assets:			
Land and construction in progress			
Other capital assets, net		1	1,271
Right-to-use assets, net			1,642
Total Noncurrent Assets	0	1	2,913
Total Assets	17,429	4,978	46,989
Deferred Outflows of Resources			
Pension	200		
Other postemployment benefits	5		
Total Deferred Outflows of Resources	205		
Liabilities			
Current liabilities:			
Accounts payable and other liabilities	78	117	35,668
Due to primary government			7,849
Unearned revenues			559
Lease liabilities			200
Net other postemployment benefits liability	1		
Total Current Liabilities	79	117	44,276
Noncurrent liabilities:			
Lease liabilities			1,521
Net pension liability	1,182		
Net other postemployment benefits liability	23		
Other liabilities	5		
Total Noncurrent Liabilities	1,210		1,521
Total Liabilities	1,289	117	45,797
Deferred Inflows of Resources			
Pension	356		
Other postemployment benefits	8		
Leases			
Total Deferred Inflows of Resources	364		
Net Position			
Net investment in capital assets		1	1,192
Restricted for:			
Capital improvements			
Unrestricted (deficit)	15,981	4,860	
Total Net Position	\$ 15,981	\$ 4,861	\$ 1,192

MagCor Industries	Pat Harrison Waterway District	Pearl River Valley Water Supply District	Tombigbee River Valley Water Management District	Totals
\$	\$	\$	\$	\$
270	5,031	16,944	4,637	2,198
	6,142		5,000	60,450
1,348	8	1,676	134	28,962
	245			15,150
	46		47	245
1,719				93
42				1,719
15		2,445		262
3,394	11,472	21,065	9,818	3,152
				112,231
312	1,903	9,426	930	12,571
2,507	3,438	39,053	1,847	48,117
218	48			1,908
3,037	5,389	48,479	2,777	62,596
6,431	16,861	69,544	12,595	174,827
1,312	447	2,250	313	4,522
82	32	172	22	313
1,394	479	2,422	335	4,835
809	2,692	1,476	123	40,963
	1	52		7,902
43	17	409		1,028
70	5			275
5	8	22	3	39
927	2,723	1,959	126	50,207
146	1			1,668
3,428	2,956	8,868	1,595	18,029
166	157	531	74	951
0	90	405	106	606
3,740	3,204	9,804	1,775	21,254
4,667	5,927	11,763	1,901	71,461
1,326	942	2,671	480	5,775
97	90	207	34	436
	236			236
1,423	1,268	2,878	514	6,447
2,821	5,341	48,441	2,777	60,573
		2,446		2,446
(1,086)	4,804	6,438	7,738	38,735
\$ 1,735	\$ 10,145	\$ 57,325	\$ 10,515	\$ 101,754

Mississippi

Nonmajor Component Units

Combining Statement of Activities

For the Year Ended June 30, 2022 (Expressed in Thousands)

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Mississippi Business Finance Corporation	\$ 878	\$ 931	\$	\$	53
Mississippi Development Bank	326	419			93
Mississippi Lottery Corporation	424,170	423,755			(415)
MagCor Industries	7,821	6,068			(1,753)
Pat Harrison Waterway District	5,062	3,166			(1,896)
Pearl River Valley Water Supply District	15,352	15,704		1,191	1,543
Tombigbee River Valley Water	2,244	1,880			(364)
Total	\$ 455,853	\$ 451,923	\$	\$ 1,191	\$ (2,739)

General Revenues

Investment Income	Other	Change in Net Position	Net Position - Beginning, Restated	Net Position - Ending
\$ (695)	\$	\$ (642)	\$ 16,623	\$ 15,981
(191)		(98)	4,959	4,861
5	12	(398)	1,590	1,192
4	549	(1,200)	2,935	1,735
42	2,177	323	9,822	10,145
46	258	1,847	55,478	57,325
131	185	(48)	10,563	10,515
<u>\$ (658)</u>	<u>\$ 3,181</u>	<u>\$ (216)</u>	<u>\$ 101,970</u>	<u>\$ 101,754</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.

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Mississippi

Net Position by Component

Last Ten Fiscal Years

Table 1

Accrual Basis of Accounting (Expressed in Thousands)

	2022	2021	2020	2019
Governmental activities				
Net investment in capital assets	\$ 15,871,159	\$ 15,673,638	\$ 15,501,828	\$ 15,298,901
Restricted	5,988,213	4,523,658	3,900,595	3,623,137
Unrestricted	(4,017,277)	(4,808,517)	(5,831,564)	(6,036,354)
Total governmental activities net position	\$ 17,842,095	\$ 15,388,779	\$ 13,570,859	\$ 12,885,684
Business-type activities				
Net investment in capital assets	\$ 664,685	\$ 663,292	\$ 674,655	\$ 689,971
Restricted	692,331	643,470	498,590	739,741
Unrestricted	437,352	511,400	421,404	395,258
Total business-type activities net position	\$ 1,794,368	\$ 1,818,162	\$ 1,594,649	\$ 1,824,970
Primary Government				
Net investment in capital assets	\$ 16,535,844	\$ 16,336,930	\$ 16,176,483	\$ 15,988,872
Restricted	6,680,544	5,167,128	4,399,185	4,362,878
Unrestricted	(3,579,925)	(4,297,117)	(5,410,160)	(5,641,096)
Total primary government net position	\$ 19,636,463	\$ 17,206,941	\$ 15,165,508	\$ 14,710,654

Note: This table has been restated for prior period adjustments, if practical. Complete information necessary to fully restate fiscal years 2014 and 2017 for the implementation of GASB Statement 68 and GASB Statement 75, respectively, was not available.

