

FY **2016** ANNUAL REPORT



Lynn Fitch
STATE TREASURER

MISSION

To secure and invest the financial trust for the State of Mississippi.



VISION

We are pioneers in banking and financial solutions, and trustworthy stewards of the state trust.

We are transparent in our activities, innovative in our technologies, strategic in our business partnerships, knowledgeable of the financial markets, and providers of excellent customer service to the taxpayers of Mississippi.

VALUES

Trust
Transparency
Accountability
Respect
Customer Service

Teamwork
Integrity
Dedication
Commitment
Honesty



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LETTER FROM THE TREASURER



Dear Fellow Mississippians:

I am pleased to present the Fiscal Year 2016 report for the Office of the State Treasurer. This past year marked the beginning of my second term as your Treasurer and I am proud of the work my team and I have accomplished.

The best way to think of the State Treasurer's office is as the State's bank. It is our mission to secure and invest the financial trust for the State of Mississippi. We managed 80 Treasury funds and conducted over \$26 billion in transactions in Fiscal Year 2016. Thanks to updated security protocols and state-of-the-art technology, we caught 44 counterfeit or forged warrants in the fiscal year. And, we invest over \$5 billion in State funds annually.

The Office of the State Treasurer is also helping to make your government more efficient and cost-effective. For instance, we have been helping communities across the state convert to the State's electronic payment platform, Paymode. As of the end of this calendar year, 92% of communities are now using Paymode, which guards against fraud, makes better use of public staff time, and speeds up payments between the State and local governments.

But, this is really just the beginning of what we do at the State Treasurer's office. We also manage Mississippi's two College Savings Plans, MACS and MPACT. At the end of Fiscal Year 2016, there were 11,918 active MACS accounts and 18,972 active MPACT accounts. Working with employers large and small across the State, we've set up payroll deduction at 151 companies to help more than 31,000 Mississippians save for their children's education.

The Office of the State Treasurer runs Mississippi's unclaimed property program, too. In Fiscal Year 2016, we collected

more than \$22.3 million in abandoned money, stocks, and other funds. It is our charge to find the rightful owners and reunite them with their property. And, this fiscal year, we paid out 10,131 claims, returning nearly \$15.7 million!

This office also manages the State's debt so I keep a close eye on Mississippians' growing debt burden, which in Fiscal Year 2016 was \$1,747 for every man, woman, and child in the State. How State debt impacts Mississippi's economy and financial standing is a point I make to the Legislature in my annual Debt Affordability Study, as well. As a member of the State Bond Commission, I was pleased to draft and lead the fight to institute rules and regulations for the Bond Commission to follow when issuing debt authorized by the Legislature. It is my hope that these guidelines will soon lead to a reduction in your debt burden.

These are just a few of the highlights of the past fiscal year. This report should provide additional insight into the work the Office of the State Treasurer does for you.

Sincerely,

A handwritten signature in black ink that reads "Lynn Fitch". The signature is stylized with large, flowing loops.

Lynn Fitch
Treasurer, State of Mississippi

THE HONORABLE LYNN FITCH, TREASURER

Re-elected to a second term in 2015, Lynn Fitch is Mississippi's 54th Treasurer.

Raised in Holly Springs, Mississippi, she earned both a Bachelor of Business Administration and a Juris Doctorate at the University of Mississippi. At 23, Lynn began practicing law as a Special Assistant Attorney General and was later in private practice as a bond lawyer.

In 2009, Lynn was selected by Governor Barbour to serve as Executive Director of the Mississippi State Personnel Board. Prior to MSPB, Lynn served as Deputy Executive Director at the Mississippi Department of Employment Security and as Counsel for the Mississippi House of Representatives Ways and Means and Local and Private Legislation Committees.

Lynn attended Harvard's Business School of Management and Leadership Program. She has been active in the National Association of State Treasurers, where she currently sits on the Executive Committee and served as Vice President for the Southern Region, as well as in the State Financial Officers Foundation, where she served as Vice Chair. Lynn was elected Chair of SFOF in October 2016.

She was selected as Outstanding Woman Lawyer of 2012, recognized as a Woman Trailblazer by the Mississippi Bar Association, recently named a Mississippi Bar Fellow, and named a 2015 Honoree of the Women in Government Leadership Program by Governing Magazine. Lynn also serves on the boards of several charitable organizations, including Goodwill and the Juvenile Diabetes Research Foundation.



Charlie Jenkins greets Treasurer Fitch during her visit at the Armed Forces Retirement Home in Gulfport, MS.



Treasurer Fitch with Central Mississippi Steel Magnolias Survivor of the Year, Terri Turner, and Grand Marshall, IndyCar driver Pippa Mann, before the 17th annual Race for the Cure.



Treasurer Fitch with Madison County Superintendent Dr. Ronnie McGehee during the Mississippi Association of School Superintendents Conference.

