




Mississippi Institutions of Higher Learning A Component Unit of the State of Mississippi

Financial Statements

June 30, 2024 and 2023



MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

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Independent Auditor's Report

Board of Trustees
Mississippi Institutions of Higher Learning
Jackson, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the 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, 2024, 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 report of other auditors, the accompanying 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, and the University of Southern Mississippi Foundation, which are discretely presented component units of the IHL System. Those statements, which reflect 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2024 were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, and the University of Southern Mississippi Foundation, is based solely on the reports of the other auditors.

We did not audit the financial statements of the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund and the State Institutions of Higher Learning Tort Liability Fund, which are included in the business-type activities of the IHL System. Those statements, which reflect approximately .7%, 1.0%, and 0.4%, respectively, of the assets, net position, and revenues of the business-type activities of the IHL System as of and for the year ended June 30, 2024, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit

of the Financial Statements” section of our report. We are required to be independent of the 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. The financial statements of the discretely presented component units listed above and 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*.

Prior Year Audited by Other Auditors

The 2023 financial statements were audited by other auditors, and their report thereon, dated December 28, 2023, expressed an unmodified opinion.

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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. 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, pension, and other postemployment benefit information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the IHL System's basic financial statements. The combining supplementary statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 January 10, 2025 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

Board of Trustees
Mississippi Institutions of Higher Learning

financial reporting and compliance and the results on 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 the IHL System's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Jackson, Mississippi
January 10, 2025**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Management's Discussion and Analysis (Unaudited)
June 30, 2024 and 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 77,000 students with an employee base of 27,900 individuals. Faculty makes up approximately 6,000 of the total employee count. The system offers over 800 degree programs and awarded approximately 19,600 degrees in academic year 2023.

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, 2024. 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
MUW	Mississippi University for Women

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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 discussion and analysis below provide an overview of the financial position and activities of the IHL System for the years ended June 30, 2024 and 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 \$134 million in fiscal year 2024. Net tuition and fees revenue was up 8.8%, or \$60.3 million. Operating expenses increased by \$568 million, where the major contributor to this increase was personnel cost. The IHL System experienced a 45% (or \$278 million) rise in fringe benefits expense coupled with an 11% (or \$206 million) increase in salaries and wage expense. Excluding the effects of pension and other postemployment benefit (opecb) liabilities, the increase to fringe benefits expense is only \$49 million. Patient care revenues of the medical center experienced a 15.8% growth, or \$216 million.

Financial highlights (in millions)	Years ended June 30,		
	2022	2023	2024
Total operating revenues	\$ 3,045	3,219	3,620
Total operating expenses	3,847	4,226	4,794
Operating loss	(802)	(1,007)	(1,174)
State appropriations	711	812	868
Gifts	337	220	258
Investment income	(69)	35	115
Interest expense on capital asset-related debt	(42)	(46)	(52)
Other nonoperating revenues, net and other revenue, expenses, gains and losses	114	79	119
Increase in net position	250	93	134
Net position, beginning of the year	2,432	2,682	2,775
Net position, end of year	\$ 2,682	2,775	2,909

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.

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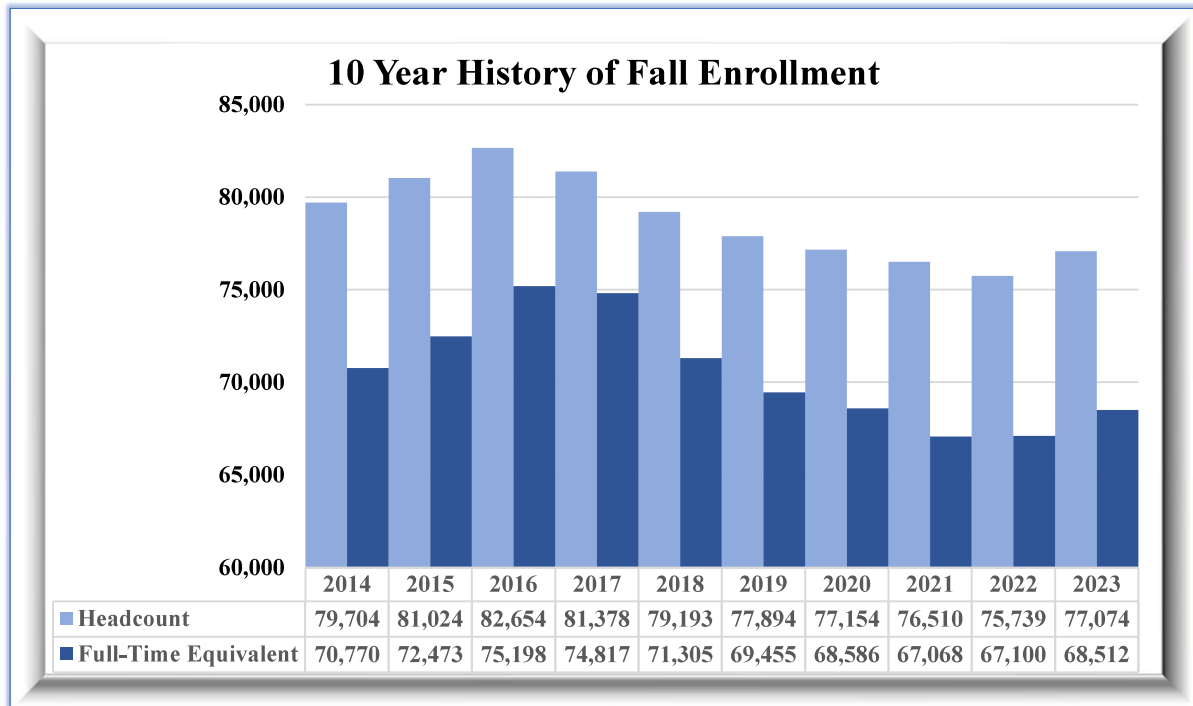
Financial Statements

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 years 2024 and 2023 and includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources for all institutions within the IHL System. The difference between total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources – 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 years ended June 30, 2024 and 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 17.4% and 18.5% of total IHL System net revenues for fiscal years 2024 and 2023, respectively, 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.



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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 of resources, and deferred inflows of resources 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, equipment, and lease and subscription assets 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	June 30, 2024	Changes between years	
				2022 to 2023	2023 to 2024
Assets:					
Current assets	\$ 1,593,367,919	1,664,166,596	1,855,867,179	4.4 %	11.5 %
Capital assets, net	4,606,960,130	4,761,080,932	4,977,803,909	3.3	4.6
Other assets	1,387,646,550	1,453,631,905	1,613,779,474	4.8	11.0
Deferred outflows of resources	490,752,155	599,243,678	1,012,936,286	22.1	69.0
Total assets and deferred outflows of resources	\$ 8,078,726,754	8,478,123,111	9,460,386,848	4.9 %	11.6 %
Liabilities:					
Current liabilities	\$ 635,609,005	640,907,085	738,035,180	0.8	15.2
Noncurrent liabilities	3,880,941,613	4,881,193,506	5,642,661,356	25.8	15.6
Deferred inflows of resources	880,392,415	181,518,420	171,089,398	(79.4)	(5.7)
Total liabilities and deferred inflows of resources	\$ 5,396,943,033	5,703,619,011	6,551,785,934	5.7 %	14.9 %
Net position (deficit):					
Investment in capital assets, net of debt	\$ 3,349,669,211	3,446,878,219	3,679,812,504	2.9 %	6.8 %
Restricted – nonexpendable	185,522,926	190,390,227	201,036,313	2.6	5.6
Restricted – expendable	395,157,663	433,967,475	484,825,848	9.8	11.7
Unrestricted	(1,248,566,079)	(1,296,731,821)	(1,457,073,751)	(3.9)	(12.4)
Total net position	\$ 2,681,783,721	2,774,504,100	2,908,600,914	3.5 %	4.8 %

At June 30, 2024, 2023, and 2022, current assets totaled \$1.86 billion, \$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 11.5% (or \$191.7 million) and 4.4% (or \$70.8 million) from June 30, 2023 to 2024 and from June 30, 2022 to 2023, respectively. Cash and cash equivalents, and short-term investments constituted approximately 67%

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and 66% of current assets as of June 30, 2024 and 2023, respectively, while net receivables constituted approximately 28.5% and 28.6% of current assets as of June 30, 2024 and 2023, respectively. Approximately 45.6% and 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, 2024 and 2023, respectively, while 26.1% and 24.5%, respectively, 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, 2024, 2023, and 2022, noncurrent assets totaled \$6.6 billion, \$6.2 billion and \$6.0 billion, respectively, which included capital assets of \$5.0 billion, \$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 \$235 million and \$212 million at June 30, 2024 and 2023, respectively. 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 \$66.6 million and \$109.8 million at June 30, 2024 and 2023, respectively. One other significant noncurrent asset of the IHL System is student loans receivable which equaled \$64.2 million and \$64.6 million at June 30, 2024 and 2023, respectively. In total, noncurrent assets increased by 6.1% (or \$376.9 million). Net capital assets increased by 4.6%, or \$216.7 million, to \$4.98 billion at 2024. 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, 2024, 2023, and 2022, current liabilities equaled \$738 million, \$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 \$5.6 billion, \$4.9 billion, and \$3.9 billion, at June 30, 2024, 2023, and 2022, respectively. The IHL System's proportionate share of the PERS collective net pension liability increased by \$703.4 million (22%) and \$887.7 million (38%) as of June 30, 2024 and 2023, respectively. The IHL System's proportionate share of the collective net OPEB liability reported by the State and School Employees' Life and Health Insurance Plan increased \$13 million (14.4%) as of June 30, 2024 and decreased by \$29.2 million (24.5%) as of June 30, 2023.

Deferred outflows of resources increased by \$413.7 million in 2024 which was mainly caused by the pension and OPEB adjustments for GASB No. 68 and 75. The IHL System recorded \$938.6 million of pension-related deferred outflows at the end of fiscal year 2024, 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 conjunction with the change of assumption in the discount rate to 7.00% from 7.55%. Deferred inflows of resources changed nominally with a decrease of \$10.4 million, or 5.7%.

Restricted nonexpendable net position equaled \$201.0 million, \$190.4 million, and \$185.5 million, at June 30, 2024, 2023, and 2022, respectively, 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 5.6% (or \$10.6 million) and 2.6% (or \$4.9 million) from June 30, 2023 to 2024 and June 30, 2022 to 2023, respectively.

Restricted expendable net position equaled \$484.8 million, \$434.0 million, and \$395.2 million, at June 30, 2024, 2023, and 2022, respectively, 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 11.7% (or \$50.9 million) and 9.8% (or \$38.8 million) from June 30, 2023 to 2024 and June 30, 2022 to 2023, respectively.

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Unrestricted net position (deficit) equaled \$(1.5) billion, \$(1.3) billion, and \$(1.2) billion, at June 30, 2024, 2023 and 2022, respectively, and represents those assets that are available to the IHL System for any lawful purpose. The value of unrestricted net position worsened by 13.9% (or \$180.6 million) from June 30, 2023 to 2024, and also by 3.9% (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. At June 30, 2024, 2023, and 2022, the net pension liability was \$3.9 billion, \$3.2 billion, and \$2.3 billion, respectively.

