

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Financial Statements

June 30, 2023



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STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
State of Mississippi Institutions of Higher Learning
Jackson, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of State of Mississippi Institutions of Higher Learning (the IHL System), a component unit of the State of Mississippi, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the IHL System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the IHL System as of June 30, 2023, 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 the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund. Those financial statements, which reflect approximately 0.7%, 0.9% and 0.2% of the assets, net position and revenues of the IHL System's business-type activities and 91.8%, 91.5% and 97.7% of assets, net assets and revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2023, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund, is 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the IHL System 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.

None of the component units or funds listed above were audited in accordance with *Government Auditing Standards*.

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 IHL System'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.

Auditors' 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 auditors' 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 risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IHL System'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 IHL System'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 various schedules of Proportionate Share of Net Pension Liability, Proportionate Share of Contributions to PERS, Proportionate Share of Net OPEB Liability and Proportionate Share of Contributions to OPEB 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 have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 IHL System's basic financial statements. The combining supplementary statements and the Component Unit Additional Information for Inclusion in the State of Mississippi Annual Comprehensive Financial Report 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 GAAS. In our opinion, based on our audit and the reports of other auditors, the combining supplementary statements and component unit combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the IHL System’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 IHL System’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 IHL System’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
January 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Management's Discussion and Analysis (Unaudited)

June 30, 2023



Introduction

The Board of Trustees of Mississippi's Institutions of Higher Learning (IHL System) governs the state's public four-year institutions. The Constitutional Governing Board was created in 1943 for the purpose of overseeing and directing Mississippi's eight public universities including the University of Mississippi Medical Center, various off-campus centers and multiple research institutes located throughout Mississippi.

The institutions serve approximately 76,000 students with an employee base of 27,500 individuals. Faculty makes up approximately 6,000 of the total employee count. The system offers over 800 degree programs and awarded approximately 19,900 degrees in academic year 2022.

In addition to regular operations, each university has established its own educational building corporation (EBC) in accordance with Section 37-101-61 of the Mississippi Code Annotated of 1972. The purpose of these corporations is to provide a means to acquire land or buildings, construct or renovate facilities, and/or equip facilities. Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, 39, *Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14*, and 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, deem EBCs to be component units of the IHL System; therefore, they are included as blended component units in the basic financial statements. In addition to EBCs, the IHL System has three additional component units considered significant to the financial statements. The three units are Mississippi State University Foundation, Inc., the University of Mississippi Foundation and the University of Southern Mississippi Foundation. These audited financial statements are discretely presented following the IHL System's financial statements.

This report was prepared in accordance with GASB Statements 34 and 35, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – An Amendment of GASB Statement No. 34*, and present financial data for the fiscal period ending June 30, 2023. The IHL System reports as a special purpose government, engaged solely in business-type activities. This section should be read in conjunction with the financial statements and the notes that follow.

The following is a list of abbreviations used throughout this financial report for the member universities of the IHL System:

ASU	Alcorn State University
DSU	Delta State University
JSU	Jackson State University
MSU	Mississippi State University

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MUW	Mississippi University for Women
MVSU	Mississippi Valley State University
UM	University of Mississippi
USM	University of Southern Mississippi
UMMC	University of Mississippi Medical Center
IHL Executive Office	Institutions of Higher Learning – Executive Office
UPM	University Press of Mississippi
M CVS	Mississippi Commission for Volunteer Service – Off-campus entity

The discussion and analysis below provide an overview of the financial position and activities of the IHL System for the year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes that follow this section.

Financial Highlights

The IHL System recorded an increase in net position of \$93 million in fiscal year 2023. Operating expenses increased by \$379 million, including a \$115 million increase in contractual services and a \$277 million increase in salaries/wages and fringe benefits. Scholarship and fellowship expenses decreased approximately \$88 million. Patient care revenues of the medical center experienced a 9.2% growth, or \$114.7 million.

Financial highlights (in millions)	Years ended June 30,	
	2022	2023
Total operating revenues	\$ 3,045	3,219
Total operating expenses	3,847	4,226
Operating loss	(802)	(1,007)
State appropriations	711	812
Gifts	337	220
Investment income	(69)	35
Interest expense on capital asset-related debt	(42)	(46)
Other nonoperating revenues, net and other revenue, expenses, gains and losses	114	79
Increase in net position	250	93
Net position, beginning of the year	2,432	2,682
Net position, end of year	\$ 2,682	2,775

Operating revenues minus operating expenses typically result in an operating loss in the IHL System's financial statements. Nonoperating items, however, including state support, investment income, and gifts have typically enabled the IHL System to reflect an increase in the net position, or "equity" each year. This surplus has been reinvested within the IHL System to add a margin of educational excellence, upgrade the IHL System's facilities and provide a prudent reserve for contingencies such as the recent period of economic instability.

Overview of the Financial Statements

The IHL System's financial report consists of management's discussion and analysis, financial statements including notes, and financial statements of the discretely presented component units. The statements of the System include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; the Statement of Cash Flows; and the Statement of Financial Position and Statement of Activities for the discretely presented component units.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Management’s Discussion and Analysis (Unaudited)

June 30, 2023

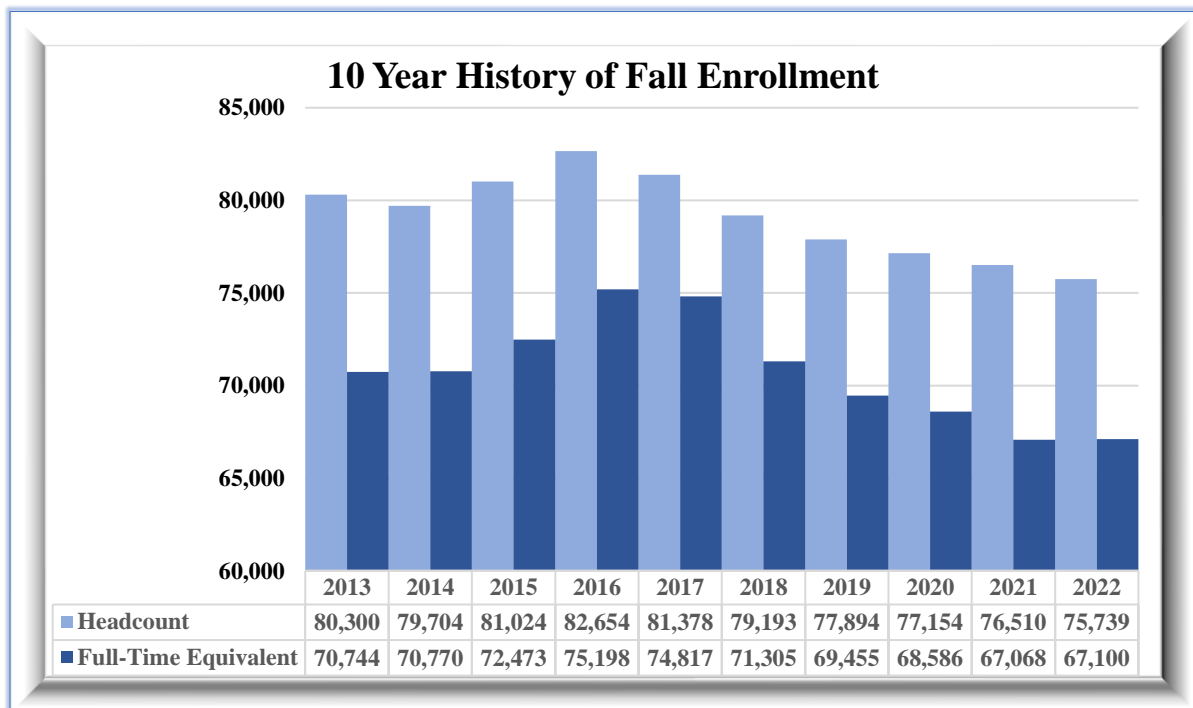
Financial Statements

The financial statements present information for the IHL System as a whole. The Statement of Net Position presents the financial position of the IHL System at the end of fiscal year 2023 and includes all assets, deferred outflows, liabilities, and deferred inflows for all institutions within the IHL System. The difference between total assets, deferred outflows, total liabilities, and deferred inflows – net position – is one measure of the IHL System’s financial health or position. The change in net position is a useful indicator of financial health. Over time, increases or decreases in the IHL System’s net position provide a useful trend in assessing whether its financial health is improving. Other nonfinancial factors such as enrollment trends and the condition of the physical plant are also useful in evaluating the overall financial health of the IHL System.

The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the IHL System, as well as nonoperating revenues and expenses for the year ended June 30, 2023. Operating revenues are received for providing goods and services to various customers and constituencies of the IHL System. Operating expenses are incurred to acquire or produce the goods and services provided in return for the operating revenues. Nonoperating revenues are received for which goods and services are not provided as an exchange transaction. State appropriations, which represent 18.5% of total IHL System net revenues for fiscal year 2023, are classified as nonoperating revenue because these revenues are appropriated at the state level rather than at the institutional level. This accounting treatment for this revenue classification typically results in the IHL System showing an operating loss. Other typical nonoperating revenue sources include gifts, grants, and appropriations restricted for capital purposes.

The Statement of Cash Flows provides information about the cash sources and uses of the IHL System. Additional information for these statements is provided later in this report.

The following chart depicts a ten-year history of fall enrollment.



STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

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June 30, 2023

Statement of Net Position

The Statement of Net Position presents the financial position as of the end of the fiscal year and includes all assets, liabilities, deferred outflows, and deferred inflows of the IHL System. Cash and investments are generally reported at fair values. Capital assets are reported at historical cost less an allowance for depreciation and amortization. The difference between total assets and deferred outflows, and total liabilities and deferred inflows – net position – is one indicator of the current financial condition, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the current year. From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the entity, and how much is owed to vendors, investors, and lending institutions. Finally, the Statement of Net Position provides a picture of the net position and its availability for expenditure.

Net position is classified into components as follows:

- Net investment in capital assets represents the investment in property, plant, and equipment less any related debt used to acquire those assets.
- Restricted nonexpendable net position consists of the IHL System's permanent endowment funds.
- Restricted expendable net position is available for expenditure but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets.
- Unrestricted net position is available for any lawful purpose of the IHL System.

Summary of Net Position (Condensed)

	June 30, 2022	June 30, 2023	Change 2022 to 2023
Assets:			
Current assets	\$ 1,593,367,919	1,664,166,596	4.4 %
Capital assets, net	4,606,960,130	4,761,080,932	3.3
Other assets	1,387,646,550	1,453,631,905	4.8
Deferred outflows	490,752,155	599,243,678	22.1
Total assets and deferred outflows of resources	<u>\$ 8,078,726,754</u>	<u>8,478,123,111</u>	<u>4.94 %</u>
Liabilities:			
Current liabilities	\$ 635,609,005	640,907,085	0.8
Noncurrent liabilities	3,880,941,613	4,881,193,506	25.8
Deferred inflows	880,392,415	181,518,420	(79.4)
Total liabilities and deferred inflows of resources	<u>\$ 5,396,943,033</u>	<u>5,703,619,011</u>	<u>5.7 %</u>
Net position (deficit):			
Investment in capital assets, net of debt	\$ 3,349,669,211	3,446,878,219	2.9 %
Restricted – nonexpendable	185,522,926	190,390,227	2.6
Restricted – expendable	395,157,663	433,967,475	9.8
Unrestricted	<u>(1,248,566,079)</u>	<u>(1,296,731,821)</u>	<u>(3.9)</u>
Total net position	<u>\$ 2,681,783,721</u>	<u>2,774,504,100</u>	<u>3.5 %</u>

At June 30, 2023 and 2022, current assets totaled \$1.66 billion and \$1.59 billion, respectively, and consisted primarily of cash and cash equivalents, short-term investments and net receivables. Current assets increased 4.4% (or \$70.8 million) from June 30, 2022 to 2023. Cash and cash equivalents, and short-term investments constituted approximately 66% of current assets as of June 30, 2023, while net receivables constituted

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June 30, 2023

approximately 27.8% of current assets as of June 30, 2023. Approximately 46.1% of these net receivables are amounts due from gifts, contracts and grants, and the State of Mississippi for appropriations as of June 30, 2023, while 24.5% were related to patient care receivables from UMMC. The remaining receivables were primarily owed from students for tuition, room and board charges.

At June 30, 2023 and 2022, noncurrent assets totaled \$6.2 billion and \$6.0 billion, respectively, which included capital assets of \$4.8 billion and \$4.6 billion, respectively. Noncurrent cash and investments that are restricted externally by endowment arrangements or specific grant and contract arrangements approximated \$208.6 million at June 30, 2023. These amounts are reflected in net position expendable for scholarships and fellowships and other purposes in the statement of net position. Unspent bond proceeds amounted to \$109.8 million at June 30, 2023. One other significant noncurrent asset of the IHL System is student notes receivable which equaled \$64.6 million at June 30, 2023. In total, noncurrent assets increased by 3.7% (or \$220.1 million). Net capital assets increased by 3.3%, or \$154.1 million, to \$4.76 billion at 2023. Additional details about the IHL System's most recent capital asset growth can be seen in the Capital Asset and Debt Administration section of this report.

At June 30, 2023 and 2022, current liabilities equaled \$640.9 million and \$635.6 million, respectively, and consisted primarily of accounts payable and accrued liabilities, and unearned revenues. Unearned revenues include advance receipts for athletic ticket sales, summer tuition, fees, and student housing.

Noncurrent liabilities are those liabilities due and payable more than twelve months from year-end. Noncurrent liabilities equaled \$4.9 billion and \$3.9 billion, at June 30, 2023 and 2022, respectively. The IHL System's proportionate share of the collective net pension liability reported by PERS increased by \$887.7 million (38%) as of June 30, 2023. The IHL System's proportionate share of the collective net OPEB liability reported by the State and School Employees' Life and Health Insurance Plan decreased by \$29.2 million (24.5%) as of June 30, 2023.

Deferred outflows of resources increased by \$108.5 million in 2023 while deferred inflows of resources decreased by \$699 million, which were mainly caused by the pension adjustments for GASB 68. The IHL System recorded \$534 million of pension-related deferred outflows at the end of fiscal year 2023, primarily representing the deferral of pension contributions paid during the year for the IHL System's participation in the cost-sharing, defined benefit pension plan administered by PERS. In addition, \$54 million of pension-related deferred inflows at June 30, 2023, were recorded related to the IHL System's proportionate share of collective deferred inflows reported by PERS. These deferred inflow amounts represent the difference between projected and actual investment earnings on pension plan assets during the measurement period, as well as differences between expected and actual experience concerning economic and demographic factors.

Restricted nonexpendable net position equaled \$190.4 million at June 30, 2023, and consisted of endowment and similar type funds, in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal be maintained intact and invested for the purpose of producing income that may either be expended or added to principal. The value of this net position has increased 2.6% (or \$4.9 million) from June 30, 2022 to 2023.

Restricted expendable net position equaled \$434 million at June 30, 2023, and consisted of resources that the IHL System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. The value of this net position has increased 9.8% (or \$38.8 million) from June 30, 2022 to 2023.

Unrestricted net position (deficit) equaled \$(1.3) billion at June 30, 2023, and represents those assets that are available to the IHL System for any lawful purpose. The value of unrestricted net position worsened by 3.9%

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June 30, 2023

(or \$48.2 million) from June 30, 2022 to 2023. The unrestricted deficit is the result of the implementation of GASB Statement Nos. 68 and 75, under which IHL recognizes a liability for its net pension and OPEB obligations.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. Operating revenues are earned by providing goods and services to various customers and constituencies. Operating expenses are incurred to acquire or produce the goods and services and to carry out the mission of the IHL System. Nonoperating revenues are revenues received for which goods and services are generally not provided. A public university's dependence on state aid and gifts usually results in operating deficits because state appropriations and gifts are classified as nonoperating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which spreads the cost of an asset over its expected useful life.

Change in total net position as presented on the Statement of Net Position are based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present the revenues earned, both operating and nonoperating, and the expenses incurred, operating and nonoperating, and any other revenues, expenses, gains or losses received or incurred by the IHL System.

Summary of Revenues, Expenses and Changes in Net Position (Condensed)

	<u>2022</u>	<u>2023</u>	<u>Change 2022 to 2023</u>
Operating revenues	\$ 3,044,979,771	3,218,887,338	5.7 %
Operating expenses	3,847,088,067	4,225,681,463	9.8
Operating loss	(802,108,296)	(1,006,794,125)	25.5
Nonoperating revenues	\$ 937,246,927	1,021,384,917	9.0
Income before other revenues, expenses, gains or losses	135,138,631	14,590,792	(89.2)
Other revenues, expenses, gains or losses	114,506,471	78,129,587	(31.8)
Change in net position	249,645,102	92,720,379	(62.9)
Net position, beginning of the year	2,432,138,619	2,681,783,721	10.3
Net position, end of the year	\$ 2,681,783,721	2,774,504,100	3.5 %

Operating Revenues

Operating revenues for the IHL System equaled \$3.2 billion and \$3.0 billion for fiscal years 2023 and 2022, respectively. Operating revenues increased 5.7% (or \$174 million) during 2023. Major components of operating revenues are the UMMC patient care revenues (42.4% in 2023 and 41.1% in 2022), net tuition and fees (21.3% in 2023 and 22.2% in 2022), grants and contracts revenues (17.2% in 2023 and 17.7% in 2022), and sales and service revenues from auxiliary activities (10.5% in 2023 and 10.3% in 2022). The following table summarizes the IHL System's operating revenues for the past two fiscal years.

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Operating Revenues

	<u>2022</u>	<u>2023</u>	<u>Change 2022 to 2023</u>
Tuition and fees, net	\$ 677,300,039	686,127,990	1.3 %
Grants and contracts	539,365,631	553,921,626	2.7
Federal appropriations	14,800,675	16,065,608	8.5
Sales and services of educational departments	80,870,946	85,816,824	6.1
Auxiliary enterprises, net	312,545,905	338,374,559	8.3
Patient care revenues	1,251,077,962	1,365,774,381	9.2
Other	169,018,613	172,806,350	2.2
Total operating revenues	<u>\$ 3,044,979,771</u>	<u>3,218,887,338</u>	<u>5.7 %</u>

Net tuition and fee revenues increased 1.3% (or \$8.8 million) during 2023. In 2023, all but JSU increased tuition rates, on average, by \$223 (or 2.7%).

Patient care revenues at UMMC increased 9.2%, or \$115 million from June 30, 2022 to 2023.

Operating Expenses

Operating expenses for the IHL System totaled \$4.3 billion and \$3.8 billion for fiscal years 2023 and 2022, respectively. Operating expenses increased by 9.8% (or \$379 million) during 2023. Personnel costs (including fringe benefits) were the largest expense component for the IHL System, representing 58% of the total in 2023 and 56.6% in 2022. Other major components include contractual services (16.7% in 2023 and 15.3% in 2022), commodities (11.9% in 2023 and 12.3% in 2022), and scholarships and fellowships (4.7% in 2023 and 7.4% in 2022). The following table summarizes the IHL System's operating expenses (by major object category) for the past two fiscal years.

Operating Expenses

	<u>2022</u>	<u>2023</u>	<u>Change 2022 to 2023</u>
By major object category:			
Salaries and wages	\$ 1,731,655,127	1,832,509,450	5.8 %
Fringe benefits	444,696,977	620,724,480	39.6
Travel	43,247,698	60,886,146	40.8
Contractual services	590,337,899	705,279,482	19.5
Utilities	82,054,505	92,259,266	12.4
Scholarships and fellowships	286,515,653	198,441,231	(30.7)
Commodities	474,328,091	502,057,442	5.8
Depreciation and amortization	190,762,209	204,527,031	7.2
Other	3,489,908	8,996,935	157.8
Total operating expenses	<u>\$ 3,847,088,067</u>	<u>4,225,681,463</u>	<u>9.8 %</u>

The IHL System's personnel expenses increased in 2023 (12.7%, or \$277 million) after experiencing an across-the-system decline in the prior year. All institutions experienced increases in personnel costs in 2023. Travel expenses experienced a significant increase again, \$17.6 million (or 40.8%) after a \$27 million increase in the prior year. Travel had been down for two consecutive years previously. Contractual services increased 19.5%, or \$115 million. The cost of commodities continues to rise, 5.8% (or \$27.7 million) in 2023. Scholarship and fellowship expenses decreased 30.7%, or \$88 million, from 2022 to 2023.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Management's Discussion and Analysis (Unaudited)

June 30, 2023

As an alternative presentation model, the IHL System's operating expenses are shown below by major functional classification. Functional classifications are the traditional categories that universities have used in past financial presentations (pre-GASB 34). These functions represent the types of programs and services that the universities generally provide. For example, funds utilized to compensate a classroom professor or provide classroom materials would be classified as instruction.

Operating Expenses			
	2022	2023	Change 2022 to 2023
By function:			
Instruction	\$ 659,968,760	749,533,168	13.6 %
Research	378,964,397	419,809,462	10.8
Public service	176,410,298	205,796,670	16.7
Academic support	158,428,564	179,234,949	13.1
Student services	96,673,649	110,644,231	14.5
Institutional support	322,249,724	361,920,362	12.3
Operations and maintenance of plant	201,203,141	219,168,191	8.9
Student aid	285,645,522	211,506,885	(26.0)
Auxiliary enterprises	290,072,412	325,801,025	12.3
Depreciation and amortization	190,819,779	204,527,031	7.2
Hospital	1,176,207,392	1,328,080,110	12.9
Other	1,691,621	2,487,707	47.1
Eliminations	(91,247,192)	(92,828,328)	1.7
Total operating expenses	\$ 3,847,088,067	4,225,681,463	9.8 %

Funding for the Instruction function continues to be one of the IHL System's highest priorities. Instruction costs increased by 13.6% (or \$89.6 million) after declining by 6.8% the previous year. In 2023, it maintained a 20% approximate share of total operations. Institutional research (internal and external) and public service costs have always commanded one of the System's primary cost missions. In 2023, research experienced an 11% increase (\$41 million) over prior year; these costs represent approximately 14.8% of the IHL System's total focus during 2023. Institutional support costs typically present the functions of the executive management department, general administration, logistical support services, computing, public relations and development. These costs increased by 12.3% (or \$39.7 million) in 2023 after experiencing a 10.9% decline in the previous year. Auxiliary enterprise costs include all expenses associated with departments that primarily exist to furnish goods or services to students, faculty, or staff and that charge a fee directly related to, although not necessarily equal to, the cost of the goods and services. Auxiliary departments are required to be essentially self-supporting activities. Examples are (1) student housing, (2) food services, (3) bookstores, and (4) intercollegiate athletics. Auxiliary expenses increased by 12.3% (\$35.7 million) in fiscal year 2023. Student Aid expenses experienced a sharp decline of \$74 million (26%) after increasing \$49.2 million the year before. Finally, hospital expenses increased 13% (\$152 million) after holding steady at \$1.2 billion in 2022. The hospital operations contribution ratio remained steady at 73%.

The IHL System identified millions of dollars in inter-campus transactions that required elimination for financial statement presentation purposes. Examples of such transactions would be student financial aid funds administered by the IHL Executive Office that were directed to the campuses, as well as grant agreements between one or more IHL System institutions in which one campus served as a primary recipient and the other campus acted as a sub-recipient.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

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June 30, 2023

Capital Asset and Debt Administration

At June 30, 2023 and 2022, the IHL System had approximately \$4.8 billion and \$4.6 billion, respectively, invested in a broad range of capital assets. These assets comprise land, construction in progress, livestock, buildings and improvements (infrastructure), equipment, leased and subscription assets, and library books. They are stated net of accumulated depreciation or amortization. The following table summarizes the IHL System's capital assets for the past two fiscal years.

Capital Asset Summary

	2022	2023	Change 2022 to 2023
Capital assets not being depreciated/amortized	\$ 496,119,089	544,995,179	9.9 %
Depreciable/amortizable capital assets:			
Improvements other than buildings	537,431,932	552,874,686	2.9
Buildings	4,804,079,522	4,959,955,773	3.2
Equipment	983,447,633	1,001,978,681	1.9
Leased assets	132,889,845	145,773,309	9.7
Subscription-based software	—	60,525,298	
Library books	475,850,653	484,665,708	1.9
Total depreciable/amortizable capital assets	<u>6,933,699,585</u>	<u>7,205,773,455</u>	3.9
Total cost of capital assets	7,429,818,674	7,750,768,634	4.3
Less accumulated depreciation/amortization	<u>(2,822,858,544)</u>	<u>(2,989,687,702)</u>	5.9
Capital assets, net	<u>\$ 4,606,960,130</u>	<u>4,761,080,932</u>	3.3 %

Non-depreciable/amortizable capital assets equaled \$545 million and \$496 million at June 30, 2023 and 2022, respectively. These assets principally consisted of land and construction in progress. The \$49 million increase in 2023 was due to the addition of land (\$21 million) and construction projects (\$28 million).

At June 30, 2023 and 2022, the IHL System had \$1.4 billion and \$1.3 billion, respectively, in bonded debt, notes payable, lease and subscription liabilities. This represents a 10% (\$128 million) increase in 2023. The following table summarizes the IHL System's long-term debt for the past two fiscal years.

Long-Term Debt Summary

	2022	2023	Change 2022 to 2023
Bonds payable	\$ 1,151,530,267	1,286,420,515	11.7 %
Notes payable and financed purchases	13,803,408	10,452,123	(24.3)
Lease liability	115,969,533	112,394,899	(3.1)
Subscription liability	—	42,597,970	
Total long-term debt	<u>\$ 1,281,303,208</u>	<u>1,451,865,507</u>	13.3 %

Bonded debt increased 11.7% (or \$134.9 million) in 2023. During fiscal year 2023, the UM EBC issued \$72,760,000 of Series 2022 tax-exempt revenue bonds to construct and equip the Jim and Thomas Duff Center for Science and Technology Innovation. In May 2023, The Medical Center EBC issued \$82,500,000 of Series 2023A and \$27,500,000 of Series 2023B to acquire and construct the Colony Park teaching campus located in Ridgeland, MS.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Designated Revenues

Bond indentures previously issued, and those that may be issued in the future by the institution's Educational Building Corporations (EBC) are payable from designated revenues. The IHL Board covenants under terms of its various bond agreements that if designated revenues are insufficient to satisfy the IHL Board's obligations, the IHL Board will provide amounts from any other legally available source and will then allocate the same to cure the insufficiency. The following table provides a history of all designated revenues available to the IHL Board from fiscal years 2019 through 2023.

Designated Revenues¹ and Unrestricted Net Positions (excludes UMMC, Board Office, and MCVS)					
Years ended June 30,					
	2019	2020	2021	2022	2023
Tuition, net ²	\$ 620,658,969	620,923,011	613,221,706	638,637,295	644,384,339
Sales and services	66,708,030	57,514,245	57,399,481	78,926,608	83,868,049
Auxiliary enterprises, net ²	296,965,608	272,846,066	298,444,150	307,701,350	333,966,266
Other ³	53,384,691	52,735,117	55,455,591	64,907,297	58,085,791
Sub-total	1,037,717,298	1,004,018,439	1,024,520,928	1,090,172,550	1,120,304,445
State appropriations	461,013,005	477,248,168	465,521,243	485,292,014	564,979,454
Unrestricted net positions ⁴	—	—	—	—	—
Total	\$ <u>1,498,730,303</u>	<u>1,481,266,607</u>	<u>1,490,042,171</u>	<u>1,575,464,564</u>	<u>1,685,283,899</u>

¹ Designated Revenues represent all unrestricted revenues of the IHL System (excluding the member Universities indicated above) which include without limitation, net tuition and auxiliary fees, sales and services, other operating revenue, state appropriations and unrestricted net position balances.

² Tuition and auxiliary enterprise revenues are net of scholarship allowances in the form of reduced tuition, room and board.

³ Other designated revenues include federal appropriations, other operating revenues, and interest earned on loans to students.

⁴ The unrestricted net positions of \$(616,469,699) for 2019, \$(572,666,659) for 2020, \$(447,531,102) for 2021, \$(345,796,497) for 2022, and \$(344,025,203) for 2023, did not contribute to total designated revenues since fiscal year 2015, and therefore have been excluded from the table. The decline in the unrestricted net assets fund balance since 2015 is the result of the implementation of GASB Statement Nos. 68 and 75 for pension and OPEB liabilities.

Economic Outlook

The IHL System began the 2024 fiscal year with an anticipated systemwide operating budget increase of \$497.9 million. Fiscal year 2023 closed strong with a \$93 million net increase (see the SRECNP summary table on page 9 of management discussion and analysis), although actual revenues fell short of budgeted expectations. For fiscal year 2024, general education funding from the State of Mississippi will increase by 15% (or \$74 million), and the IHL system expects tuition to increase by \$39.8 million and auxiliary revenues to increase by \$24 million. In 2024, state-appropriated revenues will comprise approximately 32% of the total E&G budget, while self-generated tuition revenues will approximate 52% of the total revenues. In comparison, in fiscal year 2010, state appropriations represented 42% of revenues, while tuition revenue equaled 48% of the total.

The IHL System maintains high credit ratings from Moody's (Aa2), Fitch (AA) and Standard & Poor's (AA-). Achieving and maintaining these high credit ratings provide the IHL System higher degree of flexibility in securing capital funds on the most competitive terms. This flexibility, along with ongoing efforts toward revenue

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

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diversification and cost containment, will enable the IHL System to provide the necessary resources to support a level of excellence in service to students, patients, the research community, the State of Mississippi and the nation as a whole.

As a labor-intensive organization, the IHL System faces competitive pressures related to attracting and retaining faculty and staff. Moreover, consistent with the national landscape, the cost of the IHL System's health benefits for its employees continues to increase. Beginning on July 1, 2024, the employer contribution to the Public Employees' Retirement System is expected to increase by \$69 million for the IHL system. Funds have been requested from the Mississippi Legislature to cover this cost. The IHL System has in the past and will continue to take proactive steps to respond to these challenges of rising costs. An example of continued steps includes the preparation of three-year business plans by the institutions.

While it is not possible at this time to predict the ultimate results, management at each institution has a proven track record of successfully adapting to this present economic environment while continuing to search for new opportunities to complement state support. The IHL System's financial goal, as always, is to deliver quality services to its customers and constituents while maintaining financial integrity.

This financial report is designed to provide a general overview of the finances of the IHL System. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Trustees
Department of Finance
3825 Ridgewood Road
Jackson, MS 39211

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BASIC FINANCIAL STATEMENTS

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**STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
STATEMENT OF NET POSITION
JUNE 30, 2023**

ASSETS AND DEFERRED OUTFLOWS

CURRENT ASSETS

Cash and cash equivalents	\$ 679,420,417
Short term investments	419,249,145
Accounts receivable, net	463,146,924
Student notes receivable, net	13,813,069
Inventories	44,027,961
Prepaid expenses	35,858,542
Other current assets	<u>8,650,538</u>
Total current assets	<u>1,664,166,596</u>

NONCURRENT ASSETS

Restricted cash and cash equivalents	158,581,930
Restricted short-term investments	43,663,791
Endowment investments	370,470,102
Other long-term investments	746,266,336
Student notes receivable, net	64,650,488
Beneficial interest in irrevocable trust	41,652,408
Capital assets, net	4,761,080,932
Other noncurrent assets	<u>28,346,850</u>
Total noncurrent assets	<u>6,214,712,837</u>
Total assets	7,878,879,433

DEFERRED OUTFLOWS OF RESOURCES

	<u>599,243,678</u>
Total assets and deferred outflows of resources	<u><u>\$ 8,478,123,111</u></u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 292,709,552
Unearned revenues	151,881,374
Accrued leave liabilities - current portion	14,312,867
Long-term liabilities - current portion	105,260,650
Other current liabilities	<u>76,742,642</u>
Total current liabilities	<u>640,907,085</u>

NONCURRENT LIABILITIES

Accrued leave liabilities	126,422,626
Deposits refundable	1,373,261
Long-term liabilities	1,405,153,460
Net pension liability	3,229,875,677
Net OPEB liability	90,089,029
Other noncurrent liabilities	<u>28,279,453</u>
Total noncurrent liabilities	<u>4,881,193,506</u>
Total liabilities	5,522,100,591

DEFERRED INFLOWS OF RESOURCES

	<u>181,518,420</u>
Total liabilities and deferred inflows of resources	<u>5,703,619,011</u>

NET POSITION

Net investment in capital assets	3,446,878,219
Restricted for	
Nonexpendable	
Scholarships and fellowships	30,067,293
Research	4,895,630
Other purposes	155,427,304
Expendable	
Scholarships and fellowships	49,782,825
Research	97,275,794
Capital projects	40,536,336
Debt service	23,037,177
Loans	61,062,143
Other purposes	162,273,200
Unrestricted	<u>(1,296,731,821)</u>
Total net position	<u><u>\$ 2,774,504,100</u></u>

**STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
DISCRETELY PRESENTED COMPONENT UNIT --
MISSISSIPPI STATE UNIVERSITY FOUNDATION, INC.**

Statement of Financial Position

June 30, 2023

ASSETS

Cash and cash equivalents	\$	3,200,533
Restricted cash		6,340,757
Restricted short-term investments		4,105,021
Accrued interest, other receivables and prepaid assets		296,901
Receivable from MSU		1,125,520
Receivable from MSU Alumni Association		156,878
Pledges receivable, net		143,299,975
Investments		689,496,771
Present value of amounts due from externally managed trusts		56,102,682
Land, buildings, and equipment, net		<u>25,507,114</u>
Total assets	\$	<u><u>929,632,152</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$	2,840,121
Agency payable		10,445,778
Liabilities under split interest agreements		8,179,931
Deferred revenue		1,995,496
Payable to Mississippi State University		358,348
Note payable		<u>2,383,405</u>
Total liabilities		<u>26,203,079</u>

NET ASSETS

Without donor restrictions:		
Net assets attributable to the Foundation		73,848,874
Net assets attributable to noncontrolling interest		<u>49,194,917</u>
Total net assets without donor restrictions		123,043,791
With donor restrictions		<u>780,385,282</u>
Total net assets		<u>903,429,073</u>
Total liabilities and net assets	\$	<u><u>929,632,152</u></u>

See accompanying notes to financial statements.

**STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
DISCRETELY PRESENTED COMPONENT UNIT --
THE UNIVERSITY OF MISSISSIPPI FOUNDATION**

Statement of Financial Position

June 30, 2023

ASSETS

Cash and cash equivalents	\$ 7,201,219
Pledges receivable, net	77,341,370
Investments	657,110,451
Beneficial interest in remainder trust	10,306,177
Property and equipment, net	1,703,735
Other assets	<u>1,572,427</u>
Total assets	<u>\$ 755,235,379</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Funds held for others	\$ 28,333,235
Liabilities under remainder trusts and gift annuities	4,076,806
Other liabilities	<u>3,501,708</u>
Total liabilities	<u>35,911,749</u>

NET ASSETS

Without donor restrictions	20,391,402
With donor restrictions	<u>698,932,228</u>
Total net assets	<u>719,323,630</u>
Total liabilities and net assets	<u>\$ 755,235,379</u>

See accompanying notes to financial statements.

**STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
DISCRETELY PRESENTED COMPONENT UNIT --
THE UNIVERSITY OF SOUTHERN MISSISSIPPI FOUNDATION
Statement of Financial Position
June 30, 2023**

ASSETS

Cash and cash equivalents	\$	3,373,595
Accrued earnings		115,371
Prepaid assets and other receivables		687,108
Pledges receivable, net		3,503,864
Investments		142,958,995
Cash surrender value of life insurance		2,814,064
Amounts due from externally managed trusts		11,967,432
Property and equipment, net		85,476
		<u>165,505,905</u>
Total assets	\$	<u><u>165,505,905</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$	834,718
Gift annuities payable		55,605
		<u>890,323</u>
Total liabilities		<u>890,323</u>

NET ASSETS

Without donor restrictions		16,632,108
With donor restrictions		147,983,474
		<u>164,615,582</u>
Total net assets		<u>164,615,582</u>
Total liabilities and net assets	\$	<u><u>165,505,905</u></u>

See accompanying notes to financial statements.

**STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023**

OPERATING REVENUES

Tuition and fees	\$ 1,058,830,917
Less scholarship allowances	(367,397,299)
Less bad debt expense	(5,305,628)
Net tuition and fees	686,127,990
Federal appropriations	16,065,608
Federal grants and contracts	419,081,396
State grants and contracts	42,042,613
Nongovernmental grants and contracts	92,797,617
Sales and services of educational departments	85,816,824
Auxiliary enterprises:	
Student housing	118,624,384
Food services	35,659,007
Bookstore	5,993,374
Athletics	174,523,010
Other auxiliary revenues	38,774,693
Less auxiliary enterprise scholarship allowances	(35,199,909)
Interest earned on loans to students	1,696,532
Patient care revenues, net	1,365,774,381
Other operating revenues, net	171,109,818
Total operating revenues	3,218,887,338

OPERATING EXPENSES

Salaries and wages	1,832,509,450
Fringe benefits	620,724,480
Travel	60,886,146
Contractual services	705,279,482
Utilities	92,259,266
Scholarships and fellowships	198,441,231
Commodities	502,057,442
Depreciation and amortization	204,527,031
Other operating expenses	8,996,935
Total operating expenses	4,225,681,463
Operating loss	(1,006,794,125)

NONOPERATING REVENUES (EXPENSES)

State appropriations	811,969,862
Gifts and grants	220,034,058
Investment income, net of investment expense	34,874,048
Interest expense on capital asset-related debt	(46,108,722)
Other nonoperating revenues	20,790,499
Other nonoperating expenses	(20,174,828)
Total nonoperating revenues, net	1,021,384,917
Income before other revenues, expenses, gains and losses	14,590,792

OTHER REVENUES, EXPENSES, GAINS AND LOSSES

Capital grants and gifts	29,361,319
State appropriations restricted for capital purposes	43,314,625
Additions to permanent endowments	1,812,265
Other additions	7,790,443
Other deletions	(4,149,065)
	92,720,379

CHANGE IN NET POSITION

Net position, beginning of the year	2,681,783,721
NET POSITION, END OF THE YEAR	\$ 2,774,504,100

**STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
DISCRETELY PRESENTED COMPONENT UNIT --
MISSISSIPPI STATE UNIVERSITY FOUNDATION, INC.
Statement of Activities
Year ended June 30, 2023**

	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 21,229,349	132,321,672	153,551,021
Net investment loss	6,120,059	56,383,077	62,503,136
Change in value of split interest agreements	—	1,653,487	1,653,487
Other	19,903,127	776,327	20,679,454
Net assets released from restrictions	35,458,795	(35,458,795)	—
Total revenues, gains, and other support	82,711,330	155,675,768	238,387,098
EXPENDITURES			
Program services:			
Contributions and support for Mississippi State University	46,990,867	—	46,990,867
Contributions and support for Bulldog Club	1,799,555	—	1,799,555
Contributions and support for MSU Alumni Association	1,259,471	—	1,259,471
Total program services	50,049,893	—	50,049,893
Supporting services:			
General administrative	7,585,140	—	7,585,140
Fund raising	4,814,077	—	4,814,077
Total supporting services	12,399,217	—	12,399,217
Total expenditures	62,449,110	—	62,449,110
Change in net assets before noncontrolling interests	20,262,220	155,675,768	175,937,988
Payments to noncontrolling interests	(716,441)	—	(716,441)
CHANGE IN NET ASSETS	19,545,779	155,675,768	175,221,547
Net assets, beginning of the year	103,498,012	624,709,514	728,207,526
NET ASSETS, END OF THE YEAR	\$ 123,043,791	780,385,282	903,429,073

See accompanying notes to financial statements.

**STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
DISCRETELY PRESENTED COMPONENT UNIT --
THE UNIVERSITY OF MISSISSIPPI FOUNDATION
Statement of Activities
Year ended June 30, 2023**

	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Contributions, gifts and bequests	\$ 9,174	79,631,313	79,640,487
Investment return, net	3,467,743	31,615,651	35,083,394
Change in value of split interest agreements	—	(217,005)	(217,005)
Management fees	1,670,559	(1,670,559)	—
Development fees	1,670,559	(1,670,559)	—
Other income	1,045,110	1,395,500	2,440,610
Total revenues, gains, and other support	7,863,145	109,084,341	116,947,486
Net assets released from restrictions/ redesignated by donor:			
Appropriation from donor endowment	11,011,884	(11,011,884)	—
Satisfaction of program restrictions	28,348,541	(28,348,541)	—
EXPENDITURES			
Support for University activities:			
Academic	5,578,762	—	5,578,762
Scholarship	10,744,264	—	10,744,264
Programmatic	18,436,538	—	18,436,538
University of Mississippi Medical Center	5,102,676	—	5,102,676
General and administrative expenses	3,156,287	—	3,156,287
Fund-raising expenses	2,873,965	—	2,873,965
Total expenses	45,892,492	—	45,892,492
CHANGE IN NET ASSETS	1,331,078	69,723,916	71,054,994
Net assets, beginning of the year	19,060,324	629,208,312	648,268,636
NET ASSETS, END OF THE YEAR	<u>\$ 20,391,402</u>	<u>698,932,228</u>	<u>719,323,630</u>

See accompanying notes to financial statements.

**STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
DISCRETELY PRESENTED COMPONENT UNIT --
THE UNIVERSITY OF SOUTHERN MISSISSIPPI FOUNDATION
Statement of Activities
Year ended June 30, 2023**

	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 2,217,034	14,095,491	16,312,525
Net investment gain	3,662,504	6,560,415	10,222,919
Gain on externally managed trusts	—	269,954	269,954
Change in value of split interest agreements	—	1,422,425	1,422,425
Change in value - other	260	38,430	38,690
Other	68,006	32,279	100,285
Total revenues, gains, and other support	5,947,804	22,418,994	28,366,798
Changes in restrictions:			
Change in restriction by donors	1,600	(1,600)	—
Net assets released from restrictions	10,132,303	(10,132,303)	—
EXPENDITURES			
Program services:			
Contributions and support for The University of Southern Mississippi	10,838,436	—	10,838,436
Supporting services:			
General and administrative	1,962,146	—	1,962,146
Fund-raising	1,301,184	—	1,301,184
Total expenses	14,101,766	—	14,101,766
CHANGE IN NET ASSETS	1,979,941	12,285,091	14,265,032
Net assets, beginning of the year	14,652,167	135,698,383	150,350,550
NET ASSETS, END OF THE YEAR	\$ 16,632,108	147,983,474	164,615,582

See accompanying notes to financial statements.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

OPERATING ACTIVITIES

Tuition and fees	\$ 705,410,489
Grants and contracts	529,331,204
Sales and services of educational departments	86,147,600
Payments to suppliers	(1,279,240,529)
Payments to employees for salaries and benefits	(2,426,298,212)
Payments for utilities	(92,390,167)
Payments for scholarships and fellowships	(202,908,683)
Loans issued to students	(8,725,754)
Collection of loans from students	10,312,836
Federal loan program receipts	448,090,547
Federal loan program disbursements	(442,106,412)
Auxiliary enterprise charges:	
Student housing	99,742,479
Food services	31,857,784
Bookstore	5,526,408
Athletics	174,206,535
Other auxiliary enterprises	27,247,138
Patient care services	1,327,146,048
Interest earned on loans to students	1,535,892
Other receipts	176,415,395
Other payments	(20,305,870)
Net cash used in operating activities	<u>(849,005,272)</u>

NONCAPITAL FINANCING ACTIVITIES

State appropriations	802,473,210
Gifts and grants for other than capital purposes	218,125,169
Private gifts for endowment purposes	1,717,683
Other sources	22,014,305
Other uses	1,764,585
Net cash provided by noncapital financing activities	<u>1,046,094,952</u>

CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital debt	186,736,047
Cash paid for capital assets	(252,034,171)
Capital appropriations received	10,766,661
Capital grants and contracts received	18,347,113
Proceeds from sales of capital assets	258,766
Principal paid on capital debt, leases and subscriptions	(91,601,404)
Interest paid on capital debt, leases and subscriptions	(45,489,459)
Other sources	3,736,932
Other uses	(4,853,249)
Net cash used in capital and related financing activities	<u>(174,132,764)</u>

INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	817,775,531
Interest received on investments	43,143,136
Purchases of investments	(902,460,270)
Net cash used in investing activities	<u>(41,541,603)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

	(18,584,687)
Cash and cash equivalents, beginning of the year	<u>856,587,034</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 838,002,347</u>

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES

Operating loss	\$ (1,006,794,125)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization expense	204,527,031
Self-insured claims expense	7,980,656
Provision for uncollectible receivables	171,756,235
Other	(513,682)
Changes in Assets and Liabilities:	
(Increase) Decrease in Assets:	
Receivables, Net	(224,177,557)
Inventories	(1,738,745)
Prepaid Expenses	(7,326,119)
Loans to Students	(1,926,348)
Deferred outflows of resources	(110,117,876)
Other Assets	13,123,920
Increase (Decrease) in Liabilities:	
Accounts Payables and Accrued Liabilities	(42,126,701)
Unearned Revenue	20,399,662
Deposits Refundable	(289,351)
Accrued Leave Liability	2,703,799
Net pension liability	887,719,490
Net OPEB liability	(29,182,986)
Deferred inflows of resources	(705,429,851)
Other Liabilities	(27,592,724)
Total Adjustments	157,788,853
Net cash used in operating activities	\$ (849,005,272)
Reconciliation of cash and cash equivalents:	
Current assets - cash and cash equivalents	\$ 679,420,417
Noncurrent assets - restricted cash and cash equivalents	158,581,930
Cash and cash equivalents, end of the year	\$ 838,002,347
Noncash capital related financing and investing activities:	
Gifts and contributions of capital assets	2,535,314
Right-to-use assets under lease obligations	20,344,299
Assets under subscription-based information technology arrangements	60,525,298

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1

Summary of Significant Accounting Policies

(a) Nature of Operations

Through its member universities, the State of Mississippi Institutions of Higher Learning (IHL System) serves the state, national and international communities by providing its students with academic instruction, by conducting research and other activities that advance fundamental knowledge and by disseminating knowledge to the people of Mississippi and throughout the world.

(b) Reporting Entity

The Mississippi Constitution was amended in 1943 to create a separate legal entity and establish a Board of Trustees of State Institutions of Higher Learning (the Board). This constitutional board provides management and control of Mississippi's system of universities. The Board meets monthly and oversees the eight public universities, the University of Mississippi Medical Center and various off-campus centers and locations throughout the state. Each of these member universities is a member of the IHL System. The IHL System is considered a component unit of the State of Mississippi reporting entity.

The current twelve Board members of the IHL System were appointed by the Governor and confirmed by the Mississippi Senate for nine-year terms, representing the three Supreme Court Districts.

Each of the eight universities and the University of Mississippi Medical Center has established its own educational building corporation (a nonprofit corporation incorporated in the State of Mississippi) in accordance with Section 37-101-61 of the Mississippi Code Annotated of 1972. The purpose of these corporations is for the acquisition, construction and equipping of facilities and land for the various universities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, the educational building corporations are deemed to be material component units of the IHL System but are presented on a blended basis in the accompanying operations. These blended component units provide services entirely, or almost entirely, to their respective universities. See note 9 for detailed educational building corporation activities.

The following is a list of abbreviations used throughout the report for the member universities of the State of Mississippi Institutions of Higher Learning (collectively the IHL System):

ASU	Alcorn State University
DSU	Delta State University
JSU	Jackson State University
MSU	Mississippi State University
MUW	Mississippi University for Women
MVSU	Mississippi Valley State University
UM	University of Mississippi
USM	University of Southern Mississippi
UMMC	University of Mississippi Medical Center
IHL Executive Office	Institutions of Higher Learning – Executive Office
UPM	University Press of Mississippi
MCVS	Mississippi Commission for Volunteer Service – Off-campus entity

The IHL System reports the following discretely presented component units, which also have separate stand-alone audits performed, which can be obtained by requesting a copy from the finance department of each respective university below:

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

(i) Mississippi State University Foundation, Inc.

The Mississippi State University Foundation, Inc. is a legally separate, tax-exempt not for profit entity established to solicit and manage funds for the benefit of Mississippi State University.

(ii) University of Mississippi Foundation

The University of Mississippi Foundation is a legally separate, tax-exempt not for profit nonstock corporation formed for the benefit of the University of Mississippi.

(iii) University of Southern Mississippi Foundation

The University of Southern Mississippi Foundation is a legally separate, tax-exempt not for profit entity formed to provide support to the University of Southern Mississippi and its students.

These foundations are private nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards, including Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features. No modifications have been made to the foundations' financial information in the IHL System's financial reporting entity for these differences.

These foundations act primarily as fund-raising organizations to supplement the resources that are available to the respective universities in support of their programs. The governing body of each foundation is self-perpetuating and consists of graduates and friends of the respective universities. Although the respective universities do not control the timing or amount of receipts from the foundations, most resources, or income thereon, which the foundations hold and invest are restricted to the activities of the respective universities by the donors. Because these restricted resources held by the foundations can only be used by, or for the benefit of, the respective universities, these foundations are considered discretely presented component units of the IHL System.

The Mississippi State University Foundation, Inc., the University of Mississippi Foundation, and the University of Southern Mississippi Foundation each make distributions to their respective universities for support. During the year ended June 30, 2023, support distributions were as follows:

Mississippi State University Foundation, Inc.	\$ 46,990,867
University of Mississippi Foundation	39,862,240
University of Southern Mississippi Foundation	10,838,436

(c) Basis of Accounting

The financial statements of the IHL System have been prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. The IHL System is reporting as a special-purpose government engaged in business-type activities. In accordance with business-type activity reporting, the IHL System presents management's discussion and analysis; statements of net position; statements of revenues, expenses and changes in net position; statements of cash flows; and notes to the financial statements. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant transactions among departments, campuses, and auxiliary units of the IHL System have been eliminated.

Grant and contract revenues, which are received or receivable from external sources, are recognized as revenues to the extent of related expenses or satisfaction of eligibility requirements. State appropriations are recognized as nonoperating revenues when eligibility requirements are satisfied.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

(d) New Accounting Standards

During fiscal year 2023, the IHL System adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard provides accounting and financial reporting requirements for public-private and public-public partnership arrangements (PPPs) that either meet the definition of a service concession arrangement (SCA) or are not within the scope of Statement 87, as amended. This standard also provides guidance for accounting and financial reporting for availability payment arrangements (APA), which are arrangements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The IHL System adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

During fiscal year 2023, the IHL System also adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs; and requires certain note disclosures. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*. The IHL System adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

(e) Recently Issued Accounting Standards

The IHL System is currently evaluating the following pronouncements that are most likely to impact the system's financial reporting.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences – by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The effective date of this statement is for fiscal years beginning after December 15, 2023.

The impact of these pronouncements on the IHL System's financial statements is currently being evaluated and has not yet been fully determined.

(f) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates include the determination of the allowances for uncollectible accounts and contractual adjustments and estimated third-party payor settlements, included as other current assets and as other current liabilities, relating to the IHL System's patient services. In addition, laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates associated with these programs could change by a material amount in the near term.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Included in other noncurrent liabilities are unpaid claim liabilities relating to the IHL System's self-insured workers' compensation, unemployment, and tort liability funds. The liabilities for these unpaid claims and loss adjustment expenses are determined using both evaluations of each claim and statistical analyses and represent the estimated ultimate net cost of all claims and expenses incurred through the end of the reporting period. The determinations of claims payable include estimates that are particularly susceptible to change in the near term. Management believes that liabilities established for these unpaid claims at June 30, 2023 are adequate to cover the ultimate net cost of claims and contractual adjustments, but these liabilities are necessarily based upon estimates, and accordingly, the amount ultimately paid will be more or less than such estimates. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in operations currently.

The IHL System's investments are invested in various types of investment securities within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the IHL System's financial statements.

(g) Cash Equivalents

The IHL System considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(h) Short-Term Investments

Short-term investments are investments that are not cash equivalents but mature within the next fiscal year.

(i) Accounts Receivable, Net

Accounts receivable consist of tuition and fee charges to students and patient accounts at UMMC. Accounts receivable also include amounts due from federal and state governments, and nongovernmental sources, in connection with reimbursement of allowable expenses made pursuant to the IHL System's grants and contracts. Accounts receivable are recorded net of an allowance for doubtful accounts.

(j) Student Notes Receivable, Net

Student notes receivable consist of federal, state and institutional loans made to students for the purpose of paying tuition and fee charges. Loan balances expected to be paid during the next fiscal year are presented on the statement of net position as current assets. Those balances that are either in deferment status or are expected to be paid back beyond the next fiscal year are presented as noncurrent assets on the statement of net position.

(k) Inventories

Inventories consist of bookstore, physical plant, agriculture, printing, central supply, food service supply, and various hospital inventories. These inventories are generally valued at the lower of cost or market, on the first-in, first-out (FIFO) basis.

(l) Prepaid Expenses

Prepaid expenses consist of expenditures related to projects, programs, activities or revenues of future fiscal periods.

(m) Restricted Cash and Cash Equivalents and Restricted Short-Term Investments

Cash, cash equivalents and short-term investments that are externally restricted to make debt service payments, to maintain sinking or reserve funds or to purchase or construct capital or noncurrent assets are classified as noncurrent assets in the statement of net position.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

(n) Endowment Investments

The IHL System's endowment investments recorded at fair value, are generally subject to the restrictions of donor gift instruments. They include donor restricted endowments, which are funds received from a donor with the restrictions that only the income is to be utilized or for which the donor has stipulated that the principal may be expended only after a stated period or upon the occurrence of a certain event, and funds functioning as endowments, which are funds established by the governing board to function similar to an endowment fund but may be fully expended at any time at the discretion of the governing board.

(o) Other Long-Term Investments

Investments are reported at fair value. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position. Investments in partnerships for which there are no quoted market prices are valued at net asset value, as a practical expedient in determining fair value.

(p) Investment Valuation

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2 and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that the IHL System has the ability to access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy in which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment risk.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified as Level 2 of the fair value hierarchy are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. There are no investments classified in Level 3.

(q) Capital Assets

Capital assets are recorded at cost at the date of acquisition, or, if donated, at the acquisition value at the date of donation. Renovations to buildings and improvements other than buildings, that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is not allocated to the functional categories. Right-to-use leased assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. SBITA assets are amortized systematically over the shorter of the subscription term or the useful life of the underlying IT assets. Expenditures for construction in progress are capitalized as incurred.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

(r) Impairment of Capital Assets

Management reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly. Any write-downs due to impairment are charged to operations at the time impairment is identified. No write-down of capital assets was required for the year ended June 30, 2023.

(s) Deferred Inflows and Outflows of Resources

Deferred inflows of resources are an acquisition of net assets by the IHL System that are applicable to a future reporting period and include pension, OPEB, lease and PPP-related deferred inflows, the unamortized amounts for gains on the refunding of bond debt, and beneficial interests in irrevocable trusts.

Deferred outflows of resources are consumption of net assets by the IHL System that are applicable to a future reporting period and include pension and OPEB related deferred outflows and the unamortized amounts for losses on the refunding of bond debt.

(t) Net Pension and OPEB Liabilities

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, and OPEB and OPEB expense, respectively, information about the fiduciary net position of the IHL System's proportionate share of the liability for pension and OPEB, and additions to/deductions from the plans' fiduciary net positions have been determined on the same basis as they are reported by the Public Employees' Retirement System of Mississippi (PERS) and the State and School Employees' Life and Health Insurance Plan (OPEB Plan). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

(u) Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of amounts owed to vendors and contractors or accrued items such as interest, wages and salaries.

(v) Compensated Absences/Accrued Leave

Twelve-month employees earn annual personal leave at a rate of 12 hours per month for one month to three years of service; 14 hours per month for three to eight years of service; 16 hours per month for eight to fifteen years of service; and 18 hours per month for fifteen years of service and above. There is no requirement that annual leave be taken, and there is no maximum accumulation. At termination, these employees are paid for up to 240 hours of accumulated leave.

Nine-month employees earn major medical leave at a rate of 13.36 hours per month for one month to three years of service; 14.24 hours per month for three to eight years of service; 15.12 hours per month for eight to fifteen years of service; and from 16 hours per month for fifteen years of service and above. There is no limit on the accumulation of major medical leave. At retirement, these employees are paid for up to 240 hours of accumulated major medical leave.

(w) Unearned Revenues

Unearned revenues include amounts received for tuition, fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

(x) Deposits Refundable

Deposits refundable represent good-faith deposits from students to reserve housing assignments, key deposits, and post-breakage deposits in the residence halls of the member universities of the IHL System.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
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(y) Non-current Liabilities

Non-current liabilities include: (1) carrying amounts of revenue bonds payable, notes payable, lease and subscription-based IT obligations; (2) estimated amounts of proportionate share of net pension and OPEB liabilities; (3) estimated amounts for accrued compensated absences, deposits refundable, and other liabilities that will not be paid within the next fiscal year; and (4) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

(z) Government Advances Refundable

The IHL System participates in the Federal Perkins Loan and Nursing Loan Programs, which are funded through a combination of federal and institutional resources. The portion of these programs that has been funded with federal funds is ultimately refundable to the U.S. government upon the termination of IHL System's participation in the programs. Although the federal government has terminated the programs disallowing new loans to be made, institutions may continue to collect and service existing loans. The IHL System does not have a timeline for discontinuing its participation in these programs. The portion that would be refundable if the programs were terminated has been presented as other long-term liabilities and approximated \$28.3 million as of June 30, 2023.

(aa) Income Taxes

As an integral part of the State of Mississippi, a governmental entity, the IHL System is generally not subject to federal income tax, however, income generated from activities unrelated to the IHL System's exempt purpose is subject to income taxes under Internal Revenue Code Section 511(a)(2)(B).

(bb) Classification of Revenues and Expenses

The IHL System has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues and expenses have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances and bad debt expense; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; (3) most federal, state and local grants and contracts (non-Title IV financial aid) and Federal appropriations, if any; (4) interest on institutional student loans and other revenues; and (5) patient care revenues. Examples of operating expenses include (1) employee compensation, benefits and related expenses; (2) scholarships and fellowships, net of scholarship discounts and allowances; (3) utilities, commodities (supplies) and contractual services; (4) professional fees; and (5) depreciation expense related to certain capital assets.

Nonoperating revenues and expenses have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, investment income and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34. Examples of nonoperating expenses include interest on capital asset-related debt and bond expenses.

(cc) Auxiliary Enterprise Activities

Auxiliary enterprises typically exist to furnish goods or services to students, faculty or staff, and charge a fee directly related to, although not necessarily equal to, the cost of the goods or services. One distinguishing characteristic of auxiliary enterprises is that they are managed as essentially self-supporting activities. Examples include residence halls, bookstore, convenience store, laundry, faculty and staff housing, food services and intercollegiate athletic programs (only if they are essentially self-supporting). The general public may be served incidentally by auxiliary enterprises.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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(dd) University Press of Mississippi

The University Press of Mississippi (UPM) is one such auxiliary enterprise. UPM was founded in 1970 and represents Mississippi's eight public state universities. UPM publishes scholarly work and books that represent Mississippi and its culture to the nation and the world. From its offices in Jackson, the University Press of Mississippi acquires, edits, distributes, and promotes more than 85 new books every year. Over the years, the press has published more than 2,000 titles and distributed more than three million copies worldwide, each with the Mississippi imprint. UPM is the only not-for-profit book publisher in the state and is a blended component unit of the IHL Executive Office.

(ee) Patient Care Revenues, Net

UMMC's hospital and clinical service revenues are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including contractual allowances and estimated retroactive adjustments under reimbursement programs with third-party payors, less an allowance for doubtful accounts. Retroactive adjustments are accrued in future periods as final settlements are determined.

Inpatient acute care services and substantially all outpatient services rendered to Medicare and Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. UMMC is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports and audits thereof by the Medicare and Medicaid intermediaries.

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. UMMC is reimbursed for cost reimbursable services at tentative rates with final settlement determined after submission of annual cost reports by UMMC and audits thereof by Medicaid fiscal intermediary.

Revenue from the Medicare and Medicaid programs accounted for approximately 32.5% and 26.3%, respectively, of UMMC's net patient service revenues for the year ended June 30, 2023. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

UMMC also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to UMMC under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

(ff) Hospital Reimbursement

The University of Mississippi Medical Center – Health System (UMMC – Health System) Medicare cost reports have been audited and settled by the Medicare Administrative Contractor through the cost reports filed for the year ended June 30, 2019 for the Jackson Campus, for the year ended June 30, 2021 for Holmes County Hospital, and for the year ended June 30, 2020 for UMMC Grenada.

Each year, UMMC receives payments from Medicare and Medicaid, prospectively based on actual results from prior years. These payments are subsequently reconciled to current year actual results and audited by Centers for Medicare and Medicaid Services once the current year is completed, occasionally resulting in repayments due. Additional repayments may result due to rate recalculations, cost report filings, Medicaid Disproportionate Share audits, and other adjustments to prior fiscal years. At June 30, 2023, UMMC – Health System maintains a reserve of approximately \$48.3 million for these potential liabilities.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
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(gg) Scholarship Discounts and Allowances

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers. Certain aid, such as loans, funds provided to students as awarded by third parties and Federal Direct Lending, is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as scholarship allowances, which reduce operating revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash.

Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

(hh) Net Position

Net position represents the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources in the statement of net position and is displayed in three components: net investment in capital assets; restricted net position (distinguished between major categories of restrictions); and unrestricted net position.

Net investment in capital assets reflect the IHL System's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such debt is excluded from the calculation of net investment in capital assets.

Restricted, nonexpendable net position consists of endowment and similar type funds which donors or other outside sources have stipulated, as a condition of the gift instrument, the principal to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted, expendable net position includes resources that the IHL System is legally or contractually obligated to spend in accordance with restrictions imposed by external parties. When both restricted and unrestricted resources are available for use, it is generally the IHL System's policy to utilize restricted resources first, and then unrestricted resources as needed.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, net patient service revenue, sales and services of educational activities and auxiliary enterprises. Auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff. While unrestricted net position may be designated for specific purposes by action of management or the Board, they are available for use at the discretion of the governing board to meet current expenses for any purpose.

Note 2

Cash and Investments

Cash, Cash Equivalents and Short-Term Investments

Investment policies, as set forth by the IHL System's Board of Trustees' policy and state statute, authorize the universities to invest in demand deposits and interest-bearing time deposits such as savings accounts, certificates of deposit, money market funds, U.S. Treasury bills and notes, U.S. Government agency and sponsored enterprise obligations and repurchase agreements. Investment policy at the IHL System is governed by State statute (Section 27-105-33, MS Code Ann. 1972) and the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of 1998.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Custodial Credit Risk – Deposits

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered with securities held by the counterparty’s trust department or agent, but not held in the government’s name. The IHL System had no investments exposed to custodial credit risk at June 30, 2023.

The collateral for public entities’ deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 of the MS Code Annotated (1972). Under this program, funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against these deposits. In the event of the failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

Investment policies as set forth by Board policy as authorized by Section 37-101-15, Mississippi Code Annotated (1972), authorize the universities to invest in equity securities, bonds and other securities. Investments are reported at fair value.

A summary of cash and investments as of June 30, 2023 is as follows:

Cash	\$ 679,420,417
Restricted cash and cash equivalents	158,581,930
U.S. Treasury securities	702,007,577
U.S. government agency securities	502,223,637
Commercial mortgage backed securities	1,689,523
Collateralized mortgage obligations	18,150,226
Asset backed securities	2,016,839
Corporate bonds and notes	5,871,792
Municipal bonds	6,815,276
Fixed income mutual funds	7,422,879
Other fixed income securities	5,168,725
Certificates of deposit	16,604,539
Money market funds	1,321,879
Domestic equity securities	32,231,236
Global equity securities	488,341
Domestic equity mutual funds	19,499,106
International equity mutual funds	11,569,974
Equity long/short hedge funds	96,430,837
Private capital	64,122,922
Endowment Pool Balanced	3,372,315
Mississippi State Foundation Investment Pool	46,241,724
Miscellaneous	36,400,027
	<hr/>
Total cash and investments	<u><u>\$ 2,417,651,721</u></u>

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Fair Value Measurement

The following table presents the financial assets carried at fair value by level within the valuation hierarchy, as well as the assets measured at the net asset value (NAV) per share as a practical expedient as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment strategy:				
Fixed income:				
U.S. Treasury securities	\$ 688,720,789	13,286,788	—	702,007,577
Fixed income mutual funds	6,411,800	1,011,079	—	7,422,879
U.S. government securities	19,487,451	482,736,186	—	502,223,637
Mortgage obligations and asset backed securities	190,633	21,665,955	—	21,856,588
Corporate bonds and notes	4,232,167	1,639,625	—	5,871,792
Certificates of deposit	8,858,469	7,746,070	—	16,604,539
Municipal bonds	749,927	6,065,349	—	6,815,276
Other fixed income securities	5,168,725	—	—	5,168,725
Money market funds	877,511	444,368	—	1,321,879
Total fixed income investments	<u>\$ 734,697,472</u>	<u>534,595,420</u>	<u>—</u>	<u>1,269,292,892</u>
Equity securities:				
Domestic equity securities	31,166,866	1,064,370	—	32,231,236
Domestic equity mutual funds	18,407,280	1,091,826	—	19,499,106
Global equity securities	—	488,341	—	488,341
International equity mutual funds	11,569,974	—	—	11,569,974
Total equity securities	<u>\$ 61,144,120</u>	<u>2,644,537</u>	<u>—</u>	<u>63,788,657</u>
Investments measured at NAV as a practical expedient:				
Equity long/short hedge funds				\$ 96,430,837
Private capital				64,122,922
Mississippi State Foundation Investment Pool				46,241,724
Endowed Pool II Balanced				3,372,315
Other miscellaneous investments				36,400,027
Total investments measured at NAV				<u>246,567,825</u>
Total investments measured at fair value				<u>\$ 1,579,649,374</u>

The valuation method for investments measured at NAV per share as a practical expedient is presented in the following table:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption frequency (if eligible)</u>	<u>Redemption notice period</u>
Equity long/short hedge funds (1)	\$ 96,430,837	3,586,611	Quarterly	45-120 Days
Private capital (2)	64,122,922	24,744,380	Various	Various
Mississippi State Foundation Investment Pool	46,241,724	—	Daily	1-3 Days
Endowed Pool II Balanced	3,372,315	—	Daily	1-3 Days
Other miscellaneous investments (3)	36,400,027	88,449	Various	Various
Total investments measured at NAV	<u>\$ 246,567,825</u>			

- (1) Equity long/short hedge and venture capital funds specialize primarily in classic long/short hedge equity strategies. These funds invest globally, with a majority of the exposure in liquid, developed markets and invest primarily in private investment partnerships, venture capital opportunities or limited liability companies and in separately-managed accounts, each of which is managed by independent managers.
- (2) Private capital investments help build new startup equities that are considered to have high-growth and high-risk potential, mainly in the technology and healthcare sectors.
- (3) Other miscellaneous investments consist of various other tangible items such as land, timberland and various real estate, etc.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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The equity in the long/short hedge funds, private capital, Mississippi State University Foundation Investment Pool, and other miscellaneous investments represents the IHL System's participations in those investments, which is measured at NAV per share.

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered with securities held by the counterparty's trust department or agent but not held in the government's name. The IHL System had no investments exposed to custodial credit risk at June 30, 2023.

Interest Rate Risk

Interest rate risk is defined as the risk a government may face should interest rate variances adversely affect the fair value of investments. The IHL System does not presently have a formal investment policy that addresses interest rate risk.

As of June 30, 2023, the IHL System had the following investments subject to interest rate risk:

	Fair value	Years to maturity			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury securities	\$ 702,007,577	265,804,814	435,431,639	680,574	90,550
U.S. government agency obligations	502,223,637	35,804,538	408,164,446	53,639,456	4,615,197
Commercial mortgage backed securities	1,689,523	14,238	610,863	631,372	433,050
Collateralized mortgage obligations	18,150,226	—	1,475,859	981,283	15,693,084
Asset backed securities	2,016,839	—	—	—	2,016,839
Corporate bonds and notes	5,871,792	286,152	2,269,310	389,034	2,927,296
Certificates of deposit	16,604,539	7,296,743	8,852,768	455,028	—
Municipal bonds	6,815,276	454,228	5,045,113	401,960	913,975
Other fixed income securities	5,168,725	—	—	—	5,168,725
Fixed income mutual funds	7,422,879	5,750,726	661,074	1,011,079	—
Total	<u>\$ 1,267,971,013</u>	<u>315,411,439</u>	<u>862,511,072</u>	<u>58,189,786</u>	<u>31,858,716</u>

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The IHL System does not presently have a formal investment policy that addresses credit risk.

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As of June 30, 2023, the IHL System had the following investments recorded at fair value subject to credit risk:

Credit rating:	
AAA	\$ 38,244,142
Aaa	97,623,578
Aa2	4,057,353
Aa3	549,712
AA	15,392,093
A1	5,355
A2	47,851
A3	118,844
A	255,984
AA+	302,704,522
BAA	53,855
BBB	847,991
Not rated, or rating unavailable	<u>89,457,617</u>
Total investments subject to credit risk	<u>\$ 549,358,897</u>

Cash and Investments excluded from credit risk disclosure:	
Cash	\$ 679,420,417
Restricted cash and cash equivalents	158,581,930
U.S. Treasury securities	702,007,577
Certificates of deposit	16,604,539
Money market funds	1,321,879
Equity securities	63,788,657
Investments measured at NAV	<u>246,567,825</u>
Total investments excluded from credit risk disclosure	<u>1,868,292,824</u>
Total cash and investments	<u>\$ 2,417,651,721</u>

The credit risk ratings listed above are issued upon standards set by Standard and Poor's or Moody's Ratings Services.

Concentration of Credit Risk

Concentration of credit risk is defined by GASB Statement No. 40, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The IHL System does not presently have a formal policy that addresses concentration of credit risk.