EXECUTIVE TEAM



Laura Jackson
Deputy State Treasurer



Jesse Graham
Deputy State Treasurer

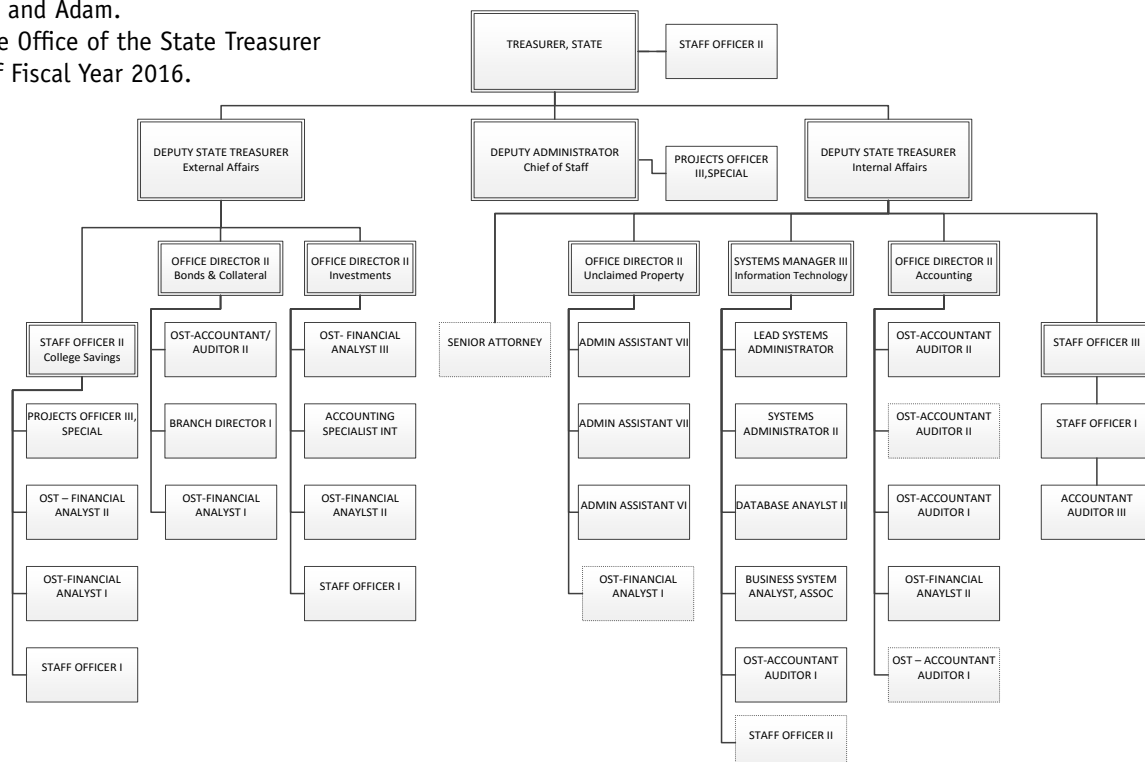


Michelle Williams
Chief of Staff

Laura Jackson serves as the Deputy Treasurer for External Affairs for the Office of the State Treasurer. Laura began her career in state government in 1987 as a staff auditor for then Auditor Ray Mabus. After 13 years at the Office of the State Auditor, she served as the Bond and Collateral Director for Treasurer Marshall Bennett and Treasurer Tate Reeves. Governor Haley Barbour hired Jackson in 2008 to serve as the Bond Advisory Director for the State Bond Commission. Laura holds both a Bachelor of Science in Accounting and a Master's degree in Business Administration from Mississippi College. Laura and her husband, Kevin, have three children, Anna Kate, Ashley, and Adam. Laura left the Office of the State Treasurer at the end of Fiscal Year 2016.

Jesse has more than 28 years of professional work experience in both public and private sector. He came to the Treasurer's office from the Mississippi State Personnel Board where he served as the Assistant Deputy over Administrative Services. Jesse is a graduate of Mississippi State University in Starkville.

Michelle joined the Treasurer's staff in December 2015. She comes to Mississippi from Washington, D.C., where she spent more than two decades working in public policy and law. During her time on Capitol Hill, Michelle worked for six members of Congress, including two as Chief of Staff. She also ran Government Affairs for the Becket Fund, a public interest law firm. Michelle holds an undergraduate degree in Politics from Mount Holyoke College and a JD from William and Mary's School of Law.





Russell Armstrong
*Director of Information
Technology*

Russell Armstrong graduated from Holmes Community College with an Associates Degree in Electronics. He has 23 years of experience in the Information Technology field, 15 years of which have been with the Office of the State Treasurer.



Yolanda Campbell
Director of Accounting

Yolanda has more than 17 years of professional work experience in both the public and private sectors. Prior to joining the Office of the State Treasurer in July 2015, she was an audit manager in the Agency Audit division of the Office of the State Auditor. Yolanda holds a Bachelor of Business Administration degree from Delta State University and is a Certified Public Accountant.



Tony Geiger
*Director of Unclaimed
Property*

Tony Geiger has more than 20 years of experience in management, marketing and sales. He has worked as an energy consultant as well as in business development. Tony attended Ole Miss and graduated from Mississippi College.



Ricky Manning
*Director of Bonds &
Collateral*

Ricky Manning is a graduate of Millsaps College with an advanced degree from Mississippi College in Accounting. He has 20 years of experience in both the public and private sectors including working in New York as an equity trader, a portfolio analyst, and later in public accounting. He joined the Office of the State Treasurer in 2008.

Liz Bolin became the new Director of Bonds and Collateral in Fiscal Year 2017.



Emelia Nordan
*Director of College Savings
Mississippi & Policy*

Emelia Nordan began her career at the Office of the State Treasurer as a marketing specialist for College Savings Mississippi and then served as Policy Director. She is a graduate of the Trent Lott Leadership Institute at the University of Mississippi and has a degree in Public Policy Leadership. Emelia is responsible for management of the two state sponsored College Savings Programs, MPACT and MACS, policy development and oversight for the agency, and coordination of the TEAM (Treasurer's Education About Money) initiative.



Misti Preziosi
*Director of Investment &
Cash Management*

Misti has more than 13 years of experience in both the public and private sectors, with emphasis in portfolio management, banking, and alternative investments. As the Chief Investment Officer for the State of Mississippi, Misti is responsible for the oversight and management of over \$5 billion in State funds across various portfolios. Misti is a graduate of Mississippi College with a Master's in Finance and holds a Bachelor's in Marketing from Mississippi State University. She was named one of Trusted Insight's Top 30 Women Chief Investment Officers nationally in 2016, as well as one of Mississippi Business Journal's Top 10 Leading Business Women for 2015.

REPRESENTATION OF THE EXECUTIVE BRANCH

As a part of her statutory duties, Treasurer Fitch sits on and heads several state boards, including:

» College Savings Mississippi

Treasurer Fitch is the Chair of the Board of Directors for the College Savings Plans of Mississippi. The Board governs Mississippi's two highly successful 529 college savings plans, the Mississippi Affordable College Savings plan (MACS) and the Mississippi Prepaid Affordable College Tuition plan (MPACT).



Treasurer Fitch and Museum-goers during the 2015 529 Day held at the Mississippi Childrens Museum. September is College Savings Month in Mississippi.