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)

	Years ended June 30,			Changes between years	
	2022	2023	2024	2022 to 2023	2023 to 2024
Operating revenues	\$ 3,044,979,771	3,218,887,338	3,619,687,857	5.7 %	12.5 %
Operating expenses	3,847,088,067	4,225,681,463	4,793,513,092	9.8	13.4
Operating loss	(802,108,296)	(1,006,794,125)	(1,173,825,235)	25.5	16.6
Nonoperating revenues	\$ 937,246,927	1,021,384,917	1,183,374,917	9.0	15.9
Income before other revenues, expenses, gains or losses	135,138,631	14,590,792	9,549,682	(89.2)	(34.5)
Other revenues, expenses, gains or losses	114,506,471	78,129,587	124,547,132	(31.8)	59.4
Change in net position	249,645,102	92,720,379	134,096,814	(62.9)	44.6
Net position, beginning of the year	2,432,138,619	2,681,783,721	2,774,504,100	10.3	3.5
Net position, end of the year	\$ 2,681,783,721	2,774,504,100	2,908,600,914	3.5 %	4.8 %

Operating Revenues

Operating revenues for the IHL System equaled \$3.6 billion, \$3.2 billion and \$3.0 billion for fiscal years 2024, 2023 and 2022, respectively. Operating revenues increased 12.5% (or \$400.8 million) and 5.7% (or \$174 million) during 2024 and 2023, respectively. Major components of operating revenues are the UMMC patient care revenues (43.7% in 2024, 42.4% in 2023 and 41.1% in 2022), net tuition and fees (20.6% in 2024, 21.3% in 2023 and 22.2% in 2022), grants and contracts revenues (17.6% in 2024, 17.2% in 2023 and 17.7% in 2022), and sales and service revenues from auxiliary activities (9.9% in 2024, 10.5% in 2023 and 10.3% in 2022). The following table summarizes the IHL System's operating revenues for the past three fiscal years.

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Operating Revenues					
	Years ended June 30,			Changes between years	
	2022	2023	2024	2022 to 2023	2023 to 2024
Tuition and fees, net	\$ 677,300,039	686,127,990	746,389,758	1.3 %	8.8 %
Grants and contracts	539,365,631	553,921,626	635,281,528	2.7	14.7
Federal appropriations	14,800,675	16,065,608	14,525,612	8.5	(9.6)
Sales and services of					
educational departments	80,870,946	85,816,824	89,284,655	6.1	4.0
Auxiliary enterprises, net	312,545,905	338,374,559	358,197,146	8.3	5.9
Patient care revenues	1,251,077,962	1,365,774,381	1,581,873,502	9.2	15.8
Other	169,018,613	172,806,350	194,135,656	2.2	12.3
Total operating revenues	\$ 3,044,979,771	3,218,887,338	3,619,687,857	5.7 %	12.5 %

Net tuition and fee revenues increased 8.8% (\$60.3 million) and 1.3% (\$8.8 million) during 2024 and 2023, respectively. In 2024, the average increase in the in-state tuition rate was \$255 (or 2.9%), and the average increase in the out-of-state tuition rate was \$823 (or 5.8%). All universities except Alcorn State and Delta State raised its tuition rate in 2024, and four universities do not charge out-of-state tuition surcharges (ASU, DSU, MUW and MVSU).

Patient care revenues at UMMC increased 15.8%, or \$216 million from June 30, 2023 to 2024, and 9.2%, or \$115 million, from June 30, 2022 to 2023.

Operating Expenses

Operating expenses for the IHL System totaled \$4.8 billion, \$4.2 billion, and \$3.8 billion for fiscal years 2024, 2023 and 2022, respectively. Operating expenses increased by 13.4% (or \$568 million) during 2024. Personnel costs (including fringe benefits) were the largest expense component for the IHL System, representing 61% of the total in 2024 and 58% in 2023. Other major components include contractual services (15.3% in 2024, 16.7% in 2023, and 15.3% in 2022), commodities (11.0% in 2024, 11.9% in 2023, and 12.3% in 2022), and scholarships and fellowships (4.5% in 2024, 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 three fiscal years.

Operating Expenses					
	Years ended June 30,			Changes between years	
	2022	2023	2024	2022 to 2023	2023 to 2024
By major object category:					
Salaries and wages	\$ 1,731,655,127	1,832,509,450	2,038,509,330	5.8 %	11.2 %
Fringe benefits	444,696,977	620,724,480	898,597,459	39.6	44.8
Travel	43,247,698	60,886,146	66,647,565	40.8	9.5
Contractual services	590,337,899	705,279,482	733,091,415	19.5	3.9
Utilities	82,054,505	92,259,266	86,549,400	12.4	(6.2)
Scholarships and fellowships	286,515,653	198,441,231	213,789,531	(30.7)	7.7
Commodities	474,328,091	502,057,442	529,676,245	5.8	5.5
Depreciation and amortization	190,762,209	204,527,031	217,406,550	7.2	6.3
Other	3,489,908	8,996,935	9,245,597	157.8	2.8
Total operating expenses	\$ 3,847,088,067	4,225,681,463	4,793,513,092	9.8 %	13.4 %

The IHL System's personnel expenses increased in both 2024 (19.7%, or 484 million) and 2023 (12.7%, or \$277 million). All institutions experienced increases in personnel costs in 2023. In 2024, DSU and MUW managed to decrease personnel cost, net of the pension effect; however, all institutions felt an increase after the pension and

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OPEB adjustments. Travel expenses experienced a modest increase in 2024, \$5.8 million (or 9.5%) after a significant 40.8% increase (\$17.6 million) in 2023. Travel had been down for two consecutive years post-pandemic. Contractual services increased another 3.9% (\$27.8 million) after jumping 19.5% for two consecutive years (\$115 million in 2023 and \$97 million in 2022). The cost of commodities continues to rise, by 5.5% (or \$27.6 million) in 2024 and 5.8% (or \$27.7 million) in 2023. Scholarship and fellowship expenses rose by 7.7% (\$15.3 million) from 2023 to 2024 after experiencing a sharp decline of 30.7%, or \$88 million, from 2022 to 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				
	Years ended June 30,			Changes between years	
	2022	2023	2024	2022 to 2023	2023 to 2024
By function:					
Instruction	\$ 659,968,760	749,533,168	838,682,971	13.6 %	11.9 %
Research	378,964,397	419,809,462	455,322,103	10.8	8.5
Public service	176,410,298	205,796,670	231,914,325	16.7	12.7
Academic support	158,428,564	179,234,949	183,767,933	13.1	2.5
Student services	96,673,649	110,644,231	121,978,850	14.5	10.2
Institutional support	322,249,724	361,920,362	478,414,174	12.3	32.2
Operations and maintenance of plant	201,203,141	219,168,191	228,299,076	8.9	4.2
Student aid	285,645,522	211,506,885	224,583,891	(26.0)	6.2
Auxiliary enterprises	290,072,412	325,801,025	365,227,062	12.3	12.1
Depreciation and amortization	190,819,779	204,527,031	212,361,798	7.2	3.8
Hospital	1,176,207,392	1,328,080,110	1,542,391,673	12.9	16.1
Other	1,691,621	2,487,707	4,625,508	47.1	85.9
Eliminations	(91,247,192)	(92,828,328)	(94,056,272)	1.7	1.3
Total operating expenses	<u>\$ 3,847,088,067</u>	<u>4,225,681,463</u>	<u>4,793,513,092</u>	<u>9.8 %</u>	<u>13.4 %</u>

Funding for the Instruction function continues to be one of the IHL System's highest priorities. Instruction costs increased by 11.9% (or \$89 million) in 2024 and 13.6% (or \$89.6 million) in 2023. For the past three years, this percentage share of total operations has hovered around 17.5%, while the 10-year average is 19.1%. Institutional research (internal and external) and public service costs have always commanded one of the System's primary cost missions. Research expenses grew by 8.5% (or \$35.5 million) in 2024 after a 10.8% (or \$40.8 million) increase in 2023; these costs represent approximately 14.3% and 14.8% of the IHL System's total focus during 2024 and 2023, respectively. 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 32.2% (or \$116.5 million) in 2024 and by 12.3% (or \$39.7 million) in 2023 after experiencing a 10.9% decline in 2022. 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 12.1% (\$39.4 million) in 2024 and by 12.3% (\$35.7 million) in fiscal year 2023. Student Aid expenses rose modestly by 6.2% (or \$13 million) in 2024 after experiencing the first decline since 2017 in the amount of \$74 million (or 26%). Finally, hospital expenses increased for the third year in a row, by 16.1% (or \$214 million) in 2024 and 13% (\$152 million) in 2023. The hospital operations contribution ratio remained steady at 73.5%.

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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.

Capital Asset and Debt Administration

At June 30, 2024, 2023, and 2022, the IHL System had approximately \$5.0 billion, \$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, lease 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 three fiscal years.

Capital Asset Summary					
	Years ended June 30,			Changes between years	
	2022	2023	2024	2022 to 2023	2023 to 2024
Capital assets not being depreciated/amortized	\$ 496,119,089	544,995,179	761,475,731	9.9 %	39.7 %
Depreciable/amortizable capital assets:					
Improvements other than buildings	537,431,932	552,874,686	586,610,046	2.9	6.1
Buildings	4,804,079,522	4,959,955,773	4,993,064,567	3.2	0.7
Equipment	983,447,633	1,001,978,681	1,031,843,864	1.9	3.0
Lease assets	132,889,845	145,773,309	185,275,657	9.7	27.1
Subscription-based software	—	60,525,298	81,943,458		
Library books	475,850,653	484,665,708	488,683,455	1.9	0.8
Total depreciable/amortizable capital assets	<u>6,933,699,585</u>	<u>7,205,773,455</u>	<u>7,367,421,047</u>	<u>3.9</u>	<u>2.2</u>
Total cost of capital assets	7,429,818,674	7,750,768,634	8,128,896,778	4.3	4.9
Less accumulated depreciation/amortization	<u>(2,822,858,544)</u>	<u>(2,989,687,702)</u>	<u>(3,151,092,869)</u>	<u>5.9</u>	<u>5.4</u>
Capital assets, net	<u>\$ 4,606,960,130</u>	<u>4,761,080,932</u>	<u>4,977,803,909</u>	<u>3.3 %</u>	<u>4.6 %</u>

Non-depreciable/amortizable capital assets equaled \$761 million, \$545 million, and \$496 million at June 30, 2024, 2023, and 2022, respectively. These assets principally consisted of land and construction in progress. The 39.7% increase (\$216 million) in 2024 was the result of \$280 million in additions to construction projects.

At June 30, 2024, 2023, and 2022, the IHL System had \$1.5 billion, \$1.5 billion, and \$1.3 billion, respectively, in bonded debt, notes payable, lease and subscription liabilities. This represents a 3.2% (or \$46.5 million) increase in 2024 after a 13.3% (\$170.6 million) increase in 2023. The following table summarizes the IHL System's long-term debt for the past three fiscal years.

Long-Term Debt Summary					
	Years ended June 30,			Changes between years	
	2022	2023	2024	2022 to 2023	2023 to 2024
Bonds payable	\$ 1,151,530,267	1,286,420,515	1,313,988,192	11.7 %	2.1 %
Notes payable and financed purchases	13,803,408	10,452,123	7,020,497	(24.3)	(32.8)
Lease liability	115,969,533	112,394,899	135,623,576	(3.1)	20.7
Subscription liability	—	42,597,970	41,757,389		(2.0)
Total long-term debt	<u>\$ 1,281,303,208</u>	<u>1,451,865,507</u>	<u>1,498,389,654</u>	<u>13.3 %</u>	<u>3.2 %</u>

Bonded debt increased 2.1% (\$27.6 million) in 2024 and 11.7% (or \$134.9 million) in 2023. In February 2024, the MSU EBC issued \$82,650,000 of Series 2024A Revenue Refunding Bonds and \$48,325,000 of Series 2024B

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Refunding Bonds to finance construction of a new residence hall and fund renovations for Humphrey Coliseum. 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.

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 2020 through 2024.