	2018		2017		2016		2015		2014		2013
\$	14,991,832	\$	14,666,438	\$	14,372,421	\$	13,900,211	\$	13,430,397	\$	13,107,678
	3,189,862		3,374,220		3,763,095		3,869,799		3,633,805		3,602,589
	(5,845,872)		(6,058,425)		(5,532,216)		(6,005,860)		(3,035,755)		(3,188,135)
\$	12,335,822	\$	11,982,233	\$	12,603,300	\$	11,764,150	\$	14,028,447	\$	13,522,132
\$	690,841	\$	605,123	\$	548,732	\$	393,507	\$	297,830	\$	265,837
	711,365		686,601		668,662		646,868		602,831		578,710
	407,471		416,087		131,592		181,529		212,462		253,732
\$	1,809,677	\$	1,707,811	\$	1,348,986	\$	1,221,904	\$	1,113,123	\$	1,098,279
\$	15,682,673	\$	15,271,561	\$	14,921,153	\$	14,293,718	\$	13,728,227	\$	13,373,515
	3,901,227		4,060,821		4,431,757		4,516,667		4,236,636		4,181,299
	(5,438,401)		(5,642,338)		(5,400,624)		(5,824,331)		(2,823,293)		(2,934,403)
\$	14,145,499	\$	13,690,044	\$	13,952,286	\$	12,986,054	\$	15,141,570	\$	14,620,411

Mississippi

Changes in Net Position

Last Ten Fiscal Years

Table 2

Accrual Basis of Accounting (Expressed in Thousands)

	2022	2021	2020	2019
Expenses				
Governmental activities:				
General government	\$ 3,013,112	\$ 3,082,051	\$ 2,467,094	\$ 2,412,774
Education	4,310,039	3,999,625	3,764,765	3,610,869
Health and social services ¹	9,304,163	8,643,887	8,287,561	7,799,755
Law, justice and public safety	984,391	985,135	980,190	823,290
Recreation and resources development	409,737	601,528	378,211	525,045
Regulation of business and professions	43,502	46,066	46,280	46,308
Transportation	957,153	975,611	897,040	846,227
Interest on long-term debt	198,943	252,159	224,121	216,247
Total governmental activities expenses	19,221,040	18,586,062	17,045,262	16,280,515
Business-type activities:				
Unemployment compensation	39,726	2,383,437	2,147,728	60,625
Port Authority at Gulfport	33,850	41,393	37,026	36,702
Prepaid affordable college tuition	7,780	(39,396)	(2,222)	14,826
State life and health insurance plan	853,898	840,168	790,519	792,020
Other business-type activities expenses ²	28,051	27,536	28,149	27,892
Total business-type activities expenses	963,305	3,253,138	3,001,200	932,065
Total primary government expenses	\$ 20,184,345	\$ 21,839,200	\$ 20,046,462	\$ 17,212,580
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,182,412	\$ 963,628	\$ 410,915	\$ 827,965
Education	55,476	73,534	12,523	14,913
Health and social services	493,005	473,343	540,041	567,213
Law, justice and public safety	85,642	86,939	86,531	88,929
Recreation and resources development	107,299	86,959	506,725	77,983
Regulation of business and professions	35,682	40,505	31,884	37,060
Transportation	123,917	135,041	104,388	40,164
Operating grants and contributions	9,754,027	9,747,825	7,640,360	7,013,833
Capital grants and contributions	593,164	609,699	600,990	594,837
Total governmental activities program revenues	12,430,624	12,217,473	9,934,357	9,262,897
Business-type activities:				
Charges for services:				
Unemployment compensation	70,623	60,821	64,409	72,172
Port Authority at Gulfport	36,162	27,868	29,440	29,106
Prepaid affordable college tuition	9,053	9,060	9,549	11,641
State life and health insurance plan	815,286	788,688	777,732	752,604
Other business-type ³	19,552	17,069	18,552	18,539
Operating grants and contributions ⁴	7,507	2,060,185	1,831,014	989
Capital grants and contributions	319	254		8
Total business-type activities program revenues	958,502	2,963,945	2,730,696	885,059
Total primary government program revenues	\$ 13,389,126	\$ 15,181,418	\$ 12,665,053	\$ 10,147,956
Net (Expense) Revenue				
Governmental activities	\$ (6,790,416)	\$ (6,368,589)	\$ (7,110,905)	\$ (7,017,618)
Business-type activities	(4,803)	(289,193)	(270,504)	(47,006)
Total primary government net expense	\$ (6,795,219)	\$ (6,657,782)	\$ (7,381,409)	\$ (7,064,624)

	2018		2017		2016		2015		2014		2013
\$	2,229,648	\$	2,298,846	\$	2,814,758	\$	2,951,973	\$	2,069,107	\$	2,028,155
	3,610,796		3,665,357		3,647,055		3,383,767		3,996,554		3,912,889
	7,866,652		7,924,907		7,851,381		7,679,895		7,394,045		7,372,085
	860,122		939,956		858,504		967,422		923,952		983,870
	480,745		502,675		460,031		556,790		637,850		587,367
	45,223		44,841		43,001		40,760		39,174		39,703
	803,887		768,700		725,192		675,713		647,532		596,160
	188,672		231,875		253,752		225,512		243,099		247,012
	16,085,745		16,377,157		16,653,674		16,481,832		15,951,313		15,767,241
	73,895		83,972		101,445		109,468		204,206		338,390
	33,447		43,633		27,120		26,202		25,688		28,589
	18,290		31,489		16,304		27,122		103,134		41,278
	782,341										
	26,737		801,486		34,905		37,902		37,379		35,421
	934,710		960,580		179,774		200,694		370,407		443,678
\$	17,020,455	\$	17,337,737	\$	16,833,448	\$	16,682,526	\$	16,321,720	\$	16,210,919

\$	799,509	\$	812,665	\$	2,210,377	\$	1,292,467	\$	1,310,188	\$	1,305,202
	15,742		17,732		19,932		15,082		23,989		24,539
	563,693		568,504		585,302		705,199		583,738		620,930
	77,506		74,713		131,126		125,231		126,054		118,797
	97,124		84,778		78,449		73,478		79,287		98,496
	28,715		33,686		45,203		44,456		43,764		44,138
	52,139		29,813		36,886		69,386		49,841		34,819
	7,150,268		7,036,472		7,064,684		7,059,002		6,796,079		6,934,753
	561,012		496,734		508,194		487,083		548,283		561,283
	9,345,708		9,155,097		10,680,153		9,871,384		9,561,223		9,742,957