As of June 30, 2023, the IHL System had the following issuers holding investments recorded at fair value that exceeded 5% of total investments:

<u>Issuer</u>	<u>Fair value</u>	<u>Percentage</u>
U.S. Treasury securities	\$ 702,007,577	45.01%
Federal Home Loan Bank notes	225,309,975	14.45%
Federal Farm Credit Bank notes	127,430,854	8.17%

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Foreign Currency Risk

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The IHL System does not presently have a formal policy that addresses foreign currency risk. The IHL System's exposure to foreign currency risk is limited to investments in global or pooled non-U.S. equity mutual funds, which approximated \$36 million at June 30, 2023.

Note 3
Accounts Receivable, net

Accounts receivable consisted of the following at June 30, 2023:

	Total	Current Portion	Non-current Portion
Student tuition	\$ 165,421,722	165,421,722	—
Auxiliary enterprises and other operating activities	42,450,697	42,450,697	—
Contributions and gifts	3,683,759	3,683,759	—
Federal, state, and private grants and contracts	194,023,773	194,023,773	—
State Appropriations	28,742,459	28,742,459	—
Accrued Interest	5,670,259	5,670,259	—
Patient Income	697,505,993	697,505,993	—
Accrued lease receivable	27,665,055	2,106,790	25,558,265
Other	46,793,864	38,804,556	7,989,308
Total accounts receivable	1,211,957,581	1,178,410,008	33,547,573
Less bad debt provision	(711,308,488)	(711,308,488)	—
Less elimination entry	(9,516,104)	(3,954,596)	(5,561,508)
Net accounts receivable	<u>\$ 491,132,989</u>	<u>463,146,924</u>	<u>27,986,065</u>

Note 4
Notes Receivable from Students

Notes receivable from students are payable in installments over a period of up to ten years, commencing three to twelve months from the date of separation from one of the IHL System's institutions. The following is a schedule of interest rates and unpaid balances for the different types of notes receivable held by the IHL System as of June 30, 2023:

	Interest Rates	Total	Current Portion	Non-current Portion
Perkins student loans	3% to 9%	\$ 24,232,562	4,250,078	19,982,484
Institutional loans	0% to 9%	66,193,699	10,023,033	56,170,666
Nursing student loans	3% to 9%	1,731,485	216,334	1,515,151
Dental student loans	3% to 9%	239,839	42,108	197,731
Medical student loans	3% to 9%	312,162	54,805	257,357
Other federal loans	3% to 9%	4,908,905	2,125,070	2,783,835
Total notes receivable		97,618,652	16,711,428	80,907,224
Less allowance for doubtful accounts		(19,155,095)	(2,898,359)	(16,256,736)
Net notes receivable		<u>\$ 78,463,557</u>	<u>13,813,069</u>	<u>64,650,488</u>

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Note 5
Capital Assets

A summary of changes in capital assets for the year ended June 30, 2023 is presented as follows:

	Balance June 30, 2022	Additions	Deletions/ transfers	Balance June 30, 2023
Nondepreciable Capital Assets:				
Land	\$ 118,184,118	21,074,513	110,666	139,147,965
Construction in progress	376,029,625	180,588,970	152,927,325	403,691,270
Livestock	1,905,346	250,598	—	2,155,944
Total nondepreciable capital assets	<u>496,119,089</u>	<u>201,914,081</u>	<u>153,037,991</u>	<u>544,995,179</u>
Depreciable/amortizable capital assets:				
Buildings	4,806,966,268	158,469,585	2,593,334	4,962,842,519
Improvements other than buildings	534,545,187	18,378,898	2,936,144	549,987,941
Equipment	983,447,633	52,343,601	33,812,553	1,001,978,681
Library books	475,850,653	9,380,012	564,957	484,665,708
Right-to-use leased land	2,335,557	49,903	823	2,384,637
Right-to-use leased buildings	90,335,474	17,844,580	6,840,396	101,339,658
Right-to-use leased equipment	40,218,814	2,705,032	874,832	42,049,014
Right-to-use subscription assets	—	60,525,298	—	60,525,298
Total depreciable/amortizable assets	<u>6,933,699,586</u>	<u>319,696,909</u>	<u>47,623,039</u>	<u>7,205,773,456</u>
Total capital assets	<u>7,429,818,675</u>	<u>521,610,990</u>	<u>200,661,030</u>	<u>7,750,768,635</u>
Less accumulated depreciation for:				
Buildings	1,377,188,282	86,404,348	1,268,475	1,462,324,155
Improvements other than buildings	243,173,684	15,887,443	1,374,160	257,686,967
Equipment	764,793,611	50,521,469	28,759,696	786,555,384
Library books	418,579,407	12,401,528	564,958	430,415,977
Less accumulated amortization for:				
Right-to-use leased assets	19,123,561	21,292,408	4,038,378	36,377,591
Right-to-use subscription assets	—	16,327,629	—	16,327,629
Total accumulated depreciation and amortization	<u>2,822,858,545</u>	<u>202,834,825</u>	<u>36,005,667</u>	<u>2,989,687,703</u>
Net capital assets	<u>\$ 4,606,960,130</u>	<u>318,776,165</u>	<u>164,655,363</u>	<u>4,761,080,932</u>

Depreciation and amortization is computed on a straight-line basis except for library books, which is computed using a composite method over the following estimated useful lives:

<u>Capital assets</u>	<u>Useful lives</u>
Buildings and right-to-use leased buildings	40 - 50 years
Improvements other than buildings	20 years
Equipment, vehicles, and right-to-use leased equipment	3-15 years
Library books	10 years

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Note 6

Deferred Outflows of Resources and Deferred Inflows of Resources

The classifications of deferred outflows of resources and deferred inflows of resources at June 30, 2023 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension related (see note 17)	\$ 534,408,813	\$ 54,215,654
OPEB related (see note 18)	22,886,962	52,757,074
Unamortized loss/gain on refunding of debt	41,947,903	3,484,185
Lease related (see note 12)	—	24,844,649
PPP related (see note 14)	—	4,564,450
Beneficial interest in irrevocable trusts	—	41,652,408
Totals	<u>\$ 599,243,678</u>	<u>\$ 181,518,420</u>

Note 7

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as of June 30, 2023 are as follows:

Payable to vendors and contractors	\$ 194,645,791
Accrued salaries, wages and employee withholdings	84,804,173
Accrued interest	9,581,329
Other	3,721,118
Subtotal	<u>292,752,411</u>
Less elimination entry	<u>(42,859)</u>
Total accounts payable and accrued liabilities	<u>\$ 292,709,552</u>

All amounts are considered current and expected to be settled within one year.

Note 8

Unearned Revenues

Unearned revenues as of June 30, 2023 are as follows:

Unearned summer school revenue	\$ 35,340,240
Unearned grants and contract revenue	79,811,563
Other principally athletic activities	36,729,571
Total unearned revenues	<u>\$ 151,881,374</u>

All amounts are considered current and will be fully recognized within one year.

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Note 9
Material Blended Component Units of the IHL System

In accordance with GASB Statement No. 61, the educational building corporations are deemed to be material component units of the IHL System but are presented on a blended basis in the accompanying financial statements due to the significance of their activities to respective member universities' operations. These blended component units provide services entirely, or almost entirely, to their respective universities. Condensed financial information as of June 30, 2023 is listed in the following schedules.

2023 Condensed Financial Information for Educational Building Corporations								
	ASU	DSU	JSU	MSU	MVSU	UM	USM	UMMC
Current assets	\$ —	—	—	—	—	19,384,734	6,514,927	10,673,160
Noncurrent assets	35,129,621	10,915,000	77,434,244	272,785,000	14,715,000	264,080,335	135,494,097	429,537,755
Total assets	<u>35,129,621</u>	<u>10,915,000</u>	<u>77,434,244</u>	<u>272,785,000</u>	<u>14,715,000</u>	<u>283,465,069</u>	<u>142,009,024</u>	<u>440,210,915</u>
Deferred outflows of resources	—	—	5,950,951	—	—	—	—	11,710,542
Current liabilities	2,671,695	650,000	5,223,015	13,065,000	575,000	19,217,139	6,514,927	10,673,159
Noncurrent liabilities	41,277,084	10,265,000	78,162,180	259,720,000	14,140,000	260,243,061	135,494,097	430,258,984
Total liabilities	<u>43,948,779</u>	<u>10,915,000</u>	<u>83,385,195</u>	<u>272,785,000</u>	<u>14,715,000</u>	<u>279,460,200</u>	<u>142,009,024</u>	<u>440,932,143</u>
Deferred inflows of resources	—	—	—	—	—	3,484,185	—	—
Total net position	<u>\$ (8,819,158)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>520,684</u>	<u>—</u>	<u>10,989,314</u>
Operating revenues	\$ 2,983,929	—	—	—	1,100,144	—	—	12,246,044
Operating expenses	(2,719,927)	—	—	—	(1,100,144)	—	—	(12,713,224)
Total operating income	<u>264,002</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(467,180)</u>
Nonoperating revenues	—	1,078,550	2,830,062	12,228,438	—	9,938,158	10,355,850	—
Nonoperating expenses	—	(1,078,550)	(2,830,062)	(12,228,438)	—	(9,417,474)	(10,355,850)	—
Total nonoperating revenue (expenses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>520,684</u>	<u>—</u>	<u>—</u>
Changes in net position	<u>\$ 264,002</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>520,684</u>	<u>—</u>	<u>(467,180)</u>

Note 10
Long-Term Liabilities

Long-term liabilities of the IHL System consist of bonds and notes payable, and certain other liabilities that are expected to be liquidated at least one year from June 30, 2023.

For municipal bonds, the IHL System has the option to prepay all outstanding obligations less any unearned interest to fully satisfy the obligation; there is also a fiscal funding addendum stating that if funds are not appropriated for periodic payment for any future fiscal period, IHL will not be obligated to pay the remainder of the total payments due beyond the end of the current fiscal period. Other long-term liabilities consist of accrued leave liabilities, notes payable, net pension liability, net OPEB liability, lease liabilities, subscription-based information technology arrangements, refundable deposits, and other liabilities (government advance refundables, self-insured workers' compensation, unemployment and tort reserve for claims).

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Information regarding original issue amounts, interest rates, and maturity dates for bonded debt relative to the long-term liabilities for each of the universities within the IHL System as of June 30, 2023 is listed in the following schedules.

Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Alcorn State University:								
Bonded Debt								
EBC - Series 2016	\$ 43,630,000	2.00% - 5.00%	2040	\$ 41,015,000	—	1,335,000	39,680,000	1,435,000
Unamortized Premium				3,224,597	—	192,513	3,032,084	192,512
Total Bonded Debt				<u>44,239,597</u>	<u>—</u>	<u>1,527,513</u>	<u>42,712,084</u>	<u>1,627,512</u>
Other Long-term Liabilities:								
Accrued leave liabilities				2,970,207	—	84,849	2,885,358	571,575
Net pension liability				55,460,320	16,235,496	—	71,695,816	—
Net OPEB liability				3,180,116	—	828,901	2,351,215	—
Lease Liability				342,049	—	211,612	130,437	18,502
Subscription Liability *				—	105,816	98,247	7,569	7,569
Deposits refundable				677,215	206	—	677,421	—
Total Other liabilities				<u>62,629,907</u>	<u>16,341,518</u>	<u>1,223,609</u>	<u>77,747,816</u>	<u>597,646</u>
Total				<u>\$ 106,869,504</u>	<u>16,341,518</u>	<u>2,751,122</u>	120,459,900	<u>2,225,158</u>
Due within one year							<u>(2,225,158)</u>	
Total noncurrent liabilities							<u>\$ 118,234,742</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Delta State University:								
Bonded Debt								
EBC - Series 2016	\$ 15,105,000	2.00% - 5.00%	2039	\$ 11,535,000	—	620,000	10,915,000	650,000
Total Bonded Debt				<u>11,535,000</u>	<u>—</u>	<u>620,000</u>	<u>10,915,000</u>	<u>650,000</u>
Other Long-term Liabilities:								
Accrued leave liabilities				1,518,476	—	21,137	1,497,339	374,334
Net pension liability				39,435,132	16,805,430	—	56,240,562	—
Net OPEB liability				2,661,875	—	593,324	2,068,551	—
Lease Liability				13,151	255,216	52,908	215,459	49,072
Subscription Liability *				—	530,684	235,848	294,836	96,118
Deposits refundable				108,966	2,855	—	111,821	—
Total Other liabilities				<u>43,737,600</u>	<u>17,594,185</u>	<u>903,217</u>	<u>60,428,568</u>	<u>519,524</u>
Total				<u>\$ 55,272,600</u>	<u>17,594,185</u>	<u>1,523,217</u>	<u>71,343,568</u>	<u>1,169,524</u>
Due within one year							<u>(1,169,524)</u>	
Total noncurrent liabilities							<u>\$ 70,174,044</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Jackson State University:								
Bonded Debt								
EBC - Series 2015A	\$ 57,595,000	2.00% - 5.00%	2025	\$ 11,280,000	—	3,635,000	7,645,000	3,760,000
EBC - Series 2017A	29,745,000	1.60% - 3.70%	2034	27,300,000	—	945,000	26,355,000	1,025,000
EBC - Series 2021A	42,380,000	1.05% - 2.85%	2045	42,380,000	—	—	42,380,000	—
EBC - Series 2021B	6,295,000	2.35%	2035	6,295,000	—	—	6,295,000	—
Unamortized premium				814,337	—	305,376	508,961	305,376
Total Bonded Debt				<u>88,069,337</u>	<u>—</u>	<u>4,885,376</u>	<u>83,183,961</u>	<u>5,090,376</u>
Other Long-term Liabilities:								
Accrued leave liabilities				6,636,679	—	1,158,344	5,478,335	397,158
Net pension liability				99,198,952	42,376,691	—	141,575,643	—
Net OPEB liability				5,253,081	—	1,143,407	4,109,674	—
Lease Liability				7,910,898		803,031	7,107,867	693,879
Subscription Liability *				—	1,962,308	428,428	1,533,880	720,872
Financed purchases - buses				328,024	—	126,791	201,233	132,638
Deposits refundable				703,814	—	410,658	293,156	—
Federal Loan Fund Repayment Contingency				1,912,787	—	—	1,912,787	—
Total Other liabilities				<u>121,944,235</u>	<u>44,338,999</u>	<u>4,070,659</u>	<u>162,212,575</u>	<u>1,944,547</u>
Total				<u>\$ 210,013,572</u>	<u>44,338,999</u>	<u>8,956,035</u>	<u>245,396,536</u>	<u>7,034,923</u>
Due within one year							<u>(7,034,923)</u>	
Total noncurrent liabilities							<u>\$ 238,361,613</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Mississippi State University:								
Bonded Debt								
EBC - Series 2013	\$ 60,470,000	2.00% - 5.00%	2044	\$ 8,355,000	—	630,000	7,725,000	655,000
EBC - Series 2014A	89,810,000	2.00% - 5.00%	2044	65,150,000	—	4,170,000	60,980,000	4,375,000
EBC - Series 2014B	23,435,000	0.29% - 4.813%	2044	16,295,000	—	1,035,000	15,260,000	1,075,000
EBC - Series 2015	56,010,000	2.00% - 5.00%	2046	49,540,000	—	1,245,000	48,295,000	1,310,000
EBC - Series 2017	63,270,000	2.00% - 5.00%	2046	54,690,000	—	3,785,000	50,905,000	3,960,000
EBC - Series 2017A	92,075,000	2.00% - 5.00%	2044	91,240,000	—	1,620,000	89,620,000	1,690,000
Unamortized premium				12,963,224	—	2,060,102	10,903,122	1,834,553
Total Bonded Debt				<u>298,233,224</u>	<u>—</u>	<u>14,545,102</u>	<u>283,688,122</u>	<u>14,899,553</u>
Other Long-term Liabilities:								
Accrued leave liabilities				25,802,925	1,531,599	—	27,334,524	2,244,538
Net pension liability				484,398,386	187,045,129	—	671,443,515	—
Net OPEB liability				26,742,421	—	6,195,573	20,546,848	—
Lease Liability				10,864,136	8,823,698	5,400,148	14,287,686	751,010
Subscription Liability *				—	9,519,295	3,443,385	6,075,910	2,829,013
Deposits refundable				49,627	—	3,210	46,417	—
Federal Loan Fund Repayment Contingency				4,811,107	—	1,421,222	3,389,885	—
Total Other liabilities				<u>552,668,602</u>	<u>206,919,721</u>	<u>16,463,538</u>	<u>743,124,785</u>	<u>5,824,561</u>
Total				<u>\$ 850,901,826</u>	<u>206,919,721</u>	<u>31,008,640</u>	<u>1,026,812,907</u>	<u>20,724,114</u>
Due within one year							<u>(20,724,114)</u>	
Total noncurrent liabilities							<u>\$ 1,006,088,793</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Description and Purpose	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Mississippi University for Women:					
Other Long-term Liabilities:					
Accrued leave liabilities	\$ 1,076,384	72,760	—	1,149,144	45,966
Net pension liability	33,515,640	14,105,394	—	47,621,034	—
Net OPEB liability	2,037,630	—	445,264	1,592,366	—
Lease Liability	57,279	57,563	38,674	76,168	18,605
Subscription Liability *	—	406,472	—	406,472	235,096
Federal Loan Fund Repayment Contingency	96,439	67,360	—	163,799	—
Total Other liabilities	<u>36,783,372</u>	<u>14,709,549</u>	<u>483,938</u>	<u>51,008,983</u>	<u>299,667</u>
Total	<u>\$ 36,783,372</u>	<u>14,709,549</u>	<u>483,938</u>	<u>51,008,983</u>	<u>299,667</u>
Due within one year				<u>(299,667)</u>	
Total noncurrent liabilities				<u>\$ 50,709,316</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Mississippi Valley State University:								
Bonded Debt								
EBC - Series 2015	17,270,000	2.00%	2037	\$ 15,290,000	—	575,000	14,715,000	625,000
Total Bonded Debt				<u>15,290,000</u>	<u>—</u>	<u>575,000</u>	<u>14,715,000</u>	<u>625,000</u>
Other Long-term Liabilities:								
Accrued leave liabilities				1,407,531	—	16,191	1,391,340	240,128
Net pension liability				33,636,869	11,846,792	—	45,483,661	—
Net OPEB liability				2,243,749	—	633,860	1,609,889	—
Lease Liability				49,401	—	18,358	31,043	19,210
Subscription Liability *				—	130,308	58,269	72,039	50,024
Deposits refundable				28,164	—	3,540	24,624	—
Total Other liabilities				<u>37,365,714</u>	<u>11,977,100</u>	<u>730,218</u>	<u>48,612,596</u>	<u>309,362</u>
Total				<u>\$ 52,655,714</u>	<u>11,977,100</u>	<u>1,305,218</u>	<u>63,327,596</u>	<u>934,362</u>
Due within one year							<u>(934,362)</u>	
Total noncurrent liabilities							<u>\$ 62,393,234</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Beginning balance	Additions	Deletions	Ending balance	Due within one year
University of Mississippi:								
Bonded Debt								
EBC - Series 2015A	15,660,000	2.00% - 4.00%	2040	\$ 14,185,000	—	335,000	13,850,000	370,000
EBC - Series 2015B	10,125,000	1.375% - 3.75%	2030	5,915,000	—	660,000	5,255,000	675,000
EBC - Series 2015C	31,630,000	2.00% - 5.00%	2046	27,830,000	—	695,000	27,135,000	720,000
EBC - Series 2015D	17,660,000	0.993% - 4.452%	2036	13,410,000	—	755,000	12,655,000	780,000
EBC - Series 2016A	33,245,000	2.00% - 5.00%	2034	22,990,000	—	2,110,000	20,880,000	2,215,000
EBC - Series 2017	38,995,000	2.00% - 5.00%	2035	35,335,000	—	2,735,000	32,600,000	2,895,000
EBC - Series 2019A	73,350,000	3.00% - 5.00%	2036	68,775,000	—	3,315,000	65,460,000	3,770,000
EBC - Series 2019B	3,365,000	1.94% - 2.05%	2024	1,575,000	—	920,000	655,000	655,000
EBC - Series 2022	72,760,000	4.00% - 5.00%	2043	—	72,760,000	—	72,760,000	1,110,000
Unamortized Premium				16,958,203	3,000,259	1,590,122	18,368,340	1,632,025
Total Bonded Debt				206,973,203	75,760,259	13,115,122	269,618,340	14,822,025
Other Long-term Liabilities:								
Accrued leave liabilities				18,059,127	1,872,871	—	19,931,998	2,615,000
Net pension liability				279,700,687	116,125,176	—	395,825,863	—
Net OPEB liability				17,066,623	—	3,864,465	13,202,158	—
Lease Liability				1,641,286	2,401,810	1,225,553	2,817,543	998,575
Subscription Liability *				—	7,055,000	2,698,421	4,356,579	2,476,333
Deposits refundable				262,531	—	167,481	95,050	—
Note Payable from direct borrowings - Hancock Bank				4,098,541	—	985,220	3,113,321	1,011,043
Note Payable from direct borrowings - Renasant Bank				4,942,709	—	788,117	4,154,592	810,090
Federal Loan Fund Repayment Contingency				7,104,800	—	1,632,500	5,472,300	—
Total Other liabilities				332,876,304	127,454,857	11,361,757	448,969,404	7,911,041
Total				\$ 539,849,507	203,215,116	24,476,879	718,587,744	22,733,066
Due within one year							(22,733,066)	
Total noncurrent liabilities							\$ 695,854,678	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Beginning balance	Additions	Deletions	Ending balance	Due within one year
University of Southern Mississippi:								
Bonded Debt								
SMEBC - Series 2013	\$ 51,875,000	2.00% - 5.00%	2044	\$ 6,705,000	—	655,000	6,050,000	750,000
SMEBC - Series 2015A	38,600,000	2.00% - 5.00%	2034	30,870,000	—	1,825,000	29,045,000	1,975,000
SMEBC - Series 2015B	16,690,000	0.50% - 3.25%	2034	3,230,000	—	605,000	2,625,000	630,000
SMEBC - Series 2016	58,870,000	2.00% - 5.00%	2040	54,950,000	—	1,570,000	53,380,000	1,800,000
SMEBC - Series 2017	44,005,000	2.00% - 5.00%	2044	42,730,000	—	180,000	42,550,000	185,000
Umamortized Premium				9,621,971	—	1,262,947	8,359,024	1,174,927
Total Bonded Debt				148,106,971	—	6,097,947	142,009,024	6,514,927
Other Long-term Liabilities:								
Accrued leave liabilities				11,227,711	594,012	—	11,821,723	1,300,390
Net pension liability				191,741,041	73,231,231	—	264,972,272	—
Net OPEB liability				11,548,533	—	2,628,239	8,920,294	—
Lease Liability				4,126,098	568,130	1,084,164	3,610,064	1,105,661
Subscription Liability *				—	1,030,586	488,876	541,710	284,508
Deposits refundable				2,986	—	120	2,866	—
Federal Loan Fund Repayment Contingency				18,416,913	—	2,523,038	15,893,875	—
Total Other liabilities				237,063,282	75,423,959	6,724,437	305,762,804	2,690,559
Total				\$ 385,170,253	75,423,959	12,822,384	447,771,828	9,205,486
Due within one year							(9,205,486)	
Total noncurrent liabilities							\$ 438,566,342	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Beginning balance	Additions	Deletions	Ending balance	Due within one year
University of Mississippi Medical Center:								
Bonded Debt								
MCEBC - Series 1998B	\$ 41,075,000	3.88% - 5.90%	2024	\$ 7,690,000	—	3,745,000	3,945,000	3,945,000
MCEBC - Series 2017A	137,635,000	3.00% - 5.00%	2047	137,390,000	—	—	137,390,000	2,230,000
MCEBC - Series 2017B	12,345,000	2.45% - 3.10%	2024	3,850,000	—	2,990,000	860,000	860,000
MCEBC - Series 2019	24,380,000	5.00%	2035	22,530,000	—	525,000	22,005,000	530,000
MCEBC - Series 2020B	158,125,000	0.445% - 2.917%	2041	153,045,000	—	1,745,000	151,300,000	1,755,000
MCEBC - Series 2023A	82,500,000	4.00% - 5.00%	2053	—	82,500,000	—	82,500,000	—
MCEBC - Series 2023B	27,500,000	4.47%	2036	—	27,500,000	—	27,500,000	—
Unamortized premium				14,577,935	975,788	1,474,739	14,078,984	1,587,589
Total Bonded Debt				<u>339,082,935</u>	<u>110,975,788</u>	<u>10,479,739</u>	<u>439,578,984</u>	<u>10,907,589</u>
Notes Payable - Direct borrowings								
University of Mississippi		2.00%	2026	10,291,027	—	3,095,998	7,195,029	3,158,488
University of Mississippi		0.93%	2026	3,024,494	—	746,278	2,278,216	753,249
Total Notes Payable				<u>13,315,521</u>	<u>—</u>	<u>3,842,276</u>	<u>9,473,245</u>	<u>3,911,737</u>
Other Long-term Liabilities:								
Accrued leave liabilities				68,386,315	—	77,673	68,308,642	6,467,357
Net pension liability				1,108,966,743	403,294,089	—	1,512,260,832	—
Net OPEB liability				47,990,300	—	12,744,166	35,246,134	—
Lease Liability				90,882,962	8,214,488	15,226,064	83,871,386	14,972,973
Subscription Liability *				—	39,137,093	9,944,256	29,192,837	10,769,166
Federal Loan Fund Repayment Contingency				2,049,506	—	602,699	1,446,807	—
Financed purchases - various equipment				4,434,134	—	1,451,158	2,982,976	1,477,878
Reserve for unpaid claims				31,350,000	—	1,570,000	29,780,000	4,195,000
Total Other liabilities				<u>1,354,059,960</u>	<u>450,645,670</u>	<u>41,616,016</u>	<u>1,763,089,614</u>	<u>37,882,374</u>
Total				<u>\$ 1,706,458,416</u>	<u>561,621,458</u>	<u>55,938,031</u>	<u>2,212,141,843</u>	<u>52,701,700</u>
Due within one year							<u>(52,701,700)</u>	
Total noncurrent liabilities							<u>\$ 2,159,440,143</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Description and Purpose	Beginning balance	Additions	Deletions	Ending balance	Due within one year
IHL Executive Office:					
Other Long-term Liabilities:					
Accrued leave liabilities	\$ 892,324	—	20,714	871,610	43,682
Net pension liability	14,717,078	6,187,774	—	20,904,852	—
Net OPEB liability	547,687	—	105,787	441,900	—
Lease Liability	82,273	164,973	—	247,246	66,330
Subscription Liability *	—	228,414	112,276	116,138	33,160
Reserve for unpaid claims	31,067,388	—	2,298,785	28,768,603	6,301,343
Total Other liabilities	<u>\$ 47,306,750</u>	<u>6,581,161</u>	<u>2,537,562</u>	51,350,349	<u>6,444,515</u>
Due within one year				(6,444,515)	
Total noncurrent liabilities				<u>\$ 44,905,834</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

Description and Purpose	Beginning balance	Additions	Deletions	Ending balance	Due within one year
MCVS:					
Other Long-term Liabilities:					
Accrued leave liabilities	\$ 54,014	11,466	—	65,480	12,718
Net pension liability	1,385,339	466,288	—	1,851,627	—
Total Other liabilities	<u>\$ 1,439,353</u>	<u>477,754</u>	<u>—</u>	1,917,107	<u>12,718</u>
Due within one year				(12,718)	
Total noncurrent liabilities				<u>\$ 1,904,389</u>	

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Description and Purpose	Beginning balance	Additions	Deletions	Total	Elimination Entries	Ending balance	Due within one year
State of Mississippi Institutions of Higher Learning:							
Bonded debt	\$ 1,151,530,267	186,736,047	51,845,799	1,286,420,515	—	1,286,420,515	55,136,982
Reserves for unpaid claims	62,417,388	—	3,868,785	58,548,603	—	58,548,603	10,496,343
Other long-term liabilities and notes payable:							
Accrued leave liabilities	138,031,693	4,082,708	1,378,908	140,735,493	—	140,735,493	14,312,867
Net pension liability	2,342,156,187	887,719,490	—	3,229,875,677	—	3,229,875,677	—
Net OPEB liability	119,272,015	—	29,182,986	90,089,029	—	90,089,029	—
Lease Liability	115,969,533	20,485,878	24,060,512	112,394,899	—	112,394,899	18,693,817
Subscription Liability *	—	60,105,976	17,508,006	42,597,970	—	42,597,970	17,501,859
Notes payable from direct borrowings	9,041,250	—	5,615,613	3,425,637	3,842,276	7,267,913	1,821,133
Financed purchases	4,762,158	—	1,577,948	3,184,210	—	3,184,210	1,610,516
Deposits refundable	1,833,303	3,061	463,103	1,373,261	—	1,373,261	—
Refundable government advances	34,391,552	67,360	6,179,459	28,279,453	—	28,279,453	—
Total other long-term liabilities and notes payable	<u>2,765,457,691</u>	<u>972,464,473</u>	<u>85,966,535</u>	<u>3,651,955,629</u>	<u>3,842,276</u>	<u>3,655,797,905</u>	<u>53,940,192</u>
Total	<u>\$ 3,979,405,346</u>	<u>1,159,200,520</u>	<u>141,681,119</u>	<u>4,996,924,747</u>	<u>3,842,276</u>	<u>5,000,767,023</u>	<u>119,573,517</u>
Due within one year						<u>(119,573,517)</u>	
Total noncurrent liabilities						<u>\$ 4,881,193,506</u>	

* Additions to subscription liability include the impact of adoption of GASB Statement No. 96 as of the beginning of the fiscal year.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

The annual debt service requirements for the outstanding debt as of June 30, 2023 for each of the respective universities within the IHL System are as follows:

University - fiscal year(s)	Bonded Debt	Lease Liability	Subscription Liability	Notes Payable	Interest	Total
Alcorn State University:						
2024	\$ 1,627,512	18,502	7,569	—	1,603,041	3,256,624
2025	1,752,512	2,019	—	—	1,534,994	3,289,525
2026	1,887,512	443	—	—	1,453,600	3,341,555
2027	2,007,512	454	—	—	1,365,840	3,373,806
2028	2,097,512	464	—	—	1,272,836	3,370,812
2029 - 2033	12,222,560	2,468	—	—	4,840,239	17,065,267
2034 - 2038	14,901,968	2,769	—	—	2,376,978	17,281,715
2039 - 2043	6,214,996	3,099	—	—	230,843	6,448,938
2044 - 2048	—	3,468	—	—	11,113	14,581
2049 - 2053	—	3,875	—	—	10,688	14,563
Thereafter	—	92,876	—	—	70,384	163,260
Total ASU	\$ 42,712,084	130,437	7,569	—	14,770,556	57,620,646
Delta State University:						
2024	\$ 650,000	49,072	96,118	—	449,035	1,244,225
2025	500,000	50,708	89,003	—	415,912	1,055,623
2026	525,000	52,381	66,388	—	386,618	1,030,387
2027	550,000	54,109	43,327	—	356,600	1,004,036
2028	580,000	9,189	—	—	329,538	918,727
2029 - 2033	3,260,000	—	—	—	1,289,350	4,549,350
2034 - 2038	3,955,000	—	—	—	587,300	4,542,300
2039 - 2043	895,000	—	—	—	17,900	912,900
Total DSU	\$ 10,915,000	215,459	294,836	—	3,832,253	15,257,548
Jackson State University:						
2024	\$ 5,090,376	693,879	720,872	132,639	2,409,104	9,046,870
2025	5,203,585	690,215	635,685	68,594	2,145,258	8,743,337
2026	5,340,000	658,311	177,323	—	1,706,431	7,882,065
2027	6,520,000	432,610	—	—	1,617,150	8,569,760
2028	6,605,000	442,176	—	—	1,523,359	8,570,535
2029 - 2033	35,120,000	2,367,572	—	—	5,362,648	42,850,220
2034 - 2038	15,700,000	1,823,104	—	—	1,092,359	18,615,463
2039 - 2043	2,520,000	—	—	—	274,785	2,794,785
2044 - 2048	1,085,000	—	—	—	34,334	1,119,334
Total JSU	\$ 83,183,961	7,107,867	1,533,880	201,233	16,165,428	108,192,369
Mississippi State University:						
2024	\$ 14,899,553	751,010	2,829,013	—	12,237,813	30,717,389
2025	13,053,348	585,144	2,121,743	—	11,534,962	27,295,197
2026	13,403,752	612,279	949,533	—	10,869,860	25,835,424
2027	12,204,578	634,181	143,332	—	10,247,397	23,229,488
2028	13,443,803	595,363	7,684	—	9,674,396	23,721,246
2029 - 2033	64,314,093	2,624,795	24,605	—	39,483,381	106,446,874
2034 - 2038	68,720,130	2,848,588	—	—	24,941,120	96,509,838
2039 - 2043	64,914,220	2,788,956	—	—	11,010,388	78,713,564
2044 - 2048	18,734,645	768,931	—	—	1,010,488	20,514,064
2049 - 2053	—	971,482	—	—	182,325	1,153,807
Thereafter	—	1,106,957	—	—	60,504	1,167,461
Total MSU	\$ 283,688,122	14,287,686	6,075,910	—	131,252,634	435,304,352

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University - fiscal year(s)	Bonded Debt	Lease Liability	Subscription Liability	Notes Payable	Interest	Total
Mississippi University for Women:						
2024	\$ —	18,605	235,096	—	15,633	269,334
2025	—	19,224	171,376	—	7,252	197,852
2026	—	19,859	—	—	953	20,812
2027	—	18,480	—	—	325	18,805
Total MUW	\$ —	76,168	406,472	—	24,163	506,803
Mississippi Valley State University:						
2024	\$ 625,000	19,210	50,024	—	500,125	1,194,359
2025	675,000	11,833	6,727	—	482,446	1,176,006
2026	725,000	—	7,326	—	465,260	1,197,586
2027	785,000	—	7,962	—	443,269	1,236,231
2028	845,000	—	—	—	419,456	1,264,456
2029 - 2033	5,285,000	—	—	—	1,634,675	6,919,675
2034 - 2038	5,775,000	—	—	—	553,150	6,328,150
Total MVSU	\$ 14,715,000	31,043	72,039	—	4,498,381	19,316,463
University of Mississippi:						
2024	\$ 14,822,025	998,575	2,476,333	1,821,133	11,277,824	31,395,890
2025	15,527,025	820,088	1,088,202	1,870,745	10,489,913	29,795,973
2026	16,242,787	271,052	473,865	1,921,427	9,703,409	28,612,540
2027	16,414,708	250,167	297,081	880,840	8,934,644	26,777,440
2028	17,187,217	203,875	21,098	773,768	8,161,689	26,347,647
2029 - 2033	79,535,686	273,786	—	—	29,843,481	109,652,953
2034 - 2038	44,360,047	—	—	—	17,730,519	62,090,566
2039 - 2043	23,292,097	—	—	—	12,103,516	35,395,613
2044 - 2048	21,689,336	—	—	—	6,985,375	28,674,711
2049 - 2053	20,547,412	—	—	—	2,344,950	22,892,362
Total UM	\$ 269,618,340	2,817,543	4,356,579	7,267,913	117,575,320	401,635,695
University of Southern Mississippi:						
2024	\$ 6,514,927	1,105,661	284,508	—	5,866,141	13,771,237
2025	6,937,129	1,037,636	201,446	—	5,594,169	13,770,380
2026	7,304,230	675,678	55,756	—	5,306,072	13,341,736
2027	7,893,054	392,466	—	—	5,003,549	13,289,069
2028	7,851,334	257,954	—	—	4,676,297	12,785,585
2029 - 2033	46,446,866	140,669	—	—	17,975,336	64,562,871
2034 - 2038	37,647,272	—	—	—	7,773,195	45,420,467
2039 - 2043	21,414,212	—	—	—	2,327,718	23,741,930
Total USM	\$ 142,009,024	3,610,064	541,710	—	54,522,477	200,683,275
University of Mississippi Medical Center:						
2024	\$ 10,907,589	14,972,973	10,769,166	5,389,615	18,884,963	60,924,306
2025	10,373,491	12,788,315	7,599,316	5,487,622	17,937,111	54,185,855
2026	12,642,010	10,744,609	5,274,581	1,578,984	17,019,276	47,259,460
2027	12,975,657	9,317,344	3,582,117	—	16,173,549	42,048,667
2028	13,319,082	7,518,664	1,935,379	—	15,386,749	38,159,874
2029 - 2033	73,607,322	27,000,060	32,278	—	66,692,134	167,331,794
2034 - 2038	92,416,599	1,529,421	—	—	52,021,006	145,967,026
2039 - 2043	98,485,045	—	—	—	36,114,528	134,599,573
2044 - 2048	84,744,808	—	—	—	16,014,400	100,759,208
2049 - 2053	30,107,381	—	—	—	3,740,600	33,847,981
Total UMMC	\$ 439,578,984	83,871,386	29,192,837	12,456,221	259,984,316	825,083,744

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University - fiscal year(s)	Bonded Debt	Lease Liability	Subscription Liability	Notes Payable	Interest	Total
Executive Office						
2024	\$ —	66,330	33,160	—	10,535	110,025
2025	—	65,974	41,823	—	7,418	115,215
2026	—	55,399	20,243	—	4,082	79,724
2027	—	37,898	20,912	—	2,025	60,835
2028	—	21,645	—	—	261	21,906
Total Executive Office	\$ —	247,246	116,138	—	24,321	387,705
State of Mississippi - Institutions of Higher Learning (Combined):						
2024	\$ 55,136,982	18,693,817	17,501,859	7,343,387	53,254,214	151,930,259
2025	54,022,090	16,071,156	11,955,321	7,426,961	50,149,435	139,624,963
2026	58,070,291	13,090,011	7,025,015	3,500,411	46,915,561	128,601,289
2027	59,350,509	11,137,709	4,094,731	880,840	44,144,348	119,608,137
2028	61,928,948	9,049,330	1,964,161	773,768	41,444,581	115,160,788
2029 - 2033	319,791,527	32,409,350	56,883	—	167,121,244	519,379,004
2034 - 2038	283,476,016	6,203,882	—	—	107,075,627	396,755,525
2039 - 2043	217,735,570	2,792,055	—	—	62,079,678	282,607,303
2044 - 2048	126,253,789	772,399	—	—	24,055,710	151,081,898
2049 - 2053	50,654,793	975,357	—	—	6,278,563	57,908,713
Thereafter	—	1,199,833	—	—	130,888	1,330,721
Total System	\$ 1,286,420,515	112,394,899	42,597,970	19,925,367	602,649,849	2,063,988,600

The educational building corporations have pledged future designated revenues to repay \$1.3 billion in EBC bonds. Proceeds from bonds provided financing for the construction of various improvements and other capital expenditures. The bonds are payable solely from appropriate designated revenues and are payable through 2053. Annual principal and interest payments on the bonds are expected to require less than 4% of designated revenues. The total principal and interest remaining to be paid on the bonds is \$1.9 billion. Principal and interest paid for the current year and total designated revenues were \$87.9 million and \$3.4 billion, respectively.