Designated Revenues¹ and Unrestricted Net Position (excludes UMMC, Board Office, and MCVS)					
Years ended June 30,					
	2020	2021	2022	2023	2024
Tuition, net ²	\$ 620,923,011	613,221,706	638,637,295	644,384,339	702,848,167
Sales and services	57,514,245	57,399,481	78,926,608	83,868,049	87,416,981
Auxiliary enterprises, net ²	272,846,066	298,444,150	307,701,350	333,966,266	353,304,835
Other ³	52,735,117	55,455,591	64,907,297	58,085,791	63,189,741
Sub-total	1,004,018,439	1,024,520,928	1,090,172,550	1,120,304,445	1,206,759,724
State appropriations	477,248,168	465,521,243	485,292,014	564,979,454	610,581,942
Unrestricted net position ⁴	—	—	—	—	—
Total	<u>\$ 1,481,266,607</u>	<u>1,490,042,171</u>	<u>1,575,464,564</u>	<u>1,685,283,899</u>	<u>1,817,341,666</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 position of \$(572,666,659) for 2020, \$(447,531,102) for 2021, \$(345,796,497) for 2022, \$(344,025,203) for 2023, and \$(371,270,200) for 2024, 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 position 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 2025 fiscal year with an anticipated systemwide operating budget increase of \$64.9 million. Fiscal year 2024 closed strong with a \$134 million net increase (see the SRECNP summary table on page 10 of management discussion and analysis). For fiscal year 2025, general education funding from the State of Mississippi will decrease by 5% (or \$28 million), and the IHL system expects tuition to increase by \$68.8 million and

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auxiliary revenues to increase by \$24 million. In 2025, state-appropriated revenues will comprise approximately 32% of the total E&G budget, while self-generated tuition revenues will approximate 58% 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 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. For fiscal year 2025, the Legislature provided funds to cover this cost increase. A similar increase is expected in fiscal year 2026, beginning on July 1, 2025. 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 and financial monitoring through the Board's financial sustainability policy.

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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STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 716,130,485	\$ 679,420,417
Short term investments	523,255,686	419,249,145
Accounts receivable, net	517,189,950	463,146,924
Student notes receivable, net	12,366,354	13,813,069
Inventories	45,300,326	44,027,961
Prepaid expenses	36,623,636	35,858,542
Other current assets	5,000,742	8,650,538
Total current assets	1,855,867,179	1,664,166,596
NONCURRENT ASSETS		
Restricted cash and cash equivalents	244,003,456	158,581,930
Restricted investments	56,280,673	43,663,791
Endowment investments	396,912,159	370,470,102
Other long-term investments	757,300,378	746,266,336
Student notes receivable, net	64,201,638	64,650,488
Beneficial interest in irrevocable trust	47,374,211	41,652,408
Capital assets, net	4,977,803,909	4,761,080,932
Other noncurrent assets	47,706,959	28,346,850
Total noncurrent assets	6,591,583,383	6,214,712,837
Total assets	8,447,450,562	7,878,879,433
DEFERRED OUTFLOWS OF RESOURCES		
Total assets and deferred outflows of resources	1,012,936,286	599,243,678
	\$ 9,460,386,848	\$ 8,478,123,111
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 351,085,106	\$ 292,709,552
Unearned revenues	163,745,299	151,881,374
Accrued leave liabilities - current portion	14,826,027	14,312,867
Long-term liabilities - current portion	111,367,957	105,260,650
Other current liabilities	97,010,791	76,742,642
Total current liabilities	738,035,180	640,907,085
NONCURRENT LIABILITIES		
Accrued leave liabilities	133,578,801	126,422,626
Deposits refundable	1,419,430	1,373,261
Long-term liabilities	1,446,613,241	1,405,153,460
Net pension liability	3,933,233,377	3,229,875,677
Net OPEB liability	103,055,815	90,089,029
Other noncurrent liabilities	24,760,692	28,279,453
Total noncurrent liabilities	5,642,661,356	4,881,193,506
Total liabilities	6,380,696,536	5,522,100,591
DEFERRED INFLOWS OF RESOURCES		
Total liabilities and deferred inflows of resources	171,089,398	181,518,420
	6,551,785,934	5,703,619,011
NET POSITION		
Net investment in capital assets	3,679,812,504	3,446,878,219
Restricted for		
Nonexpendable		
Scholarships and fellowships	33,367,491	30,067,293
Research	5,299,679	4,895,630
Other purposes	162,369,143	155,427,304
Expendable		
Scholarships and fellowships	49,599,049	49,782,825
Research	106,070,961	97,275,794
Capital projects	31,279,563	40,536,336
Debt service	48,597,679	23,037,177
Loans	63,847,239	61,062,143
Other purposes	185,431,357	162,273,200
Unrestricted	(1,457,073,751)	(1,296,731,821)
Total net position	\$ 2,908,600,914	2,774,504,100

See accompanying notes to financial statements.

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DISCRETELY PRESENTED COMPONENT UNIT --
MISSISSIPPI STATE UNIVERSITY FOUNDATION, INC.

Consolidated Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 1,420,265	\$ 3,200,533
Restricted cash	4,567,124	6,340,757
Restricted short-term investments	7,381,396	4,105,021
Accrued interest, other receivables and prepaid assets	123,395	296,901
Receivable from MSU	—	1,125,520
Receivable from MSU Alumni Association	125,944	156,878
Pledges receivable, net	48,800,243	143,299,975
Investments	861,331,701	689,496,771
Present value of amounts due from externally managed trusts	60,183,393	56,102,682
Land, buildings, and equipment, net	30,660,056	25,507,114
	\$ 1,014,593,517	\$ 929,632,152
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,345,085	\$ 2,840,121
Agency payable	11,948,520	10,445,778
Liabilities under split interest agreements	7,889,201	8,179,931
Deferred revenue	1,845,913	1,995,496
Payable to Mississippi State University	459,829	358,348
Note payable	2,092,686	2,383,405
	26,581,234	26,203,079
NET ASSETS		
Without donor restrictions:		
Net assets attributable to the Foundation	79,520,934	73,848,874
Net assets attributable to noncontrolling interest	53,585,591	49,194,917
	133,106,525	123,043,791
With donor restrictions	854,905,758	780,385,282
	988,012,283	903,429,073
	\$ 1,014,593,517	\$ 929,632,152

See accompanying notes to financial statements.

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

**Statements of Financial Position
June 30, 2024 and 2023**

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 17,311,446	\$ 7,201,219
Pledges receivable, net	77,637,445	77,341,370
Investments	714,471,712	657,110,451
Beneficial interest in remainder trust	11,258,475	10,306,177
Property and equipment, net	1,761,815	1,703,735
Other assets	1,908,597	1,572,427
Total assets	\$ 824,349,490	\$ 755,235,379
LIABILITIES AND NET ASSETS		
LIABILITIES		
Funds held for others	\$ 30,659,907	\$ 28,333,235
Liabilities under remainder trusts and gift annuities	2,952,569	4,076,806
Other liabilities	3,725,044	3,501,708
Total liabilities	37,337,520	35,911,749
NET ASSETS		
Without donor restrictions	25,563,854	20,391,402
With donor restrictions	761,448,116	698,932,228
Total net assets	787,011,970	719,323,630
Total liabilities and net assets	\$ 824,349,490	\$ 755,235,379

See accompanying notes to financial statements.

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**DISCRETELY PRESENTED COMPONENT UNIT --
THE UNIVERSITY OF SOUTHERN MISSISSIPPI FOUNDATION**

**Consolidated Statements of Financial Position
June 30, 2024 and 2023**

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 2,864,221	\$ 3,373,595
Accrued earnings	148,702	115,371
Prepaid assets and other receivables	1,000,326	687,108
Pledges receivable, net	7,055,548	3,503,864
Investments	165,754,750	142,958,995
Cash surrender value of life insurance	2,802,540	2,814,064
Amounts due from externally managed trusts	13,397,807	11,967,432
Property and equipment, net	1,233,789	85,476
Total assets	\$ 194,257,683	\$ 165,505,905
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 682,162	\$ 834,718
Gift annuities payable	55,918	55,605
Total liabilities	738,080	890,323
NET ASSETS		
Without donor restrictions	20,483,651	16,632,108
With donor restrictions	173,035,952	147,983,474
Total net assets	193,519,603	164,615,582
Total liabilities and net assets	\$ 194,257,683	\$ 165,505,905

See accompanying notes to financial statements.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Tuition and fees	\$ 1,140,213,761	\$ 1,058,830,917
Less scholarship allowances	(385,164,330)	(367,397,299)
Less bad debt expense	(8,659,673)	(5,305,628)
Net tuition and fees	746,389,758	686,127,990
Federal appropriations	14,525,612	16,065,608
Federal grants and contracts	471,180,195	419,081,396
State grants and contracts	63,547,230	42,042,613
Nongovernmental grants and contracts	100,554,103	92,797,617
Sales and services of educational departments	89,284,655	85,816,824
Auxiliary enterprises:		
Student housing	130,689,770	118,624,384
Food services	39,556,345	35,659,007
Bookstore	5,511,518	5,993,374
Athletics	183,368,859	174,523,010
Other auxiliary revenues	42,228,825	38,774,693
Less auxiliary enterprise scholarship allowances	(43,158,171)	(35,199,909)
Interest earned on loans to students	1,085,699	1,696,532
Patient care revenues, net	1,581,873,502	1,365,774,381
Other operating revenues, net	193,049,957	171,109,818
Total operating revenues	3,619,687,857	3,218,887,338
OPERATING EXPENSES		
Salaries and wages	2,038,509,330	1,832,509,450
Fringe benefits	898,597,459	620,724,480
Travel	66,647,565	60,886,146
Contractual services	733,091,415	705,279,482
Utilities	86,549,400	92,259,266
Scholarships and fellowships	213,789,531	198,441,231
Commodities	529,676,245	502,057,442
Depreciation and amortization	217,406,550	204,527,031
Other operating expenses	9,245,597	8,996,935
Total operating expenses	4,793,513,092	4,225,681,463
Operating loss	(1,173,825,235)	(1,006,794,125)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	867,778,793	811,969,862
Gifts and grants	257,785,320	220,034,058
Investment income, net of investment expense	114,642,380	34,874,048
Interest expense on capital asset-related debt	(51,511,518)	(46,108,722)
Other nonoperating revenues	5,489,783	20,790,499
Other nonoperating expenses	(10,809,841)	(20,174,828)
Total nonoperating revenues, net	1,183,374,917	1,021,384,917
Income before other revenues, expenses, gains and losses	9,549,682	14,590,792
OTHER REVENUES, EXPENSES, GAINS AND LOSSES		
Capital grants and gifts	41,873,222	29,361,319
State appropriations restricted for capital purposes	76,024,252	43,314,625
Additions to permanent endowments	2,092,888	1,812,265
Other additions	8,452,966	7,790,443
Other deletions	(3,896,196)	(4,149,065)
CHANGE IN NET POSITION	134,096,814	92,720,379
Net position, beginning of the year	2,774,504,100	2,681,783,721
NET POSITION, END OF THE YEAR	\$ 2,908,600,914	\$ 2,774,504,100

See accompanying notes to financial statements.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

DISCRETELY PRESENTED COMPONENT UNIT --
MISSISSIPPI STATE UNIVERSITY FOUNDATION, INC.

Consolidated Statement of Activities
Year ended June 30, 2024

	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 21,218,106	39,893,575	61,111,681
Investment return, net	11,343,911	68,567,200	79,911,111
Change in value of split interest agreements	—	4,936,116	4,936,116
Other	8,948,410	394,344	9,342,754
Net assets released from restrictions	39,270,759	(39,270,759)	—
Total revenues, gains, and other support	80,781,186	74,520,476	155,301,662
EXPENDITURES			
Program services:			
Contributions and support for Mississippi State University			
	52,610,149	—	52,610,149
Contributions and support for Bulldog Club			
	2,253,784	—	2,253,784
Contributions and support for MSU Alumni Association			
	1,338,369	—	1,338,369
Total program services	56,202,302	—	56,202,302
Supporting services:			
General administrative			
	8,462,886	—	8,462,886
Fund raising			
	5,237,020	—	5,237,020
Total supporting services	13,699,906	—	13,699,906
Total expenditures	69,902,208	—	69,902,208
Change in net assets before noncontrolling interests	10,878,978	74,520,476	85,399,454
Payments to noncontrolling interests	(816,244)	—	(816,244)
CHANGE IN NET ASSETS	10,062,734	74,520,476	84,583,210
Net assets, beginning of the year	123,043,791	780,385,282	903,429,073
NET ASSETS, END OF THE YEAR	\$ 133,106,525	854,905,758	988,012,283

See accompanying notes to financial statements.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

DISCRETELY PRESENTED COMPONENT UNIT --
MISSISSIPPI STATE UNIVERSITY FOUNDATION, INC.