	82,871		86,649		107,658		137,525		158,741		202,715
	27,456		22,892		17,244		15,045		15,603		15,050
	10,349		10,921		12,775		13,220		6,370		12,786
	738,618										
	20,709		758,923		25,461		27,046		28,563		28,016
	985		1,481		1,620		3,065		57,162		161,613
	106		18						33		904
	881,094		880,884		164,758		195,901		266,472		421,084
\$	10,226,802	\$	10,035,981	\$	10,844,911	\$	10,067,285	\$	9,827,695	\$	10,164,041

\$	(6,740,037)	\$	(7,222,060)	\$	(5,973,521)	\$	(6,610,448)	\$	(6,390,090)	\$	(6,024,284)
	(53,616)		(79,696)		(15,016)		(4,793)		(103,935)		(22,594)
\$	(6,793,653)	\$	(7,301,756)	\$	(5,988,537)	\$	(6,615,241)	\$	(6,494,025)	\$	(6,046,878)

Mississippi

Changes in Net Position

Last Ten Fiscal Years

Table 2

Accrual Basis of Accounting (Expressed in Thousands)

(Continued from Previous Page)

	2022	2021	2020	2019
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Sales and use	\$ 4,669,682	\$ 4,288,970	\$ 3,765,465	\$ 3,629,500
Gasoline and other motor fuel	450,053	439,632	416,820	430,764
Individual income	2,488,924	2,177,134	1,976,858	1,917,567
Corporate income and franchise	961,442	746,748	654,257	648,347
Insurance	404,552	398,038	359,957	360,047
Other	562,536	542,906	520,296	513,111
Investment income	(273,373)	24,296	108,246	113,085
Transfers	(20,084)	(419,988)	(5,819)	(17,901)
Total governmental activities	9,243,732	8,197,736	7,796,080	7,594,520
Business-type activities:				
Investment income	(31,054)	95,536	34,364	44,695
Other	1,234			
Extraordinary item - debt forgiveness				
Extraordinary item - impairment loss from hurricane damage, net of insurance recovery		(878)		
Transfers	20,084	419,988	5,819	17,901
Total business-type activities	(9,736)	514,646	40,183	62,596
Total primary government	\$ 9,233,996	\$ 8,712,382	\$ 7,836,263	\$ 7,657,116
Change in Net Position				
Governmental activities	\$ 2,453,316	\$ 1,829,147	\$ 685,175	\$ 576,902
Business-type activities	(14,539)	225,453	(230,321)	15,590
Total primary government	\$ 2,438,777	\$ 2,054,600	\$ 454,854	\$ 592,492

Note: This table has been restated for prior period adjustments, if practical. Complete information necessary to fully restate fiscal years 2014 and 2017 for the implementation of GASB Statement 68 and GASB Statement 75, respectively, was not available.

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

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.

⁴ Operating grants and contributions decreased from 2014-2015 as federal funding for unemployment compensation programs came to an end.

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

	2018		2017		2016		2015		2014		2013
\$	3,462,757	\$	3,392,712	\$	3,361,075	\$	3,300,516	\$	3,263,643	\$	3,118,658
	415,738		429,929		425,205		414,779		408,667		402,724
	1,812,862		1,721,862		1,734,040		1,744,620		1,703,736		1,666,840
	588,260		569,856		577,114		689,171		677,168		533,246
	340,743		328,109		314,756		273,710		267,971		216,173
	505,642		498,986		474,045		513,203		541,496		531,494
	39,300		34,939		56,300		53,689		82,307		9,208
	(95,075)		(79,494)		(129,864)		(103,182)		(48,583)		(82,478)
	7,070,227		6,896,899		6,812,671		6,886,506		6,896,405		6,395,865
	50,331		63,121		12,234		28,585		70,196		59,600
	12,791										
	94,075		79,494		129,864		103,182		48,583		82,478
	157,197		142,615		142,098		131,767		118,779		142,078
\$	7,227,424	\$	7,039,514	\$	6,954,769	\$	7,018,273	\$	7,015,184	\$	6,537,943
\$	330,190	\$	(325,161)	\$	839,150	\$	276,058	\$	506,315	\$	371,581
	103,581		62,919		127,082		126,974		14,844		119,484
\$	433,771	\$	(262,242)	\$	966,232	\$	403,032	\$	521,159	\$	491,065

Mississippi

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Table 3

Modified Accrual Basis of Accounting (Expressed in Thousands)

	2022	2021	2020	2019	2018
General Fund					
Nonspendable	\$ 39,260	\$ 42,824	\$ 41,638	\$ 39,579	\$ 46,513
Restricted	5,880,731	4,407,593	3,786,131	3,515,329	3,079,797
Committed	1,341,726	334,606	271,812	112,429	129,083
Assigned	31,473	26,816	30,576	26,265	14,309
Unassigned	1,415,324	1,969,454	900,891	849,408	531,384
Total General Fund	\$ 8,708,514	\$ 6,781,293	\$ 5,031,048	\$ 4,543,010	\$ 3,801,086
All Other Governmental Funds					
Nonspendable	\$ 66,182	\$ 63,322	\$ 61,582	\$ 60,080	\$ 58,485
Restricted	2,040	9,919	11,244	8,149	5,067
Unassigned	(96)				
Total All Other Governmental Funds	\$ 68,126	\$ 73,241	\$ 72,826	\$ 68,229	\$ 63,552

Table 3

2017	2016	2015	2014	2013
\$ 48,671	\$ 51,896	\$ 52,877	\$ 52,061	\$ 50,480
3,262,166	3,647,183	3,754,248	3,448,681	3,491,146
56,179	41,724	88,919	139,936	112,788
10,865	10,072	12,121	10,503	10,729
405,825	546,979	232,990	571,580	520,612
\$ 3,783,706	\$ 4,297,854	\$ 4,141,155	\$ 4,222,761	\$ 4,185,755
\$ 57,994	\$ 57,305	\$ 57,201	\$ 56,450	\$ 55,711
5,389	6,709	5,473	5,163	5,252
\$ 63,383	\$ 64,014	\$ 62,674	\$ 61,613	\$ 60,963

Mississippi

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Table 4

Modified Accrual Basis of Accounting (Expressed in Thousands)