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Note 11
Operating Expenses by Natural and Functional Classifications

The IHL System's operating expenses by functional classification were as follows for the year ended June 30, 2023:

Functional Classification	Salaries and wages	Fringe benefits	Travel	Contractual services	Utilities	Scholarships and fellowships	Commodities	Depreciation and amortization	Other	Total
Instruction	\$ 504,207,585	170,019,186	10,564,562	46,135,386	384,318	830,710	17,273,415	—	118,006	749,533,168
Research	205,123,192	79,126,169	10,153,443	86,162,911	4,587,547	1,693,795	31,999,344	—	963,061	419,809,462
Public service	99,204,016	36,616,291	5,075,829	51,556,864	2,141,388	158,735	10,935,767	—	107,780	205,796,670
Academic support	90,993,386	29,941,534	2,540,162	34,970,283	393,683	962,946	19,424,673	—	8,282	179,234,949
Student services	56,014,357	19,172,785	8,219,451	17,499,517	285,633	442,522	8,722,872	—	287,094	110,644,231
Institutional support	162,646,877	61,456,982	3,712,508	106,327,885	224,203	1,924,095	21,768,262	—	3,859,550	361,920,362
Operation of plant	57,427,215	22,803,355	212,628	64,149,163	60,559,056	—	13,880,309	—	136,465	219,168,191
Student aid	3,916,581	6,782,580	92,873	1,514,468	82	198,655,252	321,339	—	223,710	211,506,885
Auxiliary enterprises	103,900,996	29,952,292	19,572,252	98,931,811	22,286,343	31,984,303	19,138,839	—	34,189	325,801,025
Depreciation and amortization	—	—	—	—	—	—	—	204,527,031	—	204,527,031
Hospital	549,075,245	164,853,306	742,438	253,419,486	1,397,013	—	358,592,622	—	—	1,328,080,110
Loan fund expense	—	—	—	(771,091)	—	—	—	—	3,258,798	2,487,707
	<u>1,832,509,450</u>	<u>620,724,480</u>	<u>60,886,146</u>	<u>759,896,683</u>	<u>92,259,266</u>	<u>236,652,358</u>	<u>502,057,442</u>	<u>204,527,031</u>	<u>8,996,935</u>	<u>4,318,509,791</u>
Elimination entries	—	—	—	(54,617,201)	—	(38,211,127)	—	—	—	(92,828,328)
Total operating expenses	<u>\$ 1,832,509,450</u>	<u>620,724,480</u>	<u>60,886,146</u>	<u>705,279,482</u>	<u>92,259,266</u>	<u>198,441,231</u>	<u>502,057,442</u>	<u>204,527,031</u>	<u>8,996,935</u>	<u>4,225,681,463</u>

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Note 12
Leases

(a) Lessee

The IHL System leases equipment, land, as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2109 and provide for renewal options ranging from 1 year to ten years.

Certain land leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Some leases require variable payments based on usage of the underlying asset and are not included in the measurement of the lease liability. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the year ended June 30, 2023, the system made variable payments as required by lease agreements totaling \$13,514.

In 2014, Mississippi State University entered into a lease-leaseback arrangement. Under the arrangement, the university leased an office building to a private party. This arrangement was terminated in 2023.

Total future minimum lease payments under lease agreements are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>
2024	\$ 18,693,817	2,534,155
2025	16,071,156	2,099,436
2026	13,090,011	1,743,261
2027	11,137,709	1,448,447
2028	9,049,330	1,203,114
2029 - 2033	32,409,350	3,272,217
2034 - 2038	6,203,882	1,090,144
2039 - 2043	2,792,055	519,816
2044 - 2048	772,399	291,098
2049 - 2053	975,357	193,013
Thereafter	<u>1,199,833</u>	<u>130,888</u>
Total minimum lease payments	<u>\$ 112,394,899</u>	<u>14,525,589</u>

(b) Lessor

The System, acting as lessor, leases buildings, land, and other various equipment under long-term, non-cancelable lease agreements. The leases expire at various dates through 2109 and provide for renewal options ranging from 5 years to 10 years. During the year ended June 30, 2023, the system recognized \$3,203,657 and \$683,559 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain land and building leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset and are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the periods in which the payments are received. During the year ended June 30, 2023, the system received variable payments as required by lease agreements totaling \$0.

Total future minimum lease payments to be received under lease agreements are as follows:

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Year ending June 30,	Principal	Interest
2024	\$ 2,106,790	606,727
2025	1,691,277	565,770
2026	1,717,780	526,076
2027	1,474,057	488,486
2028	1,358,971	457,791
2029 - 2033	6,789,281	1,819,473
2034 - 2038	5,994,799	1,047,491
2039 - 2043	3,872,895	539,461
2044 - 2048	1,511,193	197,922
2049 - 2053	433,121	109,530
Thereafter	714,891	363,617
Total minimum lease payments	<u>\$ 27,665,055</u>	<u>6,722,346</u>

Note 13

Subscription-Based Information Technology Arrangements (SBITAs)

The IHL System has software subscriptions from external parties for various terms under long-term, noncancelable arrangements. The subscriptions expire at various dates through 2033 and some provide for renewal options ranging from one year to five years. Subscription payments are made monthly and annually ranging from \$1,400 - \$490,000, with an estimated incremental borrowing rate of 3.25%. In accordance with GASB Statement No. 96, the IHL System records right-to-use assets and subscription liabilities based on the present value of expected payments over the subscription term of the respective software.

Future commitments for software subscriptions having remaining terms in excess of one year as of June 30, 2023 are as follows:

Year ending June 30,	Subscription obligations payable	Interest
2024	\$ 17,501,859	1,216,199
2025	11,955,320	687,761
2026	7,025,015	337,907
2027	4,094,731	144,079
2028	1,964,162	23,964
2029 - 2033	56,883	1,866
Total remaining subscription commitments	<u>\$ 42,597,970</u>	<u>2,411,776</u>

Note 14

Public-Private and Public-Public Partnerships

On February 27, 2018, Mississippi State University entered into a public-private partnership with EdR College View MS LLC, in which it was agreed that EdR would develop a mixed-used collegiate housing project to be known as "College View" located on land owned by the University. The initial term of the agreement is 40 years with options to renew. During this term, EdR is responsible for all construction and upkeep of all portions of the premises. EdR constructed the complex and began operations in the fall semester of 2019. EdR agreed to pay the university 5% of the gross revenue for each fiscal year. Those payments are recognized when received rather

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than as a receivable due to their variable nature. The university has recognized a receivable and a deferred inflow of resources (\$4.6 million) for the value of the complex, which is the estimated carrying value of the asset to be transferred to the university at the end of the contract term, adjusted for inflation.

Note 15
Construction Commitments and Financing

The IHL System has contracted for various construction projects as of June 30, 2023. Estimated costs to complete the various projects and the sources of anticipated funding are presented below:

	Remaining estimated cost to complete	Source of Funding			
		Federal	State	Institutional	Other
Alcorn State University	\$ 17,252,285	—	17,252,285	—	—
Delta State University	9,012,486	—	9,012,486	—	—
Jackson State University	31,731,833	—	31,731,833	—	—
Mississippi State University	229,671,613	33,284,092	69,395,453	107,155,625	19,836,443
Mississippi University for Women	4,814,641	2,297,656	1,670,649	846,336	—
Mississippi Valley State University	35,597,964	—	35,597,964	—	—
University of Mississippi	150,348,000	—	77,350,000	47,850,000	25,148,000
University of Southern Mississippi	72,302,944	14,867,979	38,264,042	19,170,923	—
University of Mississippi Medical Center	261,201,700	71,022,960	27,542,367	50,535,591	112,100,782
Totals	\$ 811,933,466	121,472,687	307,817,079	225,558,475	157,085,225

Note 16
Donor Restricted Endowments

The net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure approximated \$51.1 million as of June 30, 2023. These amounts are included in the accompanying statement of net position in “net position – expendable for other purposes,” and “net position – expendable for scholarships and fellowships.” The endowment investments totaled \$370.5 million at June 30, 2023.

Most endowments operate on the total-return concept as permitted by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) (Sections 79-11-701 through 79-11-719, MS Code, Ann. 1972) of 2006. The annual rate for spendable transfers distributed annually, is 4% of the investment pool’s average unit value over the 36-month period.

Note 17
Employee Benefits – Pension Plans

The IHL System participates in the following separately administered plans maintained by Public Employees’ Retirement System of Mississippi (PERS):

Plan type	Plan name
Multiple-employer, defined benefit	PERS Defined Benefit Plan
Multiple-employer, defined contribution	Optional Retirement Plan (ORP) Defined Contribution Plan

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The employees of the IHL System are covered by one of the pension plans outlined above (collectively, the Plans). The Plans do not provide for measurements of assets and pension benefit obligations for individual entities. The measurement date of the Plans is June 30, 2022 for fiscal year 2023.

The funding methods and determination of benefits payable were established by the legislative acts creating such plans, as amended, and in general, provide that the funds are to be accumulated from employee contributions, participating entity contributions and income from the investment of accumulated funds. The plans are administered by separate boards of trustees.

Information included within this note is based on the certification provided by consulting actuary, Cavanaugh Macdonald Consulting, LLC.

A stand-alone audited financial report is issued for the Plans and is available at www.pers.ms.gov.

Disclosures under GASB Statement No. 68

The pension disclosures that follow for fiscal year 2023 include all disclosures for GASB Statement No. 68 using the latest valuation report available (June 30, 2021). For fiscal year 2023, the measurement date for the PERS defined benefit plan is June 30, 2022. The IHL System is presenting net pension liability as of June 30, 2022 for the fiscal year 2023 financials.

(a) PERS Defined Benefit Plan

Plan Description

The PERS of Mississippi was created with the purpose to provide pension benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, other public employees whose employers have elected to participate in PERS, elected members of the State Legislature and the President of the Senate. PERS administers a cost-sharing, multiple-employer defined benefit pension plan. PERS is administered by a 10-member Board of Trustees that includes the State Treasurer; one gubernatorial appointee who is a member of PERS; two state employees; two PERS retirees; and one representative each from public schools and community colleges, state universities, municipalities and counties. With the exception of the State Treasurer and the gubernatorial appointee, all members are elected to staggered six-year terms by the constituents they represent.

Membership and Benefits Provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full 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 2.0% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable 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 creditable 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

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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. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0% 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 3.0% compounded for each fiscal year thereafter.

Contributions

Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature.

Policies for PERS provide for employer and member contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. PERS members were required to contribute 9.00% of their annual pay. The institution's contractually required contribution rate for the year ended June 30, 2023 was 17.40% for each year of annual payroll. Contributions from the IHL System are recognized when legally due based on statutory requirements.

Employer Contributions

The IHL System's contributions to PERS for the year ended June 30, 2023 was \$201.7 million. The IHL System's proportionate share was calculated on the basis of historical contributions. Employer allocation percentages are based on the ratio of each employer's actual contribution to the Plan's total actual contributions.

The following table provides the IHL System's contributions used in the determination of its proportionate share of collective pension amount reported:

Proportionate share of contributions	Allocation percentage of proportionate share of collective pension amount	Change in proportionate share of collective pension amount
\$ 187,963,561	15.69%	-0.15%

Net Pension Liability

The IHL System's proportion of the net pension liability at June 30, 2023 is as follows:

Proportionate share of net pension liability	Proportion of net pension liability
\$ 3,229,875,677	15.69%

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

Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over the average of the expected remaining service life of active and inactive members. For the year ended June 30, 2023, the remaining service life was 3.73 years. Differences between projected and actual earnings on pension plan investments are amortized over a closed period of 5 years. The first year of amortization is recognized as pension expense with the remaining years shown as a deferred outflow of resources. The deferred outflow of resources reported by an employer includes contributions made by the employer during its fiscal year that will be reflected in the net pension liability in the next measurement period.

The IHL System's proportionate share of the collective pension expense for the year ended June 30, 2023 is equal to the collective pension expense multiplied by the employer's allocation percentage, or \$290.6 million. Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense they are labeled deferred inflows. If they increase pension expense they are labeled deferred outflows. After amortization of these deferred amounts, the IHL System's net pension expense at June 30, 2023 was \$72.5 million.

The table below provides a summary of the deferred outflows and inflows of resources related to pensions:

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	Deferred outflows					Deferred inflows		
	Differences between expected and actual experience	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Contributions subsequent to the measurement date	Net difference between projected and actual earnings on pension plan investment	Total deferred outflows of resources	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources
Alcorn State University	\$ 1,015,163	2,479,683	—	4,249,407	3,765,813	11,510,066	7,711,340	7,711,340
Delta State University	796,327	1,945,145	746,476	3,441,325	2,954,028	9,883,301	—	—
Jackson State University	2,004,613	4,896,558	75,839	8,449,058	7,436,242	22,862,310	—	—
Mississippi State University	9,507,173	23,222,652	4,483,823	42,179,640	35,267,484	114,660,772	—	—
Mississippi University for Women	674,281	1,647,028	665,181	2,960,187	2,501,289	8,447,966	—	—
Mississippi Valley State University	644,017	1,573,105	—	2,674,807	2,389,023	7,280,952	2,685,139	2,685,139
University of Mississippi	5,604,619	13,690,096	1,671,103	25,581,184	20,790,703	67,337,705	—	—
University of Southern Mississippi	3,751,823	9,164,373	—	16,033,951	13,917,635	42,867,782	2,438,876	2,438,876
University of Mississippi Medical Center	21,412,561	52,303,293	—	92,705,250	79,431,306	245,852,410	41,056,626	41,056,626
Executive Office	295,998	723,018	—	1,288,072	1,098,025	3,405,113	223,305	223,305
MCVS	26,218	64,041	—	112,921	97,256	300,436	100,368	100,368
Total	<u>\$ 45,732,793</u>	<u>111,708,992</u>	<u>7,642,422</u>	<u>199,675,802</u>	<u>169,648,804</u>	<u>534,408,813</u>	<u>54,215,654</u>	<u>54,215,654</u>

Contributions subsequent to the measurement date of \$199.7 million reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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Other amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

	Deferred outflows of resources, Year Ended June 30				
	2024	2025	2026	2027	Total
Alcorn State University	\$ 2,273,303	1,674,779	(577,834)	3,890,411	7,260,659
Delta State University	1,881,101	1,737,890	(228,782)	3,051,767	6,441,976
Jackson State University	3,620,341	3,669,522	(558,893)	7,682,282	14,413,252
Mississippi State University	24,725,504	17,266,423	(5,945,155)	36,434,360	72,481,132
Mississippi University for Women	1,815,620	1,311,248	(223,136)	2,584,047	5,487,779
Mississippi Valley State University	1,442,178	1,062,476	(366,576)	2,468,067	4,606,145
University of Mississippi	12,551,420	9,845,765	(2,119,258)	21,478,594	41,756,521
University of Southern Mississippi	8,401,638	6,189,622	(2,135,549)	14,378,120	26,833,831
University of Mississippi Medical Center	47,950,178	35,325,672	(12,188,096)	82,059,406	153,147,160
Executive Office	662,843	488,327	(168,483)	1,134,354	2,117,041
MCVS	58,711	43,253	(14,923)	100,474	187,515
Total	\$ 105,382,837	78,614,977	(24,526,685)	175,261,882	334,733,011

	Deferred inflows of resources, Year Ended June 30			
	2024	2025	2026	Total
Alcorn State University	\$ 3,710,500	3,060,222	940,618	7,711,340
Delta State University	—	—	—	—
Jackson State University	—	—	—	—
Mississippi State University	—	—	—	—
Mississippi University for Women	—	—	—	—
Mississippi Valley State University	1,357,063	1,097,162	230,914	2,685,139
University of Mississippi	—	—	—	—
University of Southern Mississippi	1,194,936	895,602	348,338	2,438,876
University of Mississippi Medical Center	18,359,029	17,244,391	5,453,206	41,056,626
Executive Office	193,650	99,178	(69,523)	223,305
MCVS	45,293	41,894	13,181	100,368
Total	\$ 24,860,471	22,438,449	6,916,734	54,215,654

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. Mississippi state statute requires that an actuarial experience study be completed at least once in each five-year period.

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The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the four-year period ending June 30, 2020.

The following table provides a summary of the actuarial methods and assumptions used to determine the contribution rate reported for PERS for the year ended June 30, 2023:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Asset valuation method	Market value
Actuarial assumptions:	
Inflation rate	2.40 %
Salary increases	2.65
Investment rate of return	7.55

Mortality

Mortality rates 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 will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Domestic Equity	25.00 %	4.60 %
International equity	20.00	4.50
Global Equity	12.00	4.85
Debt Securities	18.00	1.40
Real Estate	10.00	3.65
Private Equity	10.00	6.00
Private Infrastructure	2.00	4.00
Private Credit	2.00	4.00
Cash Equivalents	1.00	(0.10)
	<u>100.00</u>	

Discount Rate

For the year ended June 30, 2023, 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 plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (17.40%) for the year ended June 30, 2023. Based on those assumptions, the pension

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plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan 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 Net Pension Liability to Changes in the Discount Rate

The following table presents the IHL System's proportionate share of the net pension liability of the cost-sharing plan for 2023, calculated using the discount rate of 7.55%, as well as what the IHL System'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:

Discount Rate Sensitivity		
1% Decrease (6.55%)	Current discount rate (7.55%)	1% Increase (8.55%)
\$ 4,215,317,610	\$ 3,229,875,677	\$ 2,417,428,914

(b) PERS Defined Contribution Plan, the Optional Retirement Plan

The Optional Retirement Plan (ORP) was established by the Mississippi Legislature in 1990 to help attract qualified and talented institutions of higher learning teaching and administrative faculty in Mississippi. This alternative plan is structured to be portable and transferable to accommodate teaching and administrative faculty who move from one state to another throughout their careers. The membership of the ORP is composed of teachers and administrators appointed or employed on or after July 1, 1990, who elect to participate in ORP and reject membership in PERS. The ORP provides funds at retirement for employees, and in the event of death, the ORP provides funds for their beneficiaries through an arrangement by which contributions are made to this plan. The current contribution rate of both the employee and the IHL System are identical to that of the PERS defined benefit plan. An employee is automatically a member of PERS unless the employee elects ORP within 30 days of initial employment in an ORP-eligible position. Once made, the decision is irrevocable.

The ORP uses the accrual basis of accounting. Investments are reported at fair value, based on quoted market prices. Employees immediately vest in plan contributions upon entering the plan. The IHL System's contributions to the ORP for the year ended June 30, 2023 was \$81.7 million, which equaled its required contribution for the period.

Note 18
Postemployment Health Care and Life Insurance Benefits

Plan Description

In addition to providing pension benefits, the IHL System provides other postemployment benefits (OPEB) such as health care and life insurance benefits to all eligible retirees and dependents. The State and School Employees' Life and Health Insurance Plan (the Plan) is self-insured and financed through premiums collected from employers, employees, retirees and COBRA participants. The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972) and may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan.

The 14-member board 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 or her designee; the Chairman of the House of Representatives Insurance Committee, or his

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or her designee; the Chairman of the Senate Appropriations Committee, or his or her designee; and the Chairman of the House of Representatives' Appropriations Committee, or his or her designee. The Board has a fiduciary responsibility to manage the funds of the Plan. The Plan maintains a budget approved by the Board.

Membership and Benefits Provided

The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan for units of state government, political subdivisions, community colleges and school districts. A trust was created June 28, 2018 for the OPEB Plan and, the Plan is considered a cost-sharing multiple-employer defined benefit OPEB plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between claims cost and premiums received for retirees.

Contributions

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 will have the full cost of such insurance premium deducted monthly from his or her state retirement plan check or direct billed for the cost of the premium if the retirement check is insufficient to pay for the premium. If the Board determines actuarially that the premium paid by the participating retirees adversely affects 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 determines actuarially to cover the full cost of insurance.

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. An outside consulting actuary advises the Board regarding changes in premium rates. If premium rates are changed, they generally become effective at the beginning of the next calendar year or next fiscal year.

Plan participants are not subject to supplemental assessment in the event of a premium deficiency. At the time of premium payment, the risk of loss due to incurred benefit costs is transferred from the participant to the Plan. If the assets of the Plan were to be exhausted, participants would not be responsible for the Plan's liabilities.

Information included within this note is based on the certification provided by consulting actuary, Cavanaugh Macdonald Consulting, LLC.

The audited financial report for the Plan can be found at knowyourbenefits.dfa.ms.gov.

At June 30, 2022, the Plan provided health coverage to 325 employer units.

Disclosures under GASB Statement No. 75

The disclosures that follow for fiscal year 2023 include all disclosures for GASB Statement No. 75 using the latest valuation report available (June 30, 2022). For fiscal year 2023, the measurement date for the State and School Employees' Life and Health Insurance Plan is June 30, 2022. The IHL System is presenting net OPEB liability as of June 30, 2022 for the fiscal year 2023 financials.

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Proportionate Share Allocation Methodology

The basis for an employer's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the plan in the fiscal year of all employers. This allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by an employee.

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

At June 30, 2023, the IHL System reported a liability of \$90.1 million for its proportionate share of the net OPEB liability (NOL). For fiscal year ending June 30, 2023, the NOL was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2023, the IHL System's proportion was 18.29%.

For the year ended June 30, 2023, the IHL System recognized OPEB expense of (\$12.3) million.

See the following table for deferred outflows and inflows of resources related to OPEB from the following sources:

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	Deferred outflows						Deferred inflows			
	Differences between expected and actual experience	Net difference between projected and actual earnings on OPEB Plan investments	Changes of assumptions	Changes in proportion and differences between employer OPEB benefit payments and proportionate share of OPEB benefit payments	Implicit rate subsidy	Total deferred outflows of resources	Changes of assumptions	Differences between expected and actual experience	Changes in proportion and differences between employer OPEB benefit payments and proportionate share of OPEB benefit payments	Total deferred inflows of resources
Alcorn State University	\$ 1,947	162	366,710	4,875	110,785	484,479	217,691	1,018,643	504,120	1,740,454
Delta State University	1,713	143	322,624	95,555	97,965	518,000	191,520	896,182	53,810	1,141,512
Jackson State University	3,403	284	640,970	115,955	197,551	958,163	380,501	1,780,480	570,355	2,731,336
Mississippi State University	17,015	1,418	3,204,612	1,561,938	1,041,262	5,826,245	1,902,365	8,901,741	49,684	10,853,790
Mississippi University for Women	1,319	110	248,355	123,402	81,185	454,371	147,432	689,878	9,470	846,780
Mississippi Valley State University	1,333	111	251,088	2,683	77,791	333,006	149,054	697,470	385,033	1,231,557
University of Mississippi	10,933	911	2,059,089	634,356	682,510	3,387,799	1,222,345	5,719,718	121,327	7,063,390
University of Southern Mississippi	7,387	616	1,391,264	187,786	444,047	2,031,100	825,901	3,864,639	76,173	4,766,713
University of Mississippi Medical Center	29,179	2,434	5,497,199	1,475,087	1,763,976	8,767,875	3,263,334	15,270,069	3,587,791	22,121,194
Executive Office	366	30	68,922	34,811	21,795	125,924	40,914	191,450	27,984	260,348
Total	\$ 74,595	6,219	14,050,833	4,236,448	4,518,867	22,886,962	8,341,057	39,030,270	5,385,747	52,757,074

\$4.5 million reported as deferred outflows of resources related to OPEB resulting from the System's implicit rate subsidy will be recognized as a reduction of the NOL in the year ending June 30, 2024.

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Deferred outflows of resources and deferred inflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. Changes in employer proportion, an employer specific deferral, is amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. The average remaining service life determined as of the beginning of the June 30, 2022 measurement period was 6.4 years. Employers are required to recognize pension expense based on their proportionate share of collective OPEB expense plus amortization of employer specific deferrals.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred outflows (inflows) of resources year ended June 30						
	2024	2025	2026	2027	2028	Thereafter	Total
Alcorn State University	\$ (347,959)	(312,116)	(315,291)	(247,653)	(102,672)	(41,069)	(1,366,760)
Delta State University	(171,073)	(156,702)	(178,255)	(124,173)	(65,194)	(26,080)	(721,477)
Jackson State University	(620,688)	(486,899)	(433,483)	(257,472)	(122,983)	(49,199)	(1,970,724)
Mississippi State University	(1,472,886)	(1,134,451)	(1,342,126)	(1,134,500)	(703,435)	(281,409)	(6,068,807)
Mississippi University for Women	(110,418)	(94,991)	(109,704)	(91,187)	(48,064)	(19,230)	(473,594)
Mississippi Valley State University	(247,300)	(221,437)	(225,825)	(166,192)	(82,560)	(33,028)	(976,342)
University of Mississippi	(939,218)	(885,707)	(1,057,736)	(872,781)	(430,455)	(172,204)	(4,358,101)
University of Southern Mississippi	(754,789)	(679,619)	(756,464)	(577,155)	(294,014)	(117,619)	(3,179,660)
University of Mississippi Medical Center	(3,430,545)	(2,935,328)	(3,432,875)	(3,081,316)	(1,598,000)	(639,231)	(15,117,295)
Executive Office	(44,843)	(35,246)	(38,317)	(23,742)	(10,051)	(4,020)	(156,219)
Total	<u>\$ (8,139,719)</u>	<u>(6,942,496)</u>	<u>(7,890,076)</u>	<u>(6,576,171)</u>	<u>(3,457,428)</u>	<u>(1,383,089)</u>	<u>(34,388,979)</u>

Actuarial Methods and Assumptions

The following table provides a summary of the actuarial methods and assumptions used to determine the discount rate reported for OPEB for the year ended June 30, 2023:

Valuation date	June 30, 2022
Measurement date	June 30, 2022
Actuarial assumptions:	
Cost method	Entry age normal
Inflation rate	2.40 %
Long-term expected rate of return	4.50 %
Discount rate	3.37 %
Projected cash flows	N/A
Projected salary increases	2.65% - 17.90%
Healthcare cost trend rates	7.00% decreasing to 4.50% by 2029

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future.

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Mortality

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, and 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.

Discount Rate

For the year ended June 30, 2023 the discount rate used to measure the total OPEB liability was 3.37%. The discount rate is based on an average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of June published at the end of each week by the Bond Buyer.

Long-term Expected Rate of Return

At June 30, 2023, the long-term expected rate of return, net of OPEB plan investment expense, including inflation was 4.50%.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following table presents the IHL System’s proportionate share of the NOL for 2023, calculated using the discount rate of 3.37%, as well as what the IHL System’s NOL would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Discount Rate Sensitivity		
1% Decrease (2.37%)	Current discount rate (3.37%)	1% Increase (4.37%)
\$ 99,244,144	\$ 90,089,029	\$ 82,224,865

Sensitivity of Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following table presents the NOL of the IHL System, calculated using the health care cost trend rates, as well as what the IHL System’s NOL would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Health Care Cost Trend Rates Sensitivity		
1% Decrease	Current discount rate	1% Increase
\$ 83,821,360	\$ 90,089,029	\$ 97,142,425

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Non-cash Impact on Fringe Benefits Expense

For the year ended June 30, 2023, the non-cash impact of GASB Statement No. 68 on fringe benefits revenue was \$72.5 million. For the year ended June 30, 2022, the non-cash impact of GASB Statement No. 75 on fringe benefits revenue was \$(16.7) million.

	Total fringe benefits expense	Non-cash change in net pension liability and related deferred inflows and outflows due to GASB 68	Non-cash change in net OPEB liability and related deferred inflows and outflows due to GASB 75	Fringe benefits expense excluding non-cash impact of GASB 68 and 75
Alcorn State University	\$ 7,260,055	2,534,290	562,620	10,356,965
Delta State University	11,047,854	(1,641,779)	359,796	9,765,871
Jackson State University	21,385,826	(714,954)	1,008,186	21,679,058
Mississippi State University	169,272,508	(23,643,860)	3,453,118	149,081,766
Mississippi University for Women	9,026,096	(1,351,701)	262,361	7,936,756
Mississippi Valley State University	6,272,160	182,596	396,499	6,851,255
University of Mississippi	86,285,565	(8,355,535)	2,188,005	80,118,035
University of Southern Mississippi	60,808,567	(4,972,488)	1,586,047	57,422,126
University of Mississippi Medical Center	246,509,587	(34,259,384)	6,772,164	219,022,367
Executive Office	2,643,796	(313,140)	87,432	2,418,088
MCVS	212,466	(6,466)	—	206,000
Totals	<u>\$ 620,724,480</u>	<u>(72,542,421)</u>	<u>16,676,228</u>	<u>564,858,287</u>

Note 19

Self-Insured Workers' Compensation Fund

The IHL System participates in the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund (the WC Fund). The WC Fund provides a mechanism for the institutions to fund and budget for the costs of providing worker compensation benefits to eligible employees. The WC Fund does not pay benefits directly to employees. Funds are set aside in trust, and a third-party administrator is utilized to distribute the benefits to eligible employees. Total assets and liabilities of the WC Fund approximated \$34.7 million and \$16.4 million at June 30, 2023, and \$33.3 million and \$17.5 million at June 30, 2022, and are included in the statement of net position.

A professionally licensed actuarial firm was contracted to establish a liability for both reported and unreported insured events, which includes estimates of future payments of losses. The difference between the assets and liabilities of the fund is not expected to impact the WC Fund's ability to pay claims.

In order to minimize the amount of risk and in accordance with self-insurance general practices, the WC Fund purchases excess loss insurance to cover risks exceeding \$1,000,000 per occurrence. Excess loss insurance premiums for the years ended June 30, 2023 and 2022 were approximately \$359,000 and \$363,000, respectively. Excess loss insurance does not discharge the WC Fund from its primary liability to cover the IHL System's claims. Consequently, failure of the insurer to honor its obligation could result in losses to the WC Fund.

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The following represents changes in the unpaid claim liabilities for the WC Fund for the years ended June 30, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022</u>
Unpaid claim liability at beginning of year	\$ 17,385	\$ 17,277
Incurred claims:		
Insured events of the current	5,500	7,054
Decrease in provisions for		
insured events of prior years	<u>(2,085)</u>	<u>(2,878)</u>
Total incurred claims	<u>3,415</u>	<u>4,176</u>
Payments:		
Attributable to insured events of the current year	1,235	1,510
Attributable to insured events of the prior year	<u>3,262</u>	<u>2,558</u>
Total payments	<u>4,497</u>	<u>4,068</u>
Unpaid claim liability at end of year	<u>\$ 16,303</u>	<u>\$ 17,385</u>

Claim liabilities are presented at their present value using a discount rate of 4.0% as of June 30, 2023, and 3.0% as of June 30, 2022. The discounts amounted to \$2,411,000 and \$1,919,000 at June 30, 2023 and 2022, respectively.

Note 20
Unemployment Trust Fund

The IHL System participates in a self-funded Unemployment Trust Fund (the Unemployment Fund). The Unemployment Fund exists to provide a mechanism for the IHL System to fund and budget for the costs of providing unemployment benefits to eligible former employees. The Unemployment Fund does not pay benefits directly to former employees. Rather, it reimburses the Mississippi Department of Employment Security Commission for benefits it pays directly to former IHL System employees. Total assets and liabilities of the Unemployment Fund approximated \$11.6 million and \$4.6 million at June 30, 2023, respectively, and \$10.9 million and \$4.5 million at June 30, 2022, respectively, and are included in the statement of net position.