» State Prison Emergency Construction and Management Board

» Revenue Estimating Committee

» Mississippi Business Finance Corporation

» Mississippi Tort Claims Board

» Public Employees' Retirement System of Mississippi (PERS)

The Board of Trustees of PERS oversees the administration and operation of the System, including the investment of all System funds according to legislative authority. PERS active members total more than 154,767 and work in public schools, state government, universities, community colleges, municipalities, counties, highway patrol, the Legislature and other public entities. Treasurer Fitch served as Chair of the Investment Committee in Fiscal Year 2016.

In absolute terms, the investment results for Fiscal Year 2016 produced a total fund return of 1.2%. The System has shown an annualized rate of return of 7.2% for the past 5 years. At the close of the fiscal year, the System's net assets had a market value of \$24.5 billion.

	Plan Performance	Benchmark
Domestic equities	0.40%	2.10%
Non-U.S. equities	-8.00%	-9.60%
Global equities	-3.30%	-3.70%
Debt securities	6.80%	6.00%
Real estate investments	13.30%	10.60%
Private equity investments	10.60%	7.00%
Total return	1.20%	0.98%

» Mississippi Development Bank

» Windstorm Underwriting Association Board of Directors

» State Bond Commission

The State Bond Commission has three members: the Treasurer, the Governor, and the Attorney General. Once the Legislature passes a bond bill, the Bond Commission is charged with issuing debt authorized in that bill. As a member of the Bond Commission, Treasurer Fitch carefully monitors State debt levels and their impact on the State's credit ratings. Her annual Debt Affordability Study is a tool she offers the Legislature to help manage our debt.

FYE	Constitutional Debt limit	FYE Total Bond Indebtedness	Debt as % of Limit
2007	12,009,366,365	3,240,150,000	26.98%
2008	12,451,109,180	3,465,750,000	27.83%
2009	12,451,109,180	3,417,205,000	27.44%
2010	12,451,109,180	3,488,867,000	28.02%
2011	12,451,109,180	3,786,480,000	30.41%
2012	12,451,109,180	4,131,465,000	33.18%
2013	12,505,103,786	4,055,890,000	32.43%
2014	12,823,921,730	4,142,675,000	32.30%
2015	13,312,193,788	4,185,105,000	31.44%
2016	13,312,193,788	4,388,070,000	32.96%

» Mississippi Public Funds Guaranty Pool Board

The Guaranty Pool Board is established in Section 27-105-6 of the Mississippi Code. As of June 20, 2016, 17 banks were members of the Pool: 1st National Bank, Clarksdale; The First; Bank of Brookhaven; Metropolitan Bank; Bank of Yazoo; BankPlus; Citizens National Bank, Meridian; Commercial Bank; First Bank; Renasant Bank; Regions Bank; United Miss Bank; Bancorp-South; Trustmark National Bank; RiverHills Bank; First Security Bank; and Priority One Bank.



New members were sworn into the Board on November 29, 2016. L to R: Treasurer Lynn Fitch, Phil Williams, Charlotte Corley, Supervisor Trey Baxter, Judge Dawn Beam (not member), Max Yates, Ben Aldridge, and Mayor Brian Gomillion.

» License Tag Commission

» Historic Properties Trust Fund Advisory Committee

» These three divisions at the Office of the State Treasurer provide the core support functions for all the work that we do. They are essential to our mission to safeguard the public trust.

PERSONNEL, PROCUREMENT, BUDGETING & REPORTING DIVISION



This division is new to the Office of the State Treasurer and performs the human resources, purchasing, and budgeting work for the Office of the State Treasurer. This includes the yeoman's work in drafting the office's annual budget requests, in cooperation with all other divisions.

In addition, they provide key accounting and administrative support for holder reporting for the Unclaimed Property division. They are the voice and face of this office on a daily basis.

Personnel, Procurement, Budgeting & Reporting Team Members:
(Top L - R) Robyn Louis, Angela Temple, Peggy Coleman
(Bottom L - R) Director: Samuel Cole, Vickie Jackson

INFORMATION TECHNOLOGY DIVISION

This division manages the information technology systems and networking infrastructure for the Office of the State Treasurer.

They support all information system processing performed in the office, from fundamental, commercially available software to highly customized applications developed in-house that interface securely with state agencies, commercial banks, and other financial institutions.

The professionals in this division regularly participate in workshops and seminars on IT security to stay ahead of those who would cheat Mississippi taxpayers. In Fiscal Year 2016, the Office of the State Treasurer stopped 28 forgeries and 16 counterfeit warrants thanks largely to their efforts.



Information Technology Team Members:
(Top L - R) Chris Carlson, Director: Russell Armstrong, Brian Patton (Bottom L - R) Cammy Nguyen, Gloria Hasseltine

ACCOUNTING & FINANCIAL MANAGEMENT DIVISION

This division performs all budgeting and accounting functions necessary for the daily operation and management of this office. They maintain accounting records for approximately 80 Treasury funds as set forth in the Mississippi Agency Accounting Policies and Procedures (MAAPP) manual. They prepare monthly reconciliations with the Mississippi Accountability System for Government Information and Collaboration (MAGIC) for each of these funds.



*Accounting & Financial Management Team Members:
(Top L - R) BB Mitchell, Jason Quon (Bottom L - R) Krista Robinson, Director: Yolanda Campbell, Gloria Debose*

At the end of each fiscal year, the division prepares GAAP (Generally Accepted Accounting Principles) financial statements, which are included in the State's Comprehensive Annual Financial Report (CAFR).

In cooperation with the Mississippi Department of Revenue, this division is responsible for disbursing certain tax diversions, such as sales, gas severance, oil severance, timber severance, and petroleum, to the various counties and municipalities throughout the State.

This past year, division staff began the process of helping these communities to set up in the State's Paymode payment service to allow for electronic payments. This process helps to guard against fraud, makes better use of public staff time, and speeds up payments between the State and local governments. As of the end of this calendar year, they've achieved a 92% conversion rate.



Office of the State Treasurer Staff showing their appreciation for law enforcement, during law enforcement appreciation week.