Consolidated 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
Investment return, net	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.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

DISCRETELY PRESENTED COMPONENT UNIT --
THE UNIVERSITY OF MISSISSIPPI FOUNDATION

Statement of Activities
Year ended June 30, 2024

	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Contributions, gifts and bequests	\$ 40,000	53,349,455	53,389,455
Investment return, net	4,629,027	58,115,549	62,744,576
Change in value of split interest agreements	—	1,555,229	1,555,229
Management fees	1,763,243	(1,763,243)	—
Development fees	1,763,243	(1,763,243)	—
Other income	1,063,333	2,647,715	3,711,048
Total revenues, gains, and other support	9,258,846	112,141,462	121,400,308
Net assets released from restrictions/ redesignated by donor:			
Appropriation from donor endowment	10,907,665	(10,907,665)	—
Satisfaction of program restrictions	38,717,909	(38,717,909)	—
EXPENDITURES			
Support for University activities:			
Academic	5,651,299	—	5,651,299
Scholarship	10,872,227	—	10,872,227
Programmatic	25,503,334	—	25,503,334
University of Mississippi Medical Center	5,471,158	—	5,471,158
General and administrative expenses	3,250,634	—	3,250,634
Fund-raising expenses	2,963,316	—	2,963,316
Total expenses	53,711,968	—	53,711,968
CHANGE IN NET ASSETS	5,172,452	62,515,888	67,688,340
Net assets, beginning of the year	20,391,402	698,932,228	719,323,630
NET ASSETS, END OF THE YEAR	\$ 25,563,854	761,448,116	787,011,970

See accompanying notes to financial statements.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

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	\$ 20,391,402	698,932,228	719,323,630

See accompanying notes to financial statements.

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi**

**DISCRETELY PRESENTED COMPONENT UNIT --
THE UNIVERSITY OF SOUTHERN MISSISSIPPI FOUNDATION**

**Consolidated Statement of Activities
Year ended June 30, 2024**

	Without donor restrictions	With donor restrictions	Total
REVENUES AND SUPPORT			
Contributions	\$ 2,193,305	21,067,350	23,260,655
Investment return, net	5,362,498	12,165,736	17,528,234
Gain on externally managed trusts	—	423,359	423,359
Change in value of split interest agreements	—	994,401	994,401
Change in value - other	(1,424)	10,552	9,128
Other	13,182	53,581	66,763
Total revenues, gains, and other support	7,567,561	34,714,979	42,282,540
Changes in restrictions:			
Change in restriction by donors	(14,021)	14,021	—
Net assets released from restrictions	9,676,522	(9,676,522)	—
EXPENDITURES			
Program services:			
Contributions and support for The University of Southern Mississippi	10,420,857	—	10,420,857
Supporting services:			
General and administrative	1,792,636	—	1,792,636
Fund-raising	1,165,026	—	1,165,026
Total expenses	13,378,519	—	13,378,519
CHANGE IN NET ASSETS	3,851,543	25,052,478	28,904,021
Net assets, beginning of the year	16,632,108	147,983,474	164,615,582
NET ASSETS, END OF THE YEAR	\$ 20,483,651	173,035,952	193,519,603

See accompanying notes to financial statements.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

DISCRETELY PRESENTED COMPONENT UNIT --
THE UNIVERSITY OF SOUTHERN MISSISSIPPI FOUNDATION

Consolidated 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
Investment return, net	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.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING ACTIVITIES		
Tuition and fees	\$ 744,403,223	\$ 705,410,489
Grants and contracts	643,354,191	529,331,204
Sales and services of educational departments	84,992,511	86,147,600
Payments to suppliers	(1,293,523,663)	(1,279,240,529)
Payments to employees for salaries and benefits	(2,633,520,351)	(2,426,298,212)
Payments for utilities	(85,825,065)	(92,390,167)
Payments for scholarships and fellowships	(212,579,324)	(202,908,683)
Loans issued to students	(9,885,014)	(8,725,754)
Collection of loans from students	8,401,171	10,312,836
Federal loan program receipts	456,338,862	448,090,547
Federal loan program disbursements	(455,366,322)	(442,106,412)
Auxiliary enterprise charges:		
Student housing	109,745,802	99,742,479
Food services	34,482,573	31,857,784
Bookstore	4,640,141	5,526,408
Athletics	183,613,259	174,206,535
Other auxiliary enterprises	30,977,375	27,247,138
Patient care services	1,579,060,350	1,327,146,048
Interest earned on loans to students	1,117,069	1,535,892
Other receipts	212,235,870	176,415,395
Other payments	(21,761,707)	(20,305,870)
Net cash used in operating activities	<u>(619,099,049)</u>	<u>(849,005,272)</u>
NONCAPITAL FINANCING ACTIVITIES		
State appropriations	850,546,244	802,473,210
Gifts and grants for other than capital purposes	242,759,622	218,125,169
Private gifts for endowment purposes	2,291,141	1,717,683
Other sources	18,356,868	22,014,305
Other uses	(7,331,278)	1,764,585
Net cash provided by noncapital financing activities	<u>1,106,622,597</u>	<u>1,046,094,952</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt	142,602,294	186,736,047
Cash paid for capital assets	(350,215,937)	(252,034,171)
Capital appropriations received	45,862,363	10,766,661
Capital grants and contracts received	38,393,404	18,347,113
Proceeds from sales of capital assets	340,819	258,766
Principal paid on capital debt, leases and subscriptions	(155,366,603)	(91,601,404)
Interest paid on capital debt, leases and subscriptions	(50,083,561)	(45,489,459)
Other sources	7,849,865	3,736,932
Other uses	(2,228,513)	(4,853,249)
Net cash used in capital and related financing activities	<u>(322,845,869)</u>	<u>(174,132,764)</u>
INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	527,238,886	817,775,531
Interest received on investments	78,390,957	43,143,136
Purchases of investments	(648,175,928)	(902,460,270)
Net cash used in investing activities	<u>(42,546,085)</u>	<u>(41,541,603)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>122,131,594</u>	<u>(18,584,687)</u>
Cash and cash equivalents, beginning of the year	<u>838,002,347</u>	<u>856,587,034</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 960,133,941</u>	<u>838,002,347</u>

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (1,173,825,235)	(1,006,794,125)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	217,406,550	204,527,031
Actuarial change in self-insured claims expense	10,219,284	7,980,656
Provision for uncollectible receivables	127,381,114	171,756,235
Other	3,213,069	(513,682)
Changes in Assets and Liabilities:		
(Increase) Decrease in Assets:		
Receivables, Net	(141,499,953)	(224,177,557)
Inventories	(1,272,363)	(1,738,745)
Prepaid Expenses	(1,997,982)	(7,326,119)
Loans to Students	(2,525,179)	(1,926,348)
Deferred outflows of resources	(414,571,986)	(110,117,876)
Other Assets	3,763,380	13,123,920
Increase (Decrease) in Liabilities:		
Accounts Payables and Accrued Liabilities	32,644,898	(42,126,701)
Unearned Revenue	840,780	20,399,662
Deposits Refundable	2,323	(289,351)
Accrued Leave Liability	7,669,335	2,703,799
Net pension liability	703,357,700	887,719,490
Net OPEB liability	12,966,786	(29,182,986)
Deferred inflows of resources	(15,016,705)	(705,429,851)
Other Liabilities	12,145,135	(27,592,724)
Total Adjustments	554,726,186	157,788,853
Net cash used in operating activities	\$ (619,099,049)	(849,005,272)
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 716,130,485	679,420,417
Noncurrent assets - restricted cash and cash equivalents	244,003,456	158,581,930
Cash and cash equivalents, end of the year	\$ 960,133,941	838,002,347
Noncash capital related financing and investing activities:		
Gifts and contributions of capital assets	\$ 709,907	2,535,314
Net unrealized gain (loss) on investments	\$ 36,251,423	(8,269,088)
Right-to-use assets acquired under lease obligations	\$ 44,827,769	20,599,515
Assets acquired under subscription-based information technology arrangements	\$ 26,649,150	60,525,298

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 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 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:

(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.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

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 years ended June 30, 2024 and 2023, support distributions, which are included in gifts and grants revenues, were as follows:

	2024	2023
Mississippi State University Foundation, Inc.	\$ 52,610,149	46,990,867
University of Mississippi Foundation	47,498,018	39,862,240
University of Southern Mississippi Foundation	10,420,857	10,838,436

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

(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.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

(d) New Accounting Standards

During fiscal year 2024, the IHL System adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this standard will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. The IHL System adopted the requirements of the guidance effective July 1, 2023, 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. 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.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The effective date of this statement is for fiscal years beginning after June 15, 2024.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date of this statement is for fiscal years beginning after June 15, 2025.

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.

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, 2024 and 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

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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 and are stated at fair value.

(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 Loans Receivable, Net

Student loans 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 received 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 Investments

Cash, cash equivalents and 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. Restricted investments are stated at fair value.

(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.

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(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

Property, plant and equipment 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. Expenditures for construction in progress are capitalized as incurred. Interest expense relating to construction is expensed in the period in which the cost was incurred.

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

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(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 years ended June 30, 2024 and 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 bonded 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 bonded 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 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.

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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; and (3) estimated amounts for accrued compensated absences, deposits refundable, and other liabilities that will not be paid within the next fiscal year.

(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 \$24.8 million and \$28.3 million, as of June 30, 2024 and 2023, respectively.

(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 essentially managed as 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.

(dd) University Press of Mississippi

The University Press of Mississippi (UPM) is an 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

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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 has agreements with third-party payors that provide for payments to the UMMC at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

UMMC's hospital and clinics have agreements with third-party payors that provide for payments to UMMC at amounts different from its established rates. These payment arrangements include:

Medicare

Inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates. UMMC is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the UMMC and audits thereof by the Medicare administrative contractor. UMMC's cost reports have been audited by the Medicare Administrative Contractor through June 30, 2019. Revenue from the Medicare program accounted for approximately 34% and 37% of UMMC's net patient service revenue for the years ended June 30, 2024 and 2023, respectively.

Medicaid

Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service or per covered member. Inpatient services are reimbursed using a prospective-payments system based on All Patient Refined Diagnosis Related Groups (APR-DRG). Outpatient services are reimbursed using an Ambulatory Payment Classification (APC) methodology, similar to the Medicare payment model. UMMC is reimbursed for retroactively determined items at tentative rates, with final settlement determined after submission of annual cost reports by the UMMC and audits thereof by the Medicaid administrative contractor. Revenue from the Medicaid program accounted for approximately 52% and 56% of UMMC's net patient service revenue for the years ended June 30, 2024 and 2023. This includes revenue from the programs described below.

Other

Payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates per discount, discounts from established charges and prospectively determined daily rates.

Beginning July 1, 2015, the Division of Medicaid (DOM) implemented the Mississippi Hospital Access Payment (MHAP) program. The program is administered by DOM through the Mississippi CAN coordinated care organizations (CCOs). The CCOs subcontract with hospitals throughout the state for distribution of MHAP for the purpose of protecting patient access to hospital care. In December 2023, The Centers for Medicare and Medicaid Services (CMS) approved an amendment to the existing MHAP program, whereby hospitals would be reimbursed near the average commercial rate for Medicaid managed reimbursement retroactive to July 1, 2023, the beginning of the state fiscal year. UMMC also participates in a voluntary disproportionate share program (DSH) available to certain qualifying hospitals in the state Medicaid program. The net benefit recognized by UMMC associated with the programs described above was approximately \$248.6 million and \$185.9 million for the years ended June 30, 2024 and 2023, respectively.