A professionally licensed actuarial firm was contracted to perform an actuarial analysis of the Unemployment Fund as of June 30, 2023. The actuaries concluded that the fund's actual assets at June 30, 2023 exceeded the recommended minimum fund balance. The recommended fund balance at June 30, 2023 is \$4.5 million. Actual fund assets equaled \$11.6 million at June 30, 2023 and \$10.9 million at June 30, 2022. The fiscal year 2024 assessment level was set at \$1.5 million. Future assessments are recommended to be set at \$1.5 million for fiscal years 2025 through 2027. These facts will be considered by the IHL System when determining future funding rates.

Note 21
Tort Liability Fund and Other Contingencies

The IHL System participates in the State Institutions of Higher Learning Tort Liability Fund (the IHL Tort Fund). In accordance with Section 11-46-1, et seq., Mississippi Code Annotated (1972), the Mississippi Tort Claims Board has authorized the Board to establish a fund in order to self-insure a certain portion of its liability under the Mississippi Tort Claims Act and professional liability claims. The IHL Board established the IHL Tort Fund to provide self-insurance.

Effective July 1, 1993, Mississippi statute permitted tort claims to be filed against public institutions. A maximum limit of liability of \$500,000 per occurrence is currently permissible.

A professionally licensed actuarial firm was contracted to perform an actuarial analysis of the IHL Tort Fund as of June 30, 2023. Total assets and liabilities related to this activity approximated \$15.2 million and \$8.1 million

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at June 30, 2023, respectively, and \$16.3 million and \$9.1 million at June 30, 2022, respectively, and are included in the statement of net position.

The following represents changes in the unpaid claim liabilities for the IHL Tort Fund during the years ended June 30, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022</u>
Unpaid claim liability at beginning of year	\$ 8,953	\$ 10,000
Incurring claims:		
Insured events of the current	3,360	7,127
Decrease in provisions for		
insured events of prior years	<u>(1,782)</u>	<u>(4,855)</u>
Total incurred claims	<u>1,578</u>	<u>2,272</u>
Payments:		
Attributable to insured events of the current year	219	1,931
Attributable to insured events of the prior year	<u>2,348</u>	<u>1,388</u>
Total payments	<u>2,567</u>	<u>3,319</u>
Unpaid claim liability at end of year	<u>\$ 7,964</u>	<u>\$ 8,953</u>

Claim liabilities are presented at their present value using a discount rate of 4.0% as of June 30, 2023, and 3.0% as of June 30, 2022. The discounts amounted to \$936,000 and \$778,000 at June 30, 2023 and 2022, respectively.

In addition to claims covered by the IHL Tort Fund and the UMMC Tort Fund (described more fully below), the IHL System is defendant in various other legal matters occurring in the normal course of business activities. Management, with the advice of legal counsel, is of the opinion that the ultimate resolution of these matters will not have a material adverse impact on the IHL System's financial statements.

Note 22
UMMC Tort Claims Fund

The UMMC participates in the University of Mississippi Medical Center Tort Claims Fund (UMMC Tort Claims Fund). In accordance with Section 11-46-1, et seq., Mississippi Code Annotated (1972), the Mississippi Tort Claims Board has authorized the Board of Trustees of the IHL System to establish a fund to self-insure a certain portion of its liability under the Mississippi Tort Claims Act.

Effective July 1, 1993, Mississippi statute permitted tort claims to be filed against public institutions. A maximum limit of liability of \$500,000 per occurrence is currently permissible.

The Board of Trustees of Higher Learning has established a Medical Center Tort Claims fund to pay claims up to the maximum liability limits described above. Losses from professional and tort liability claims of the Medical Center are the responsibility of the Medical Center Tort Claims Fund.

Total assets and liabilities related to this activity approximated \$48.9 million and \$29.8 million at June 30, 2023, respectively, and \$48.6 million and \$31.4 million at June 30, 2022, respectively, and are included in the statement of net position.

A professionally licensed actuarial firm was contracted to perform an actuarial analysis to establish a liability for both reported and unreported insured events, which includes estimates of future payments of losses.

The following represents changes in the unpaid claim liabilities for the UMMC Tort Claims Fund for the years ended June 30, 2023 and 2022 (in thousands):

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	<u>2023</u>	<u>2022</u>
Unpaid claim liability at beginning of year	\$ 29,862	\$ 31,350
Incurred claims:		
Insured events of the current	5,485	6,845
Decrease in provisions for		
insured events of prior years	<u>(2,793)</u>	<u>(5,683)</u>
Total incurred claims	<u>2,692</u>	<u>1,162</u>
Payments:		
Attributable to insured events of the current year	26	26
Attributable to insured events of the prior year	<u>2,748</u>	<u>2,624</u>
Total payments	<u>2,774</u>	<u>2,650</u>
Unpaid claim liability at end of year	<u>\$ 29,780</u>	<u>\$ 29,862</u>

At June 30, 2023, unpaid claims of \$29.8 million are presented at their nominal value.

Note 23
Subsequent Event

In May 2023, the IHL Board approved the issuance of \$125 million MSUEBC bonds through the Mississippi State University Educational Building Corporation to help finance the construction of a new residence hall and renovations to the west side of Davis Wade Stadium. MSUEBC Series 2024 bonds are expected to be issued in 2024.

Note 24
Significant Disclosures for the Discretely Presented Component Unit of the IHL System – Mississippi State University Foundation, Inc.

(a) Nature of Organization

Mississippi State University Foundation, Inc. (MSUF) is a not-for-profit entity established to solicit and manage funds for the benefit of MSU. MSUF also manages funds for affiliates of the University, including Mississippi State University Alumni Association, Inc. and The Bulldog Club, Inc.

(b) Significant Accounting Policies

Basis of Accounting

The MSUF consolidated financial statements include the foundation; Maroon Air, LLC; 109 Muldrow Properties, LLC; DG South, LLC; West Side Fund I, LLC; and the Mississippi State Investment Pool in which the foundation has a controlling financial interest. The consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets with donor restrictions – net assets subject to donor-imposed stipulations that may or will be met either by actions of MSUF and/or the passage of time. Net assets in this class include unconditional gifts for restricted purposes and donor-restricted endowment funds.

Generally, the donor of these assets permits the foundation to use all or part of the income earned on related investments for general or specific purposes in support of the university.

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Net assets without donor restrictions – net assets that represent resources generated from operations or that are not subject to donor-imposed stipulations. Net assets without donor restrictions include contributions designated to a particular college or unit for which the use or purpose is unrestricted.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of intellectual property are based on its estimated fair value, considering the characteristics specific to the assets and estimated usage during the term of the agreement. Contributed goods and services are recorded as revenues and expenses in the consolidated statements of activities at estimated fair value.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

MSUF's investments are invested in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in MSUF's consolidated financial statements.

Investments

The overall investment objective of MSUF is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund donor-designated directives and maintain the inflation-adjusted impact of each donor restricted fund. Beginning July 1, 2017, investment decisions have been delegated to Perella Weinberg Partners Capital Management LP, the foundation's outsourced chief investment officer that operates under the brand name, "Agility." Agility executes investment decisions in accordance with the foundation's approved investment policy.

Investments are reported at estimated fair value. If an investment is held directly by MSUF and an active market with quoted prices exists, the market price of an identical security is used as reported fair value. Reported fair values for shares in mutual funds registered with the U.S. Securities and Exchange Commission are based on share prices reported by the funds as of the last business day of the fiscal year. Fixed income securities are based on quoted market prices or other observable inputs such as quoted prices for similar assets or inputs corroborated by observable market data. MSUF's interests in alternative investment funds are generally reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair value of interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2023, MSUF had no plans or intentions to sell investments at amounts different from NAV. Properties held for investment are reported at estimated fair value based on periodic appraisals conducted by third-party appraisers who utilize the cost, sales comparison and income capitalization approaches to estimate the fair value of the investments. MSUF considers recent comparables, among other things, to adjust for any changes in fair value between the most recent appraisal date and year-end.

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Mississippi State Investment Pool

MSUF, MSU, MSU Alumni Association, and The Bulldog Club, Inc. are participants in a joint venture, the Mississippi State Investment Pool (MSIP), whereby investable assets are pooled for investment purposes. The MSUF is the investment pool's managing member and maintains separate accounts for each participant. Investment income, gains and losses, and expenses of the MSIP are allocated to each participant based on their share of ownership of the MSIP. Due to MSUF's controlling financial interest in the MSIP of approximately 92% as of June 30, 2023, the foundation has consolidated the MSIP, reflecting the noncontrolling interests of the other participants in its consolidated financial statements.

(c) Pledges Receivable, Net

All unconditional promises to give are recorded at their estimated realizable value on a discounted basis using rates commensurate with the risks involved. Allowance is made for uncollectible pledges based upon management's judgment and analysis of specific accounts, past collection experience, and other relevant factors.

Pledges receivable, net, are summarized as follows at June 30, 2023:

Unconditional promises expected to be collected in:	
One year	\$ 11,979,691
two to five years	133,096,163
More than five years	<u>17,943,348</u>
	163,019,202
Present value discounts (rates ranging from 0.3% to 5.0%)	<u>(18,791,077)</u>
	144,228,125
Allowances for uncollectible pledges	<u>(928,150)</u>
	<u>\$ 143,299,975</u>

(d) Investments

Investments are summarized as follows as of June 30, 2023:

Short-term investments	\$ 9,706,527
Agility Comprehensive Solutions Fund	539,529,880
Global fixed income	4,308,808
Global equities	9,414,879
Real assets	65,076,407
Absolute return strategies	30,020
Private capital	26,260,831
Contributed properties held for investment	32,143,644
Cash-surrender value of life insurance	<u>3,025,775</u>
	<u>\$ 689,496,771</u>

During 2023, the MSIP held a limited partnership interest in the Agility Comprehensive Solutions Fund LP, a Delaware limited partnership (the Fund). Perella Weinberg Partners Agility Comprehensive Solutions Fund GP LP serves as general partner of the Fund.

The Fund invests in five broad asset classes with the following approximate allocation percentages at June 30, 2023: global equities, 61%; absolute return strategies, 8%; global fixed income, 9%; real assets, 9%; and private capital, 13%.

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MSUF has entered into various split interest agreements, including charitable remainder unitrusts and charitable gift annuities, whereby MSUF serves as trustee. The assets held under these split interest agreements are included in investments at June 30, 2023 with a fair value of \$14 million.

The following schedule summarizes net investment income in the consolidated statement of activities for the year ended June 30, 2023:

Dividends and interest, net of expenses	\$ 3,518,244
Net realized and unrealized gains	<u>58,984,892</u>
	<u>\$ 62,503,136</u>

Fair Value Measurements

ASC Topic 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are observable at the measurement date.
- Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and
- Level 3: Significant unobservable inputs for the asset or liability that reflects the reporting entity's own estimates about the assumptions that market participants would use in pricing the asset or liability. These assumptions are based on audited financial statements provided by the general partner of the investment combined with additional third-party due diligence.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the fair value hierarchy table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statement of financial position.

The following table summarizes MSUF's financial instruments by major category in the fair value hierarchy as of June 30, 2023:

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	Level 1	Level 2	Level 3	Investments at NAV	Total
Short-term investments	\$ 9,706,527	—	—	—	9,706,527
Agility-Comprehensive Solutions Fund (1)	—	—	—	539,529,880	539,529,880
Global fixed income:					
Interest-rate sensitive	4,308,808	—	—	—	4,308,808
Global equities:					
Domestic	9,414,879	—	—	—	9,414,879
Real assets:					
Real estate funds (2)	—	—	—	5,207,134	5,207,134
Natural resources (3)	—	—	—	16,229,053	16,229,053
Direct real estate (7)	—	—	43,640,220	—	43,640,220
Total real assets	—	—	43,640,220	21,436,187	65,076,407
Absolute return strategies (4)	—	—	—	30,020	30,020
Private capital (2)	—	—	—	26,260,831	26,260,831
Contributed properties held for investment (5)	—	—	32,143,644	—	32,143,644
Cash surrender value of life insurance (6)	—	3,025,775	—	—	3,025,775
Total investments	<u>\$ 23,430,214</u>	<u>3,025,775</u>	<u>75,783,864</u>	<u>587,256,918</u>	<u>689,496,771</u>
Present value of amounts due from externally managed trusts	—	—	56,102,682	—	56,102,682

- (1) The master fund's terms allow for 5-day notice withdrawals at any month-end totaling up to 10% of its account balance at the fund's previous fiscal yearend, (plus any capital contributions to the fund during the current year). In addition, the MSIP may make withdrawals from its capital account, of up to 100% of its Agility Global Equities, Agility Fixed Income, and Agility Real Asset holdings, as well as 25% of its Agility Absolute Return holdings, as of any fiscal quarter end, with at least one quarter's prior written notice to the general partner. Further, approximately \$86.4 million of MSIP's investment in the Fund is considered illiquid at June 30, 2023, with up to a 10-year lockup period and 1-3 year extensions. Agility is a global fund that invests in a multitude of industries.
- (2) These funds have initial 10-year terms or 12-year terms, unless extended or dissolved sooner in accordance with the limited partnership agreements. Future commitments to these funds approximate \$6,610,000 at June 30, 2023. Private capital and real estate funds are generally made through limited partnerships. Under the terms of such agreements, the MSIP may be required to provide additional funding when capital or liquidity calls are made by fund managers. These partnerships have a limited existence, and they may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, or other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The MSUF cannot anticipate such changes because they generally arise from unforeseeable events, but should they occur they could reduce liquidity or originally anticipated investment returns. Accordingly, the timing and amount of future capital or liquidity calls in any particular future year are uncertain. The funds make direct and indirect investments in real estate and private capital in the United States.
- (3) The MSIP invests in three natural resource investments at June 30, 2023, which have terms ending in 2026 and 2027. Investments with lockup periods are subject to one or more one to two-year extensions. Future commitments to these funds approximate \$1,891,200 at June 30, 2023. The funds invest primarily in the oil and gas sector in North America.
- (4) Generally, MSIP's investments in absolute return strategies (or hedge funds) allow early redemption for specified fees. The terms and conditions upon which an investor may redeem an investment vary, usually with the majority requiring 60 days to 12 months notice after the initial lock up period, which may be from one to three years. At June 30, 2023, the MSUF had no absolute return strategy investments for which an otherwise redeemable investment was not redeemable.
- (5) Bulldog Forest properties totaling approximately \$28,800,108 at June 30, 2023, may be held in perpetuity or liquidated at the Foundation's discretion. Other properties are for immediate sale.
- (6) The Foundation currently has no plans to surrender these policies prior to maturity, but cash would be realized in a minimal amount of time if an insurance policy is canceled.
- (7) The MSIP invests in direct real estate in 2023 through its ownership of all outstanding stock of West Side Funds, Inc. This corporation is the owner of three hotels located in Starkville, MS in close proximity to the MSU campus.

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The following table presents MSUF's activities for the year ended June 30, 2023 for contributed properties held for investments classified as Level 3:

Balance, beginning of year	\$ 30,339,389
Acquisitions	829,855
Dispositions	(154,676)
Net realized and unrealized gains	<u>1,129,076</u>
Balance, end of year	<u>\$ 32,143,644</u>

For the year ended June 30, 2023, the change in present value of amounts due from externally managed trusts classified as Level 3 are as follows:

Balance, beginning of year	\$ 54,819,357
Change in valuation	<u>1,283,325</u>
Balance, end of year	<u>\$ 56,102,682</u>

For the year ended June 30, 2023, the change in direct real estate classified as Level 3 are as follows:

Balance, beginning of year	\$ —
Acquisitions	36,750,000
Dispositions	—
Net realized and unrealized gains	<u>6,890,220</u>
Balance, end of year	<u>\$ 43,640,220</u>

(e) Net Assets Without Donor Restrictions

Net assets attributable to the foundation without donor restrictions as of June 30, 2023 are as follows:

Spendable funds	\$ 28,716,699
Quasi-endowment funds	22,008,466
Net investment in land, buildings and equipment	<u>23,123,709</u>
	<u>\$ 73,848,874</u>

Quasi-endowment funds are those funds held by the Foundation to function as endowments for the benefit of MSU.

(f) Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2023:

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Subject to expenditure for specified purpose:	
General college support	\$ 28,483,329
Student financial aid	23,464,227
Research	395,319
Faculty and staff support	2,532,406
Facilities	902,110
Other	<u>2,827,580</u>
	<u>58,604,971</u>
Subject to the passage of time and specified purpose:	
Charitable remainder trusts, cash surrender value of life insurance, gift annuities and other	12,086,126
Pledges receivable restricted by donors	<u>24,053,632</u>
	<u>36,139,758</u>
Donor restricted endowments subject to spending policy and appropriation to support the following purposes (including net accumulated earnings of approximately \$95,700,000 at June 30, 2023:	
Subject to endowment spending policy and appropriation:	
General college support	142,446,749
Student financial aid	268,982,634
Research	17,252,583
Faculty and staff support	67,296,132
Facilities	8,270,248
Other	<u>8,535,407</u>
	512,783,753
Charitable remainder trusts, gift annuities and other	53,610,457
Pledges receivable restricted to endowment by donors	<u>119,246,343</u>
	<u>\$ 780,385,282</u>

(g) Endowment Funds

The State of Mississippi adopted the UPMIFA effective July 1, 2012. The foundation's board of directors has determined its donor agreements provide for the preservation of the fair value of the original gift as of the date of the gift. As a result, the foundation segregates within the net asset class with donor restrictions, the original gift amount and amounts required to be retained by donor separate from the portion subject to appropriation.

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	\$ —	512,783,753	512,783,753
Board-designated funds	<u>22,008,466</u>	<u>—</u>	<u>22,008,466</u>
Total	<u>\$ 22,008,466</u>	<u>512,783,753</u>	<u>534,792,219</u>

Change in endowment net assets for the fiscal year ended June 30, 2023 is as follows:

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	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 22,341,847	472,454,399	494,796,246
Investment returns (loss), net	(290,316)	37,188,351	36,898,035
Contributions	4,200	18,075,539	18,079,739
Appropriation of endowment assets for expenditure	(781,680)	(15,345,586)	(16,127,266)
Other	734,415	411,050	1,145,465
Endowment net assets, end of year	<u>\$ 22,008,466</u>	<u>512,783,753</u>	<u>534,792,219</u>

(h) Funds with Deficiencies

As a result of market declines for certain recently established endowments, the fair value of certain donor-restricted endowments was less than the historical cost value (original gift/book value) of such funds (underwater) by \$1,774,315 at June 30, 2023. These endowments had an original gift value of approximately \$29.1 million at June 30, 2023.

Note 25

Significant Disclosures for the Discretely Presented Component Unit of the IHL System – University of Mississippi Foundation

(a) Nature of Organization

The University of Mississippi Foundation (UMF) is a nonprofit, nonstock corporation formed for the benefit of The University of Mississippi (UM). UMF promotes, encourages, and assists educational, scientific, literary, research, and service activities of UM and its affiliates.

(b) Significant Accounting Policies

Basis of Accounting

The UMF financial statements are presented on the accrual basis of accounting and have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and recorded as follows:

Net assets with donor restrictions – consist of contributions that have been restricted by the donor for specific purposes or are time restricted, including contributions that the donor stipulate the resources be maintained in perpetuity, but permit UMF to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

Net assets without donor restrictions – represents funds that are available for support of the operations of UMF and that are not subject to donor stipulation.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. UMF considers donor contributions to the various university schools and departments to be included in net assets with donor restrictions as those university units have authority over expenditures. Expenses are reported as decreases in net assets without donor restrictions. When a donor restriction expires or the stated purpose is accomplished, net assets are reclassified as applicable in the statements of activities as net assets released from restriction.

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Board-designated net assets are net assets without donor restrictions that are used only for the specific purpose passed by board resolution. Changes to designations require a subsequent board resolution. The President/CEO and other staff of UMF may not change the purpose of any board-designated funds without the consent of the board. These net assets are designated for providing a general operating fund reserve and charitable gift annuity reserve.

Use of Estimates

The UMF prepares its financial statements in accordance with U.S. generally accepted accounting principles, which require that management make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses. Such estimates include the present value discount rates applied to the pledges receivable and liabilities under remainder trusts, allowance for uncollectible pledges, fair market values of certain investments including real estate, partnership and member interests and depreciation of property and equipment. Actual results could differ significantly from those estimates.

UMF's investments are primarily invested in various types of investment securities within many financial markets. Investment securities are exposed to several risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investments

Investments are recorded at fair value. The fair values of all investments other than real estate and partnership and membership interests (which includes pooled investment funds) are based on quoted market prices and other observable inputs such as quoted prices for similar assets, quoted prices in inactive markets or inputs corroborated by observable market data. UMF's partnership and member interests are generally reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair value of the foundation's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2023, UMF had no plans or intentions to sell investments at amounts different from NAV. UMF's real estate investments are initially recognized at fair value based on appraised values at the date of receipt and are subsequently carried at fair value. Both realized and unrealized gains and losses are classified in the accompanying statements of activities based on restrictions put in place by the donor.

(c) Pledges Receivable, Net

UMF obtains pledges through fund-raising projects in support of various activities. All pledges are classified as net assets with donor restrictions. A summary of pledges receivable as of June 30, 2023 is as follows:

Unconditional promises expected to be collected in:	
One year	\$ 15,861,646
Two to five years	37,512,398
More than five years	<u>39,710,145</u>
	93,084,189
Present value discounts (rates ranging from 0.73% to 3.75%)	<u>(12,562,884)</u>
	80,521,305
Allowances for uncollectible pledges	<u>(3,179,935)</u>
	<u>\$ 77,341,370</u>

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(d) Investments

Investments, aggregated by investment strategy, consist of the following at June 30, 2023:

Investment strategy:

Fixed income:

U.S. government securities	\$ 16,115,756
Corporate bonds	37,731,221
Other fixed income securities	<u>26,875,188</u>
Total fixed income	<u>80,722,165</u>

Equities:

Common stocks	36,412,732
International common stock funds	688,484
Mutual funds	<u>88,120,146</u>
Total equities	<u>125,221,362</u>

Real estate owned	7,880,416
Other short-term investments	34,434,420
Pooled investment funds, at NAV	<u>408,852,088</u>
Total investments	<u>\$ 657,110,451</u>

The following schedule summarizes net investment income in the statement of activities for the year ended June 30, 2023:

Dividends and interest, net of expenses	\$ 9,196,365
Net realized and unrealized gains	<u>25,887,029</u>
	<u>\$ 35,083,394</u>

Fair Value Measurements

ASC Topic 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are observable at the measurement date.
- Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and
- Level 3: Significant unobservable inputs for the asset or liability that reflects the reporting entity's own estimates about the assumptions that market participants would use in pricing the asset or liability. These assumptions are based on audited financial statements provided by the general partner of the investment combined with additional third-party due diligence.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the fair value hierarchy table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying statement of financial position.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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June 30, 2023

The following table presents the financial assets of UMF carried at fair value by level within the valuation hierarchy as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment strategy:				
Fixed income:				
U.S. Government securities	\$ —	16,115,756	—	16,115,756
Corporate bonds	—	37,731,221	—	37,731,221
Other fixed income securities	22,934,262	3,940,926	—	26,875,188
Total fixed income	<u>22,934,262</u>	<u>57,787,903</u>	<u>—</u>	<u>80,722,165</u>
Equities:				
Common stock	36,412,732	—	—	36,412,732
International common stock funds:	688,484	—	—	688,484
Mutual funds	88,120,146	—	—	88,120,146
Total equities	125,221,362	—	—	125,221,362
Real estate owned	—	—	7,880,416	7,880,416
Other short-term investments	34,434,420	—	—	34,434,420
	<u>\$ 182,590,044</u>	<u>57,787,903</u>	<u>7,880,416</u>	<u>248,258,363</u>
Pooled investment funds, at NAV				408,852,088
Total investments				<u>\$ 657,110,451</u>
Beneficial interest in trusts	\$ 4,266,695	6,039,482	—	10,306,177

The table below represents a summary of the investments whose net asset value approximates fair value and the related unfunded commitments and redemption restrictions associated with each major category at June 30, 2023:

<u>Investment</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption frequency (if eligible)</u>	<u>Redemption notice period</u>	<u>Expected life span of investment</u>
Pooled investment funds, at NAV:					
Diversifying strategies	\$ 17,848,369	—	Semiannually	60 days	Indefinite
Event driven	37,644	—	Quarterly	60 days	Indefinite
Fixed income	28,702,314	—	Daily	5 days	Indefinite
Global equity	115,679,926	—	Various	None	Indefinite
Global equity-long only	28,415,492	—	Quarterly	90 days	Indefinite
Long/short equity fund	8,263,609	—	Quarterly	60 days	Indefinite
Natural resource private fund	8,534,590	13,801	No redemption feature	None	10 years
Private credit	1,795,778	—	Quarterly	None	Indefinite
Relative value	18,555,649	—	Quarterly	65 days	Indefinite
Other	50,815	—	No redemption feature	None	Indefinite
Venture capital and private equity	180,967,902	69,617,895	No redemption feature	None	7 years to indefinite
	<u>\$ 408,852,088</u>				
Real estate:					
Real estate owned	\$ 7,880,416		No redemption feature	None	Indefinite

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

(e) Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2023 were restricted for the following purposes:

Spendable:

Academic and program support	\$ 226,587,420
Scholarship support	78,918,048
Faculty support	39,114,683
Library support	26,874,359
Total	<u>\$ 371,494,510</u>

Endowment:

Academic and program support	\$ 80,356,981
Scholarship support	147,320,595
Faculty support	85,205,548
Library support	14,554,594
Total	<u>327,437,718</u>
Total net assets with donor restrictions	<u>\$ 698,932,228</u>

(f) Endowment Funds

The State of Mississippi adopted the UPMIFA effective July 1, 2012. The foundation's board of directors has determined its donor agreements provide for the preservation of the fair value of the original gift as of the date of the gift. As a result, the foundation segregates within the net asset class with donor restrictions, the original gift amount and amounts required to be retained by donor separate from the portion subject to appropriation.

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be retained by donor	\$ —	327,437,718	327,437,718
Portion subject to appropriation	—	140,224,636	140,224,636
Board-designated quasi endowment	19,453,666	—	19,453,666
Total endowment funds	<u>\$ 19,453,666</u>	<u>467,662,354</u>	<u>487,116,020</u>

Change in endowment net assets for the year ended June 30, 2023 is as follows:

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 17,963,593	424,984,721	442,948,314
Contributions and transfers to endowment	2,674	33,090,388	33,093,062
Appropriation of expenditures	(6,802)	(14,353,002)	(14,359,804)
Investment return:			
Investment income	611,675	9,792,979	10,404,654
Net appreciation	882,526	14,147,268	15,029,794
Endowment net assets, end of year	<u>\$ 19,453,666</u>	<u>467,662,354</u>	<u>487,116,020</u>

(g) Funds with Deficiencies

When unfavorable market fluctuations cause the fair value of certain donor-restricted endowments to be less than the historical cost (original gift/book value) of such funds, the fund is considered to be underwater, and this deficiency is recorded in net assets with donor restrictions. As of June 30, 2023, endowments with a fair value below the amount of the gifts made to the endowment totaled \$7,884,000. The donor gifts to these endowments total \$8,135,000 for an underwater amount of \$251,000.

Note 26

Significant Disclosures for the Discretely Presented Component Unit of the IHL System – University of Southern Mississippi Foundation

(a) Nature of Organization

The University of Southern Mississippi Foundation (USMF) is a nonprofit entity organized under the laws of the State of Mississippi to provide support to the University of Southern Mississippi (USM) and its students. USMF depends on the university to provide the staff and facilities for its operations.

Foundation Aviation Holdings, LLC was formed by the USMF in October 2008 as a single member limited liability company. The USMF's consolidated financial statements include the accounts of Foundation Aviation Holdings, LLC.

(b) Significant Accounting Policies

Basis of Accounting

The USMF consolidated financial statements are presented on the accrual basis of accounting and have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and recorded as follows:

Net assets without donor restrictions – net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions – net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and release from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless the use of the underlying net asset is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value as of the date of the gift. Contributions to be received after one year are discounted at a rate commensurate with the risks involved. Amortization of the discount is recorded as contribution revenue and recognized in accordance with donor-imposed restrictions, if any, on the contributions. Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Income and realized and unrealized gains (losses) on investments of restricted net assets are reported as follows:

- as increases (decreases) in net assets with donor restrictions that are perpetual in nature if the terms of the gift or the foundation's interpretation of relevant state law requires that they be added to the principal of a donor-restricted endowment fund;
- as increases (decreases) in net assets with donor restrictions that are temporary in nature in all other cases and released from restriction when appropriated for expenditure in accordance with donor agreements.

Use of Estimates

The USMF prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles, which require that management make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses. Actual results could differ significantly from those estimates.

USMF's investments are held in various types of investment securities across a variety of markets. Investment securities are exposed to several risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value. Hedge funds, real estate investment funds and private equity funds are reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair value of the foundation's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. At June 30, 2023, USMF had no plans or intentions to sell investments at amounts different from NAV. Other investments, which consist primarily of donated assets and real estate for which the foundation is the owner and beneficiary are recorded at cost. Transactions are accounted for on a trade date basis.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

(c) Pledges Receivable, Net

Pledges receivable, net, are summarized as follows at June 30, 2023:

Unconditional promises expected to be collected in:	
Less than one year	\$ 1,853,498
One year to five years	2,068,111
More than five years	19,558
	<u>3,941,167</u>
Present value discounts (rates ranging from 0.29% to 4.13%)	(134,653)
	<u>3,806,514</u>
Allowances for uncollectible pledges	(302,650)
	<u><u>\$ 3,503,864</u></u>

(d) Investments

Investments, aggregated by investment strategy, consist of the following at June 30, 2023:

Fixed income	\$ 34,400,571
Equities:	
Mutual and common stock funds	71,076,292
Alternative investments:	
Hedge funds	23,905,361
Real estate investment funds	5,759,484
Private equity funds	7,592,628
Total alternative investments	<u>37,257,473</u>
Cash and cash equivalents	162
Investments held at cost	224,497
Total investments	<u><u>\$142,958,995</u></u>

The following schedule summarizes net investment income in the consolidated statement of activities for the year ended June 30, 2023:

Dividends and interest, net of expenses	\$ 2,513,724
Net realized and unrealized gains	7,709,195
	<u><u>\$ 10,222,919</u></u>

Fair Value Measurements

ASC Topic 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that are observable at the measurement date.
- Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

- Level 3: Significant unobservable inputs for the asset or liability that reflects the reporting entity's own estimates about the assumptions that market participants would use in pricing the asset or liability. These assumptions are based on audited financial statements provided by the general partner of the investment combined with additional third-party due diligence.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety. In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the fair value hierarchy table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

The following table presents USMF's financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Fixed income:				
Mutual funds	\$ 34,400,571	—	—	34,400,571
Equities:				
Mutual and common stock	71,076,292	—	—	71,076,292
Total investments at fair value	\$ 105,476,863	—	—	105,476,863
Investments measured at NAV or equivalent				37,257,473
Cash and cash equivalents				162
Other investments held at cost				224,497
Total investments				\$ 142,958,995
Amounts due from externally managed trusts	\$ —	—	11,967,432	11,967,432

For the year ended June 30, 2023, the change in present value of amounts due from externally managed trusts classified as Level 3 are as follows:

	Amounts due from Externally Managed Trusts
Balance, beginning of year	\$ 10,266,352
Change in value	1,726,080
Distributions	(25,000)
Balance, end of year	\$ 11,967,432

The following is a summary of the investments whose net asset value approximates fair value and the related unfunded commitments and redemption restrictions associated with each major category at June 30, 2023:

Investment	Net Asset Value	Unfunded Commitments	Redemption frequency	Redemption notice
Hedge funds	\$ 23,905,361	—	Quarterly	Various
Real estate investment funds	5,759,484	—	Quarterly	95 days
Private equity	7,592,628	10,077,696	None	None
Total	\$ 37,257,473			

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

(e) Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30, 2023:

Subject to expenditure for specified purpose:

Student financial aid	\$ 2,172,910
Academic divisions	2,922,143
Research	552,275
Operations and maintenance of plant	1,107,408
Library	128,382
Athletics	454,425
Faculty and staff support	53,316
Other restricted purposes	<u>7,611,995</u>
	15,002,854

Not subject to expenditure for specified purpose:

Amounts due from externally managed trusts	80,015
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Endowments:

Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor:

Student financial aid	58,568,219
Academic divisions	5,308,070
Research	801,980
Operations and maintenance of plant	5,681,427
Library	3,084,769
Faculty and staff support	11,531,520
Other restricted purposes	<u>5,955,931</u>
Total	90,931,916

Subject to foundation endowment spending policy and appropriation:

Student financial aid	15,880,899
Academic divisions	1,614,529
Research	102,153
Operations and maintenance of plant	986,184
Library	706,096
Faculty and staff support	3,044,406
Other restricted purposes	<u>2,869,266</u>
Total	<u>25,203,533</u>

Sub-Total endowments	116,135,449
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Endowment not subject to spending policy or appropriations:

Externally managed perpetual trust	<u>3,456,130</u>
Total endowments	119,591,579

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Not subject to spending policy or appropriation -

Restricted to endowment:

Pledges and other receivables, net	2,507,996
Amounts due from externally managed trusts	8,431,287
Gift annuities	5,834
Cash surrender value of life insurance	2,195,944
Investments held at cost	<u>167,965</u>
Total	<u>13,309,026</u>
Total net assets with donor restrictions	<u><u>\$ 147,983,474</u></u>

(f) Endowment Funds

The State of Mississippi adopted the UPMIFA effective July 1, 2012. The foundation's board of directors has determined its donor agreements provide for the preservation of the fair value of the original gift as of the date of the gift. As a result, the foundation segregates within the net asset class with donor restrictions, the original gift amount and amounts required to be retained by donor separate from the portion subject to appropriation.

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 9,190,508	—	9,190,508
Donor-restricted funds functioning as endowments	4,737,745	7,380,105	12,117,850
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	90,931,916	90,931,916
Accumulated investment gains	—	17,823,428	17,823,428
Sub-total	<u>13,928,253</u>	<u>116,135,449</u>	<u>130,063,702</u>
Externally managed perpetual trust	—	3,456,130	3,456,130
Total	<u><u>\$ 13,928,253</u></u>	<u><u>119,591,579</u></u>	<u><u>133,519,832</u></u>

During the year ended June 30, 2023, the foundation had the following endowment related activities:

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 12,058,780	108,744,890	120,803,670
Net investment gain	1,258,503	6,549,055	7,807,558
Contributions	39,731	5,291,023	5,330,754
Change in restrictions by donors	—	(16,801)	(16,801)
Other	571,239	(4,432,718)	(3,861,479)
Endowment net assets, end of year	13,928,253	116,135,449	130,063,702
Externally managed perpetual trust	—	3,456,130	3,456,130
Total	<u>\$ 13,928,253</u>	<u>119,591,579</u>	<u>133,519,832</u>

(g) Funds with Deficiencies

When unfavorable market fluctuations cause the fair value of certain donor-restricted endowments to be less than the historical cost (original gift/book value) of such funds, the fund is considered to be underwater, and this deficiency is recorded in net assets with donor restrictions. At June 30, 2023, 26 funds were underwater with an original gift value of \$3.1 million, fair value of \$3.0 million and deficiencies of \$84,191, \$8,857 of which is reported in net assets without donor restrictions and \$75,334 of which is reported in net assets with donor restrictions.