COLLEGE SAVINGS & TEAM DIVISION

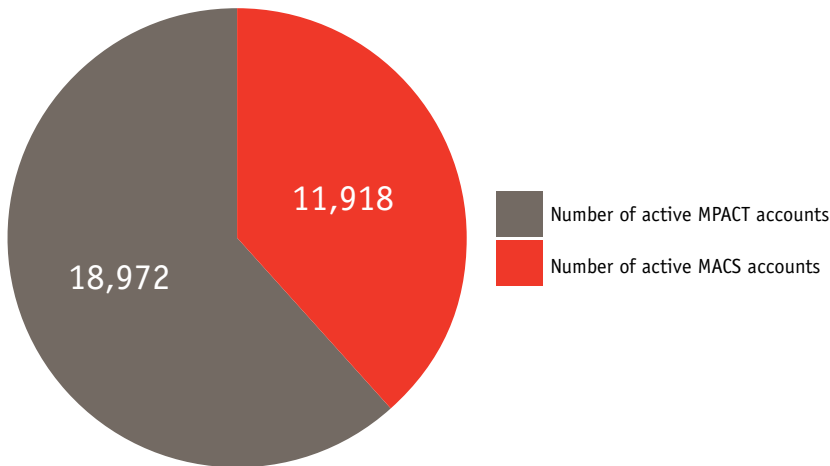


College Savings Mississippi Team Members: (L - R) Josh Carver, Director; Emelia Nordan, Hannah Robinson & Allen Hamilton

This division runs both of Mississippi's highly successful college savings plans – MACS (Mississippi Affordable College Savings program) and MPACT (Mississippi Prepaid Affordable College Tuition program). Both plans allow tax-advantaged investments for college savings. Qualified withdrawals for higher education expenses are federal and state income tax-exempt. Account owners may also qualify for up to a \$20,000 Mississippi State income tax deduction. Funds can be used at eligible schools nationwide, with some limitations.

Policy and activity for the College Savings Mississippi is governed by an independent Board of Directors. Treasurer Fitch chairs the Board as part of her statutory responsibilities.

Enrollment as of June 30, 2016



Each year, this division participates in dozens of employer benefits fairs across the state to help Mississippians sign up for MACS and MPACT accounts. Over the past year, they've made a particular effort to get employers to offer automatic payroll deduction for college savings to their employees. As of the end of Fiscal Year 2016, 151 institutions had established this workplace benefit, covering over 31,000 accounts.



College Savings Mississippi's setup during open enrollment.



Treasurer Fitch presents 2015 Savings Shootout winner with a MACS Scholarship check during halftime of the MHSAA State Basketball Championships.

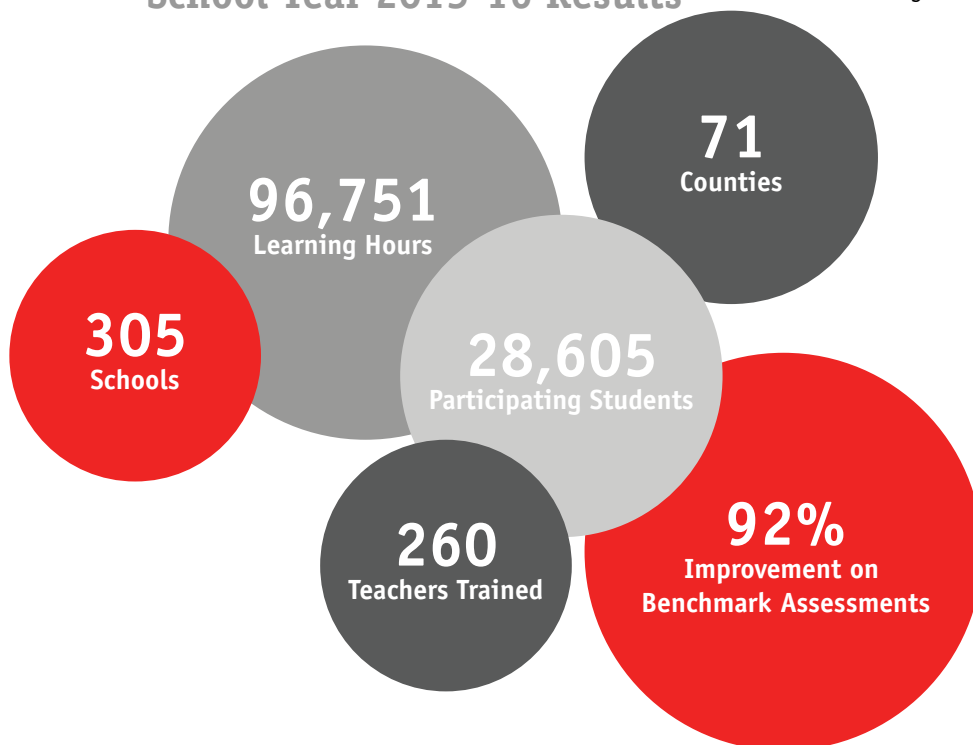
This division also sets up a variety of events across the State to both raise awareness of the need to save for a college education and to provide MACS scholarships to Mississippi students. These include the annual Egg Bowl Tuition Toss, the 529 Day baby promotion, and the school art contest, to name a few. In addition, in collaboration with the Governor's Office, they help Mississippi recognize September as College Savings Month.

Like saving for college, fundamental financial literacy is a key to ensuring Mississippi's youth are prepared for their very best tomorrows. To promote financial education in Mississippi's schools, Treasurer Fitch developed the Treasurer's Education About Money (TEAM) initiative. This public-private partnership provides teacher training and classroom resources to participating high and middle schools across the State, at no cost to the schools, teachers, parents, or students.



Treasurer Fitch and Mr. Larry Lewis of Cahoma High School during the 2016 Finance Challenge.

School Year 2015-16 Results



The 2015-16 school year was the second year of TEAM and saw tremendous success.