	2022	2021	2020	2019
Revenues				
Taxes				
Sales and use	\$ 4,667,415	\$ 4,294,532	\$ 3,753,113	\$ 3,626,296
Gasoline and other motor fuel	449,289	439,581	417,306	430,910
Individual income	2,506,048	2,170,810	1,959,893	1,908,011
Corporate income and franchise	961,647	744,188	643,954	650,618
Insurance	404,553	398,038	359,957	360,047
Other	562,536	542,906	520,296	513,111
Licenses, fees and permits	602,144	599,530	504,012	551,619
Federal government	10,310,293	10,314,533	8,201,641	7,575,374
Investment income	(273,373)	24,296	108,246	113,085
Charges for sales and services	522,508	500,856	464,522	423,684
Rentals	1,448	2,149	1,751	2,427
Court assessments and settlements	235,872	218,936	246,024	239,531
Lottery proceeds	122,883	137,718	70,703	
Other	480,123	438,468	466,223	492,774
Total Revenues	21,553,386	20,826,541	17,717,641	16,887,487
Expenditures				
General government	3,012,845	3,036,298	2,466,328	2,356,261
Education	4,309,785	3,991,640	3,761,275	3,614,734
Health and social services ¹	9,341,117	8,582,332	8,246,255	7,757,625
Law, justice and public safety	1,011,237	1,007,913	908,341	835,203
Recreation and resources development	423,798	595,078	404,345	514,244
Regulation of business and professions	44,802	44,629	45,477	45,536
Transportation	1,142,267	1,196,051	1,147,155	1,126,873
Debt service				
Principal	369,065	361,732	336,004	354,249
Interest and other fiscal charges	220,630	265,157	246,655	231,184
Defeasance of debt				
Capital outlay				
Total Expenditures	19,875,546	19,080,830	17,561,835	16,835,909
Excess of revenues over (under) expenditures	\$ 1,677,840	\$ 1,745,711	\$ 155,806	\$ 51,578

	2018	2017	2016	2015	2014	2013
\$	3,466,388	\$ 3,399,477	\$ 3,375,755	\$ 3,324,776	\$ 3,264,343	\$ 3,122,591
	414,770	430,162	424,615	419,622	406,647	409,730
	1,829,073	1,728,682	1,733,198	1,747,961	1,676,064	1,680,470
	592,988	567,316	573,873	691,769	677,501	539,174
	340,743	328,109	314,756	273,710	267,971	216,173
	505,642	498,986	474,045	515,596	541,496	531,494
	529,731	546,216	569,717	564,702	522,824	533,880
	7,671,041	7,499,244	7,494,821	7,500,282	7,343,489	7,495,005
	41,696	28,487	68,870	57,002	69,134	10,897
	388,401	353,640	382,441	361,793	363,976	346,611
	1,405	1,658	25,504	15,789	32,662	27,698
	202,735	204,378	384,080	163,915	169,497	141,008
	534,320	537,349	616,830	653,608	562,028	607,047
	16,518,933	16,123,704	16,438,505	16,290,525	15,897,632	15,661,778
	2,186,733	2,269,629	2,228,370	2,475,434	1,493,951	1,495,665
	3,603,390	3,656,763	3,643,209	3,381,946	3,994,332	3,909,703
	7,782,448	7,823,462	7,806,591	7,685,805	7,404,608	7,373,548
	823,278	866,469	861,793	959,927	930,805	985,149
	460,451	487,526	458,957	555,793	639,569	590,813
	42,942	42,704	42,123	41,284	39,444	39,654
	1,104,440	1,157,251	1,062,860	1,047,355	1,143,230	1,109,584
	323,203	399,019	358,206	319,916	319,798	307,377
	235,639	243,751	244,996	224,400	244,164	246,962
	16,562,524	16,946,574	16,707,105	16,691,860	16,209,901	16,058,455
\$	(43,591)	\$ (822,870)	\$ (268,600)	\$ (401,335)	\$ (312,269)	\$ (396,677)

Mississippi

Changes in Fund Balances of Governmental Funds

Table 4

Last Ten Fiscal Years

Modified Accrual Basis of Accounting (Expressed in Thousands)

(Continued from Previous Page)

	2022	2021	2020	2019
Other Financing Sources (Uses)				
Bonds and notes issued	\$ 292,940	\$ 369,550	\$ 422,540	\$ 727,919
Notes payable issued	2,575			
Leases issued	17,469	1,907	3,087	2,840
Discounts on bonds and notes issued				
Insurance recovery	1,310	1,666	1,047	177
Payments on refunded bond anticipation notes				
Payments on refunded bonds and notes				
Payments to note escrow agent	(87,000)	(522,502)	(111,000)	
Payments to refunded bond, note and lease escrow agents	(834,973)		(48,448)	(39,000)
Premiums on bonds, notes, and refunding bonds and notes issued	33,999	39,143	26,387	48,028
Refunding bonds and notes issued	838,030	546,400	49,035	
Transfers in	2,975	4,065	8,173	3,184
Transfers out	(23,059)	(424,053)	(13,992)	(21,085)
Net Other Financing Sources (Uses)	244,266	16,176	336,829	722,063
Net Change in Fund Balances	\$ 1,922,106	\$ 1,761,887	\$ 492,635	\$ 773,641
Debt Service as a Percentage of Noncapital Expenditures	3.1%	3.4%	3.5%	3.7%

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.