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COMBINING SUPPLEMENTARY INFORMATION

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STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Net Position

June 30, 2023

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination entries	Total
Assets													
Current assets:													
Cash and cash equivalents	\$ 55,679,765	4,562,015	57,208,668	278,743,987	6,104,674	34,497,602	37,576,865	111,689,115	81,418,072	12,165,563	(225,909)	—	679,420,417
Short-term investments	3,580,441	351,404	—	10,559,133	—	2,272,694	137,180,042	16,761,803	243,535,430	4,983,257	24,941	—	419,249,145
Accounts receivable, net	24,931,386	6,605,270	37,230,839	93,356,908	5,712,324	10,118,607	67,044,838	34,344,719	183,992,346	2,907,919	856,364	(3,954,596)	463,146,924
Student notes receivable, net	700,789	288,475	—	2,070,402	6,901	—	6,786,188	2,029,572	1,045,911	884,831	—	—	13,813,069
Inventories	277,272	407,771	323,535	2,846,106	—	443,409	1,341,845	207,597	37,302,775	877,651	—	—	44,027,961
Prepaid expenses	—	—	11,917	7,052,564	193,825	178,742	2,914,290	6,788,669	18,669,367	49,168	—	—	35,858,542
Other current assets	—	—	—	96,147	—	—	—	—	8,554,391	—	—	—	8,650,538
Total current assets	<u>85,169,653</u>	<u>12,214,935</u>	<u>94,774,959</u>	<u>394,725,247</u>	<u>12,017,724</u>	<u>47,511,054</u>	<u>252,844,068</u>	<u>171,821,475</u>	<u>574,518,292</u>	<u>21,868,389</u>	<u>655,396</u>	<u>(3,954,596)</u>	<u>1,664,166,596</u>
Noncurrent assets:													
Restricted cash and cash equivalents	4,431,139	(1,460,672)	722,553	2,358,163	2,192,718	—	32,843,799	10,598,377	106,895,853	—	—	—	158,581,930
Restricted short-term investments	1,056,612	—	—	—	—	440,545	—	—	42,166,634	—	—	—	43,663,791
Endowments investments	19,282,933	—	54,082,842	48,609,661	3,985,525	3,697,118	106,292,564	10,089,891	101,747,844	22,681,724	—	—	370,470,102
Other long-term investments	—	—	—	84,328,131	9,444,617	1,364,384	352,355,336	38,593,168	201,490,448	58,076,399	613,853	—	746,266,336
Student notes receivable, net	—	308,978	1,238,792	13,852,477	79,375	—	26,258,606	7,497,600	2,994,032	12,420,628	—	—	64,650,488
Beneficial interest in irrevocable trust	—	—	—	—	—	—	—	—	41,652,408	—	—	—	41,652,408
Capital assets, net	160,043,534	129,580,631	256,624,965	1,250,156,441	126,050,619	107,934,493	1,204,480,656	580,191,175	941,670,744	4,345,282	2,392	—	4,761,080,932
Other noncurrent assets	151,838	1,167,200	84,857	15,067,007	—	124,090	11,742,145	1,681,369	3,889,852	—	—	(5,561,508)	28,346,850
Total noncurrent assets	<u>184,966,056</u>	<u>129,596,137</u>	<u>312,754,009</u>	<u>1,414,371,880</u>	<u>141,752,854</u>	<u>113,560,630</u>	<u>1,733,973,106</u>	<u>648,651,580</u>	<u>1,442,507,815</u>	<u>97,524,033</u>	<u>616,245</u>	<u>(5,561,508)</u>	<u>6,214,712,837</u>
Total assets	<u>270,135,709</u>	<u>141,811,072</u>	<u>407,528,968</u>	<u>1,809,097,127</u>	<u>153,770,578</u>	<u>161,071,684</u>	<u>1,986,817,174</u>	<u>820,473,055</u>	<u>2,017,026,107</u>	<u>119,392,422</u>	<u>1,271,641</u>	<u>(9,516,104)</u>	<u>7,878,879,433</u>
Deferred outflows of resources	16,042,012	10,401,301	29,771,424	131,931,958	8,902,337	7,613,958	70,725,504	53,692,884	266,330,827	3,531,037	300,436	—	599,243,678
Total assets and deferred outflows of resources	<u>\$ 286,177,721</u>	<u>152,212,373</u>	<u>437,300,392</u>	<u>1,941,029,085</u>	<u>162,672,915</u>	<u>168,685,642</u>	<u>2,057,542,678</u>	<u>874,165,939</u>	<u>2,283,356,934</u>	<u>122,923,459</u>	<u>1,572,077</u>	<u>(9,516,104)</u>	<u>8,478,123,111</u>

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Net Position

June 30, 2023

	<u>Alcorn State University</u>	<u>Delta State University</u>	<u>Jackson State University</u>	<u>Mississippi State University</u>	<u>Mississippi University for Women</u>	<u>Mississippi Valley State University</u>	<u>University of Mississippi</u>	<u>University of Southern Mississippi</u>	<u>University of Mississippi Medical Center</u>	<u>IHL Board Office</u>	<u>M CVS</u>	<u>Elimination entries</u>	<u>Total</u>
Liabilities													
Current liabilities:													
Accounts payable and accrued liabilities	\$ 6,449,831	4,803,958	20,348,425	50,481,277	2,858,281	3,179,380	55,909,111	21,932,415	124,759,350	1,701,198	329,185	(42,859)	292,709,552
Unearned revenues	2,927,599	1,384,936	7,571,296	30,975,563	1,403,255	3,515,314	59,004,586	15,342,768	29,756,057	—	—	—	151,881,374
Accrued leave liabilities – current portion	571,575	374,334	397,179	2,244,538	45,966	240,128	2,615,000	1,300,390	6,467,357	43,682	12,718	—	14,312,867
Long-term liabilities – current portion	1,653,583	795,190	6,637,765	18,479,576	253,701	694,234	20,118,066	7,905,096	46,234,343	6,400,833	—	(3,911,737)	105,260,650
Other current liabilities	—	—	—	—	303,886	72,357	283,356	49,527	75,702,581	330,935	—	—	76,742,642
Total current liabilities	<u>11,602,588</u>	<u>7,358,418</u>	<u>34,954,665</u>	<u>102,180,954</u>	<u>4,865,089</u>	<u>7,701,413</u>	<u>137,930,119</u>	<u>46,530,196</u>	<u>282,919,688</u>	<u>8,476,648</u>	<u>341,903</u>	<u>(3,954,596)</u>	<u>640,907,085</u>
Noncurrent liabilities:													
Accrued leave liabilities	2,313,783	1,123,005	5,081,156	25,089,986	1,103,178	1,151,212	17,316,998	10,521,333	61,841,285	827,928	52,762	—	126,422,626
Deposits refundable	677,421	111,821	415,062	46,417	—	24,624	95,050	2,866	—	—	—	—	1,373,261
Long-term liabilities	41,196,507	10,630,105	85,389,177	285,572,142	228,939	14,123,848	263,942,309	138,255,702	548,645,085	22,731,154	—	(5,561,508)	1,405,153,460
Net pension liability	71,695,816	56,240,562	141,575,643	671,443,515	47,621,034	45,483,661	395,825,863	264,972,272	1,512,260,832	20,904,852	1,851,627	—	3,229,875,677
Net OPEB liability	2,351,215	2,068,551	4,109,674	20,546,848	1,592,366	1,609,889	13,202,158	8,920,294	35,246,134	441,900	—	—	90,089,029
Other long-term liabilities	—	—	1,912,787	3,389,885	163,799	—	5,472,300	15,893,875	1,446,807	—	—	—	28,279,453
Total noncurrent liabilities	<u>118,234,742</u>	<u>70,174,044</u>	<u>238,483,499</u>	<u>1,006,088,793</u>	<u>50,709,316</u>	<u>62,393,234</u>	<u>695,854,678</u>	<u>438,566,342</u>	<u>2,159,440,143</u>	<u>44,905,834</u>	<u>1,904,389</u>	<u>(5,561,508)</u>	<u>4,881,193,506</u>
Total liabilities	<u>129,837,330</u>	<u>77,532,462</u>	<u>273,438,164</u>	<u>1,108,269,747</u>	<u>55,574,405</u>	<u>70,094,647</u>	<u>833,784,797</u>	<u>485,096,538</u>	<u>2,442,359,831</u>	<u>53,382,482</u>	<u>2,246,292</u>	<u>(9,516,104)</u>	<u>5,522,100,591</u>
Deferred inflows of resources	9,451,794	1,915,078	3,018,858	28,957,732	846,780	3,916,696	16,696,945	9,029,354	107,101,162	483,653	100,368	—	181,518,420
Total liabilities and deferred inflows of resources	<u>\$ 139,289,124</u>	<u>79,447,540</u>	<u>276,457,022</u>	<u>1,137,227,479</u>	<u>56,421,185</u>	<u>74,011,343</u>	<u>850,481,742</u>	<u>494,125,892</u>	<u>2,549,460,993</u>	<u>53,866,135</u>	<u>2,346,660</u>	<u>(9,516,104)</u>	<u>5,703,619,011</u>
Net Position													
Net investment in capital assets	\$ 120,567,167	118,665,631	179,190,200	959,206,369	125,502,858	93,372,835	937,758,615	419,115,574	489,576,552	3,920,026	2,392	—	3,446,878,219
Restricted for:													
Nonexpendable:													
Scholarship and fellowships	—	—	9,722,838	2,376,004	827,529	1,788,736	8,907,623	5,569,090	—	875,473	—	—	30,067,293
Research	—	—	—	4,644,725	—	—	250,905	—	—	—	—	—	4,895,630
Other purposes	17,374,780	—	35,018,454	7,883,022	286,659	—	44,938,657	—	30,841,938	19,083,794	—	—	155,427,304
Expendable:													
Scholarships and fellowships	—	—	9,185,783	1,965,158	545,258	1,270,639	8,305,258	869,404	9,553,134	18,088,191	—	—	49,782,825
Research	—	—	—	38,071,771	—	—	11,350,938	409,756	47,443,329	—	—	—	97,275,794
Capital projects	—	—	1,777,133	5,137,773	1,877,307	766,858	30,977,265	—	—	—	—	—	40,536,336
Debt service	—	—	16,929	(4,331,976)	—	440,543	—	25,984,213	927,468	—	—	—	23,037,177
Loans	553,822	—	337,551	14,923,332	245,543	—	33,016,793	4,231,292	7,753,810	—	—	—	61,062,143
Other purposes	—	—	—	1,511,900	—	1,078,093	20,715,560	12,148,454	92,670,877	33,153,436	994,880	—	162,273,200
Unrestricted	8,392,828	(45,900,798)	(74,405,518)	(227,586,472)	(23,033,424)	(4,043,405)	110,839,322	(88,287,736)	(944,871,167)	(6,063,596)	(1,771,855)	—	(1,296,731,821)
Total net position	<u>\$ 146,888,597</u>	<u>72,764,833</u>	<u>160,843,370</u>	<u>803,801,606</u>	<u>106,251,730</u>	<u>94,674,299</u>	<u>1,207,060,936</u>	<u>380,040,047</u>	<u>(266,104,059)</u>	<u>69,057,324</u>	<u>(774,583)</u>	<u>—</u>	<u>2,774,504,100</u>

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2023

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	M CVS	Elimination entries	Total
Operating revenues:													
Tuition and fees	\$ 21,551,094	23,361,926	59,303,521	340,305,819	17,950,280	11,160,972	397,430,210	139,121,997	48,645,098	—	—	—	1,058,830,917
Scholarship allowances	(11,363,088)	(4,147,831)	(19,247,018)	(124,343,766)	(5,809,393)	(7,969,123)	(138,258,242)	(49,357,391)	(6,901,447)	—	—	—	(367,397,299)
Bad debt expense	(255,283)	(133,098)	—	(3,263,247)	77,891	(137,991)	(596,107)	(997,793)	—	—	—	—	(5,305,628)
Net tuition and fees	9,932,723	19,080,997	40,056,503	212,698,806	12,218,778	3,053,858	258,575,861	88,766,813	41,743,651	—	—	—	686,127,990
Federal appropriations	—	—	—	16,065,608	—	—	—	—	—	—	—	—	16,065,608
Federal grants and contracts	29,798,669	3,927,535	38,551,136	186,596,677	1,052,514	7,252,802	50,260,889	62,169,256	73,761,527	2,482,219	3,246,618	(40,018,446)	419,081,396
State grants and contracts	245,733	1,350,547	3,443,811	33,522,069	6,731,346	5,378	14,756,253	13,307,338	6,741,398	149,867	—	(38,211,127)	42,042,613
Nongovernmental grants and contracts	1,101,799	4,657,137	2,167,388	14,560,186	3,319,819	—	37,411,741	11,596,158	16,682,927	1,300,462	—	—	92,797,617
Sales and services of educational departments	1,286,917	1,023,268	3,381,582	64,244,608	1,116,811	2,153,344	9,307,251	1,354,268	1,114,778	3,542,539	—	(2,708,542)	85,816,824
Auxiliary enterprises:													
Student housing	10,529,018	2,940,214	12,841,950	34,363,988	2,132,855	3,313,967	32,314,968	20,187,424	—	—	—	—	118,624,384
Food services	5,558,606	2,864,999	11,907,834	3,113,459	1,667,562	2,557,854	4,866,116	3,122,577	—	—	—	—	35,659,007
Bookstore	348,650	186,001	—	954,137	62,748	1,182,260	692,007	753,690	1,813,881	—	—	—	5,993,374
Athletics	—	—	—	69,866,160	—	—	91,760,186	12,896,664	—	—	—	—	174,523,010
Other auxiliary revenues	494,192	982,230	1,763,183	11,832,641	215,266	1,130,521	13,169,260	6,592,988	489,470	2,104,942	—	—	38,774,693
Less auxiliary enterprise scholarship allowances	(3,020,568)	—	(3,426,170)	(13,189,434)	(1,244,862)	—	(10,887,650)	(3,431,225)	—	—	—	—	(35,199,909)
Interest earned on loans to students	—	14,846	—	354,045	—	—	970,235	—	357,406	—	—	—	1,696,532
Patient care revenues	—	—	—	—	—	—	—	—	1,365,774,381	—	—	—	1,365,774,381
Other operating revenues	6,388,197	26,887	12,819,933	2,599,417	143,691	3,833,151	9,972,784	4,896,997	127,717,987	14,589,052	11,935	(11,890,213)	171,109,818
Total operating revenues	62,663,936	37,054,661	123,507,150	637,582,367	27,416,528	24,483,135	513,169,901	222,212,948	1,636,197,406	24,169,081	3,258,553	(92,828,328)	3,218,887,338
Operating expenses:													
Salaries and wages	31,037,940	29,766,422	69,054,864	405,595,672	24,092,698	19,104,910	280,371,668	158,673,900	806,697,919	7,457,695	655,762	—	1,832,509,450
Fringe benefits	7,260,055	11,047,854	21,385,826	169,272,508	9,026,096	6,272,160	86,285,565	60,808,567	246,509,587	2,643,796	212,466	—	620,724,480
Travel	3,037,377	1,611,036	6,165,729	18,104,835	1,154,816	1,084,357	17,939,426	8,012,469	3,591,494	146,075	38,532	—	60,886,146
Contractual services	21,214,605	14,340,637	46,054,638	168,262,381	5,846,530	18,822,053	90,575,593	68,270,955	304,544,668	18,882,244	3,082,379	(54,617,201)	705,279,482
Utilities	3,928,703	2,384,415	4,800,271	21,187,327	3,369,830	2,142,542	22,227,350	11,857,971	19,552,402	808,455	—	—	92,259,266
Scholarships and fellowships	7,433,822	6,466,627	12,657,754	56,652,956	5,661,820	6,075,438	60,133,957	22,346,117	10,223,497	49,000,370	—	(38,211,127)	198,441,231
Commodities	5,941,475	3,515,794	4,179,850	30,237,058	3,906,814	5,284,395	45,053,780	17,945,603	385,512,339	335,784	144,550	—	502,057,442
Depreciation and amortization	4,776,803	4,902,292	8,677,054	46,880,292	3,134,069	2,953,473	40,255,361	19,171,605	73,530,018	246,064	—	—	204,527,031
Other operating expenses	—	46,207	5,653,852	—	—	—	3,161,058	—	51,533	31,916	52,369	—	8,996,935
Total operating expenses	84,630,780	74,081,284	178,629,838	916,193,029	56,192,673	61,739,328	646,003,758	367,087,187	1,850,213,457	79,552,399	4,186,058	(92,828,328)	4,225,681,463
Operating loss	(21,966,844)	(37,026,623)	(55,122,688)	(278,610,662)	(28,776,145)	(37,256,193)	(132,833,857)	(144,874,239)	(214,016,051)	(55,383,318)	(927,505)	—	(1,006,794,125)

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2023

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination entries	Total
Nonoperating revenue (expenses):													
State appropriations	\$ 30,960,281	26,450,897	46,133,678	217,464,492	17,842,161	16,893,390	108,436,125	100,798,430	186,924,508	59,045,147	1,020,753	—	811,969,862
Gifts and grants	11,095,612	5,195,353	19,067,823	83,129,996	5,442,868	20,944,002	31,171,683	35,334,903	8,651,818	—	—	—	220,034,058
Investment income, net of investment expense	(27,005)	184,458	3,212,676	15,584,223	26,790	187,716	4,970,995	3,924,300	12,188,055	(5,119,572)	(61,187)	(197,401)	34,874,048
Interest expense on capital assets-related debt	(1,686,329)	(471,957)	(3,022,681)	(11,387,914)	—	(528,662)	(8,863,461)	(5,509,838)	(14,829,618)	(5,663)	—	197,401	(46,108,722)
Other nonoperating revenues	—	26,948	18,476,163	392,100	262,788	—	1,632,500	—	—	—	—	—	20,790,499
Other nonoperating expenses	(2,042)	—	(14,472,418)	(1,554,210)	(579,117)	—	(23,486)	—	(1,783,141)	(1,760,414)	—	—	(20,174,828)
Total net nonoperating revenue	40,340,517	31,385,699	69,395,241	303,628,687	22,995,490	37,496,446	137,324,356	134,547,795	191,151,622	52,159,498	959,566	—	1,021,384,917
Income (loss) before other revenues, expenses, gains and losses	18,373,673	(5,640,924)	14,272,553	25,018,025	(5,780,655)	240,253	4,490,499	(10,326,444)	(22,864,429)	(3,223,820)	32,061	—	14,590,792
Capital grants and gifts	—	—	—	6,664,922	—	—	16,314,503	4,665,131	1,716,763	—	—	—	29,361,319
State appropriations restricted for capital purposes	5,256,415	4,287,864	8,885,250	7,138,004	8,582,911	833,046	4,303,279	5,239,563	(2,973,899)	1,762,192	—	—	43,314,625
Additions to permanent endowments	—	—	—	—	3,574	276,948	6,008	—	1,525,735	—	—	—	1,812,265
Other additions	—	—	—	134,272	18,608	—	347,981	1,151,947	1,023,200	5,077,727	36,708	—	7,790,443
Other deletions	—	—	(70,692)	—	—	—	(2,803,272)	(1,275,101)	—	—	—	—	(4,149,065)
Change in net position	23,630,088	(1,353,060)	23,087,111	38,955,223	2,824,438	1,350,247	22,658,998	(544,904)	(21,572,630)	3,616,099	68,769	—	92,720,379
Net position, beginning of the year	123,258,509	74,117,893	137,756,259	764,846,383	103,427,292	93,324,052	1,184,401,938	380,584,951	(244,531,429)	65,441,225	(843,352)	—	2,681,783,721
Net position, end of the year	146,888,597	72,764,833	160,843,370	803,801,606	106,251,730	94,674,299	1,207,060,936	380,040,047	(266,104,059)	69,057,324	(774,583)	—	2,774,504,100

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Cash Flows
Year ended June 30, 2023

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination entries	Total
Operating activities:													
Tuition and fees	\$ 8,601,873	18,549,071	48,516,795	218,190,124	11,794,435	4,108,616	255,802,524	97,705,515	42,141,536	—	—	—	705,410,489
Grants and contracts	19,486,089	8,905,923	42,536,030	229,938,245	11,103,679	7,119,349	105,801,618	87,072,752	89,041,417	3,932,548	2,623,127	(78,229,573)	529,331,204
Sales and services of educational departments	1,286,917	1,023,268	2,221,905	66,085,472	1,116,811	2,153,344	8,986,073	1,354,268	1,114,778	3,513,306	—	(2,708,542)	86,147,600
Payments to suppliers	(27,779,542)	(18,830,250)	(63,872,551)	(219,711,754)	(10,268,392)	(24,393,626)	(140,601,487)	(83,663,488)	(720,887,561)	(20,670,190)	(3,178,889)	54,617,201	(1,279,240,529)
Payments to employees for salaries and benefits	(41,745,760)	(39,559,141)	(91,897,298)	(559,110,359)	(31,956,694)	(25,772,289)	(357,464,263)	(228,147,741)	(1,039,897,874)	(9,896,497)	(850,296)	—	(2,426,298,212)
Payments for utilities	(3,928,703)	(2,384,415)	(4,800,271)	(21,117,805)	(3,369,830)	(2,142,542)	(22,427,774)	(11,857,970)	(19,552,402)	(808,455)	—	—	(92,390,167)
Payment for scholarships and fellowships	(7,433,822)	(6,466,627)	(16,785,876)	(56,652,956)	(5,661,820)	(6,075,438)	(60,133,957)	(22,346,117)	(10,352,733)	(49,210,464)	—	38,211,127	(202,908,683)
Loans issued to students	—	(127,066)	—	(2,547,850)	—	—	(4,282,721)	—	(341,296)	(1,426,821)	—	—	(8,725,754)
Collections of loans from students	8,451	85,142	—	2,438,122	(39,489)	—	1,970,323	2,282,498	2,070,877	1,496,912	—	—	10,312,836
Federal loan program receipts	12,883,779	11,930,492	58,056,805	131,949,733	9,392,625	9,190,856	94,836,300	73,875,748	45,974,209	—	—	—	448,090,547
Federal loan program disbursements	(13,417,829)	(11,620,028)	(58,056,805)	(132,117,987)	(9,392,625)	(9,190,856)	(94,836,300)	(73,637,181)	(39,836,801)	—	—	—	(442,106,412)
Auxiliary enterprise charges:													
Student housing	7,508,450	2,943,069	9,719,936	33,748,053	1,296,204	3,313,967	21,025,376	20,187,424	—	—	—	—	99,742,479
Food services	5,558,606	2,836,598	8,421,338	3,103,993	1,158,571	2,557,854	5,098,247	3,122,577	—	—	—	—	31,857,784
Bookstore	304,027	186,001	—	1,388,239	43,596	1,182,260	692,007	753,689	976,589	—	—	—	5,526,408
Athletics	—	—	—	73,253,498	—	—	—	91,337,572	9,615,465	—	—	—	174,206,535
Other auxiliary enterprises	494,398	1,406,364	1,763,183	(251,557)	149,560	1,130,521	13,307,351	6,592,988	489,470	2,164,860	—	—	27,247,138
Patient care services	—	—	—	—	—	—	—	—	1,327,146,048	—	—	—	1,327,146,048
Interest earned on loans to students	—	—	—	—	—	—	970,235	—	357,406	208,251	—	—	1,535,892
Other receipts	6,934,115	762,173	12,700,358	17,263,322	143,691	3,629,464	8,243,273	4,896,997	119,131,228	14,589,052	11,935	(11,890,213)	176,415,395
Other payments	—	(995,654)	—	—	—	—	(19,211,106)	—	(51,533)	(31,916)	(15,661)	—	(20,305,870)
Net cash used in operating activities	(31,238,951)	(31,355,080)	(51,476,451)	(214,151,467)	(24,489,678)	(33,188,520)	(90,886,709)	(112,192,576)	(202,476,642)	(56,139,414)	(1,409,784)	—	(849,005,272)
Noncapital financing activities:													
State appropriations	30,960,281	26,450,897	44,262,783	213,432,982	17,528,572	17,396,186	105,691,927	100,798,430	186,276,346	58,654,053	1,020,753	—	802,473,210
Gifts and grants for other than capital purposes	11,095,612	5,195,353	19,067,823	82,259,149	4,225,341	20,944,003	31,351,167	35,334,903	8,651,818	—	—	—	218,125,169
Private gifts for endowment purposes	—	—	—	—	—	185,940	6,008	—	1,525,735	—	—	—	1,717,683
Other sources	—	—	5,397,251	—	8,866,392	—	93,084	1,151,947	—	6,505,631	—	—	22,014,305
Other uses	—	—	—	(1,514,372)	(374,871)	—	7,452,338	(621,150)	(1,416,946)	(1,760,414)	—	—	1,764,585
Net cash provided by noncapital financing activities	42,055,893	31,646,250	68,727,857	294,177,759	30,245,434	38,526,129	144,594,524	136,664,130	195,036,953	63,399,270	1,020,753	—	1,046,094,952

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Cash Flows
Year ended June 30, 2023

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination entries	Total
Capital and related financing activities:													
Proceeds from Capital Debt	\$ —	—	—	—	—	—	75,760,259	—	110,975,788	—	—	—	186,736,047
Cash Paid for Capital Assets	(5,938,465)	(8,303,777)	—	(103,427,171)	(304,468)	(362,816)	(77,725,724)	(8,160,172)	(47,687,482)	(124,096)	—	—	(252,034,171)
Capital Appropriations Received	5,256,415	4,287,864	—	5,167,500	(10,499,838)	—	4,303,280	5,239,563	(2,988,123)	—	—	—	10,766,661
Capital Grants and Contracts Received	—	—	—	6,129,566	—	—	9,934,286	4,665,131	1,477,649	—	—	(3,859,519)	18,347,113
Proceeds from Sales of Capital Assets	—	—	—	—	—	—	254,897	—	3,869	—	—	—	258,766
Principal Paid on Capital Debt, Leases & Subscriptions	(1,539,043)	(795,369)	(5,929,558)	(23,388,636)	(790,073)	(521,319)	(13,298,337)	(9,258,400)	(39,468,754)	(454,191)	—	3,842,276	(91,601,404)
Interest Paid on Capital Debt, Leases & Subscriptions	(1,720,040)	(465,162)	(2,830,062)	(12,758,708)	—	(519,954)	(7,911,644)	(5,509,837)	(13,983,033)	(5,663)	—	214,644	(45,489,459)
Other Source	—	675,920	—	3,659,063	55,904	—	—	(653,955)	—	—	—	—	3,736,932
Other Uses	(192,513)	—	(309,436)	(568,078)	47,534	—	(2,643,508)	—	(1,187,248)	—	—	—	(4,853,249)
Net cash provided by (used in) capital and related financing activities	(4,133,646)	(4,600,524)	(9,069,056)	(125,186,464)	(11,490,941)	(1,404,089)	(11,326,491)	(13,677,670)	7,142,666	(583,950)	—	197,401	(174,132,764)
Investing activities:													
Proceeds from Sales and Maturities of Investments	3,073,547	—	—	31,206,377	3,075,000	56,287	91,708,404	4,676,549	659,423,354	24,430,682	125,331	—	817,775,531
Interest Received on Investments	446,758	189,315	3,202,682	15,182,399	586,254	77,868	11,807,165	3,924,300	13,110,478	(5,149,938)	(36,744)	(197,401)	43,143,136
Purchases of Investments	(2,577,343)	—	(4,912,185)	(33,554,195)	(3,705,786)	(74,803)	(150,631,806)	(9,822,050)	(670,162,068)	(26,871,025)	(149,009)	—	(902,460,270)
Net cash provided by (used in) investing activities	942,962	189,315	(1,709,503)	12,834,581	(44,532)	59,352	(47,116,237)	(1,221,201)	2,371,764	(7,590,281)	(60,422)	(197,401)	(41,541,603)
Net increase (decrease) in cash and cash equivalents	7,626,258	(4,120,039)	6,472,847	(32,325,591)	(5,779,717)	3,992,872	(4,734,913)	9,572,683	2,074,741	(914,375)	(449,453)	—	(18,584,687)
Cash and cash equivalents - beginning of year	52,484,646	7,221,382	51,458,374	313,427,741	14,077,109	30,504,730	75,155,577	112,714,809	186,239,184	13,079,938	223,544	—	856,587,034
Cash and cash equivalents - end of year	60,110,904	3,101,343	57,931,221	281,102,150	8,297,392	34,497,602	70,420,664	122,287,492	188,313,925	12,165,563	(225,909)	—	838,002,347

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Cash Flows
Year ended June 30, 2023

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination entries	Total
Reconciliation of operating loss to net cash used in operating activities:													
Operating loss	\$ (21,966,844)	(37,026,623)	(55,122,688)	(278,610,662)	(28,776,145)	(37,256,193)	(132,833,857)	(144,874,239)	(214,016,051)	(55,383,318)	(927,505)	—	(1,006,794,125)
Adjustment to reconcile operating loss to net cash used in operating activities:													
Depreciation and amortization expense	4,776,803	4,902,292	8,677,054	46,880,292	3,134,069	2,953,473	40,255,361	19,171,605	73,530,018	246,064	—	—	204,527,031
Self-insurance claims expense	—	—	—	—	—	—	—	—	2,986,903	4,993,753	—	—	7,980,656
Provision for uncollectible accounts receivable	255,283	133,098	—	3,263,247	—	137,991	673,810	(1,000,000)	168,294,648	(1,842)	—	—	171,756,235
Other	—	—	—	—	—	(550,390)	—	—	—	—	36,708	—	(513,682)
Changes in assets and liabilities:													
(Increase) decrease in assets:													
Receivables, net	(12,606,389)	(1,155,099)	(3,071,688)	(11,913,496)	(463,832)	403,454	(4,476,843)	12,221,200	(202,592,148)	100,775	(623,491)	—	(224,177,557)
Inventories	(21,889)	(4,797)	(5,250)	290,778	—	(61,844)	(152,137)	10,377	(1,928,598)	134,615	—	—	(1,738,745)
Prepaid expenses	—	—	—	(228,605)	109,959	36,708	(2,399,735)	181,258	(5,020,300)	(5,404)	—	—	(7,326,119)
Loans to students	8,451	(56,770)	—	—	—	—	(2,253,635)	—	375,606	—	—	—	(1,926,348)
Deferred outflows of resources	(1,832,306)	(2,892,328)	(4,646,674)	(16,259,282)	(2,535,052)	(1,431,801)	(17,869,433)	(8,563,510)	(53,178,324)	(844,044)	(65,122)	—	(110,117,876)
Other assets	198	642,714	—	—	—	(8,708)	—	11,677,657	812,059	—	—	—	13,123,920
Increase (decrease) in liabilities:													
Accounts payable and accrued liabilities	1,086,232	(341,545)	(96,258)	(7,050,856)	305,026	1,009,464	(1,933,037)	(1,713,430)	(34,088,335)	609,466	86,572	—	(42,126,701)
Unearned revenue	153,775	242,284	996,364	11,495,494	(185,638)	174,335	4,192,964	150,141	3,179,943	—	—	—	20,399,662
Deposits refundable	206	2,855	(288,752)	—	—	(3,540)	—	(120)	—	—	—	—	(289,351)
Accrued leave liability	(84,849)	(21,137)	(1,158,344)	1,531,599	72,760	(16,191)	1,872,870	594,012	(77,673)	(20,714)	11,466	—	2,703,799
Net pension liability	16,235,496	16,805,430	42,376,691	187,045,129	14,105,394	11,846,792	116,125,176	73,231,231	403,294,089	6,187,774	466,288	—	887,719,490
Net OPEB liability	(828,901)	(593,324)	(1,143,407)	(6,195,573)	(445,264)	(633,860)	(3,864,465)	(2,628,239)	(12,744,166)	(105,787)	—	—	(29,182,986)
Deferred inflows of resources	(16,414,217)	(12,037,795)	(36,678,047)	(144,399,532)	(10,035,738)	(10,360,226)	(88,223,748)	(71,298,768)	(310,574,845)	(5,012,235)	(394,700)	—	(705,429,851)
Other liabilities	—	45,665	(1,315,452)	—	224,783	572,016	—	648,249	(20,729,468)	(7,038,517)	—	—	(27,592,724)
Total adjustments	<u>(9,272,107)</u>	<u>5,671,543</u>	<u>3,646,237</u>	<u>64,459,195</u>	<u>4,286,467</u>	<u>4,067,673</u>	<u>41,947,148</u>	<u>32,681,663</u>	<u>11,539,409</u>	<u>(756,096)</u>	<u>(482,279)</u>	<u>—</u>	<u>157,788,853</u>
Net cash used in operating activities	\$ <u>(31,238,951)</u>	<u>(31,355,080)</u>	<u>(51,476,451)</u>	<u>(214,151,467)</u>	<u>(24,489,678)</u>	<u>(33,188,520)</u>	<u>(90,886,709)</u>	<u>(112,192,576)</u>	<u>(202,476,642)</u>	<u>(56,139,414)</u>	<u>(1,409,784)</u>	<u>—</u>	<u>(849,005,272)</u>
Noncash capital related financing and investing activities:													
Gifts and contributions of capital assets	\$ —	—	—	535,356	—	—	1,760,844	—	239,114	—	—	—	2,535,314
Right-to-use assets under lease obligations	—	—	—	8,823,698	93,713	—	2,414,293	577,100	8,211,218	224,277	—	—	20,344,299
Subscription assets under outstanding arrangements	105,816	530,684	1,962,308	9,647,231	696,358	130,308	7,055,001	1,030,585	39,137,093	229,914	—	—	60,525,298

See accompanying independent auditors' report.