BOND & COLLATERAL DIVISION

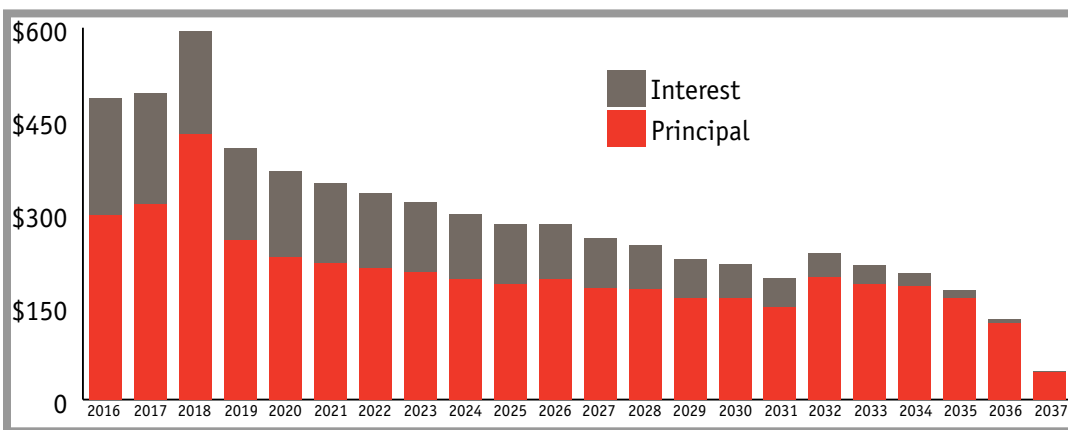


According to Moody's, the net tax supported debt per capita for Mississippi – or the amount each man, woman, and child owes in state debt – is \$1,747.

Each year, the Bonds Division prepares a Debt Affordability Study for the Legislature to help provide the data necessary to inform decisions on incurring new debt on behalf of the people, as well as on paying off remaining debt.

Bond & Collateral Team Members: (Top L - R) Jacob Goodwin, CJ King (Bottom L - R) Director: Liz Bolin, Donna Eargle

FYE	Net Direct General Obligation Bonds & Notes	Self-Supporting General Obligation & Revenue Bonds	Total Bond Indebtedness
2006	2,987,335,000	106,925,000	3,094,260,000
2007	3,158,200,000	81,950,000	3,240,150,000
2008	3,084,125,000	79,315,000	3,163,440,000
2009	3,422,840,000	3,790,000	3,426,630,000
2010	3,485,982,000	2,885,000	3,488,867,000
2011	3,784,525,000	1,955,000	3,786,480,000
2012	4,130,470,000	995,000	4,131,465,000
2013	4,055,890,000	0	4,055,890,000
2014	4,142,675,000	0	4,142,675,000
2015	4,185,105,000	0	4,185,105,000
2016	4,188,070,000	200,000,000	4,388,070,000



Debt Service Payments

Principal and interest payments on the State's debt portfolio through FY2037.

Graph shows projected debt payments. A balloon payment from floating rate bonds is due in FY 2018; however, the intent of the State Bond Commission is to restructure those bonds and extend the maturity at that time.

During Fiscal Year 2016, the State of Mississippi issued the following:

\$182,595,000 State of Mississippi General Obligation Bonds, Series 2015F (Tax-Exempt)

These bonds provided funding for Marine Resources Projects, IHL Capital Improvements Projects, Mississippi Community Heritage Preservation Grant Projects, Community and Junior Colleges Capital Improvements Projects, Center for Manufacturing Technology Excellence Improvements Project, Mississippi Civil Rights Museum and Museum of Mississippi History Construction Project, City of Bolton Facilities Improvements Project, Mississippi State Fairground Improvements Projects, Mississippi Arts and Entertainment Project, City of Taylorsville Water Supply and Georgia Pacific Chip Mill Access Road Improvement, City of Columbus-Columbus Air Force Base Improvements Project, Bureau of Building State-Owned Buildings Discretionary Act Projects, Department of Mental Health East Mississippi State Hospital Psychiatric Receiving Unit Project, Elvis Presley Birthplace Museum and Chapel Improvements Project, Ridgeland Corridor Project, Jackson Zoo Improvements Project, City of Wesson Water Tank Rehabilitation Project, New Capitol Repair, Renova-

tion and Rehabilitation Project, City of Baldwin-U.S. Highway 45 Frontage Road Project, Marty Stuart Center for Country Music Project, Hattiesburg Longleaf Trace Improvements Project, Lake Hazel Dam Improvements Project, Mississippi Maritime Museum Improvements Project, City of New Albany Recreation Improvements Project, Lowndes County Equine Center Construction Project, Calhoun County Multipurpose Building Repair, Renovation and Rehabilitation Project, City of Utica Community Center Project, City of Bolton Community Center and Parks Projects, Chickasaw County Heritage Museum Project, City of Gulfport Aquarium Construction Project, City of Clinton Marker and Northside Park Project, 2015 GRAMMY® Museum Mississippi Interpretive Center Project, and Rail Authority of East Mississippi Project.

\$116,300,000 State of Mississippi Taxable General Obligation Bonds, Series 2015G

These bonds provided funding for the following programs and projects: Toyota, Economic Development Highway Project, the Development Infrastructure Grant Program, the Mississippi Industry Incentive Financing Program,

the ACE Project, the Workforce Training Program, the Small Municipalities and Limited Population Counties Program, Railroad Improvements Project, State Shipyard Improvements Project, the Delta State University Project, and North Central Mississippi Regional Rail Authority Project.

\$200,000,000 State of Mississippi Gaming Tax Revenue Bonds, Series 2015E

The proceeds of the Series 2015E Bonds will be used for the purpose of (a) financing the construction of a bridge extending the I-20 South Frontage Road and running parallel to Old Highway 27, over the railroad in Vicksburg, Mississippi, (b) providing funds for the State Aid Road Fund as authorized by Sections 1 and 6 of Senate Bill 2870, 2015 Regular Session of the State Legislature, and (c) paying the costs of the repair, rehabilitation, replacement, construction and/or reconstruction of the bridges on State maintained highways that are on a list of deficient bridges compiled by the Mississippi Department of Transportation. Revenues are derived solely from gaming tax revenue collections for casinos located along the Mississippi River and the Gulf Coast.

Collateral

The Collateral Division ensures the protection of State funds deposited by agencies in Treasury-approved financial institutions. The division reviews, tracks, and reconciles collateral pledged by these financial institutions to secure public deposits. As of June 30, 2016, \$7,720,025,664.18 was deposited. The number of institutions in the Guaranty Pool at the end of the fiscal year was 16.