	2018		2017		2016		2015		2014		2013
\$	151,651	\$	334,135	\$	498,895	\$	366,575	\$	348,777	\$	341,420
	1,819		1,637		3,420		2,322		16,107		487
	810		478		1,498		(353)		17,826		7,303
							22,732				
	(263,616)		(650,120)		(76,405)		(483,163)				(776,032)
	16,487		136,029		56,328		86,758		15,838		120,265
	221,850		551,030		71,125		429,115				697,790
	3,117		3,017		4,082		3,513		4,508		4,461
	(98,192)		(82,511)		(132,304)		(106,709)		(53,131)		(86,752)
	33,926		293,695		426,639		320,790		349,925		308,942
\$	(9,665)	\$	(529,175)	\$	158,039	\$	(80,545)	\$	37,656	\$	(87,735)
	3.6%		4.0%		3.8%		3.4%		3.5%		3.7%

Mississippi

Taxable Sales by Industry

Table 5

Last Ten Fiscal Years

(Expressed in Thousands)

	2021	2020	2019	2018
Accommodation and Food Services	\$ 6,338,173	\$ 5,376,072	\$ 5,693,692	\$ 5,456,740
Administrative, Support, Waste Management	507,340	413,690	439,645	438,035
Arts, Entertainment, Recreation	140,150	118,593	153,094	133,364
Construction	6,136,805	5,927,635	5,543,854	5,064,972
Information	2,644,580	2,450,463	2,616,450	2,602,386
Manufacturing	1,091,236	928,649	892,263	871,331
Mining, Quarrying and Oil and Gas Extraction	135,321	158,219	225,382	169,696
Other Services	1,883,902	1,685,538	1,622,592	1,562,639
Real Estate, Rental, and Leasing	1,412,539	1,293,039	1,224,385	1,134,767
Retail Trade	31,734,135	28,412,102	27,161,867	28,201,445
Utilities	1,077,294	1,087,713	1,187,300	1,196,302
Wholesale Trade	4,604,919	4,104,402	4,082,259	3,872,348
Other Industries	482,004	494,053	471,075	436,595
Total taxable sales	<u>\$ 58,188,398</u>	<u>\$ 52,450,168</u>	<u>\$ 51,313,858</u>	<u>\$ 51,140,620</u>
Gross tax collections	\$ 3,698,514	\$ 3,326,544	\$ 3,255,559	3,264,296
Average effective rate	6.36%	6.34%	6.34%	6.38%

	2013	2012
Automotive	\$ 6,282,431	\$ 5,903,776
Contracting	5,353,835	5,418,884
Food and Beverage	8,449,285	8,193,223
Furniture	853,711	865,405
General Merchandise	7,896,794	7,732,806
Lumber and Building Materials	2,672,756	2,574,449
Machinery, Equipment and Supplies	3,578,629	3,099,301
Miscellaneous Retail	3,715,848	3,591,929
Miscellaneous Services	2,683,214	2,719,817
Public Utilities	4,369,849	4,126,438
Recreation	153,087	152,721
Wholesale	816,077	799,970
Total taxable sales	<u>\$ 46,825,516</u>	<u>\$ 45,178,719</u>
Gross tax collections	\$ 2,879,001	\$ 2,785,750
Average effective rate	6.15%	6.17%

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 tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

The most current fiscal year available is fiscal year 2021.

Source: Mississippi Department of Revenue

	2017		2016		2015		2014
\$	5,248,968	\$	5,069,440	\$	4,802,372	\$	4,590,836
	411,341		391,177		361,743		335,163
	124,183		123,077		122,846		124,955
	5,271,234		4,994,170		5,461,065		5,716,050
	2,666,288		2,696,693		2,706,468		2,635,722
	806,532		797,074		783,109		896,040
	156,831		170,269		398,300		412,702
	1,511,868		1,489,721		1,389,561		1,335,779
	1,089,123		946,120		929,136		862,594
	26,554,174		26,582,734		25,604,974		25,048,766
	1,126,915		1,147,208		1,271,311		1,439,020
	3,772,150		3,577,702		3,624,257		3,658,202
	389,628		367,121		339,919		325,675
\$	49,129,235	\$	48,352,506	\$	47,795,061	\$	47,381,504
	3,113,618		3,070,307		3,014,604		2,945,016
	6.34%		6.35%		6.31%		6.22%

Mississippi

Sales Tax Revenue Payers by Industry

Fiscal Years 2021 and 2012

Table 6

	2021			
	Number of Filers	Percentage of Total	Tax Liability (expressed in thousands)	Percentage of Total
Accommodation and Food Services	10,589	11.5 %	\$ 443,593	12.0 %
Administrative, Support, Waste Management	1,899	2.1	35,226	1.0
Arts, Entertainment, Recreation	1,694	1.8	9,809	0.3
Construction	11,160	12.1	259,106	7.0
Information	1,123	1.2	185,107	5.0
Manufacturing	5,151	5.6	67,526	1.8
Mining, Quarrying and Oil and Gas Extraction	633	0.7	8,360	0.2
Other Services	6,329	6.9	129,984	3.5
Real Estate, Rental, and Leasing	2,218	2.4	90,990	2.5
Retail Trade	36,910	40.2	2,095,917	56.7
Utilities	754	0.8	75,388	2.0
Wholesale Trade	8,856	9.6	264,717	7.1
Other Industries	4,550	5.1	32,790	0.9
Total taxable sales	91,866	100.0 %	\$ 3,698,513	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.

The most current fiscal year available is 2021.

Source: Mississippi Department of Revenue

2012

	Number of Filers	Percentage of Total	Tax Liability (expressed in thousands)	Percentage of Total
Automotive	12,177	13.4 %	\$ 337,980	12.1 %
Contracting	10,674	11.8	210,623	7.6
Food and Beverage	15,909	17.5	573,518	20.6
Furniture	2,122	2.3	60,576	2.2
General Merchandise	5,678	6.3	541,713	19.4
Lumber and Building Materials	5,362	5.9	180,207	6.5
Machinery, Equipment, and Supplies	6,738	7.4	155,226	5.6
Miscellaneous Retail	23,542	25.9	247,279	8.9
Miscellaneous Services	6,578	7.3	186,567	6.7
Public Utilities	1,211	1.3	225,373	8.0
Recreation	704	0.8	10,690	0.4
Wholesale	47	0.1	55,998	2.0
Total taxable sales	90,742	100.0 %	\$ 2,785,750	100.0 %

Mississippi

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Expressed in Thousands, except Per capita)