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REQUIRED SUPPLEMENTARY INFORMATION

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State of Mississippi Institutions of Higher Learning
 Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of the Net Pension Liability of the
 Mississippi Public Employees' Retirement System
GASB 67 Paragraph 32(b)
 June 30, 2023

Employer	Proportionate share of the net pension liability (%)	Proportionate share of the net pension liability (\$)	Estimated Covered-employee payroll provided by PERS	Proportionate share of the net pension liability as a percentage of its covered-employee payroll	PERS fiduciary net position as a percentage of the total pension liability
Alcorn State University:					
2015	0.47 %	\$ 56,758,259	\$ 28,572,870	199.00 %	67.00 %
2016	0.46	71,034,832	28,709,073	247.43	61.70
2017	0.46	82,196,659	29,437,759	279.22	57.47
2018	0.46	75,934,194	29,303,410	259.13	61.49
2019	0.45	75,156,617	28,855,149	260.46	62.54
2020	0.43	75,787,222	28,057,270	270.12	61.59
2021	0.42	80,909,069	27,829,874	290.73	58.97
2022	0.38	55,460,320	24,948,845	222.30	70.44
2023	0.35	71,695,816	23,979,075	298.99	59.93
Delta State University:					
2015	0.28	33,537,396	16,883,175	199.00	67.00
2016	0.27	42,181,402	17,047,771	247.43	61.70
2017	0.26	47,229,076	16,914,533	279.22	57.47
2018	0.27	44,338,880	17,110,610	259.13	61.49
2019	0.27	44,872,460	17,228,044	260.46	62.54
2020	0.27	48,336,405	17,894,673	270.12	61.59
2021	0.26	51,106,285	17,578,764	290.73	58.97
2022	0.27	39,435,132	17,739,908	222.30	70.44
2023	0.27	56,240,562	18,809,977	298.99	59.93
Jackson State University:					
2015	0.83	100,387,620	50,536,476	199.00	67.00
2016	0.85	130,840,285	52,898,190	247.43	61.70
2017	0.87	155,284,587	55,613,333	279.22	57.47
2018	0.91	152,074,130	58,686,216	259.13	61.49
2019	0.77	128,859,771	49,473,594	260.46	62.54
2020	0.72	126,401,212	46,795,130	270.12	61.59
2021	0.68	131,957,542	45,388,753	290.73	58.97
2022	0.67	99,198,952	44,624,684	222.30	70.44
2023	0.69	141,575,643	47,350,782	298.99	59.93
Mississippi State University:					
2015	3.11	377,668,592	190,123,441	199.00	67.00
2016	3.15	487,619,653	197,073,543	247.43	61.70
2017	3.22	575,770,041	206,205,213	279.22	57.47
2018	3.16	525,651,937	202,851,879	259.13	61.49
2019	3.11	517,960,848	198,862,565	260.46	62.54
2020	3.17	558,213,479	206,656,819	270.12	61.59
2021	3.22	623,650,981	214,514,000	290.73	58.97
2022	3.28	484,398,386	217,906,787	222.30	70.44
2023	3.26	671,443,515	224,568,115	298.99	59.93

State of Mississippi Institutions of Higher Learning
 Required Supplementary Information (Unaudited)
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 Mississippi Public Employees' Retirement System
GASB 67 Paragraph 32(b)
 June 30, 2023

Employer	Proportionate share of the net pension liability (%)	Proportionate share of the net pension liability (\$)	Estimated Covered-employee payroll provided by PERS	Proportionate share of the net pension liability as a percentage of its covered-employee payroll	PERS fiduciary net position as a percentage of the total pension liability
Mississippi University for Women:					
2015	0.22 %	\$ 27,087,951	\$ 13,636,438	199.00 %	67.00 %
2016	0.23	35,499,410	14,347,232	247.43	61.70
2017	0.23	41,584,769	14,893,092	279.22	57.47
2018	0.24	39,274,129	15,156,095	259.13	61.49
2019	0.23	38,566,359	14,806,921	260.46	62.54
2020	0.22	39,373,621	14,576,551	270.12	61.59
2021	0.23	43,996,647	15,133,299	290.73	58.97
2022	0.23	33,515,640	15,077,023	222.30	70.44
2023	0.23	47,621,034	15,927,126	298.99	59.93
Mississippi Valley State University:					
2015	0.26	31,120,964	15,666,711	199.00	67.00
2016	0.24	37,755,185	15,258,908	247.43	61.70
2017	0.25	44,719,677	16,015,822	279.22	57.47
2018	0.25	41,999,298	16,207,752	259.13	61.49
2019	0.25	42,303,133	16,241,594	260.46	62.54
2020	0.25	44,196,596	16,362,070	270.12	61.59
2021	0.25	47,700,781	16,407,391	290.73	58.97
2022	0.23	33,636,869	15,131,557	222.30	70.44
2023	0.22	45,483,661	15,212,270	298.99	59.93
University of Mississippi:					
2015	1.85	224,435,474	112,983,803	199.00	67.00
2016	1.86	287,872,551	116,344,946	247.43	61.70
2017	1.87	333,566,560	119,462,908	279.22	57.47
2018	1.92	319,127,442	123,152,978	259.13	61.49
2019	1.96	325,309,886	124,897,390	260.46	62.54
2020	1.93	339,244,839	125,592,222	270.12	61.59
2021	1.91	370,390,153	127,401,184	290.73	58.97
2022	1.89	279,700,687	125,823,454	222.30	70.44
2023	1.92	395,825,863	132,386,218	298.99	59.93
University of Southern Miss:					
2015	1.35	163,430,215	82,272,965	199.00	67.00
2016	1.32	204,738,145	82,745,841	247.43	61.70
2017	1.31	233,764,776	83,720,083	279.22	57.47
2018	1.34	222,060,208	85,694,216	259.13	61.49
2019	1.35	224,453,669	86,175,302	260.46	62.54
2020	1.31	231,330,127	85,640,978	270.12	61.59
2021	1.31	253,087,895	87,053,333	290.73	58.97
2022	1.30	191,741,041	86,254,776	222.30	70.44
2023	1.29	264,972,272	88,621,489	298.99	59.93

State of Mississippi Institutions of Higher Learning
 Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of the Net Pension Liability of the
 Mississippi Public Employees' Retirement System
GASB 67 Paragraph 32(b)
 June 30, 2023

Employer	Proportionate share of the net pension liability (%)	Proportionate share of the net pension liability (\$)	Estimated Covered-employee payroll provided by PERS	Proportionate share of the net pension liability as a percentage of its covered-employee payroll	PERS fiduciary net position as a percentage of the total pension liability
University Medical Center:					
2015	6.76 %	\$ 821,435,313	\$ 413,521,568	199.00 %	67.00 %
2016	7.04	1,087,561,173	439,542,508	247.43	61.70
2017	7.22	1,288,831,062	461,579,562	279.22	57.47
2018	7.30	1,212,970,916	468,091,930	259.13	61.49
2019	7.41	1,232,363,510	473,145,740	260.46	62.54
2020	7.73	1,360,163,256	503,547,517	270.12	61.59
2021	7.74	1,498,101,899	515,294,356	290.73	58.97
2022	7.50	1,108,966,743	498,869,086	222.30	70.44
2023	7.35	1,512,260,832	505,784,264	298.99	59.93
Executive Office:					
2015	0.10	13,082,977	6,586,146	199.00	67.00
2016	0.11	16,593,427	6,706,305	247.43	61.70
2017	0.11	20,018,666	7,169,448	279.22	57.47
2018	0.10	18,081,464	6,977,734	259.13	61.49
2019	0.11	17,819,021	6,841,321	260.46	62.54
2020	0.11	18,717,421	6,929,397	270.12	61.59
2021	0.10	20,183,265	6,942,333	290.73	58.97
2022	0.10	14,717,078	6,620,483	222.30	70.44
2023	0.10	20,904,852	6,991,747	298.99	59.93
MS Commission for Volunteer Service					
2015	0.01	1,092,239	549,848	199.00	67.00
2016	0.01	1,231,115	503,886	247.43	61.70
2017	0.01	1,586,388	568,146	279.22	57.47
2018	0.01	1,649,603	636,590	259.13	61.49
2019	0.01	1,652,816	634,570	260.46	62.54
2020	0.01	1,750,782	648,159	270.12	61.59
2021	0.01	1,925,718	662,379	290.73	58.97
2022	0.01	1,385,339	623,195	222.30	70.44
2023	0.01	1,851,627	619,287	298.99	59.93
2015 Totals	15.24 %	\$ 1,850,037,000	\$ 931,333,441	199.00 %	67.00 %
2016 Totals	15.54 %	\$ 2,402,927,178	\$ 971,178,203	247.43 %	61.70 %
2017 Totals	15.81 %	\$ 2,824,552,261	\$ 1,011,579,899	279.22 %	57.47 %
2018 Totals	15.96 %	\$ 2,653,162,201	\$ 1,023,869,410	259.13 %	61.49 %
2019 Totals	15.93 %	\$ 2,649,318,090	\$ 1,017,162,190	260.46 %	62.54 %
2020 Totals	16.16 %	\$ 2,843,514,960	\$ 1,052,700,786	270.12 %	61.59 %
2021 Totals	16.13 %	\$ 3,123,010,235	\$ 1,074,205,666	290.73 %	58.97 %
2022 Totals	15.85 %	\$ 2,342,156,187	\$ 1,053,619,798	222.30 %	70.44 %
2023 Totals	15.69 %	\$ 3,229,875,677	\$ 1,080,250,350	298.99 %	59.93 %

State of Mississippi Institutions of Higher Learning

Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of Contributions to the
 Mississippi Public Employees' Retirement System
GASB 67 Paragraph 32(c)
 June 30, 2023

Employer	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered- employee payroll	Contribution as a percentage of covered- employee payroll
Alcorn State University:					
2015	\$ 4,487,694	4,487,694	—	28,493,295	15.75 %
2016	4,578,969	4,578,969	—	29,072,819	15.75
2017	4,612,758	4,612,758	—	29,287,352	15.75
2018	4,445,215	4,445,215	—	28,223,587	15.75
2019	4,363,103	4,363,103	—	27,702,241	15.75
2020	4,789,190	4,789,190	—	27,524,080	17.40
2021	4,286,010	4,286,010	—	24,632,241	17.40
2022	4,124,495	4,124,495	—	23,703,994	17.40
2023	4,249,407	4,249,407	—	24,421,879	17.40
Delta State University:					
2015	2,664,943	2,664,943	—	16,920,273	15.75
2016	2,629,908	2,629,908	—	16,697,829	15.75
2017	2,650,434	2,650,434	—	16,828,152	15.75
2018	2,379,412	2,379,412	—	15,107,378	15.75
2019	2,725,784	2,725,784	—	17,306,565	15.75
2020	2,970,686	2,970,686	—	17,072,908	17.40
2021	3,051,947	3,051,947	—	17,539,925	17.40
2022	3,238,902	3,238,902	—	18,614,379	17.40
2023	3,441,325	3,441,325	—	19,777,730	17.40
Jackson State University:					
2015	8,271,356	8,271,356	—	52,516,546	15.75
2016	8,653,220	8,653,220	—	54,941,079	15.75
2017	8,714,352	8,714,352	—	55,329,219	15.75
2018	8,294,334	8,294,334	—	52,662,438	15.75
2019	7,274,360	7,274,360	—	46,186,413	15.75
2020	7,808,898	7,808,898	—	44,878,724	17.40
2021	7,674,848	7,674,848	—	44,108,322	17.40
2022	8,153,424	8,153,424	—	46,858,759	17.40
2023	8,449,058	8,449,058	—	48,557,805	17.40
Mississippi State University:					
2015	30,812,946	30,812,946	—	195,637,752	15.75
2016	32,082,720	32,082,720	—	203,699,810	15.75
2017	32,311,407	32,311,407	—	205,151,790	15.75
2018	31,045,339	31,045,339	—	197,113,263	15.75
2019	32,163,084	32,163,084	—	204,210,057	15.75
2020	36,670,189	36,670,189	—	210,748,213	17.40
2021	37,491,151	37,491,151	—	215,466,385	17.40
2022	38,656,800	38,656,800	—	222,165,517	17.40
2023	42,179,640	42,179,640	—	242,411,724	17.40

State of Mississippi Institutions of Higher Learning

Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of Contributions to the
 Mississippi Public Employees' Retirement System
GASB 67 Paragraph 32(c)
 June 30, 2023

Employer	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered- employee payroll	Contribution as a percentage of covered- employee payroll
Mississippi University for Women:					
2015	\$ 2,243,470	2,243,470	—	14,244,254	15.75 %
2016	2,316,938	2,316,938	—	14,710,717	15.75
2017	2,333,680	2,333,680	—	14,817,016	15.75
2018	2,311,505	2,311,505	—	14,676,222	15.75
2019	2,267,113	2,267,113	—	14,394,367	15.75
2020	2,605,550	2,605,550	—	14,974,425	17.40
2021	2,593,446	2,593,446	—	14,904,862	17.40
2022	2,742,395	2,742,395	—	15,760,891	17.40
2023	2,960,187	2,960,187	—	17,012,569	17.40
Mississippi Valley State University:					
2015	2,384,644	2,384,644	—	15,140,597	15.75
2016	2,491,943	2,491,943	—	15,821,860	15.75
2017	2,509,604	2,509,604	—	15,933,994	15.75
2018	2,536,037	2,536,037	—	16,101,822	15.75
2019	2,545,552	2,545,552	—	16,162,235	15.75
2020	2,823,856	2,823,856	—	16,229,057	17.40
2021	2,595,820	2,595,820	—	14,918,506	17.40
2022	2,617,906	2,617,906	—	15,045,437	17.40
2023	2,674,807	2,674,807	—	15,372,454	17.40
University of Mississippi:					
2015	18,189,943	18,189,943	—	115,491,702	15.75
2016	18,587,600	18,587,600	—	118,016,508	15.75
2017	18,719,288	18,719,288	—	118,852,622	15.75
2018	19,505,230	19,505,230	—	123,842,730	15.75
2019	19,541,619	19,541,619	—	124,073,771	15.75
2020	21,929,628	21,929,628	—	126,032,345	17.40
2021	21,641,091	21,641,091	—	124,374,086	17.40
2022	22,793,811	22,793,811	—	130,998,914	17.40
2023	25,581,184	25,581,184	—	147,018,299	17.40
University of Southern Miss:					
2015	12,934,612	12,934,612	—	82,124,521	15.75
2016	13,009,957	13,009,957	—	82,602,902	15.75
2017	13,118,547	13,118,547	—	83,292,362	15.75
2018	13,456,220	13,456,220	—	85,436,317	15.75
2019	13,321,459	13,321,459	—	84,580,692	15.75
2020	13,777,396	13,777,396	—	79,180,437	17.40
2021	14,836,009	14,836,009	—	85,264,420	17.40
2022	15,254,661	15,254,661	—	87,670,466	17.40
2023	16,033,951	16,033,951	—	92,149,144	17.40

State of Mississippi Institutions of Higher Learning

Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of Contributions to the
 Mississippi Public Employees' Retirement System
GASB 67 Paragraph 32(c)
 June 30, 2023

Employer	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered- employee payroll	Contribution as a percentage of covered- employee payroll
University Medical Center:					
2015	\$ 68,736,092	68,736,092	—	436,419,632	15.75 %
2016	71,818,771	71,818,771	—	455,992,197	15.75
2017	72,327,391	72,327,391	—	459,221,530	15.75
2018	73,927,567	73,927,567	—	469,381,378	15.75
2019	78,391,851	78,391,851	—	497,726,038	15.75
2020	88,706,272	88,706,272	—	509,806,161	17.40
2021	85,783,197	85,783,197	—	493,006,879	17.40
2022	87,049,388	87,049,388	—	500,283,839	17.40
2023	92,705,250	92,705,250	—	532,788,793	17.40
Executive Office:					
2015	1,048,459	1,048,459	—	6,656,883	15.75
2016	959,854	959,854	—	6,094,311	15.75
2017	1,123,420	1,123,420	—	7,132,825	15.75
2018	1,068,031	1,068,031	—	6,781,148	15.75
2019	1,078,124	1,078,124	—	6,845,232	15.75
2020	1,194,824	1,194,824	—	6,866,805	17.40
2021	1,138,221	1,138,221	—	6,541,500	17.40
2022	1,203,862	1,203,862	—	6,918,747	17.40
2023	1,288,072	1,288,072	—	7,402,713	17.40
MS Commission for Volunteer Service:					
2015	78,708	78,708	—	499,733	15.75
2016	88,482	88,482	—	561,790	15.75
2017	89,025	89,025	—	565,238	15.75
2018	99,080	99,080	—	629,080	15.75
2019	100,856	100,856	—	640,356	15.75
2020	114,024	114,024	—	655,310	17.40
2021	107,124	107,124	—	615,655	17.40
2022	106,561	106,561	—	612,420	17.40
2023	112,921	112,921	—	648,971	17.40
2015 Totals	\$ 151,852,867	151,852,867	—	964,145,187	15.75 %
2016 Totals	\$ 157,218,362	157,218,362	—	998,211,822	15.75 %
2017 Totals	\$ 158,509,906	158,509,906	—	1,006,412,102	15.75 %
2018 Totals	\$ 159,067,970	159,067,970	—	1,009,955,364	15.75 %
2019 Totals	\$ 163,772,905	163,772,905	—	1,039,827,967	15.75 %
2020 Totals	\$ 183,390,513	183,390,513	—	1,053,968,466	17.40 %
2021 Totals	\$ 181,198,864	181,198,864	—	1,041,372,782	17.40 %
2022 Totals	\$ 185,942,205	185,942,205	—	1,068,633,363	17.40 %
2023 Totals	\$ 199,675,802	199,675,802	—	1,147,562,081	17.40 %

State of Mississippi Institutions of Higher Learning
 Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of the Net OPEB Liability of the
 Mississippi State and School Employees' Life and Health Insurance Plan
GASB 74 Paragraph 36(a)
 June 30, 2023

Employer	Proportionate share of the net OPEB liability (%)	Proportionate share of the net OPEB liability (\$)	Covered-employee payroll	Proportionate share of the net OPEB liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
Alcorn State University:					
2018	0.58 %	\$ 4,553,690	\$ 26,074,744	17.46 %	0.00 %
2019	0.57	4,425,422	25,875,362	17.10	0.00
2020	0.56	4,718,847	25,466,787	18.53	0.00
2021	0.55	4,285,131	26,537,344	16.15	0.00
2022	0.49	3,180,116	23,295,570	13.54	0.00
2023	0.48	2,351,215	23,586,989	10.03	0.00
Delta State University:					
2018	0.41	3,212,943	18,397,530	17.46	0.00
2019	0.42	3,268,272	19,109,522	17.10	0.00
2020	0.42	3,556,677	19,194,756	18.53	0.00
2021	0.41	3,181,438	19,702,296	16.15	0.00
2022	0.41	2,661,875	19,492,212	13.54	0.00
2023	0.42	2,068,551	20,638,615	10.03	0.00
Jackson State University:					
2018	1.01	7,923,756	45,371,973	17.46	0.00
2019	0.93	7,183,715	42,003,040	17.10	0.00
2020	0.87	7,374,236	39,797,448	18.53	0.00
2021	0.82	6,385,068	39,542,017	16.15	0.00
2022	0.82	5,253,081	38,984,424	13.54	0.00
2023	0.83	4,109,674	40,785,835	10.03	0.00
Mississippi State University:					
2018	3.85	30,245,677	173,188,825	17.46	0.00
2019	3.84	29,735,714	173,864,154	17.10	0.00
2020	3.90	33,054,895	178,391,432	18.53	0.00
2021	3.98	31,009,098	192,035,910	16.15	0.00
2022	4.15	26,742,421	197,299,217	13.54	0.00
2023	4.17	20,546,848	204,911,965	10.03	0.00
Mississippi University for Women:					
2018	0.30	2,342,410	13,412,798	17.46	0.00
2019	0.31	2,364,085	13,822,757	17.10	0.00
2020	0.30	2,567,364	13,855,612	18.53	0.00
2021	0.31	2,421,117	14,993,708	16.15	0.00
2022	0.32	2,037,630	15,213,434	13.54	0.00
2023	0.32	1,592,366	15,724,659	10.03	0.00

State of Mississippi Institutions of Higher Learning
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net OPEB Liability of the
Mississippi State and School Employees' Life and Health Insurance Plan
GASB 74 Paragraph 36(a)
June 30, 2023

Employer	Proportionate share of the net OPEB liability (%)	Proportionate share of the net OPEB liability (\$)	Covered-employee payroll	Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
Mississippi Valley State University:					
2018	0.40 %	\$ 3,175,395	\$ 18,182,528	17.46 %	0.00 %
2019	0.40	3,080,141	18,009,522	17.10	0.00
2020	0.39	3,314,930	17,890,090	18.53	0.00
2021	0.37	2,917,487	18,067,671	16.15	0.00
2022	0.35	2,243,749	16,639,693	13.54	0.00
2023	0.34	1,609,889	16,707,450	10.03	0.00
University of Mississippi:					
2018	2.52	19,806,214	113,411,739	17.46	0.00
2019	2.62	20,248,697	118,393,742	17.10	0.00
2020	2.63	22,349,145	120,614,392	18.53	0.00
2021	2.67	20,806,654	128,853,307	16.15	0.00
2022	2.65	17,066,623	125,986,247	13.54	0.00
2023	2.68	13,202,158	131,694,021	10.03	0.00
University of Southern Mississippi:					
2018	1.79	14,037,705	80,380,864	17.46	0.00
2019	1.82	14,044,422	82,117,466	17.10	0.00
2020	1.80	15,274,063	82,431,424	18.53	0.00
2021	1.80	13,981,862	86,588,121	16.15	0.00
2022	1.79	11,548,533	85,100,144	13.54	0.00
2023	1.81	8,920,294	88,942,604	10.03	0.00
University of Mississippi Medical Center:					
2018	7.35	57,663,711	330,186,370	17.46	0.00
2019	7.34	56,789,549	332,047,403	17.10	0.00
2020	7.60	64,529,186	348,252,627	18.53	0.00
2021	7.76	60,353,305	373,761,386	16.15	0.00
2022	7.46	47,990,300	354,663,171	13.54	0.00
2023	7.15	35,246,134	351,347,854	10.03	0.00
Executive Office:					
2018	0.09	712,832	4,081,723	17.46	0.00
2019	0.09	691,744	4,044,610	17.10	0.00
2020	0.09	759,685	4,099,885	18.53	0.00
2021	0.08	661,048	4,093,796	16.15	0.00
2022	0.09	547,687	4,278,778	13.54	0.00
2023	0.09	441,900	4,422,560	10.03	0.00

State of Mississippi Institutions of Higher Learning
 Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of the Net OPEB Liability of the
 Mississippi State and School Employees' Life and Health Insurance Plan
GASB 74 Paragraph 36(a)
 June 30, 2023

Employer	Proportionate share of the net OPEB liability (%)	Proportionate share of the net OPEB liability (\$)	Covered-employee payroll	Proportionate share of the net OPEB liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018 Totals	18.31 %	\$ 143,674,333	\$ 822,689,094	17.46 %	0.00 %
2019 Totals	18.34 %	\$ 141,831,761	\$ 829,287,578	17.10 %	0.00 %
2020 Totals	18.56 %	\$ 157,499,028	\$ 849,994,451	18.53 %	0.00 %
2021 Totals	18.76 %	\$ 146,002,208	\$ 904,175,557	16.15 %	0.00 %
2022 Totals	18.53 %	\$ 119,272,015	\$ 880,952,889	13.54 %	0.00 %
2023 Totals	18.29 %	\$ 90,089,029	\$ 898,762,552	10.03 %	0.00 %

See accompanying independent auditors' report.

State of Mississippi Institutions of Higher Learning
 Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of Employer Contributions to the
 Mississippi State and School Employees' Life and Health Insurance Plan
GASB 74 Paragraph 36(c)
 June 30, 2023

Employer	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
Alcorn State University:					
2018	\$ 253,468	179,174	74,294	26,074,744	0.69 %
2019	269,284	197,080	72,204	25,875,362	0.76
2020	258,131	189,145	68,986	25,466,787	0.74
2021	274,109	170,891	103,218	26,537,344	0.64
2022	288,561	126,734	161,827	23,295,570	0.54
2023	232,090	96,374	135,715	23,586,989	0.41
Delta State University:					
2018	178,839	126,420	52,420	18,397,530	0.69
2019	198,872	145,548	53,324	19,109,522	0.76
2020	194,558	142,562	51,996	19,194,756	0.74
2021	203,509	126,876	76,633	19,702,296	0.64
2022	241,449	106,042	135,407	19,492,212	0.54
2023	203,078	84,328	118,751	20,638,615	0.41
Jackson State University:					
2018	441,053	311,776	129,277	45,371,973	0.69
2019	437,124	319,917	117,207	42,003,040	0.76
2020	403,386	295,581	107,806	39,797,448	0.74
2021	408,437	254,637	153,800	39,542,017	0.64
2022	482,898	212,085	270,813	38,984,424	0.54
2023	401,322	166,647	234,674	40,785,835	0.41
Mississippi State University:					
2018	1,683,539	1,190,076	493,462	173,188,825	0.69
2019	1,809,398	1,324,240	485,159	173,864,154	0.76
2020	1,808,173	1,324,937	483,236	178,391,432	0.74
2021	1,983,574	1,236,645	746,928	192,035,910	0.64
2022	2,443,935	1,073,356	1,370,579	197,299,217	0.54
2023	2,016,278	837,253	1,179,026	204,911,965	0.41
Mississippi University for Women:					
2018	130,383	92,167	38,217	13,412,798	0.69
2019	143,853	105,281	38,572	13,822,757	0.76
2020	140,440	102,907	37,533	13,855,612	0.74
2021	154,873	96,554	58,318	14,993,708	0.64
2022	188,448	82,765	105,683	15,213,434	0.54
2023	154,726	64,250	90,477	15,724,659	0.41

State of Mississippi Institutions of Higher Learning
 Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of Employer Contributions to the
 Mississippi State and School Employees' Life and Health Insurance Plan
GASB 74 Paragraph 36(c)
 June 30, 2023

Employer	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
Mississippi Valley State University:					
2018	\$ 176,749	124,942	51,807	18,182,528	0.69 %
2019	187,424	137,170	50,255	18,009,522	0.76
2020	181,334	132,872	48,462	17,890,090	0.74
2021	186,624	116,350	70,275	18,067,671	0.64
2022	206,115	90,524	115,591	16,639,693	0.54
2023	164,397	68,265	96,132	16,707,450	0.41
University of Mississippi:					
2018	1,102,456	779,315	323,141	113,411,739	0.69
2019	1,232,120	901,748	330,371	118,393,742	0.76
2020	1,222,546	895,819	326,727	120,614,392	0.74
2021	1,330,949	829,771	501,178	128,853,307	0.64
2022	1,560,585	685,396	875,189	125,986,247	0.54
2023	1,295,834	538,090	757,743	131,694,021	0.41
University of Southern Mississippi:					
2018	781,368	552,341	229,027	80,380,864	0.69
2019	854,594	625,449	229,144	82,117,466	0.76
2020	835,524	612,229	223,295	82,431,424	0.74
2021	894,384	557,598	336,787	86,588,121	0.64
2022	1,054,131	462,966	591,165	85,100,144	0.54
2023	875,171	363,412	511,759	88,942,604	0.41
University of Mississippi Medical Center:					
2018	3,209,684	2,268,893	940,791	330,186,370	0.69
2019	3,455,606	2,529,046	926,561	332,047,403	0.76
2020	3,529,884	2,586,518	943,366	348,252,627	0.74
2021	3,860,649	2,406,895	1,453,754	373,761,386	0.64
2022	4,393,194	1,929,454	2,463,740	354,663,171	0.54
2023	3,457,168	1,435,577	2,021,591	351,347,854	0.41
Executive Office:					
2018	39,678	28,048	11,630	4,081,724	0.69
2019	42,092	30,806	11,286	4,044,612	0.76
2020	41,556	30,450	11,106	4,099,885	0.74
2021	42,286	26,363	15,923	4,093,796	0.64
2022	53,001	23,278	29,723	4,278,778	0.54
2023	43,517	18,070	25,447	4,422,560	0.41

State of Mississippi Institutions of Higher Learning
 Required Supplementary Information (Unaudited)
 Schedule of Proportionate Share of Employer Contributions to the
 Mississippi State and School Employees' Life and Health Insurance Plan
GASB 74 Paragraph 36(c)
 June 30, 2023

Employer	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2018 Totals	\$ 7,997,218	5,653,152	2,344,066	822,689,094	0.69 %
2019 Totals	\$ 8,630,368	6,316,285	2,314,083	829,287,578	0.76 %
2020 Totals	\$ 8,615,532	6,313,021	2,302,512	849,994,451	0.74 %
2021 Totals	\$ 9,339,393	5,822,581	3,516,812	904,175,557	0.64 %
2022 Totals	\$ 10,912,317	4,792,599	6,119,718	880,952,889	0.54 %
2023 Totals	\$ 8,843,581	3,672,266	5,171,315	898,762,552	0.41 %

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
Notes to Required Supplementary Information (Unaudited)
June 30, 2023

1. Net pension liability

(a) Schedule of Proportionate Share of the Net Pension Liability

This schedule presents historical trend information about the IHL System's proportionate share of the net pension liability for its employees who participate in the PERS. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the plan. Trend information will be accumulated to display a ten-year presentation.

(b) Schedule of Proportionate Share of Contributions to the PERS defined benefit plan

The required contributions and percentage of those contributions actually made are presented in the schedule. Trend information will be accumulated to display a ten-year presentation.

(c) Changes of Assumptions and in Benefit Provisions (pension plan)

Changes of assumptions:

2023

- There were no changes of assumptions.

2022

- 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 the female rates up to age 72, 100% for ages above 76; and
 - 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; and
 - 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%;
- The investment rate of return assumption was changed from 7.75% to 7.55%;
- The assumed load for administrative expenses was increased from 0.25% to 0.28% 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%; and
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
Notes to Required Supplementary Information (Unaudited)
June 30, 2023

2020

- 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; and
 - 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; and
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%;
- The wage inflation assumption was reduced from 3.25% to 3.00%;
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience; and
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2018

- 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%;
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience; and
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2017

- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2016

- 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 2016;
- 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 2016;
- 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; and
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Change in benefit provisions:

2018 - 2023

- There were no changes in benefit provisions.

2017

- 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.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
Notes to Required Supplementary Information (Unaudited)
June 30, 2023

2. Net OPEB liability

(a) Schedule of Proportionate Share of the Net OPEB Liability

This schedule presents historical trend information about the IHL System's proportionate share of the net OPEB liability for its employees who participate in the State and School Employees' Life and Health Insurance Plan. The net OPEB liability is measured as the total OPEB liability less the amount of the fiduciary net position of the plan. Trend information will be accumulated to display a ten-year presentation.

(b) Schedule of Proportionate Share of Employer Contributions to the State and School Employees' Life and Health Insurance Plan

The required contributions and percentage of those contributions actually made are presented in the schedule. Trend information will be accumulated to display a ten-year presentation.

(c) Changes of Assumptions and to Benefit Terms (OPEB plan)

Changes of assumptions:

2023

- The SEIR was changed from 2.13% for the prior measurement date to 3.37% to the current measurement date.

2022

- The SEIR was changed from 2.19% for the prior measurement date to 2.13% to the current measurement date.

2021

- The SEIR was changed from 3.50% for the prior measurement date to 2.19% to the current measurement date.

2020

- The SEIR was changed from 3.89% for the prior measurement date to 3.50% to the current measurement date.

2019

- The SEIR was changed from 3.56% for the prior measurement date to 3.89% to the current measurement date.

Changes to benefit terms:

2023

- The schedule of monthly retiree contributions was increased as of January 1, 2023. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2023.