UNCLAIMED PROPERTY DIVISION

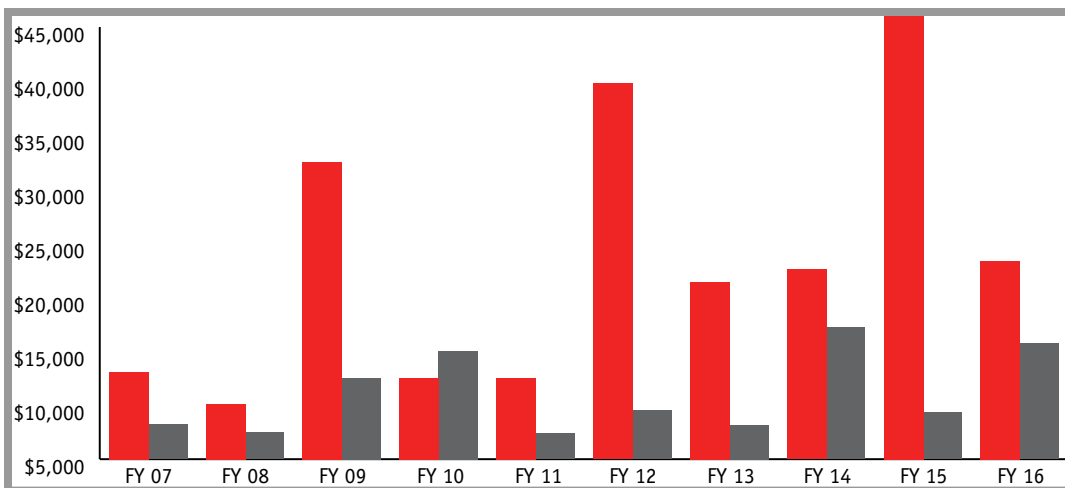


Under Mississippi's Uniform Disposition of Unclaimed Property Act (Miss. Code Ann. § 89-12-59), funds that have been abandoned for a period of five years are reported and remitted to the Treasurer. Every bank, credit union, insurance company, travelers' check company, utility, and business association having such funds is required to report them to the State Treasurer every three years.

Unclaimed Property Team Members:

(Top L - R) Claudia Bartlett, Dwight Pugh, Robyn Louis (Bottom L - R) Director: Tony Geiger, Debbie Brown, John Sallis (Not Pictured) Ben Malpass, Keith Tanner

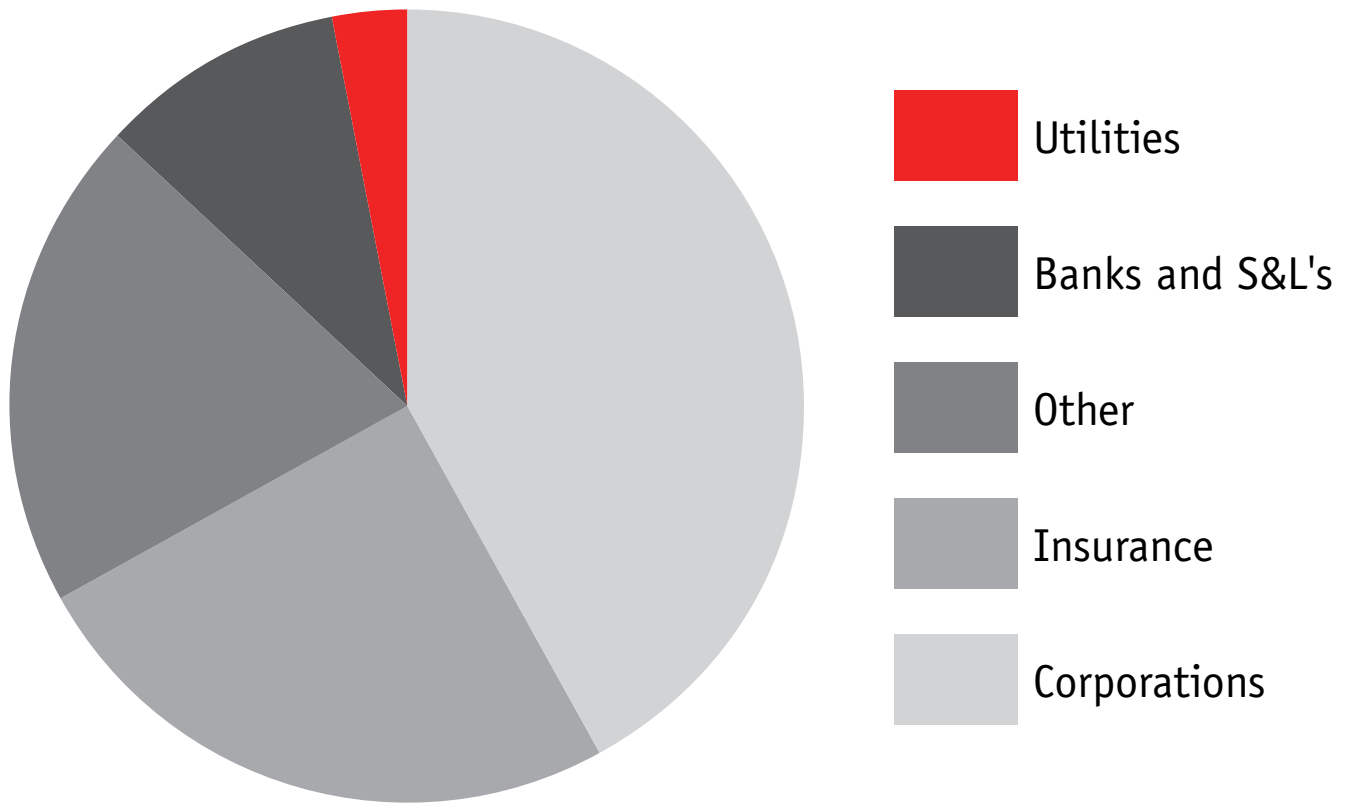
Unclaimed Property Receipts & Claims (in thousands)



This graph provides historical receipts and claims for the system for the past ten years.