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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 CMS once the current year is completed, occasionally resulting in repayment due. Additional repayments may result due to rate recalculations, cost report filing differences, Medicaid Disproportionate Share audits (DSH), and other adjustments to prior fiscal years. At June 30, 2024, UMMC maintained a reserve of approximately \$95.1 million for these potential liabilities, of which approximately \$63.2 million is related primarily to UMMC Medicaid DSH audits. At June 30, 2023, UMMC maintained reserves of approximately \$75.7 million, of which approximately \$71.5 million related primarily to UMMC Medicaid DSH audits. UMMC did not receive Medicaid DSH in 2024.

UMMC provides charity care to patients who are unable to pay for services. The amount of charity care is included in net patient service revenue and is not separately classified from the provision for uncollectible accounts.

(ff) 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 (NACUBO). 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.

(gg) 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 reflects the IHL System's total investment in capital assets (including leases and subscription-based IT agreements), 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.

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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.

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 deposits, if the depository bank fails, or the investments 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. At June 30, 2024 and 2023, the System's balances exceeded federally insured limits by approximately \$12 million and \$14 million, respectively.

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, 2024 and 2023 is as follows:

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	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 716,130,485	\$ 679,420,417
Restricted cash and cash equivalents	244,003,456	158,581,930
U.S. Treasury securities	749,618,129	702,007,577
U.S. government agency securities	585,126,811	502,223,637
Commercial mortgage backed securities	2,112,613	1,689,523
Collateralized mortgage obligations	20,686,415	18,150,226
Asset backed securities	1,893,397	2,016,839
Corporate bonds and notes	5,700,587	5,871,792
Municipal bonds	6,333,232	6,815,276
Fixed income mutual funds	7,333,019	7,422,879
Other fixed income securities	2,095,871	5,168,725
Certificates of deposit	16,846,731	16,604,539
Money market funds	1,915,306	1,321,879
Domestic equity securities	40,379,385	32,231,236
Global equity securities	417,860	488,341
Domestic equity mutual funds	39,339,095	19,499,106
International equity mutual funds	8,028,000	11,569,974
Equity long/short hedge funds	104,394,917	96,430,837
Private capital	66,201,314	64,122,922
Endowment Pool Balanced	3,009,652	3,372,315
Mississippi State Foundation Investment Pool	51,091,634	46,241,724
Miscellaneous	21,224,928	36,400,027
Total cash and investments	<u>\$ 2,693,882,837</u>	<u>\$ 2,417,651,721</u>

The carrying values of deposits and investments shown above are included in the statements of net position as follows:

Carrying value		
Deposits	\$ 960,133,941	\$ 838,002,347
Investments	1,733,748,896	1,579,649,374
	<u>\$ 2,693,882,837</u>	<u>\$ 2,417,651,721</u>
Included in the following statement of net position captions		
Cash and cash equivalentst	\$ 716,130,485	\$ 679,420,417
Short-term investments	523,255,686	419,249,145
Restricted cash and cash equivalents - noncurrent	244,003,456	158,581,930
Restricted investments	56,280,673	43,663,791
Endowment investments	396,912,159	370,470,102
Noncurrent cash and investments	757,300,378	746,266,336
	<u>\$ 2,693,882,837</u>	<u>\$ 2,417,651,721</u>

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Fair Value Measurement

The following table present 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, 2024 and 2023:

	2024			
	Level 1	Level 2	Level 3	Total
Investment strategy:				
Fixed income:				
U.S. Treasury securities	\$ 736,048,484	13,569,645	—	749,618,129
Fixed income mutual funds	6,334,427	998,592	—	7,333,019
U.S. government securities	4,975,957	580,150,854	—	585,126,811
Mortgage obligations and asset backed securities	—	24,692,425	—	24,692,425
Corporate bonds and notes	3,195,586	2,505,001	—	5,700,587
Negotiable certificates of deposit	69,990	16,776,741	—	16,846,731
Municipal bonds	—	6,333,232	—	6,333,232
Other fixed income securities	1,952,424	143,447	—	2,095,871
Money market funds	291,915	1,623,391	—	1,915,306
Total fixed income investments	<u>\$ 752,868,783</u>	<u>646,793,328</u>	<u>—</u>	<u>1,399,662,111</u>
Equity securities:				
Domestic equity securities	39,314,954	1,064,431	—	40,379,385
Domestic equity mutual funds	38,130,553	1,208,542	—	39,339,095
Global equity securities	—	417,860	—	417,860
International equity mutual funds	8,028,000	—	—	8,028,000
Total equity securities	<u>\$ 85,473,507</u>	<u>2,690,833</u>	<u>—</u>	<u>88,164,340</u>
Investments measured at NAV as a practical expedient:				
Equity long/short hedge funds				\$ 104,394,917
Private capital				66,201,314
Mississippi State Foundation Investment Pool				51,091,634
Endowed Pool II Balanced				3,009,652
Other miscellaneous investments				21,224,928
Total investments measured at NAV				<u>245,922,445</u>
Total investments measured at fair value				<u>\$ 1,733,748,896</u>

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

	2024			
	Fair Value	Unfunded Commitments	Redemption frequency (if eligible)	Redemption notice period
Equity long/short hedge funds (1)	\$ 104,394,917	—	Quarterly	45-120 Days
Private capital (2)	66,201,314	34,888,353	Various	Various
Mississippi State Foundation Investment Pool	51,091,634	—	Daily	1-3 Days
Endowed Pool II Balanced	3,009,652	—	Daily	1-3 Days
Other miscellaneous investments (3)	21,224,928	39,386	Various	Various
Total investments measured at NAV	<u>\$ 245,922,445</u>			

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	2023			Total
	Level 1	Level 2	Level 3	
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
Negotiable 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:

	Fair Value	Unfunded Commitments	Redemption frequency (if eligible)	Redemption notice period
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.

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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.

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, 2024 and 2023, the IHL System had the following investments subject to interest rate risk:

2024					
Years to maturity					
	Fair value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury securities	\$ 749,618,129	429,533,449	305,229,884	6,020,019	8,834,777
U.S. government agency obligations	585,126,811	145,114,757	381,668,501	52,907,341	5,436,212
Commercial mortgage backed securities	2,112,613	12,881	1,059,941	614,083	425,708
Collateralized mortgage obligations	20,686,415	71,897	1,322,801	2,348,729	16,942,988
Asset backed securities	1,893,397	—	—	—	1,893,397
Corporate bonds and notes	5,700,587	1,182,170	680,213	2,050,385	1,787,819
Negotiable certificates of deposit	16,846,731	9,094,638	7,752,093	—	—
Municipal bonds	6,333,232	2,342,391	3,990,841	—	—
Other fixed income securities	2,095,871	—	996,480	—	1,099,391
Fixed income mutual funds	7,333,019	6,151,993	469,375	103,041	608,610
Total	<u>\$ 1,397,746,805</u>	<u>593,504,176</u>	<u>703,170,129</u>	<u>64,043,598</u>	<u>37,028,902</u>
2023					
Years to maturity					
	Fair value	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
Negotiable 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, 2024 and 2023, the IHL System had the following investments recorded at fair value subject to credit risk:

	<u>2024</u>	<u>2023</u>
Credit rating:		
AAA	\$ 9,562,775	\$ 38,244,142
Aaa	167,908,791	97,623,578
Aa1	796,720	—
Aa2	4,293,479	4,057,353
Aa3	559,113	549,712
AA	46,994,072	15,392,093
A1	504,580	5,355
A2	912,699	47,851
A3	381,471	118,844
AAA - BBB	955,944	—
A	554,471	255,984
AA+	349,949,364	302,704,522
BAA	190,760	53,855
BAA2	257,166	—
BAA3	251,472	—
BBB - Below B	—	847,991
Not rated or unavailable	47,209,068	89,457,617
Total investments subject to credit risk	<u>\$ 631,281,945</u>	<u>\$ 549,358,897</u>
Cash and Investments excluded from credit risk disclosure:		
Cash	\$ 716,130,485	\$ 679,420,417
Restricted cash and cash equivalents	244,003,456	158,581,930
U.S. Treasury securities	749,618,129	702,007,577
Certificates of deposit	16,846,731	16,604,539
Money market funds	1,915,306	1,321,879
Equity securities	88,164,340	63,788,657
Investments measured at NAV	245,922,445	246,567,825
Total investments excluded from credit risk disclosure	<u>2,062,600,892</u>	<u>1,868,292,824</u>
Total cash and investments	<u>\$ 2,693,882,837</u>	<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.

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As of June 30, 2024 and 2023, the IHL System had the following issuers holding investments recorded at fair value that exceeded 5% of total investments:

Issuer	2024	
	Fair value	Percentage
U.S. Treasury securities	\$ 749,618,129	43.74%
Federal Home Loan Bank notes	265,941,832	15.52%
Federal Farm Credit Bank notes	131,713,444	7.69%

Issuer	2023	
	Fair value	Percentage
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%

Foreign Currency Risk

Foreign currency risk, also known as exchange-rate risk, is defined as the risk of financial loss due to fluctuations in currency exchange rates. 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 \$58.8 million and \$36.0 million at June 30, 2024 and 2023, respectively.

Note 3

Accounts Receivable, net

Accounts receivable consisted of the following at June 30, 2024 and 2023:

	June 30, 2024	Current Portion	Non-current Portion
Student tuition	\$ 174,918,283	174,918,283	—
Auxiliary enterprises and other operating activities	45,126,510	45,126,510	—
Contributions and gifts	19,908,455	7,896,974	12,011,481
Federal, state, and private grants and contracts	172,873,453	172,873,453	—
State Appropriations	64,610,868	64,610,868	—
Accrued Interest	6,450,617	6,450,617	—
Patient receivables	956,867,644	956,867,644	—
Accrued lease receivable	25,173,614	1,701,756	23,471,858
Other	54,601,783	41,001,591	13,600,192
Total accounts receivable	1,520,531,227	1,471,447,696	49,083,531
Less bad debt provision	(951,264,164)	(951,264,164)	—
Less elimination entry	(4,572,566)	(2,993,582)	(1,578,984)
Net accounts receivable	\$ 564,694,497	517,189,950	47,504,547

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	June 30, 2023	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 receivables	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>

The noncurrent portion of accounts receivable is included in other noncurrent assets in the statements of net position.

Note 4

Loans Receivable from Students

Loans 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 loans receivable held by the IHL System as of June 30, 2024 and 2023:

	Interest Rates	June 30, 2024	Current Portion	Non-current Portion
Perkins student loans	3% to 9%	\$ 18,496,072	2,827,716	15,668,356
Institutional loans	0% to 9%	71,278,284	9,727,091	61,551,193
Nursing student loans	3% to 9%	1,971,832	295,582	1,676,250
Dental student loans	3% to 9%	195,336	28,998	166,338
Medical student loans	3% to 9%	307,872	45,704	262,168
Other federal loans	3% to 9%	4,783,354	2,106,291	2,677,063
Total loans receivable		97,032,750	15,031,382	82,001,368
Less allowance for doubtful accounts		(20,464,758)	(2,665,028)	(17,799,730)
Net loans receivable		<u>\$ 76,567,992</u>	<u>12,366,354</u>	<u>64,201,638</u>

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	<u>Interest Rates</u>	<u>June 30, 2023</u>	<u>Current Portion</u>	<u>Non-current Portion</u>
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 loans receivable		97,618,652	16,711,428	80,907,224
Less allowance for doubtful accounts		<u>(19,155,095)</u>	<u>(2,898,359)</u>	<u>(16,256,736)</u>
Net loans receivable		<u>\$ 78,463,557</u>	<u>13,813,069</u>	<u>64,650,488</u>

Note 5
Capital Assets

A summary of changes in capital assets for the years ended June 30, 2024 and 2023 is presented as follows:

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	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Nondepreciable Capital Assets:				
Land	\$ 139,147,965	762,258	109,822	139,800,401
Construction in progress	403,691,270	279,968,724	64,913,878	618,746,116
Livestock	2,155,944	773,270	—	2,929,214
Total nondepreciable capital assets	<u>544,995,179</u>	<u>281,504,252</u>	<u>65,023,700</u>	<u>761,475,731</u>
Depreciable/amortizable capital assets:				
Buildings	4,962,842,519	37,152,524	4,043,730	4,995,951,313
Improvements other than buildings	549,987,941	33,735,360	—	583,723,301
Equipment	1,001,978,681	67,840,851	37,975,668	1,031,843,864
Library books	484,665,708	9,874,344	5,856,597	488,683,455
Right-to-use leased land	2,384,637	8,414,733	1,493,792	9,305,578
Right-to-use leased buildings	101,339,658	34,999,131	2,731,523	133,607,266
Right-to-use leased equipment	42,049,014	1,413,905	1,100,106	42,362,813
Right-to-use subscription assets	60,525,298	26,649,150	5,230,990	81,943,458
Total depreciable/amortizable assets	<u>7,205,773,456</u>	<u>220,079,998</u>	<u>58,432,406</u>	<u>7,367,421,048</u>
Total capital assets	<u>7,750,768,635</u>	<u>501,584,250</u>	<u>123,456,106</u>	<u>8,128,896,779</u>
Less accumulated depreciation for:				
Buildings	1,462,324,155	92,219,433	2,433,095	1,552,110,493
Improvements other than buildings	257,686,967	16,207,447	—	273,894,414
Equipment	786,555,384	53,226,213	41,164,324	798,617,273
Library books	430,415,977	12,110,875	5,849,788	436,677,064
Less accumulated amortization for:				
Right-to-use lease assets	36,377,591	24,755,542	5,182,432	55,950,701
Right-to-use subscription assets	16,327,629	22,631,537	5,116,241	33,842,925
Total accumulated depreciation and amortization	<u>2,989,687,703</u>	<u>221,151,047</u>	<u>59,745,880</u>	<u>3,151,092,870</u>
Net capital assets	<u>\$ 4,761,080,932</u>	<u>280,433,203</u>	<u>63,710,226</u>	<u>4,977,803,909</u>

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	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
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 lease 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 are 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, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Deferred Outflows of Resources		
Pension related (see note 17)	\$ 938,616,313	534,408,813
OPEB related (see note 18)	35,689,471	22,886,962
Unamortized loss on refunding of debt	38,630,502	41,947,903
Total deferred outflows of resources	<u>\$ 1,012,936,286</u>	<u>599,243,678</u>
Deferred Inflows of Resources		
Pension related (see note 17)	\$ 51,275,875	54,215,654
OPEB related (see note 18)	41,169,023	52,757,074
Unamortized gain on refunding of debt	3,099,427	3,484,185
Lease related (see note 12)	23,158,134	24,844,649
PPP related (see note 14)	4,564,450	4,564,450
Beneficial interest in irrevocable trusts	47,374,211	41,652,408
Other	448,278	—
Total deferred inflows of resources	<u>\$ 171,089,398</u>	<u>181,518,420</u>

Note 7

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as of June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Payable to vendors and contractors	\$ 239,906,778	\$ 194,645,791
Accrued salaries, wages and employee withholdings	96,439,724	84,804,173
Accrued interest	10,538,103	9,581,329
Other	4,200,501	3,721,118
Subtotal	351,085,106	292,752,411
Less elimination entry	—	(42,859)
Total accounts payable and accrued liabilities	<u>\$ 351,085,106</u>	<u>292,709,552</u>

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

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Note 8
Unearned Revenues

Unearned revenues as of June 30, 2024 and 2023 are as follows:

	2024	2023
Unearned summer school revenue	\$ 39,901,642	35,340,240
Unearned grants and contract revenue	80,015,144	79,811,563
Auxiliary and other activities	43,828,513	36,729,571
Total unearned revenues	\$ 163,745,299	151,881,374

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

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, 2024 and 2023 is listed in the following schedules.

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2024 Condensed Financial Information for Materially Blended Component Units

	ASU EBC	DSU EBC	JSU EBC	MSU EBC	MVSU EBC	UM EBC	USM EBC	MC EBC	UP	IHL SYSTEM	TOTALS
Current assets	\$ —	—	—	—	—	20,011,932	6,937,129	11,699,857	1,772,208	1,815,446,053	1,855,867,179
Noncurrent assets	33,832,641	10,265,000	72,987,894	331,610,000	14,090,000	245,777,004	128,556,962	427,429,547	3,017,119	5,324,017,216	6,591,583,383
Total assets	33,832,641	10,265,000	72,987,894	331,610,000	14,090,000	265,788,936	135,494,091	439,129,404	4,789,327	7,139,463,269	8,447,450,562
Deferred outflows of resources	—	—	5,174,286	—	—	—	—	10,831,164	—	996,930,836	1,012,936,286
Current liabilities	2,093,401	500,000	5,223,015	11,495,000	625,000	19,844,220	6,937,129	13,808,983	714,160	676,794,272	738,035,180
Noncurrent liabilities	39,524,572	9,765,000	72,939,165	320,115,000	13,465,000	242,845,289	128,556,962	418,297,903	—	4,397,152,465	5,642,661,356
Total liabilities	41,617,973	10,265,000	78,162,180	331,610,000	14,090,000	262,689,509	135,494,091	432,106,886	714,160	5,073,946,737	6,380,696,536
Deferred inflows of resources	—	—	—	—	—	3,099,427	—	—	—	167,989,971	171,089,398
Total net position	\$ (7,785,332)	—	—	—	—	—	—	17,853,682	4,075,167	2,894,457,397	2,908,600,914
Operating revenues	\$ 3,035,200	—	—	—	1,132,824	—	—	4,854,066	2,732,416	3,607,933,351	3,619,687,857
Operating expenses	(2,001,377)	—	—	—	(1,132,824)	—	—	(5,068,302)	(3,249,477)	(4,782,061,112)	(4,793,513,092)
Total operating income	1,033,823	—	—	—	—	—	—	(214,236)	(517,061)	(1,174,127,761)	(1,173,825,235)
Nonoperating revenues	—	1,090,100	2,782,882	11,645,381	—	8,414,067	11,109,464	—	326,983	1,338,770,727	1,374,139,604
Nonoperating expenses	—	(1,090,100)	(2,782,882)	(11,645,381)	—	(8,934,751)	(11,109,464)	—	—	(30,654,977)	(66,217,555)
Total nonoperating revenue (expenses)	—	—	—	—	—	(520,684)	—	—	326,983	1,308,115,750	1,307,922,049
Changes in net position	\$ 1,033,823	—	—	—	—	(520,684)	—	(214,236)	(190,078)	133,987,989	134,096,814

2023 Condensed Financial Information for Materially Blended Component Units

	ASU EBC	DSU EBC	JSU EBC	MSU EBC	MVSU EBC	UM EBC	USM EBC	MC EBC	UP	IHL SYSTEM	TOTALS
Current assets	\$ —	—	—	—	—	19,384,734	6,514,927	10,673,160	1,531,391	1,626,062,384	1,664,166,596
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	3,388,184	4,971,233,601	6,214,712,837
Total assets	35,129,621	10,915,000	77,434,244	272,785,000	14,715,000	283,465,069	142,009,024	440,210,915	4,919,575	6,597,295,985	7,878,879,433
Deferred outflows of resources	—	—	5,950,951	—	—	—	—	11,710,542	—	581,582,185	599,243,678
Current liabilities	2,671,695	650,000	5,223,015	13,065,000	575,000	19,217,139	6,514,927	10,673,159	654,331	581,662,819	640,907,085
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	—	3,651,633,100	4,881,193,506
Total liabilities	43,948,779	10,915,000	83,385,195	272,785,000	14,715,000	279,460,200	142,009,024	440,932,143	654,331	4,233,295,919	5,522,100,591
Deferred inflows of resources	—	—	—	—	—	3,484,185	—	—	—	178,034,235	181,518,420
Total net position	\$ (8,819,158)	—	—	—	—	520,684	—	10,989,314	4,265,244	2,767,548,016	2,774,504,100
Operating revenues	\$ 2,983,929	—	—	—	1,100,144	—	—	12,246,044	2,705,404	3,199,851,817	3,218,887,338
Operating expenses	(2,719,927)	—	—	—	(1,100,144)	—	—	(12,713,224)	(3,593,937)	(4,205,554,231)	(4,225,681,463)
Total operating income	264,002	—	—	—	—	—	—	(467,180)	(888,533)	(1,005,702,414)	(1,006,794,125)
Nonoperating revenues	—	1,078,550	2,830,062	12,228,438	—	9,938,158	10,355,850	—	474,721	1,133,041,340	1,169,947,119
Nonoperating expenses	—	(1,078,550)	(2,830,062)	(12,228,438)	—	(9,417,474)	(10,355,850)	—	—	(34,522,241)	(70,432,615)
Total nonoperating revenue	—	—	—	—	—	520,684	—	—	474,721	1,098,519,099	1,099,514,504
Changes in net position	\$ 264,002	—	—	—	—	520,684	—	(467,180)	(413,812)	92,816,685	92,720,379

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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, 2024 and 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, 2024 and 2023 is listed in the following schedules.

Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2024				
				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	\$ 39,680,000	—	1,435,000	38,245,000	1,560,000
Unamortized Premium				3,032,084	—	192,512	2,839,572	192,512
Total Bonded Debt				42,712,084	—	1,627,512	41,084,572	1,752,512
Other Long-term Liabilities:								
Accrued leave liabilities				2,885,358	313,536	—	3,198,894	573,449
Net pension liability				71,695,816	11,564,153	—	83,259,969	—
Net OPEB liability				2,351,215	175,325	—	2,526,540	—
Lease Liability				130,437	—	18,458	111,979	2,034
Subscription Liability				7,569	—	7,569	—	—
Deposits refundable				677,421	—	1,642	675,779	—
Total Other liabilities				77,747,816	12,053,014	27,669	89,773,161	575,483
Total				\$ 120,459,900	12,053,014	1,655,181	130,857,733	2,327,995
Due within one year							(2,327,995)	
Total noncurrent liabilities							\$ 128,529,738	

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2024				Due within one year
				Beginning balance	Additions	Deletions	Ending balance	
Delta State University: Bonded Debt								
EBC - Series 2016	\$ 15,105,000	2.00% - 5.00%	2039	\$ 10,915,000	—	650,000	10,265,000	500,000
Total Bonded Debt				10,915,000	—	650,000	10,265,000	500,000
Other Long-term Liabilities:								
Accrued leave liabilities				1,497,339	58,965	—	1,556,304	389,076
Net pension liability				56,240,562	11,564,514	—	67,805,076	—
Net OPEB liability				2,068,551	165,605	—	2,234,156	—
Lease Liability				215,459	—	49,061	166,398	50,711
Subscription Liability				294,836	—	95,954	198,882	89,100
Deposits refundable				111,821	—	2,825	108,996	—
Total Other liabilities				60,428,568	11,789,084	147,840	72,069,812	528,887
Total	\$ 71,343,568			71,343,568	11,789,084	797,840	82,334,812	1,028,887
Due within one year							(1,028,887)	
Total noncurrent liabilities							\$ 81,305,925	

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2024			Ending balance	Due within one year
				Beginning balance	Additions	Deletions		
Jackson State University:								
Bonded Debt								
EBC - Series 2015A	\$ 57,595,000	2.00% - 5.00%	2025	\$ 7,645,000	—	3,760,000	3,885,000	3,885,000
EBC - Series 2017A	29,745,000	1.60% - 3.70%	2034	26,355,000	—	1,025,000	25,330,000	1,115,000
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				508,961	—	305,376	203,585	203,585
Total Bonded Debt				83,183,961	—	5,090,376	78,093,585	5,203,585
Other Long-term Liabilities:								
Accrued leave liabilities				5,478,335	553,272	—	6,031,607	434,276
Net pension liability				141,575,643	24,941,273	—	166,516,916	—
Net OPEB liability				4,109,674	395,616	—	4,505,290	—
Lease Liability				7,107,867	—	693,378	6,414,489	690,227
Subscription Liability				1,533,880	80,031	748,319	865,592	661,520
Financed purchases - buses				201,234	—	132,638	68,596	68,596
Deposits refundable				415,062	37,139	—	452,201	—
Federal Loan Fund Repayment Contingency				1,912,787	—	—	1,912,787	—
Total Other liabilities				162,334,482	26,007,331	1,574,335	186,767,478	1,854,619
Total				\$ 245,518,443	26,007,331	6,664,711	264,861,063	7,058,204
Due within one year							<u>(7,058,204)</u>	
Total noncurrent liabilities							<u>\$ 257,802,859</u>	