Table 7

	2022	2021	2020	2019
Governmental Activities				
General Obligation Bonds and Notes ¹	\$ 4,587,705	\$ 4,594,578	\$ 4,446,881	\$ 4,389,027
Limited Obligation Bonds	455,042	473,179	490,602	507,839
Capital Lease Obligations		6,406	7,637	7,404
Lease Liability	132,890			
Notes Payable ¹	691,169	762,339	824,131	889,397
Total Governmental Activities	5,866,806	5,836,502	5,769,251	5,793,667
Business-type Activities				
General Obligation Bonds	36	110	181	309
Capital Lease Obligations				
Lease Liability	2,901			
Notes Payable	8,641	4,756		
Total Business-type Activities	11,578	4,866	181	309
Total Primary Government	\$ 5,878,384	\$ 5,841,368	\$ 5,769,432	\$ 5,793,976
Amount of Debt Per capita ²	\$ 1,993	\$ 1,967	\$ 1,939	\$ 1,940
Debt as a percentage of Personal Income ³	4.4%	4.9%	4.9%	5.1%
Net General Obligation Bonded Debt⁴				
General Obligation Bonds and Notes ¹	\$ 4,587,705	\$ 4,594,578	\$ 4,446,881	\$ 4,389,027
Less: Debt Service	267,134	241,456	235,600	258,252
Net General Obligation Bonded Debt	\$ 4,320,571	\$ 4,353,122	\$ 4,211,281	\$ 4,130,775
Amount of Net General Obligation Bonded Debt Per capita ²	\$ 1,465	\$ 1,467	\$ 1,415	\$ 1,383
Net General Obligation Bonded Debt as a percentage of Taxable Sales ⁵	7.4%	8.3%	8.2%	8.1%

Notes:

¹ Fiscal years 2009 - 2012 have been restated for GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, presentation.

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

³ See Table 9 for personal income data. For the current fiscal year, the prior year personal income data is used in the calculation.

⁴ Net General Obligation Bonded Debt is long-term debt reported in governmental activities.

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

	2018		2017		2016		2015		2014		2013
\$	4,263,174	\$	4,409,839	\$	4,389,749	\$	4,381,327	\$	4,297,643	\$	4,207,238
	215,158		221,727		226,507						
	7,872		11,124		15,262		20,209		22,775		13,158
	957,165		1,030,160		1,055,789		1,113,994		1,078,967		1,140,010
	5,443,369		5,672,850		5,687,307		5,515,530		5,399,385		5,360,406
	6,496		6,673		9,696		12,670		15,503		18,210
	40		120		198		272		344		131
	6,536		6,793		9,894		12,942		15,847		18,341
\$	5,449,905	\$	5,679,643	\$	5,697,201	\$	5,528,472	\$	5,415,232	\$	5,378,747
\$	1,826	\$	1,900	\$	1,904	\$	1,847	\$	1,811	\$	1,805
	5.0%		5.3%		5.4%		5.4%		5.3%		5.4%
\$	4,263,174	\$	4,409,839	\$	4,389,749	\$	4,381,327	\$	4,297,643	\$	4,207,238
	280,295		252,787		335,687		340,515		369,002		339,308
\$	3,982,879	\$	4,157,052	\$	4,054,062	\$	4,040,812	\$	3,928,641	\$	3,867,930
\$	1,335	\$	1,391	\$	1,355	\$	1,350	\$	1,313	\$	1,298
	8.1%		8.6%		8.5%		8.5%		8.4%		8.6%

Mississippi

Legal Debt Margin

Last Ten Fiscal Years

Table 8

(Expressed in Thousands)

	2022	2021	2020	2019	2018
Legal debt limit	\$ 15,630,995	\$ 13,922,864	\$ 13,922,864	\$ 13,370,476	\$ 13,312,194
Less: Net debt applicable to limit	4,320,571	4,353,122	4,211,281	4,130,775	3,982,879
Legal debt margin	\$ 11,310,424	\$ 9,569,742	\$ 9,711,583	\$ 9,239,701	\$ 9,329,315

Net debt applicable to the limit as a percentage of legal debt limit	27.6%	31.3%	30.2%	30.9%	29.9%
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	2017	2016	2015	2014	2013
Legal debt limit	\$ 13,312,194	\$ 13,312,194	\$ 13,312,194	\$ 12,823,921	\$ 12,505,104
Less: Net debt applicable to limit	4,157,052	4,054,062	4,040,812	3,928,641	3,867,930
Legal debt margin	\$ 9,155,142	\$ 9,258,132	\$ 9,271,382	\$ 8,895,280	\$ 8,637,174

Net debt applicable to the limit as a percentage of legal debt limit	31.2%	30.5%	30.4%	30.6%	30.9%
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Legal Debt Margin Calculation for Fiscal Year 2022:

Legal debt limit ¹	\$ 15,630,995
Amount of debt applicable to limit ²	\$ 4,587,705
Less: amounts available for debt service	267,134
Less: Net debt applicable to limit	4,320,571
Legal debt margin	\$ 11,310,424

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
2021	\$ 10,420,663
2020	9,164,375
2019	9,281,909
2018	8,913,650

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.		
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	35,444
2014	2,994,000	7.5	6.2	102,795,000,000	34,333
2013	2,991,000	8.6	7.4	103,132,000,000	34,478
2012	2,980,000	9.0	8.1	98,722,000,000	33,128

Sources:

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

Employment by Industry

Most Current Calendar Year and Nine Years Prior
(Ranked by Number of Employees)

Table 10

Industry	Rank	2021		Rank	2012	
		Average Number of Employees	Percentage of All Employees		Average Number of Employees	Percentage of All Employees
Government	1	234,400	19.8 %	1	246,000	20.3 %
Manufacturing	2	143,800	12.1	2	137,000	11.3
Retail Trade	3	136,500	11.5	3	133,500	11.0
Health Care and Social Assistance	4	128,300	10.8	4	121,300	10.0
Accommodation and Food Services	5	117,500	9.9	5	112,200	9.2
Professional and Business Services	6	114,500	9.7	6	96,000	7.9
Transportation and Warehousing	7	57,500	4.9	8	48,700	4.0
Construction	8	44,800	3.8	7	48,300	4.0
Other Services	9	39,000	3.3	9	38,200	3.1
Wholesale Trade	10	33,900	2.9	10	33,900	2.8
Total		1,050,200	88.7 %		1,015,100	83.6 %
Total Employed Labor Force		1,184,400	100.0 %		1,213,200	100.0 %