Efforts to simplify the reporting of unclaimed property, including through electronic filings, have improved collection of funds. In Fiscal Year 2016, 6,274 property holder receipts, totaling \$22,386,124.94, were reported to the Treasurer's office. Unclaimed property often is in the form of stocks. In Fiscal Year 2016, 592,505 shares of stock were received and 46,706 were paid out to their rightful owners or heirs.

Cash Receipts of Unclaimed Property Fiscal Year 2016



This graph illustrates the sources of cash collections of unclaimed property funds for Fiscal Year 2016.

The Treasurer acts as custodian for these funds, searching out the rightful owners or heirs and returning the funds to them. Since 1982, over \$165 million has been returned to the rightful owners, including \$15,681,356.71 in Fiscal Year 2016. In that year, 10,544 claims were initiated and 10,131 were paid out.

The unclaimed property database is online and fully searchable at www.TreasurerLynnFitch.com.

Each year, the Treasurer's Office hosts a booth at the Mississippi State Fair. For the 2015 Fair, we returned \$2,802,806.63 to Fair-goers who filed claims. Overall, in our first three years operating there, we've returned over \$8.3 million in unclaimed property claims filed at the Fair.



INVESTMENTS & CASH MANAGEMENT DIVISION



*Investments & Cash Management Team Members:
(Top L - R) Stephanie Etter, Ava Bliss, Felicia Myrick
(Bottom L - R) Director: Misti Preziosi, Christina Huerta*

The investment objectives of the Investment and Cash Management Division are safety, liquidity, and return. On a monthly basis, the State Treasurer and the Executive Director of the Department of Finance and Administration (DFA) analyze the amount of cash in the General Fund and Special Funds of the State to determine what excess funds are not needed for meeting the State's immediate requirements. The excess cash is invested by the Treasurer as prescribed in Section 27-105-33 of the Mississippi Code.

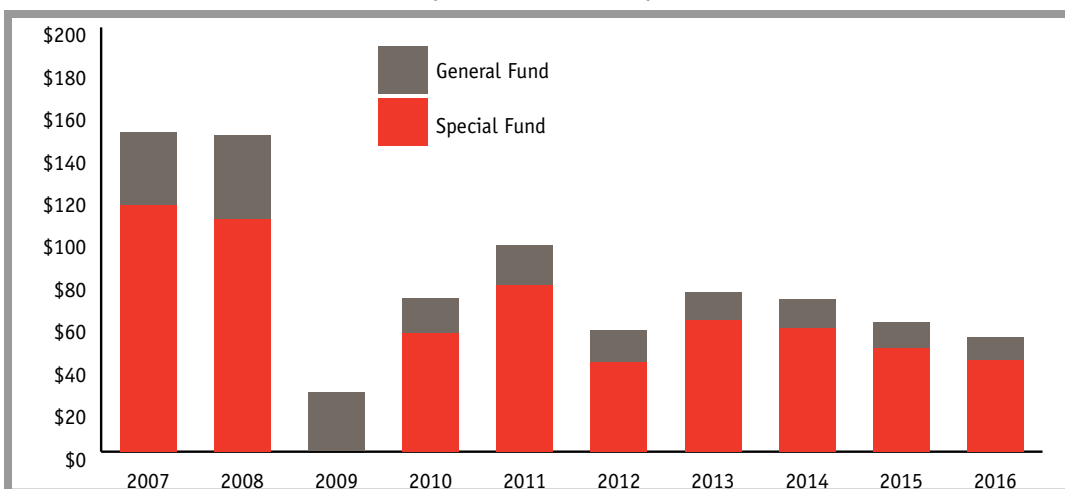
The State Treasurer also invests the monies of the Educational Improvement Trust Fund (EITF), the Working Cash Stabilization Reserve Fund (WCSRF), the Health Care Trust Fund/Expendable Fund (HCTF/ HCEF), the Mississippi Prepaid Affordable College Tuition Fund (MPACT), the Worker's Compensation Fund (WCT), and the Tort Claims Fund.

Historical Interest Earnings

FY	Special Funds	General Fund	Total Earnings
2007	116,265,412	34,361,343	150,626,755
2008	109,509,010	39,535,010	149,044,020
2009	-1,940,622	28,251,137	26,310,515
2010	55,726,634	16,702,716	72,429,350
2011	78,574,927	18,462,087	97,037,014
2012	42,249,034	14,667,768	56,916,802
2013	62,205,177	13,136,932	75,342,109
2014	58,264,808	13,431,458	71,696,266
2015	48,593,917	12,314,487	60,908,404
2016	43,010,478	11,215,721	54,226,199
Totals	612,458,775	202,078,659	814,537,434

*The Office of the State
Treasurer earned
\$54.2 million on all State
funds in Fiscal Year 2016.*

Historical Interest Earnings (in Millions)



*Over the last ten years, the
State Treasurer has earned
nearly \$815 million in
interest on State Funds.*

STATE TREASURY HISTORICAL INFORMATION

Year Ending June 30, 2016

Financial Information		2016		2015	2014	2013	2012
General Fund Net Cash Balance Special Funds Net Cash Balance Education Enhancement Funds Net Cash Balance Clearing Funds Net Cash Balance		47,775,601		189,981,426	481,038,762	486,890,468	378,551,580
		3,502,506,431		3,131,993,964	2,713,553,391	2,610,733,801	2,692,632,032
		42,556,503		35,631,729	54,730,720	57,627,705	74,070,913
					260,154,527	258,604,081	140,079,886
Total General, Special, Education Enhancement and Clearing Funds		3,592,838,535		3,357,607,119	3,509,477,400	3,413,856,055	3,285,334,411
Special Funds Investment Balances		546,513,065		543,394,439	525,693,187	517,323,535	568,212,768
BALANCE IN THE STATE TREASURY NET OF OUTSTANDING WARRANTS		4,139,351,600		3,901,001,558	4,035,170,587	3,931,179,590	3,853,547,179
Interest Revenue on General, Special, Education Enhancement & Clearing Funds		11,215,721		12,314,487	13,431,458	13,136,932	14,667,768
Interest Revenue on Special Funds Investment Balances		43,010,478		48,593,917	58,264,808	62,205,177	42,249,034
TOTAL INTEREST REVENUE		54,226,199		60,908,404	71,696,266	75,342,109	56,916,802
BONDED INDEBTEDNESS							
General Obligation Bonds:							
Net Direct General Obligation Bonds		4,188,070,000		4,185,105,000	4,142,675,000	4,055,890,000	4,130,470,000
Self-Supporting General Obligation Bonds with Specific Revenue Pledges		200,000,000					995,000
Total General Obligation Bonds		4,388,070,000		4,185,105,000	4,142,675,000	4,055,890,000	4,131,465,000
Revenue Bonds							
TOTAL BONDED INDEBTEDNESS		4,388,070,000		4,185,105,000	4,142,675,000	4,055,890,000	4,131,465,000