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2024			
				Beginning balance	Additions	Deletions	Ending balance
Mississippi State University:							
Bonded Debt							
EBC - Series 2013	\$ 60,470,000	2.00% - 5.00%	2044	7,725,000	—	7,725,000	—
EBC - Series 2014A	89,810,000	2.00% - 5.00%	2044	60,980,000	—	56,390,000	4,590,000
EBC - Series 2014B	23,435,000	0.29% - 4.813%	2044	15,260,000	—	1,075,000	14,185,000
EBC - Series 2015	56,010,000	2.00% - 5.00%	2046	48,295,000	—	1,310,000	46,985,000
EBC - Series 2017	63,270,000	2.00% - 5.00%	2046	50,905,000	—	3,960,000	46,945,000
EBC - Series 2017A	92,075,000	2.00% - 5.00%	2044	89,620,000	—	1,690,000	87,930,000
EBC - Series 2024A	82,650,000	4.00% - 5.00%	2054	—	82,650,000	—	82,650,000
EBC - Series 2024B	48,325,000	5.00%	2044	—	48,325,000	—	48,325,000
Unamortized premium				10,903,122	11,600,181	2,620,070	19,883,233
Total Bonded Debt				283,688,122	142,575,181	74,770,070	351,493,233
Other Long-term Liabilities:							
Accrued leave liabilities	27,334,524			1,567,708	—	—	28,902,232
Net pension liability	671,443,515			159,407,664	—	—	830,851,179
Net OPEB liability	20,546,848			3,199,875	—	—	23,746,723
Lease Liability	14,287,686			3,919,565	906,181	—	17,301,070
Subscription Liability	6,075,910			2,811,439	3,350,975	—	5,536,374
Deposits refundable	46,417			5,857	—	—	52,274
Federal Loan Fund Repayment Contingency	3,389,885			—	951,299	—	2,438,586
Total Other liabilities	743,124,785			170,912,108	5,208,455	—	908,828,438
Total	\$ 1,026,812,907			313,487,289	79,978,525	—	1,260,321,671
Due within one year							<u>(19,650,866)</u>
Total noncurrent liabilities							<u>\$ 1,240,670,805</u>

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Description and Purpose	Year Ended June 30, 2024				
	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Mississippi University for Women:					
Other Long-term Liabilities:					
Accrued leave liabilities	\$ 1,149,144	171,788	7,634	1,313,298	52,532
Net pension liability	47,621,034	10,694,705	—	58,315,739	—
Net OPEB liability	1,592,366	259,111	—	1,851,477	—
Lease Liability	76,168	226,348	46,884	255,632	61,944
Subscription Liability	406,472	127,398	260,483	273,387	193,891
Federal Loan Fund Repayment Contingency	163,799	85,667	—	249,466	—
Total Other liabilities	51,008,983	11,565,017	315,001	62,258,999	308,367
Total	<u>\$ 51,008,983</u>	<u>11,565,017</u>	<u>315,001</u>	<u>62,258,999</u>	<u>308,367</u>
Due within one year				(308,367)	
Total noncurrent liabilities				<u>\$ 61,950,632</u>	

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2024				Due within one year
				Beginning balance	Additions	Deletions	Ending balance	
Mississippi Valley State University: Bonded Debt								
EBC - Series 2015	17,270,000	2.00%	2037	\$ 14,715,000	—	625,000	14,090,000	675,000
Total Bonded Debt				14,715,000	—	625,000	14,090,000	675,000
Other Long-term Liabilities:								
Accrued leave liabilities				1,391,340	31,102	—	1,422,442	278,047
Net pension liability				45,483,661	7,132,676	—	52,616,337	—
Net OPEB liability				1,609,889	164,193	—	1,774,082	—
Lease Liability				31,043	—	19,635	11,408	11,408
Subscription Liability				72,039	175,213	111,841	135,411	60,876
Deposits refundable				24,624	6,850	—	31,474	—
Total Other liabilities				48,612,596	7,510,034	131,476	55,991,154	350,331
Total				\$ 63,327,596	7,510,034	756,476	70,081,154	1,025,331
Due within one year							(1,025,331)	
Total noncurrent liabilities							\$ 69,055,823	

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Description and Purpose	Year Ended June 30, 2024							
	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	\$ 13,850,000	—	370,000	13,480,000	415,000
EBC - Series 2015B	10,125,000	1.375% - 3.75%	2030	5,255,000	—	675,000	4,580,000	700,000
EBC - Series 2015C	31,630,000	2.00% - 5.00%	2046	27,135,000	—	720,000	26,415,000	760,000
EBC - Series 2015D	17,660,000	0.993% - 4.452%	2036	12,655,000	—	780,000	11,875,000	800,000
EBC - Series 2016A	33,245,000	2.00% - 5.00%	2034	20,880,000	—	2,215,000	18,665,000	2,340,000
EBC - Series 2017	38,995,000	2.00% - 5.00%	2035	32,600,000	—	2,895,000	29,705,000	3,065,000
EBC - Series 2019A	73,350,000	3.00% - 5.00%	2036	65,460,000	—	3,770,000	61,690,000	4,645,000
EBC - Series 2019B	3,365,000	1.94% - 2.05%	2024	655,000	—	655,000	—	—
EBC - Series 2022	72,760,000	4.00% - 5.00%	2043	72,760,000	—	1,110,000	71,650,000	1,170,000
Unamortized Premium				18,368,340	—	1,632,025	16,736,315	1,632,025
Total Bonded Debt				269,618,340	—	14,822,025	254,796,315	15,527,025
Other Long-term Liabilities:								
Accrued leave liabilities				19,931,998	3,119,592	—	23,051,590	2,143,000
Net pension liability				395,825,863	107,928,511	—	503,754,374	—
Net OPEB liability				13,202,158	2,362,978	—	15,565,136	—
Lease Liability				2,817,543	23,712,766	3,469,902	23,060,407	5,623,800
Subscription Liability				4,356,579	3,910,158	3,619,136	4,647,601	2,136,303
Deposits refundable				95,050	850	—	95,900	—
Note Payable from direct borrowings - Hancock Bank				3,113,321	—	1,011,043	2,102,278	1,037,542
Note Payable from direct borrowings - Renasant Bank				4,154,592	—	810,065	3,344,527	833,264
Federal Loan Fund Repayment Contingency				5,472,300	—	544,200	4,928,100	—
Total Other liabilities				448,969,404	141,034,855	9,454,346	580,549,913	11,773,909
Total				\$ 718,587,744	141,034,855	24,276,371	835,346,228	27,300,934
Due within one year							<u>(27,300,934)</u>	
Total noncurrent liabilities							<u>\$ 808,045,294</u>	

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Description and Purpose	Year Ended June 30, 2024							
	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	\$ 6,050,000	—	750,000	5,300,000	845,000
SMEBC - Series 2015A	38,600,000	2.00% - 5.00%	2034	29,045,000	—	1,975,000	27,070,000	2,135,000
SMEBC - Series 2015B	16,690,000	0.50% - 3.25%	2034	2,625,000	—	630,000	1,995,000	645,000
SMEBC - Series 2016	58,870,000	2.00% - 5.00%	2040	53,380,000	—	1,800,000	51,580,000	2,030,000
SMEBC - Series 2017	44,005,000	2.00% - 5.00%	2044	42,550,000	—	185,000	42,365,000	190,000
Umamortized Premium				8,359,024	—	1,174,932	7,184,092	1,092,129
Total Bonded Debt				142,009,024	—	6,514,932	135,494,092	6,937,129
Other Long-term Liabilities:								
Accrued leave liabilities				11,821,723	56,473	—	11,878,196	1,306,602
Net pension liability				264,972,272	50,984,298	—	315,956,570	—
Net OPEB liability				8,920,294	1,206,504	—	10,126,798	—
Lease Liability				3,610,064	—	133,448	3,476,616	1,087,178
Subscription Liability				541,710	3,250,967	1,591,232	2,201,445	1,601,681
Deposits refundable				2,866	—	60	2,806	—
Federal Loan Fund Repayment Contingency				15,893,875	—	2,052,811	13,841,064	—
Total Other liabilities				305,762,804	55,498,242	3,777,551	357,483,495	3,995,461
Total				\$ 447,771,828	55,498,242	10,292,483	492,977,587	10,932,590
Due within one year							(10,932,590)	
Total noncurrent liabilities								\$ 482,044,997

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2024				Due within one year
				Beginning balance	Additions	Deletions	Ending balance	
University of Mississippi Medical Center:								
Bonded Debt								
MCEBC - Series 1998B	\$ 41,075,000	3.88% - 5.90%	2024	3,945,000	—	3,945,000	—	—
MCEBC - Series 2017A	137,635,000	3.00% - 5.00%	2047	137,390,000	—	2,230,000	135,160,000	3,970,000
MCEBC - Series 2017B	12,345,000	2.45% - 3.10%	2024	860,000	—	860,000	—	—
MCEBC - Series 2019	24,380,000	5.00%	2035	22,005,000	—	530,000	21,475,000	2,420,000
MCEBC - Series 2020B	158,125,000	0.445% - 2.917%	2041	151,300,000	—	1,755,000	149,545,000	2,435,000
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				14,078,984	—	1,587,589	12,491,395	1,548,491
Total Bonded Debt				439,578,984	—	10,907,589	428,671,395	10,373,491
Notes Payable - Direct borrowings:								
University of Mississippi		2.00%	2026	7,195,029	—	3,958,022	3,237,007	2,422,707
University of Mississippi		0.93%	2026	2,278,216	—	942,659	1,335,557	570,875
Total Notes Payable				9,473,245	—	4,900,681	4,572,564	2,993,582
Other Long-term Liabilities:								
Accrued leave liabilities				68,308,642	1,840,287	—	70,148,929	6,565,625
Net pension liability				1,512,260,832	314,294,108	—	1,826,554,940	—
Net OPEB liability				35,246,134	4,982,426	—	40,228,560	—
Lease Liability				83,871,386	16,161,694	15,396,552	84,636,528	14,069,549
Subscription Liability				29,192,837	14,743,752	16,311,318	27,625,271	9,773,019
Federal Loan Fund Repayment Contingency				1,446,807	—	56,118	1,390,689	—
Financed purchases - various equipment				2,982,976	—	1,477,878	1,505,098	1,505,098
Reserve for unpaid claims				29,780,000	—	1,758,000	28,022,000	7,141,000
Total Other liabilities				1,763,089,614	352,022,267	34,999,866	2,080,112,015	39,054,291
Total				\$ 2,212,141,843	352,022,267	50,808,136	2,513,355,974	52,421,364
Due within one year							(52,421,364)	
Total noncurrent liabilities								\$ 2,460,934,610

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Description and Purpose	Year Ended June 30, 2024				
	Beginning balance	Additions	Deletions	Ending balance	Due within one year
IHL Executive Office:					
Other Long-term Liabilities:					
Accrued leave liabilities	\$ 871,610	—	24,449	847,161	32,502
Net pension liability	20,904,852	4,472,432	—	25,377,284	—
Net OPEB liability	441,900	55,153	—	497,053	—
Lease Liability	247,246	8,970	67,167	189,049	67,658
Subscription Liability	116,138	278,231	128,516	265,853	129,179
Reserve for unpaid claims	28,768,603	2,808,514	—	31,577,117	6,888,793
Total Other liabilities	<u>\$ 51,350,349</u>	<u>7,623,300</u>	<u>220,132</u>	<u>58,753,517</u>	<u>7,118,132</u>
Due within one year				(7,118,132)	
Total noncurrent liabilities				<u>\$ 51,635,385</u>	
Mississippi Commission for Volunteer Services:					
Other Long-term Liabilities:					
Accrued leave liabilities	\$ 65,480	—	11,305	54,175	14,896
Net pension liability	1,851,627	373,366	—	2,224,993	—
Total Other liabilities	<u>\$ 1,917,107</u>	<u>373,366</u>	<u>11,305</u>	<u>2,279,168</u>	<u>14,896</u>
Due within one year				(14,896)	
Total noncurrent liabilities				<u>\$ 2,264,272</u>	