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

	2021/2022	2020/2021	2019/2020	2018/2019
Kindergarten	41,195	36,636	42,129	41,573
Grades 1-3	95,513	96,936	105,278	106,264
Grades 4-6	97,419	100,707	108,231	114,268
Grades 7-9	109,379	108,473	109,202	106,953
Grades 10-12	91,632	93,053	93,531	94,197
Special Education	6,862	6,822	7,542	7,413
Total Enrollment	442,000	442,627	465,913	470,668

Source: Mississippi Department of Education

Community and Junior College Enrollment

Last Ten Academic Years

Table 12

	2021/2022	2020/2021	2019/2020	2018/2019
Coahoma Community College	1,343	1,261	1,666	1,899
Copiah-Lincoln Community College	2,230	2,230	2,607	2,944
East Central Community College	1,956	1,957	2,310	2,593
East Mississippi Community College	2,670	2,670	3,509	3,871
Hinds Community College	7,289	7,260	9,447	10,398
Holmes Community College	4,475	4,475	5,154	5,582
Itawamba Community College	3,871	3,871	4,506	5,580
Jones County Junior College	3,684	3,683	4,195	4,627
Meridian Community College	2,360	2,360	2,900	3,553
Mississippi Delta Community College	1,691	1,691	2,172	2,513
Mississippi Gulf Coast Community College	6,880	6,835	7,834	10,102
Northeast Mississippi Community College	2,630	2,630	3,199	4,023
Northwest Mississippi Community College	5,182	5,182	6,115	6,585
Pearl River Community College	4,386	4,386	4,340	4,890
Southwest Mississippi Community College	1,585	1,585	1,845	1,945
Total Enrollment	52,232	52,076	61,799	71,105

Source: Mississippi Community College Board

University Enrollment

Last Ten Academic Years

Table 13

	2021/2022	2020/2021	2019/2020	2018/2019
Alcorn State University	3,074	3,230	3,523	3,658
Delta State University	2,727	2,999	3,761	3,716
Jackson State University	7,080	6,921	7,020	7,250
Mississippi State University	23,086	22,986	22,226	21,974
Mississippi University for Women	2,477	2,704	2,811	2,711
Mississippi Valley State University	2,064	2,032	2,147	2,285
University of Mississippi	21,856	21,676	22,273	23,090
University of Southern Mississippi	14,146	14,606	14,133	14,509
Total Enrollment	76,510	77,154	77,894	79,193

Source: Institutions of Higher Learning, Office of Strategic Data Management

2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
41,710	42,003	42,427	44,950	46,297	47,198
110,730	116,066	121,392	120,791	119,432	116,562
113,468	111,169	108,320	108,968	110,211	111,609
107,099	107,929	109,425	112,337	113,675	113,490
97,149	97,724	97,213	95,767	95,399	96,485
7,477	7,555	7,694	7,412	7,572	7,503
477,633	482,446	486,471	490,225	492,586	492,847

2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
1,940	1,943	1,913	1,746	2,722	2,694
2,986	3,006	3,097	3,040	3,186	3,308
5,006	2,449	2,598	2,621	3,049	3,112
4,049	3,897	4,070	3,676	3,712	4,367
10,701	10,411	9,904	12,844	10,975	10,609
5,509	5,208	5,064	4,905	6,330	6,728
5,525	6,350	6,398	6,320	6,972	6,977
4,860	5,358	4,966	4,617	5,113	4,192
3,965	3,756	3,647	3,386	3,047	3,330
2,534	2,444	2,417	2,499	3,006	3,001
9,979	9,607	9,476	9,767	11,821	11,350
3,911	3,966	3,651	3,643	3,520	3,603
7,322	6,861	7,235	7,294	8,450	7,202
4,325	4,107	4,107	4,140	4,231	4,675
1,953	2,091	2,091	2,097	2,224	2,143
74,565	71,454	70,634	72,595	78,358	77,291

2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
3,716	3,420	3,518	3,639	3,848	3,950
3,789	3,588	3,460	3,614	4,785	4,763
8,558	9,811	9,802	9,508	9,134	8,819
21,883	21,622	20,873	20,138	20,161	20,365
2,789	2,956	2,673	2,696	2,629	2,650
2,385	2,455	2,309	2,221	2,203	2,479
23,780	24,250	23,838	23,096	22,291	21,528
14,478	14,552	14,551	14,792	15,249	16,468
81,378	82,654	81,024	79,704	80,300	81,022

Mississippi

Capital Asset Statistics by Function

Last Ten Fiscal Years

Table 14

	2022	2021	2020	2019	2018
General Government					
Department of Finance and Administration					
Buildings	64	62	65	65	62
Vehicles	38	65	67	51	44
Department of Revenue					
Vehicles	47	45	52	45	44
Education					
Department of Education					
Vehicles	48	41	47	40	45
Law, Justice and Public Safety					
Department of Corrections					
Buildings	251	251	251	252	252
Vehicles	572	563	825	592	593
Department of Public Safety					
Buildings	74	74	46	46	46
Vehicles	1,291	1,137	1,264	1,189	1,063
Recreation and Resource Development					
Department of Wildlife, Fisheries and Parks					
State Parks	25	25	25	25	25
Acres of State Parks	23,723	23,723	23,723	23,723	21,344
Buildings	228	228	239	223	215
Vehicles	757	694	861	742	722
Forestry Commission					
Buildings	19	20	22	19	23
Vehicles	302	303	336	305	337
Regulation of Business and Professions					
Workers' Compensation Commission					
Buildings	1	1	1	1	1
Transportation					
Department of Transportation					
Miles of state highway	10,949	10,948	10,936	10,919	10,911
Vehicles	2,121	2,153	2,403	2,337	2,213
Health and Social Services					
Department of Mental Health					
Buildings	474	511	470	470	475
Vehicles	733	779	800	725	743

Sources:

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

2017	2016	2015	2014	2013
60	60	59	36	37
45	37	44	44	41
50	46	62	49	46
51	52	55	44	45
252	252	252	558	572
610	594	618	691	611
46	46	45	43	41
1,203	1,124	1,118	913	896
25	25	25	25	25
21,344	24,481	24,481	24,481	24,591
221	211	211	843	835
712	628	594	558	591
24	24	24	317	369
430	458	490	413	421
1	1	1	1	1
10,888	10,901	10,897	10,898	10,886
2,288	2,228	2,272	2,339	2,352
476	474	475	538	545
764	752	755	752	756