2022

- The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

2021

- The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for Select coverage, and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

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REPORT ON INTERNAL CONTROL AND COMPLIANCE



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees
State of Mississippi Institutions of Higher Learning
Jackson, Mississippi

We have audited, in accordance with the 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, the financial statements of the business-type activities and the aggregate discretely presented component units of the State of Mississippi Institutions of Higher Learning (the IHL System), a component unit of the State of Mississippi, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the IHL System's basic financial statements, and have issued our report thereon dated December 28, 2023. Our report includes a reference to other auditors who audited the financial statements of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund, as described in our report on State of Mississippi Institutions of Higher Learning's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the IHL System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the IHL System's internal control. Accordingly, we do not express an opinion on the effectiveness of the IHL System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the IHL System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Baltimore, Maryland
December 28, 2023

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**COMPONENT UNIT ADDITIONAL INFORMATION
FOR INCLUSION IN THE STATE OF MISSISSIPPI
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Combining Schedule of Net Position

June 30, 2023

	IHL System only	DFA reclass entry	MSU Foundation	UM Foundation	USM Foundation	Foundation eliminations	Total
Assets							
Current Assets:							
Cash and cash equivalents	\$ 679,420,417	—	3,200,533	7,201,219	3,373,595	—	693,195,764
Short term investments	419,249,145	—	9,706,527	34,434,420	—	—	463,390,092
Accounts receivable, net	463,146,924	(13,476,732)	—	—	—	—	449,670,192
Notes and pledges receivable, net	13,813,069	—	21,494,996	11,601,206	1,751,932	—	48,661,203
Due from other governments	—	13,476,732	—	—	—	—	13,476,732
Inventories	44,027,961	—	—	—	—	—	44,027,961
Prepaid expenses	35,858,542	—	—	—	—	—	35,858,542
Other current assets	8,650,538	—	1,579,299	—	802,479	—	11,032,316
Total current assets	1,664,166,596	—	35,981,355	53,236,845	5,928,006	—	1,759,312,802
Non-Current Assets:							
Investments	746,266,336	—	167,006,491	197,691,310	29,637,610	—	1,140,601,747
Notes and pledges receivable, net	64,650,488	—	121,804,979	65,740,165	1,751,932	—	253,947,564
Restricted assets:							
Cash and cash equivalents	158,581,930	—	6,340,757	—	—	—	164,922,687
Short term investments	43,663,791	—	4,105,021	—	—	—	47,768,812
Investments	370,470,102	—	512,783,753	424,984,721	116,135,449	(46,241,724)	1,378,132,301
Beneficial interest in irrevocable trust	41,652,408	—	—	—	—	—	41,652,408
Capital assets, net	4,761,080,932	—	25,507,114	1,703,735	85,476	—	4,788,377,257
Other noncurrent assets	28,346,850	—	56,102,682	11,878,604	11,967,432	—	108,295,568
Total noncurrent assets	6,214,712,837	—	893,650,797	701,998,535	159,577,899	(46,241,724)	7,923,698,344
Total assets	7,878,879,433	—	929,632,152	755,235,380	165,505,905	(46,241,724)	9,683,011,146
Deferred outflows of resources:							
Deferred loss on refunding of debt	41,947,903	—	—	—	—	—	41,947,903
Pension related deferred outflows	534,408,813	—	—	—	—	—	534,408,813
OPEB related deferred outflows	22,886,962	—	—	—	—	—	22,886,962
Total deferred outflows of resources	599,243,678	—	—	—	—	—	599,243,678
Total assets and deferred outflows of resources	\$ 8,478,123,111	—	929,632,152	755,235,380	165,505,905	(46,241,724)	10,282,254,824

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Combining Schedule of Net Position

June 30, 2023

	IHL System only	DFA reclass entry	MSU Foundation	UM Foundation	USM Foundation	Foundation eliminations	Total
Liabilities and Net Position							
Liabilities:							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 292,709,552	(4,284,358)	13,644,247	—	834,718	—	302,904,159
Due to primary government	—	4,284,358	—	—	—	—	4,284,358
Unearned revenues	151,881,374	—	1,995,496	—	—	—	153,876,870
Bonds and notes payable	58,568,631	—	—	—	—	—	58,568,631
Lease obligations payable	18,693,817	—	—	—	—	—	18,693,817
Subscription liabilities	17,501,859	—	—	—	—	—	17,501,859
Current portion of noncurrent liabilities	24,809,210	—	—	280,096	17,734	—	25,107,040
Other current liabilities	76,742,642	—	—	3,501,708	—	—	80,244,350
Total current liabilities	<u>640,907,085</u>	<u>—</u>	<u>15,639,743</u>	<u>3,781,804</u>	<u>852,452</u>	<u>—</u>	<u>661,181,084</u>
Noncurrent liabilities:							
Bonds and notes payable	1,238,304,007	—	2,383,405	—	—	—	1,240,687,412
Lease obligations payable	93,701,082	—	—	—	—	—	93,701,082
Subscription liabilities	25,096,111	—	—	—	—	—	25,096,111
Net pension liability	3,229,875,677	—	—	—	—	—	3,229,875,677
Net OPEB liability	90,089,029	—	—	—	—	—	90,089,029
Other noncurrent liabilities	204,127,600	—	8,179,931	32,129,945	37,871	—	244,475,347
Total noncurrent liabilities	<u>4,881,193,506</u>	<u>—</u>	<u>10,563,336</u>	<u>32,129,945</u>	<u>37,871</u>	<u>—</u>	<u>4,923,924,658</u>
Total liabilities	5,522,100,591	—	26,203,079	35,911,749	890,323	—	5,585,105,742
Deferred inflows of resources:							
Deferred inflows related to pension	54,215,654	—	—	—	—	—	54,215,654
Deferred inflows related to OPEB	52,757,074	—	—	—	—	—	52,757,074
Deferred inflows related to leases	24,844,649	—	—	—	—	—	24,844,649
Deferred inflows related to partnership arrangements	4,564,450	—	—	—	—	—	4,564,450
Deferred inflows related to refundings	3,484,185	—	—	—	—	—	3,484,185
Beneficial interest in irrevocable trusts	41,652,408	—	—	—	—	—	41,652,408
Total deferred inflows of resources	<u>181,518,420</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>181,518,420</u>
Total liabilities and deferred inflows of resources	\$ <u>5,703,619,011</u>	<u>—</u>	<u>26,203,079</u>	<u>35,911,749</u>	<u>890,323</u>	<u>—</u>	<u>5,766,624,162</u>
Net Position:							
Net investment in capital assets	\$ 3,446,878,219	—	25,507,114	1,703,735	85,476	—	3,474,174,544
Restricted for:							
Other purposes	433,967,475	—	363,301,529	371,494,510	57,051,558	—	1,225,815,072
Permanent endowments:							
Nonexpendable	190,390,227	—	417,083,753	327,437,718	90,931,916	—	1,025,843,614
Unrestricted	(1,296,731,821)	—	97,536,677	18,687,667	16,546,632	(46,241,724)	(1,210,202,569)
Total net position	\$ <u>2,774,504,100</u>	<u>—</u>	<u>903,429,073</u>	<u>719,323,630</u>	<u>164,615,582</u>	<u>(46,241,724)</u>	<u>4,515,630,661</u>

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Combining Schedule of Activities

Year ended June 30, 2023

Functions/programs	Expenses	Program revenues			Net revenue (expense) and changes in net position					
		Charges for services	Operating grants and contributions	Capital grants and contributions	IHL System	MSU Foundation	UM Foundation	USM Foundation	Foundation eliminations	Total
IHL System	\$ 4,301,419,706	2,654,205,732	569,987,234	29,361,319	\$ (1,047,865,421)	—	—	—	—	(1,047,865,421)
MSU Foundation	63,165,551	—	156,154,936	—	—	92,989,385	—	—	—	92,989,385
UM Foundation	45,892,492	—	48,990,709	—	—	—	3,098,217	—	—	3,098,217
USM Foundation	14,101,766	—	11,160,477	—	—	—	—	(2,941,289)	—	(2,941,289)
Total universities	\$ 4,424,579,515	2,654,205,732	786,293,356	29,361,319	(1,047,865,421)	92,989,385	3,098,217	(2,941,289)	—	(954,719,108)
General revenues:										
Interest and investment income					34,874,048	64,156,623	34,866,389	11,915,298	(2,709,256)	143,103,102
Other					248,615,000	—	—	—	—	248,615,000
Payment from State of Mississippi					855,284,487	—	—	—	—	855,284,487
Contributions to permanent endowments					1,812,265	18,075,539	33,090,388	5,291,023	—	58,269,215
Total general revenues and contributions					1,140,585,800	82,232,162	67,956,777	17,206,321	(2,709,256)	1,305,271,804
Change in net position					\$ 92,720,379	175,221,547	71,054,994	14,265,032	(2,709,256)	\$ 350,552,696
Net position - beginning of the year										4,165,077,965
Net position - end of the year										\$ 4,515,630,661

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Schedule of Accounts Receivable Disclosure

June 30, 2023

	IHL System only	DFA reclass entry	Total
Student tuition	\$ 165,421,722	—	165,421,722
Auxiliary enterprises and other operating activities	42,450,697	—	42,450,697
Contributions and gifts	3,683,759	—	3,683,759
Federal, state, and private grants and contracts	194,023,773	15,265,727	209,289,500
State appropriations	28,742,459	(28,742,459)	—
Accrued interest	5,670,259	—	5,670,259
Patient income	697,505,993	—	697,505,993
Accrued lease receivable	2,106,790	—	2,106,790
Other	38,804,556	—	38,804,556
Total accounts receivable	<u>1,178,410,008</u>	<u>(13,476,732)</u>	<u>1,164,933,276</u>
Less bad debt provision	<u>(711,308,488)</u>	<u>—</u>	<u>(711,308,488)</u>
	467,101,520	(13,476,732)	453,624,788
Less noncurrent portion	<u>(3,954,596)</u>	<u>—</u>	<u>(3,954,596)</u>
Net accounts receivable	<u>\$ 463,146,924</u>	<u>(13,476,732)</u>	<u>449,670,192</u>

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Schedule of Notes and Pledges Receivable Disclosure

June 30, 2023

	<u>Interest rates</u>		<u>Total</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
From students:					
Perkins student loans	3% to 9%	\$	24,232,562	4,250,078	19,982,484
Nursing student loans	3% to 9%		1,731,485	216,334	1,515,151
Other federal loans	3% to 9%		4,908,905	2,125,070	2,783,835
Institutional student loans	0% to 9%		66,193,699	10,023,033	56,170,666
Medical student loans	3% to 9%		312,162	54,805	257,357
Dental student loans	3% to 9%		239,839	42,108	197,731
Notes and pledges:					
Foundations			228,555,945	35,615,672	192,940,273
Total notes and pledges receivable			326,174,597	52,327,100	273,847,497
Less allowance for doubtful accounts			23,565,830	3,665,897	19,899,933
Net notes and pledges receivable		\$	<u>302,608,767</u>	<u>48,661,203</u>	<u>253,947,564</u>
Foundation notes and pledges, before allowance for doubtful accounts:					
MSU Foundation		\$	144,228,125	21,634,219	122,593,906
UM Foundation			80,521,306	12,078,196	68,443,110
USM Foundation			3,806,514	1,903,257	1,903,257
		\$	<u>228,555,945</u>	<u>35,615,672</u>	<u>192,940,273</u>
Summary of allowance for doubtful accounts:					
IHL Universities		\$	19,155,095	2,898,359	16,256,736
MSU Foundation			928,150	139,223	788,927
UM Foundation			3,179,935	476,990	2,702,945
USM Foundation			302,650	151,325	151,325
		\$	<u>23,565,830</u>	<u>3,665,897</u>	<u>19,899,933</u>

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Schedule of Capital Assets Disclosure

Year ended June 30, 2023

	Balance June 30, 2022	Additions	Deletions/ transfers	Balance June 30, 2023
Nondepreciable Capital Assets:				
Land	\$ 119,260,407	21,074,513	110,666	140,224,254
Construction in progress	372,627,061	180,588,970	152,927,325	400,288,706
Livestock	1,905,346	250,598	—	2,155,944
Total nondepreciable capital assets	<u>493,792,814</u>	<u>201,914,081</u>	<u>153,037,991</u>	<u>542,668,904</u>
Depreciable/amortizable capital assets:				
Improvements other than buildings	537,431,992	18,378,898	2,936,144	552,874,746
Buildings	4,823,297,032	161,305,482	2,593,334	4,982,009,180
Equipment	994,501,993	53,915,131	33,848,357	1,014,568,767
Library books	475,850,653	9,380,012	564,957	484,665,708
Leased land	2,335,557	49,903	823	2,384,637
Leased buildings	90,335,474	17,844,580	6,840,396	101,339,658
Leased equipment	40,218,814	2,705,032	874,832	42,049,014
Subscription assets	—	60,525,298	—	60,525,298
Total depreciable/amortizable capital assets	<u>6,963,971,515</u>	<u>324,104,336</u>	<u>47,658,843</u>	<u>7,240,417,008</u>
Total capital assets	<u>7,457,764,329</u>	<u>526,018,417</u>	<u>200,696,834</u>	<u>7,783,085,912</u>
Less accumulated depreciation for:				
Improvements other than buildings	243,173,684	15,887,443	1,374,160	257,686,967
Buildings	1,386,434,538	86,536,426	8,509,942	1,464,461,022
Equipment	767,763,312	50,521,469	28,759,696	789,525,085
Library books	418,493,791	12,401,528	564,958	430,330,361
Less accumulated amortization for:				
Leased assets	19,123,561	21,292,408	4,038,378	36,377,591
Subscription assets	—	16,327,629	—	16,327,629
Total accumulated depreciation	<u>2,834,988,886</u>	<u>202,966,903</u>	<u>43,247,134</u>	<u>2,994,708,655</u>
Net capital assets	\$ <u>4,622,775,443</u>	<u>323,051,514</u>	<u>157,449,700</u>	<u>4,788,377,257</u>

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNINGState of Mississippi Component Unit Additional Information
Schedule of Construction Commitments and Financing Disclosure
June 30, 2023

	Cost to complete	Funded by			
		Federal sources	State sources	Institutional funds	Other
Alcorn State University	\$ 17,252,285	—	17,252,285	—	—
Delta State University	9,012,486	—	9,012,486	—	—
Jackson State University	31,731,833	—	31,731,833	—	—
Mississippi State University	229,671,613	33,284,092	69,395,453	107,155,625	19,836,443
Mississippi University for Women	4,814,641	2,297,656	1,670,649	846,336	—
Mississippi Valley State University	35,597,964	—	35,597,964	—	—
University of Mississippi	150,348,000	—	77,350,000	47,850,000	25,148,000
University of Southern Mississippi	72,302,944	14,867,979	38,264,042	19,170,923	—
University of Mississippi Medical Center	261,201,700	71,022,960	27,542,367	50,535,591	112,100,782
Totals	\$ 811,933,466	121,472,687	307,817,079	225,558,475	157,085,225

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Schedule of Long-Term Liabilities Disclosure (Rollforward)

Year ended June 30, 2023

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due within one year
Bonded debt	\$ 1,151,530,267	186,736,047	51,845,799	1,286,420,515	55,136,982
Notes payable and financed purchases	16,470,541	—	3,635,013	12,835,528	3,431,649
	<u>1,168,000,808</u>	<u>186,736,047</u>	<u>55,480,812</u>	<u>1,299,256,043</u>	<u>58,568,631</u>
Other long-term liabilities:					
Net pension liability	2,342,156,187	887,719,490	—	3,229,875,677	—
Net OPEB liability	119,272,015	—	29,182,986	90,089,029	—
Lease liability	115,969,533	20,485,878	24,060,512	112,394,899	18,693,817
Subscription liability	—	60,105,976	17,508,006	42,597,970	17,501,859
Accrued leave liability	138,031,693	4,082,708	1,378,908	140,735,493	14,312,867
Deposits refundable	1,833,303	3,061	463,103	1,373,261	—
Funds held in trust for others	25,111,187	3,502,144	—	28,613,331	280,096
Other noncurrent liabilities	109,032,266	67,360	10,239,324	98,860,302	10,514,077
Total other long-term liabilities	<u>2,851,406,184</u>	<u>975,966,617</u>	<u>82,832,839</u>	<u>3,744,539,962</u>	<u>61,302,716</u>
Total	\$ <u>4,019,406,992</u>	<u>1,162,702,664</u>	<u>138,313,651</u>	\$ <u>5,043,796,005</u>	<u>119,871,347</u>
Due within one year				<u>(119,871,347)</u>	
Total long-term liabilities				\$ <u>4,923,924,658</u>	

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
State of Mississippi Component Unit Additional Information
Schedule of Debt Service Disclosure (IHL System Only, by Institution)
June 30, 2023

	Bonded debt		Notes payable		Lease liability		Subscription liability		Total interest	
	Total	Principal	Interest	Principal	Interest	Principal	Interest	Principal		Interest
IHL System:										
2024	\$ 151,930,259	55,136,982	49,128,752	7,343,387	375,108	18,693,817	2,534,155	17,501,859	1,216,199	53,254,214
2025	139,624,963	54,022,090	47,140,833	7,426,961	221,405	16,071,156	2,099,436	11,955,321	687,761	50,149,435
2026	128,601,289	58,070,291	44,748,354	3,500,411	86,039	13,090,011	1,743,261	7,025,015	337,907	46,915,561
2027	119,608,137	59,350,509	42,516,936	880,840	34,886	11,137,709	1,448,447	4,094,731	144,079	44,144,348
2028	115,160,788	61,928,948	40,207,302	773,768	10,201	9,049,330	1,203,114	1,964,161	23,964	41,444,581
2029 - 2033	519,379,004	319,791,527	163,847,161	—	—	32,409,350	3,272,217	56,883	1,866	167,121,244
2034 - 2038	396,755,525	283,476,016	105,985,483	—	—	6,203,882	1,090,144	—	—	107,075,627
2039 - 2043	282,607,303	217,735,570	61,559,862	—	—	2,792,055	519,816	—	—	62,079,678
2044 - 2048	151,081,898	126,253,789	23,764,612	—	—	772,399	291,098	—	—	24,055,710
2049 - 2053	57,908,713	50,654,793	6,085,550	—	—	975,357	193,013	—	—	6,278,563
Thereafter	1,330,721	—	—	—	—	1,199,833	130,888	—	—	130,888
	<u>\$ 2,063,988,600</u>	<u>1,286,420,515</u>	<u>584,984,845</u>	<u>19,925,367</u>	<u>727,639</u>	<u>112,394,899</u>	<u>14,525,589</u>	<u>42,597,970</u>	<u>2,411,776</u>	<u>602,649,849</u>
Alcorn State University:										
2024	\$ 3,256,624	1,627,512	1,600,200	—	—	18,502	2,590	7,569	251	1,603,041
2025	3,289,525	1,752,512	1,532,500	—	—	2,019	2,494	—	—	1,534,994
2026	3,341,555	1,887,512	1,451,125	—	—	443	2,475	—	—	1,453,600
2027	3,373,806	2,007,512	1,363,375	—	—	454	2,465	—	—	1,365,840
2028	3,370,812	2,097,512	1,270,375	—	—	464	2,461	—	—	1,272,836
2029 - 2033	17,065,267	12,222,560	4,828,125	—	—	2,468	12,114	—	—	4,840,239
2034 - 2038	17,281,715	14,901,968	2,365,163	—	—	2,769	11,815	—	—	2,376,978
2039 - 2043	6,448,938	6,214,996	219,362	—	—	3,099	11,481	—	—	230,843
2044 - 2048	14,581	—	—	—	—	3,468	11,113	—	—	11,113
2049 - 2053	14,563	—	—	—	—	3,875	10,688	—	—	10,688
Thereafter	163,260	—	—	—	—	92,876	70,384	—	—	70,384
	<u>\$ 57,620,646</u>	<u>42,712,084</u>	<u>14,630,225</u>	<u>—</u>	<u>—</u>	<u>130,437</u>	<u>140,080</u>	<u>7,569</u>	<u>251</u>	<u>14,770,556</u>
Delta State University:										
2024	\$ 1,244,225	650,000	436,100	—	—	49,072	6,296	96,118	6,639	449,035
2025	1,055,623	500,000	407,350	—	—	50,708	4,660	89,003	3,902	415,912
2026	1,030,387	525,000	381,725	—	—	52,381	2,987	66,388	1,906	386,618
2027	1,004,036	550,000	354,850	—	—	54,109	1,259	43,327	491	356,600
2028	918,727	580,000	329,500	—	—	9,189	38	—	—	329,538
2029 - 2033	4,549,350	3,260,000	1,289,350	—	—	—	—	—	—	1,289,350
2034 - 2038	4,542,300	3,955,000	587,300	—	—	—	—	—	—	587,300
2039 - 2043	912,900	895,000	17,900	—	—	—	—	—	—	17,900
	<u>\$ 15,257,548</u>	<u>10,915,000</u>	<u>3,804,075</u>	<u>—</u>	<u>—</u>	<u>215,459</u>	<u>15,240</u>	<u>294,836</u>	<u>12,938</u>	<u>3,832,253</u>
Jackson State University:										
2024	\$ 9,046,870	5,090,376	2,204,134	132,639	7,681	693,879	153,098	720,872	44,191	2,409,104
2025	8,743,337	5,203,585	1,986,716	68,594	1,564	690,215	137,249	635,685	19,729	2,145,258
2026	7,882,065	5,340,000	1,578,978	—	—	658,311	121,602	177,323	5,851	1,706,431
2027	8,569,760	6,520,000	1,507,606	—	—	432,610	109,544	—	—	1,617,150
2028	8,570,535	6,605,000	1,423,381	—	—	442,176	99,978	—	—	1,523,359
2029 - 2033	42,850,220	35,120,000	5,019,449	—	—	2,367,572	343,199	—	—	5,362,648
2034 - 2038	18,615,463	15,700,000	1,017,860	—	—	1,823,104	74,499	—	—	1,092,359
2039 - 2043	2,794,785	2,520,000	274,785	—	—	—	—	—	—	274,785
2044 - 2048	1,119,334	1,085,000	34,334	—	—	—	—	—	—	34,334
	<u>\$ 108,192,369</u>	<u>83,183,961</u>	<u>15,047,243</u>	<u>201,233</u>	<u>9,245</u>	<u>7,107,867</u>	<u>1,039,169</u>	<u>1,533,880</u>	<u>69,771</u>	<u>16,165,428</u>
Mississippi State University:										
2024	\$ 30,717,389	14,899,553	11,645,381	—	—	751,010	398,393	2,829,013	194,039	12,237,813
2025	27,295,197	13,053,348	11,049,615	—	—	585,144	378,696	2,121,743	106,651	11,534,962
2026	25,835,424	13,403,752	10,471,991	—	—	612,279	360,979	949,533	36,890	10,869,860
2027	23,229,488	12,204,578	9,899,013	—	—	634,181	342,588	143,332	5,796	10,247,397
2028	23,721,246	13,443,803	9,348,318	—	—	595,363	325,012	7,684	1,066	9,674,396
2029 - 2033	106,446,874	64,314,093	38,105,338	—	—	2,624,795	1,376,399	24,605	1,644	39,483,381
2034 - 2038	96,509,838	68,720,130	23,969,804	—	—	2,848,588	971,316	—	—	24,941,120
2039 - 2043	78,713,564	64,914,220	10,502,053	—	—	2,788,956	508,335	—	—	11,010,388
2044 - 2048	20,514,064	18,734,645	730,503	—	—	768,931	279,985	—	—	1,010,488
2049 - 2053	1,153,807	—	—	—	—	971,482	182,325	—	—	182,325
Thereafter	1,167,461	—	—	—	—	1,106,957	60,504	—	—	60,504
	<u>\$ 435,304,352</u>	<u>283,688,122</u>	<u>125,722,016</u>	<u>—</u>	<u>—</u>	<u>14,287,686</u>	<u>5,184,532</u>	<u>6,075,910</u>	<u>346,086</u>	<u>131,252,634</u>
Mississippi University for Women:										
2024	\$ 269,334	—	—	—	—	18,605	2,206	235,096	13,427	15,633
2025	197,852	—	—	—	—	19,224	1,587	171,376	5,665	7,252
2026	20,812	—	—	—	—	19,859	953	—	—	953
2027	18,805	—	—	—	—	18,480	325	—	—	325
	<u>\$ 506,803</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>76,168</u>	<u>5,071</u>	<u>406,472</u>	<u>19,092</u>	<u>24,163</u>

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
State of Mississippi Component Unit Additional Information
Schedule of Debt Service Disclosure (IHL System Only, by Institution)
June 30, 2023

	Bonded debt			Notes payable		Lease liability		Subscription liability		Total interest
	Total	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
Mississippi Valley State University:										
2024	\$ 1,194,359	625,000	497,256	—	—	19,210	493	50,024	2,376	500,125
2025	1,176,006	675,000	481,632	—	—	11,833	86	6,727	728	482,446
2026	1,197,586	725,000	464,756	—	—	—	—	7,326	504	465,260
2027	1,236,231	785,000	443,006	—	—	—	—	7,962	263	443,269
2028	1,264,456	845,000	419,456	—	—	—	—	—	—	419,456
2029 - 2033	6,919,675	5,285,000	1,634,675	—	—	—	—	—	—	1,634,675
2034 - 2038	6,328,150	5,775,000	553,150	—	—	—	—	—	—	553,150
	<u>\$ 19,316,463</u>	<u>14,715,000</u>	<u>4,493,931</u>	<u>—</u>	<u>—</u>	<u>31,043</u>	<u>579</u>	<u>72,039</u>	<u>3,871</u>	<u>4,498,381</u>
University of Mississippi:										
2024	\$ 31,395,890	14,822,025	10,885,524	1,821,133	174,290	998,575	77,289	2,476,333	140,721	11,277,824
2025	29,795,973	15,527,025	10,254,107	1,870,745	124,712	820,088	49,415	1,088,202	61,679	10,489,913
2026	28,612,540	16,242,787	9,573,880	1,921,427	74,031	271,052	29,615	473,865	25,883	9,703,409
2027	26,777,440	16,414,708	8,867,591	880,840	34,886	250,167	21,840	297,081	10,327	8,934,644
2028	26,347,647	17,187,217	8,135,967	773,768	10,201	203,875	14,825	21,098	696	8,161,689
2029 - 2033	109,652,953	79,535,686	29,832,230	—	—	273,786	11,251	—	—	29,843,481
2034 - 2038	62,090,566	44,360,047	17,730,519	—	—	—	—	—	—	17,730,519
2039 - 2043	35,395,613	23,292,097	12,103,516	—	—	—	—	—	—	12,103,516
2044 - 2048	28,674,711	21,689,336	6,985,375	—	—	—	—	—	—	6,985,375
2049 - 2053	22,892,362	20,547,412	2,344,950	—	—	—	—	—	—	2,344,950
	<u>\$ 401,635,695</u>	<u>269,618,340</u>	<u>116,713,659</u>	<u>7,267,913</u>	<u>418,120</u>	<u>2,817,543</u>	<u>204,235</u>	<u>4,356,579</u>	<u>239,306</u>	<u>117,575,320</u>
University of Southern Mississippi:										
2024	\$ 13,771,237	6,514,927	5,774,466	—	—	1,105,661	74,062	284,508	17,613	5,866,141
2025	13,770,380	6,937,129	5,538,026	—	—	1,037,636	47,908	201,446	8,235	5,594,169
2026	13,341,736	7,304,230	5,278,009	—	—	675,678	26,223	55,756	1,840	5,306,072
2027	13,289,069	7,893,054	4,989,569	—	—	392,466	13,980	—	—	5,003,549
2028	12,785,585	7,851,334	4,670,531	—	—	257,954	5,766	—	—	4,676,297
2029 - 2033	64,562,871	46,446,866	17,967,275	—	—	140,669	8,061	—	—	17,975,336
2034 - 2038	45,420,467	37,647,272	7,773,195	—	—	—	—	—	—	7,773,195
2039 - 2043	23,741,930	21,414,212	2,327,718	—	—	—	—	—	—	2,327,718
	<u>\$ 200,683,275</u>	<u>142,009,024</u>	<u>54,318,789</u>	<u>—</u>	<u>—</u>	<u>3,610,064</u>	<u>176,000</u>	<u>541,710</u>	<u>27,688</u>	<u>54,522,477</u>
University of Mississippi Medical Center:										
2024	\$ 60,924,306	10,907,589	16,085,691	5,389,615	193,137	14,972,973	1,813,033	10,769,166	793,102	18,884,963
2025	54,185,855	10,373,491	15,890,887	5,487,622	95,129	12,788,315	1,472,661	7,599,316	478,434	17,937,111
2026	47,259,460	12,642,010	15,547,890	1,578,984	12,008	10,744,609	1,195,703	5,274,581	263,675	17,019,276
2027	42,048,667	12,975,657	15,091,926	—	—	9,317,344	955,111	3,582,117	126,512	16,173,549
2028	38,159,874	13,319,082	14,609,774	—	—	7,518,664	754,773	1,935,379	22,202	15,386,749
2029 - 2033	167,331,794	73,607,322	65,170,719	—	—	27,000,060	1,521,193	32,278	222	66,692,134
2034 - 2038	145,967,026	92,416,599	51,988,492	—	—	1,529,421	32,514	—	—	52,021,006
2039 - 2043	134,599,573	98,485,045	36,114,528	—	—	—	—	—	—	36,114,528
2044 - 2048	100,759,208	84,744,808	16,014,400	—	—	—	—	—	—	16,014,400
2049 - 2053	33,847,981	30,107,381	3,740,600	—	—	—	—	—	—	3,740,600
	<u>\$ 825,083,744</u>	<u>439,578,984</u>	<u>250,254,907</u>	<u>12,456,221</u>	<u>300,274</u>	<u>83,871,386</u>	<u>7,744,988</u>	<u>29,192,837</u>	<u>1,684,147</u>	<u>259,984,316</u>
Executive Office:										
2024	\$ 110,025	—	—	—	—	66,330	6,695	33,160	3,840	10,535
2025	115,215	—	—	—	—	65,974	4,680	41,823	2,738	7,418
2026	79,724	—	—	—	—	55,399	2,724	20,243	1,358	4,082
2027	60,835	—	—	—	—	37,898	1,335	20,912	690	2,025
2028	21,906	—	—	—	—	21,645	261	—	—	261
	<u>\$ 387,705</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>247,246</u>	<u>15,695</u>	<u>116,138</u>	<u>8,626</u>	<u>24,321</u>

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
State of Mississippi Component Unit Additional Information
Schedule of Debt Service Disclosure (IHL System only, Combined)
June 30, 2023

	Total	Bonded debt		Notes payable		Lease liability		Subscription liability		Total interest
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
IHL System Combined:										
2024	\$ 151,930,259	55,136,982	49,128,752	7,343,387	375,108	18,693,817	2,534,155	17,501,859	1,216,199	53,254,214
2025	139,624,963	54,022,090	47,140,833	7,426,961	221,405	16,071,156	2,099,436	11,955,321	687,761	50,149,435
2026	128,601,289	58,070,291	44,748,354	3,500,411	86,039	13,090,011	1,743,261	7,025,015	337,907	46,915,561
2027	119,608,137	59,350,509	42,516,936	880,840	34,886	11,137,709	1,448,447	4,094,731	144,079	44,144,348
2028	115,160,788	61,928,948	40,207,302	773,768	10,201	9,049,330	1,203,114	1,964,161	23,964	41,444,581
2029 - 2033	519,379,004	319,791,527	163,847,161	—	—	32,409,350	3,272,217	56,883	1,866	167,121,244
2034 - 2038	396,755,525	283,476,016	105,985,483	—	—	6,203,882	1,090,144	—	—	107,075,627
2039 - 2043	282,607,303	217,735,570	61,559,862	—	—	2,792,055	519,816	—	—	62,079,678
2044 - 2048	151,081,898	126,253,789	23,764,612	—	—	772,399	291,098	—	—	24,055,710
2049 - 2053	57,908,713	50,654,793	6,085,550	—	—	975,357	193,013	—	—	6,278,563
Thereafter	1,330,721	—	—	—	—	1,199,833	130,888	—	—	130,888
	<u>\$ 2,063,988,600</u>	<u>1,286,420,515</u>	<u>584,984,845</u>	<u>19,925,367</u>	<u>727,639</u>	<u>112,394,899</u>	<u>14,525,589</u>	<u>42,597,970</u>	<u>2,411,776</u>	<u>602,649,849</u>

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Schedule of Bonds and Notes Payable Disclosure

June 30, 2023

	Original issue	Balance Outstanding June 30, 2023	Interest rate	Maturity date
Alcorn State University:				
Bonds:				
EBC - Series 2016	\$ 43,630,000	42,712,084	2.00% – 5.00%	09/2039
	<u>43,630,000</u>	<u>42,712,084</u>		
Delta State University:				
Bonds:				
EBC - Series 2016	15,105,000	10,915,000	2.00% – 5.00%	12/2038
	<u>15,105,000</u>	<u>10,915,000</u>		
Jackson State University:				
Bonds:				
EBC - Series 2015A	57,595,000	8,153,961	2.00% – 5.00%	03/2025
EBC - Series 2017A	29,745,000	26,355,000	1.60% – 3.70%	03/2034
EBC - Series 2021A	42,380,000	42,380,000	1.05% – 2.85%	03/2045
EBC - Series 2021B	6,295,000	6,295,000	2.35%	03/2035
	<u>136,015,000</u>	<u>83,183,961</u>		
Notes and financed purchases:				
MS Master Lease program	1,127,000	201,233	4.56%	10/2024
	<u>1,127,000</u>	<u>201,233</u>		
Mississippi State University:				
Bonds:				
EBC - Series 2013	60,470,000	7,679,299	2.00% – 5.00%	08/2043
EBC - Series 2014A	89,810,000	62,280,291	2.00% – 5.00%	08/2043
EBC - Series 2014B	23,435,000	15,260,000	0.29% – 4.81%	08/2043
EBC - Series 2015	56,010,000	50,472,177	2.00% – 5.00%	08/2045
EBC - Series 2017	63,270,000	54,144,812	2.00% – 5.00%	08/2045
EBC - Series 2017A	92,075,000	93,851,543	2.00% – 5.00%	08/2043
	<u>385,070,000</u>	<u>283,688,122</u>		
Mississippi Valley State University:				
Bonds:				
EBC - Series 2015	17,270,000	14,715,000	2.00%	03/2037
	<u>17,270,000</u>	<u>14,715,000</u>		

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Schedule of Bonds and Notes Payable Disclosure

June 30, 2023

	Original issue	Balance Outstanding June 30, 2023	Interest rate	Maturity date
University of Mississippi:				
Bonds:				
EBC - Series 2011	27,995,000	783,459	3.00% – 5.00%	10/2031
EBC - Series 2015A	15,660,000	14,081,951	2.00% – 4.00%	11/2039
EBC - Series 2015B	10,125,000	5,255,000	1.375% – 3.75%	11/2029
EBC - Series 2015C	31,630,000	28,680,764	2.00% – 5.00%	11/2045
EBC - Series 2015D	17,660,000	12,655,000	0.993% – 4.452%	11/2035
EBC - Series 2016A	33,245,000	22,058,082	2.00% – 5.00%	10/2033
EBC - Series 2017	38,995,000	34,523,183	2.00% – 5.00%	10/2034
EBC - Series 2019A	73,350,000	75,224,306	3.00% – 5.00%	10/2035
EBC - Series 2019B	3,365,000	655,000	1.94% – 2.05%	10/2023
EBC - Series 2022	72,760,000	75,701,595	4.00% – 5.00%	10/2044
	<u>324,785,000</u>	<u>269,618,340</u>		
Notes:				
Hancock Bank	9,500,000	3,113,321	2.59 %	06/2026
Renasant Bank	8,000,000	4,154,592	2.745 %	06/2028
	<u>17,500,000</u>	<u>7,267,913</u>		
University of Southern Mississippi:				
Bonds:				
SMEBC - Series 2013	51,875,000	6,022,245	2.00% – 5.00%	09/2043
SMEBC - Series 2015A	38,600,000	30,280,738	2.00% – 5.00%	03/2034
SMEBC - Series 2015B	16,690,000	2,625,000	0.50% – 3.25%	03/2034
SMEBC - Series 2016	58,870,000	59,489,977	2.00% – 5.00%	09/2039
SMEBC - Series 2017	44,005,000	43,591,064	2.00% – 5.00%	09/2043
	<u>210,040,000</u>	<u>142,009,024</u>		
University Medical Center:				
Bonds:				
MCEBC - Series 1998B	41,075,000	3,945,000	3.88% – 5.90%	12/2023
MCEBC - Series 2017A	137,635,000	146,896,072	3.00% – 5.00%	06/2047
MCEBC - Series 2017B	12,345,000	860,000	2.45% – 3.10%	06/2024
MCEBC - Series 2019	24,380,000	25,602,124	5.00%	06/2035
MCEBC - Series 2020B	158,125,000	151,300,000	0.445% – 2.917%	06/2041
MCEBC - Series 2023A	82,500,000	83,475,788	4.00% – 5.00%	06/2053
MCEBC - Series 2023B	27,500,000	27,500,000	4.47%	06/2036
	<u>483,560,000</u>	<u>439,578,984</u>		
Notes:				
University of Mississippi	8,336,907	7,195,029	2.00%	06/2026
University of Mississippi	3,748,012	2,278,216	0.93%	06/2026
Financed purchases	5,945,000	2,982,976	1.70% – 2.27%	04/2025
	<u>18,029,919</u>	<u>12,456,221</u>		
Total	\$ <u>1,652,131,919</u>	<u>1,306,345,882</u>		

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

State of Mississippi Component Unit Additional Information

Schedule of Functional Expenses Disclosure

Year ended June 30, 2023

Functional Classification	Salaries and wages	Fringe benefits	Travel	Contractual services	Utilities	Scholarships and fellowships	Commodities	Depreciation and amortization	Other	Total
Instruction	\$ 504,207,585	170,019,186	10,564,562	46,135,386	384,318	830,710	17,273,415	—	118,006	749,533,168
Research	205,123,192	79,126,169	10,153,443	86,162,911	4,587,547	1,693,795	31,999,344	—	963,061	419,809,462
Public Service	99,204,016	36,616,291	5,075,829	51,556,864	2,141,388	158,735	10,935,767	—	107,780	205,796,670
Academic Support	90,993,386	29,941,534	2,540,162	34,970,283	393,683	962,946	19,424,673	—	8,282	179,234,949
Student Services	56,014,357	19,172,785	8,219,451	17,499,517	285,633	442,522	8,722,872	—	287,094	110,644,231
Institutional Support	162,646,877	61,456,982	3,712,508	127,027,987	224,203	1,924,095	21,768,262	—	3,859,550	382,620,464
Operation of Plant	57,427,215	22,803,355	212,628	64,149,163	60,559,056	—	13,880,309	—	136,465	219,168,191
Student Aid	3,916,581	6,782,580	92,873	1,514,468	82	198,655,252	321,339	—	223,710	211,506,885
Auxiliary Enterprises	103,900,996	29,952,292	19,572,252	98,931,811	22,286,343	31,984,303	19,138,839	—	34,189	325,801,025
Depreciation and amortization	—	—	—	—	—	—	—	205,519,728	—	205,519,728
Hospital	549,075,245	164,853,306	742,438	253,419,486	1,397,013	—	358,592,622	—	—	1,328,080,110
Loan Fund expenses	—	—	—	(771,091)	—	—	—	—	3,258,798	2,487,707
Interest	—	—	—	—	—	—	—	—	46,108,722	46,108,722
Inter-campus eliminations	—	—	—	(54,617,201)	—	(38,211,127)	—	—	—	(92,828,328)
Total operating expenses	\$ 1,832,509,450	620,724,480	60,886,146	725,979,584	92,259,266	198,441,231	502,057,442	205,519,728	55,105,657	4,293,482,984