STATE INVESTMENT HOLDINGS

Market Values as of June 30, 2016

General Fund Portfolio	
Demand Deposits	\$276,742,924
Interest Bearing Demand Deposits	\$328,190,000
Certificates of Deposits	\$161,180,000
U.S. Government Treasury Obligations	\$395,765,000
U.S. Government Agency Obligations	\$2,036,932,944
Mortgage-Backed Securities	\$456,736,369
Total Investment Portfolio	\$3,655,547,237
Special Fund Portfolio	
Interest-Bearing Demand Deposits	\$50,000
Total Investment Portfolio	\$50,000
Total General Fund/Special Fund Investments	\$3,655,597,237

Education Improvement Trust Fund (EITF)	
Accrued Interest	\$203,664
Cash/Cash Equivalents	\$1,109,314
Equity in Internal Investment Pool	\$341,232
Fixed Income	\$47,584,001
Total Education Improvement Trust Fund	\$49,238,211

Working Cash Stabilization Reserve Fund (WCSRF)	
Accrued Interest	\$107,823
Cash/Cash Equivalents	\$365,567
Equity in Internal Investment Pool	\$343,998,711
Fixed Income	\$22,071,758
Total Working Cash Stabilization Reserve Fund	\$366,543,859

Health Care Trust Fund (HCTF)	
Accrued Interest	\$6,722
Cash/Cash Equivalents	\$5,475
Equity in Internal Investment Pool	\$0
Total Health Care Trust Fund (HCTF)	\$12,197
Health Care Expendable Fund (HCEF)	
Accrued Interest	\$4,614
Equity in Internal Investment Pool	\$23,843,844
Total Health Care Expendable Fund (HCEF)	\$23,848,458
Total HCTF & HCEF	\$23,860,655

Mississippi Prepaid Affordable College Tuition (MPACT) Fund	
Accrued Interest	\$428,769
Cash/Cash Equivalents	\$9,828,425
Equity in Internal Investment Pool	\$191,267
Fixed Income	\$68,382,226
Domestic Equities	\$146,507,336
International Equity Funds	\$56,961,503
Real Estate Investment Funds	\$16,305,888
Total MPACT Fund	\$298,605,414

Mississippi Affordable College Savings (MACS) Program	
Equity in Internal Investment Pool	\$43,695
Mutual Funds	\$191,884,198
Total MACS Program	\$191,927,893

Workers' Compensation Trust (WCT) Fund	
Accrued Interest	\$152,629
Cash/Cash Equivalents	\$1,179,568
Equity in Internal Investment Pool	\$6,331,189
Fixed Income	\$25,834,870
Total Workers' Compensation Trust Fund	\$33,498,256

Tort Claims Fund	
Accrued Interest	\$52,891
Cash/Cash Equivalents	\$275,586
Equity in Internal Investment Pool	\$696,287
Fixed Income	\$13,098,065
Total Tort Claims Fund	\$14,122,829

STATUTORY DUTIES OF THE STATE TREASURER

The elected office of the State Treasurer is created under Article 5, Section 134 of the Mississippi Constitution. The Mississippi Code details the fiduciary responsibilities of the Treasurer. Specifically, the State Treasurer's statutory duties are to:

- » invest and account for general, special, clearing, and special investment funds as well as bond proceeds, according to specific legislative authorization and direction;
- » account for and invest trust funds in the custody of the Treasurer;
- » account for and disburse funds for scheduled payments on bonded indebtedness;
- » prepare all reports and maintain all records required by the Federal Tax Reform Act for calculating any required arbitrage rebate;
- » distribute proportionate tax revenues to counties, cities, and other taxing districts of the state;
- » monitor the cash position of all Treasury funds to ensure that cash balances are invested immediately and sufficient cash balances are on hand to pay obligations as they become due;
- » provide a cash flow projection for the timing of receipts and disbursements;
- » identify and recommend to other state agencies the use of cash management techniques which speed collection and increase earnings on investment balances;
- » prepare semi-annual GAAP report packages on all funds managed by the Treasurer for inclusion in the Comprehensive Annual Financial Report prepared by the Department of Finance and Administration;
- » act as custodian of unclaimed property reported to the Treasurer and attempt to locate the rightful owners so that they may claim their property;
- » serve as Treasurer to the Mississippi Employment Security Commission;
- » ensure that all state deposits in approved depository institutions are collateralized at 105% of the deposit balance according to statute;
- » serve as custodian for securities pledged to the state and its agencies;
- » annually approve and issue a commission to all financial institutions serving as depositories for state funds;
- » process and pay all warrants issued by the state in payment of its obligations;
- » administer the Mississippi Prepaid Affordable College Tuition (MPACT) Program and invest the corpus of the MPACT Trust Fund on behalf of the purchasers of state-guaranteed college tuition contracts; and
- » oversee the Mississippi Affordable College Savings (MACS) Program and monitor performance of the MACS Program Manager.

This report is available in its entirety online at
www.TreasurerLynnFitch.com.



FY²⁰¹⁶ ANNUAL REPORT



Lynn Fitch
STATE TREASURER

501 North West Street, Suite 1101
Jackson, MS 39201
PO Box 138
Jackson, MS 39205
601.359.3600
TreasurerLynnFitch.com