Mississippi

State Government Employees by Function

Last Ten Fiscal Years

Table 15

	2022	2021	2020	2019	2018	2017
General Government						
Department of Finance and Administration	302	411	456	430	436	414
Department of Revenue	613	614	637	655	698	737
Treasury	34	34	35	37	37	36
All Other	1,332	1,350	1,392	1,372	1,382	1,389
Education						
Department of Education	456	568	628	611	603	638
All Other	159	181	217	199	178	175
Health and Social Services						
Department of Human Services	2,977	3,016	3,066	3,081	3,056	3,208
Division of Medicaid	883	843	891	931	938	974
Department of Mental Health	4,930	5,212	5,964	6,230	6,019	6,635
Department of Rehabilitation Services	925	973	952	943	913	982
All Other	2,584	2,675	2,801	2,729	2,717	2,829
Law, Justice and Public Safety						
Department of Corrections	1,719	1,793	1,737	1,842	2,010	2,158
Department of Public Safety	1,440	1,174	1,209	1,192	1,191	1,200
All Other	2,188	2,217	2,200	2,182	2,171	2,161
Recreation and Resource Development						
Department of Environmental Quality	353	381	389	400	398	396
Department of Wildlife, Fisheries and Parks	535	460	467	497	530	519
Forestry Commission	248	255	269	263	263	266
Mississippi Development Authority	190	214	217	227	229	232
All Other	374	378	386	372	357	361
Regulation of Business and Professions						
Public Service Commission	53	55	58	57	58	62
Oil and Gas Board	31	31	31	31	27	28
All Other	285	298	306	303	299	302
Transportation						
Department of Transportation	2,610	2,859	2,990	3,022	3,100	3,146
Total	25,221	25,992	27,298	27,606	27,610	28,848

Source: Statewide Payroll and Human Resource System, Total Filled Positions

2016	2015	2014	2013
432	413	413	418
753	764	727	694
38	38	39	36
1,399	1,429	1,441	1,454
623	607	653	687
185	185	182	187
3,441	3,411	3,391	3,483
929	925	936	923
7,268	7,460	7,716	7,815
998	954	964	969
2,992	3,251	3,340	3,449
2,293	2,647	2,870	2,958
1,234	1,282	1,215	1,252
2,142	2,087	2,163	2,188
402	394	397	401
511	522	522	543
390	401	418	414
241	271	287	300
370	366	365	367
68	67	85	101
31	32	31	32
290	279	260	248
3,184	3,162	3,277	3,351
30,214	30,947	31,692	32,270

Mississippi

Operating Indicators by Function

Last Ten Fiscal Years

Table 16

	2021	2020	2019	2018
General Government				
Tax returns processed	3,898,134	3,769,958	3,540,043	3,489,318
On-going construction projects	558	470	470	470
Tort claims processed	920	858	869	1,018
Unclaimed property claims paid	8,365	6,069	8,406	5,378
Corporate filings processed **				
UCC filings processed **				
Education				
Average cost per public school student	\$12,107	\$10,655	\$10,421	\$10,034
Public high school graduates	29,313	29,118	30,245	29,965
Public school teachers, K-12	31,856	31,601	31,657	31,252
Third Grade Students Taking the Reading Summative Assessment				37,825
Health and Social Services				
Average monthly households receiving food assistance***				
Child support collections from non-custodial parents	\$415,155,658	\$439,663,792	\$371,714,793	\$368,935,532
Medicaid recipients receiving medical services	772,934	697,178	673,247	687,906
CHIP Recipients	47,009	48,393	46,080	46,585
Law, Justice and Public Safety				
Custody population per 100,000 Mississippi residents	585	633	630	619
Average inmate population in prisons *				
Supervised offenders in communities *				
Driver licenses issued	549,318	514,645	382,223	417,848
Recreation and Resource Development				
Tourist registered at welcome centers	1,264,841	1,223,500	1,924,736	2,113,594
Land reforested (acres)	35,000	35,000	35,000	39,119
Hunting and fishing licenses sold	482,865	454,711	433,557	449,336
Overnight accommodations at state parks	790,406	5,715,378	866,480	844,227
Regulation of Business and Professions				
Utility complaints investigated	4,269	4,432	4,560	4,587
Well inspections by Oil and Gas Board	38,711	31,663	35,761	33,367
Transportation				
Overlays (miles) *				
Repair and replacement of deficit local system bridges	41	51	48	31

* 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.

***Operating indicators for average monthly households receiving food assistance are no longer available beginning fiscal year 2017.

Note: The most current fiscal year available is fiscal year 2021.

Sources:

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

2017	2016	2015	2014	2013	2012
3,099,217	3,054,931	3,367,215	4,950,000	4,950,000	4,950,000
671	656	690	699	743	783
891	1,135	1,167	929	1,098	986
5,042	10,131	5,352	5,187	5,309	7,298
		168,421	67,873	110,008	243,634
		320,819	318,307	322,350	342,552
\$9,781	\$9,704	\$9,394	\$9,209	\$8,921	\$8,932
30,083	29,991	29,802	28,556	28,317	28,933
31,658	32,101	32,230	32,102	32,356	32,170
36,544					
	279,491	297,854	304,060	303,719	289,660
\$360,687,014	\$352,077,839	\$352,077,839	\$333,825,397	\$332,931,089	\$332,298,519
711,923	726,473	740,937	689,153	643,687	640,957
48,344					
623	609	641			
			9,719	9,868	9,449
			30,689	30,078	35,097
600,134	650,757	600,239	594,005	807,582	747,173
2,390,882	2,441,086	2,494,990	2,454,373	2,502,048	2,471,958
30,267	35,000	21,470	32,238	29,732	52,830
500,000	483,751	560,219	571,785	578,154	550,000
794,504	793,777	550,186	689,774	544,887	646,752
4,612	4,538	2,347	3,915	3,988	4,002
31,722	33,179	26,930	25,073	21,893	22,236
			320	135	64
46	62	62	66	50	55

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