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Year ended June 30, 2024

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	\$ 1,286,420,515	142,575,181	115,007,504	1,313,988,192	—	1,313,988,192	53,810,572
Reserves for unpaid claims	58,548,603	2,808,514	1,758,000	59,599,117	—	59,599,117	14,029,793
Other long-term liabilities and notes payable:							
Accrued leave liabilities	140,735,493	7,712,723	43,388	148,404,828	—	148,404,828	14,826,027
Net pension liability	3,229,875,677	703,357,700	—	3,933,233,377	—	3,933,233,377	—
Net OPEB liability	90,089,029	12,966,786	—	103,055,815	—	103,055,815	—
Lease Liability	112,394,899	44,029,343	20,800,666	135,623,576	—	135,623,576	22,645,662
Subscription Liability	42,597,970	25,377,189	26,225,343	41,749,816	—	41,749,816	17,437,430
Notes payable from direct borrowings	7,267,913	—	6,721,789	546,124	4,900,679	5,446,803	1,870,806
Financed purchases	3,184,210	—	1,610,516	1,573,694	—	1,573,694	1,573,694
Deposits refundable	1,373,261	50,696	4,527	1,419,430	—	1,419,430	—
Refundable government advances	28,279,453	85,667	3,604,428	24,760,692	—	24,760,692	—
Total other long-term liabilities and notes payable	3,655,797,905	793,580,104	59,010,657	4,390,367,352	4,900,679	4,395,268,031	58,353,619
Total	<u>\$ 5,000,767,023</u>	<u>938,963,799</u>	<u>175,776,161</u>	<u>5,763,954,661</u>	<u>4,900,679</u>	<u>5,768,855,340</u>	<u>126,193,984</u>
Due within one year						<u>(126,193,984)</u>	
Total noncurrent liabilities						<u>\$ 5,642,661,356</u>	

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2023				
				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				44,239,597	—	1,527,513	42,712,084	1,627,512
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 *				—	7,569	—	7,569	7,569
Deposits refundable				677,215	206	—	677,421	—
Total Other liabilities				62,629,907	16,243,271	1,125,362	77,747,816	597,646
Total				\$ 106,869,504	16,243,271	2,652,875	120,459,900	2,225,158
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)	Year Ended June 30, 2023				Due within one year
				Beginning balance	Additions	Deletions	Ending balance	
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				11,535,000	—	620,000	10,915,000	650,000
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 *				—	294,836	—	294,836	96,118
Deposits refundable				108,966	2,855	—	111,821	—
Total Other liabilities				43,737,600	17,358,337	667,369	60,428,568	519,524
Total				\$ 55,272,600	17,358,337	1,287,369	71,343,568	1,169,524
Due within one year							(1,169,524)	
Total noncurrent liabilities							\$ 70,174,044	

* 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)	Year Ended June 30, 2023			Ending balance	Due within one year
				Beginning balance	Additions	Deletions		
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				88,069,337	—	4,885,376	83,183,961	5,090,376
Other Long-term Liabilities:								
Accrued leave liabilities				6,636,679	—	1,158,344	5,478,335	397,179
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 *				—	1,533,880	—	1,533,880	720,872
Financed purchases - buses				328,024	—	126,790	201,234	132,638
Deposits refundable				703,814	—	288,752	415,062	—
Federal Loan Fund Repayment Contingency				1,912,787	—	—	1,912,787	—
Total Other liabilities				121,944,235	43,910,571	3,520,324	162,334,482	1,944,568
Total				\$ 210,013,572	43,910,571	8,405,700	245,518,443	7,034,944
Due within one year							(7,034,944)	
Total noncurrent liabilities							\$ 238,483,499	

* 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)	Year Ended June 30, 2023			Ending balance	Due within one year
				Beginning balance	Additions	Deletions		
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				298,233,224	—	14,545,102	283,688,122	14,899,553
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 *				—	6,075,910	—	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				552,668,602	203,476,336	13,020,153	743,124,785	5,824,561
Total				\$ 850,901,826	203,476,336	27,565,255	1,026,812,907	20,724,114
Due within one year							(20,724,114)	
Total noncurrent liabilities								\$ 1,006,088,793

* 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	Year Ended June 30, 2023				
	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.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2023				Due within one year
				Beginning balance	Additions	Deletions	Ending balance	
Mississippi Valley State University: Borrowed Debt								
EBC - Series 2015	17,270,000	2.00%	2037	\$ 15,290,000	—	575,000	14,715,000	625,000
Total Bonded Debt				15,290,000	—	575,000	14,715,000	625,000
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 *				—	72,039	—	72,039	50,024
Deposits refundable				28,164	—	3,540	24,624	—
Total Other liabilities				37,365,714	11,918,831	671,949	48,612,596	309,362
Total				\$ 52,655,714	11,918,831	1,246,949	63,327,596	934,362
Due within one year							(934,362)	
Total noncurrent liabilities							\$ 62,393,234	

* 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)	Year Ended June 30, 2023			Ending balance	Due within one year
				Beginning balance	Additions	Deletions		
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 *				—	4,356,579	—	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	124,756,436	8,663,336	448,969,404	7,911,041
Total				\$ 539,849,507	200,516,695	21,778,458	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.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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NOTES TO FINANCIAL STATEMENTS
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Description and Purpose	Year Ended June 30, 2023							
	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
Unamortized 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 *				—	541,710	—	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	74,935,083	6,235,561	305,762,804	2,690,559
Total				\$ 385,170,253	74,935,083	12,333,508	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.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Year Ended 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 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				339,082,935	110,975,788	10,479,739	439,578,984	10,907,589
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				13,315,521	—	3,842,276	9,473,245	3,911,737
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 *				—	29,192,837	—	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				1,354,059,960	440,701,414	31,671,760	1,763,089,614	37,882,374
Total				\$ 1,706,458,416	551,677,202	45,993,775	2,212,141,843	52,701,700
Due within one year							(52,701,700)	
Total noncurrent liabilities								\$ 2,159,440,143

* 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	Year Ended June 30, 2023				
	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 *	—	116,138	—	116,138	33,160
Reserve for unpaid claims	31,067,388	—	2,298,785	28,768,603	6,301,343
Total Other liabilities	\$ 47,306,750	6,468,885	2,425,286	51,350,349	6,444,515
Due within one year				(6,444,515)	
Total noncurrent liabilities				\$ 44,905,834	

* 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	Year Ended June 30, 2023				
	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	\$ 1,439,353	477,754	—	1,917,107	12,718
Due within one year				(12,718)	
Total noncurrent liabilities				\$ 1,904,389	

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Year ended 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 *	—	42,597,970	—	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	2,765,457,691	954,956,467	68,458,529	3,651,955,629	3,842,276	3,655,797,905	53,940,192
Total	<u>\$ 3,979,405,346</u>	<u>1,141,692,514</u>	<u>124,173,113</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>	

* Subscription liability is recorded at the beginning of fiscal year 2023 in accordance with GASB Statement No. 96.

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The annual debt service requirements for the outstanding debt as of June 30, 2024 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 and Financed Purchases	Interest	Total
Alcorn State University:						
2025	\$ 1,752,512	2,034	—	—	1,534,996	3,289,542
2026	1,887,512	451	—	—	1,453,599	3,341,562
2027	2,007,512	461	—	—	1,365,839	3,373,812
2028	2,097,512	472	—	—	1,272,828	3,370,812
2029	2,197,512	482	—	—	1,175,068	3,373,062
2030 - 2034	12,777,560	2,580	—	—	4,349,445	17,129,585
2035 - 2039	15,204,452	2,883	—	—	1,859,067	17,066,402
2040 - 2044	3,160,000	3,223	—	—	66,702	3,229,925
2045 - 2049	—	3,602	—	—	11,023	14,625
2050 - 2054	—	4,026	—	—	10,599	14,625
2055 - 2059	—	4,499	—	—	10,126	14,625
2060 - 2064	—	5,029	—	—	9,596	14,625
2065 - 2069	—	5,621	—	—	9,004	14,625
2070 - 2074	—	6,282	—	—	8,343	14,625
2075 - 2079	—	7,021	—	—	7,604	14,625
2080 - 2084	—	7,848	—	—	6,777	14,625
2085 - 2089	—	8,771	—	—	5,854	14,625
2090 - 2094	—	9,803	—	—	4,822	14,625
2095 - 2099	—	10,957	—	—	3,668	14,625
2100 - 2104	—	12,246	—	—	2,379	14,625
2105 - 2109	—	13,688	—	—	938	14,626
Total Alcorn State University	\$ 41,084,572	111,979	—	—	13,168,277	54,364,828
Delta State University:						
2025	\$ 500,000	50,711	89,100	—	417,987	1,057,798
2026	525,000	52,384	66,434	—	388,032	1,031,850
2027	550,000	54,112	43,348	—	357,515	1,004,975
2028	580,000	9,191	—	—	329,537	918,728
2029	605,000	—	—	—	305,800	910,800
2030 - 2034	3,385,000	—	—	—	1,162,950	4,547,950
2035 - 2039	4,120,000	—	—	—	425,800	4,545,800
Total Delta State University	\$ 10,265,000	166,398	198,882	—	3,387,621	14,017,901
Jackson State University:						
2025	\$ 5,203,585	690,227	661,520	68,596	2,147,140	8,771,068
2026	5,340,000	658,322	204,072	—	1,707,400	7,909,794
2027	6,520,000	432,614	—	—	1,617,146	8,569,760
2028	6,605,000	442,449	—	—	1,523,087	8,570,536
2029	6,715,000	452,507	—	—	1,401,335	8,568,842
2030 - 2034	35,970,000	2,421,599	—	—	4,466,390	42,857,989
2035 - 2039	8,620,000	1,316,771	—	—	662,723	10,599,494
2040 - 2044	2,570,000	—	—	—	221,865	2,791,865
2045 - 2049	550,000	—	—	—	11,550	561,550
Total Jackson State University	\$ 78,093,585	6,414,489	865,592	68,596	13,758,636	99,200,898

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University - fiscal year(s)	Bonded Debt	Lease Liability	Subscription Liability	Notes Payable and Financed Purchases	Interest	Total
Mississippi State University:						
2025	\$ 12,841,830	981,153	2,791,861	—	13,457,169	30,072,013
2026	13,861,868	1,025,410	1,674,099	—	13,011,916	29,573,293
2027	14,740,795	981,423	446,975	—	14,138,248	30,307,441
2028	15,974,383	702,318	309,971	—	13,455,354	30,442,026
2029	15,649,994	660,488	296,787	—	12,751,807	29,359,076
2030 - 2034	75,223,959	3,256,862	16,681	—	53,613,013	132,110,515
2035 - 2039	80,494,712	3,763,407	—	—	36,267,880	120,525,999
2040 - 2044	76,550,547	3,213,828	—	—	19,009,574	98,773,949
2045 - 2049	24,331,559	806,466	—	—	7,506,553	32,644,578
2050 - 2054	21,823,586	1,015,355	—	—	2,955,475	25,794,416
2055 - 2059	—	894,360	—	—	37,705	932,065
Total Mississippi State University	<u>\$ 351,493,233</u>	<u>17,301,070</u>	<u>5,536,374</u>	<u>—</u>	<u>186,204,694</u>	<u>560,535,371</u>
Mississippi University for Women:						
2025	\$ —	61,944	193,891	—	18,373	274,208
2026	—	64,315	24,379	—	9,533	98,227
2027	—	64,744	26,456	—	6,122	97,322
2028	—	48,148	28,661	—	2,855	79,664
2029	—	16,481	—	—	138	16,619
Total Mississippi University for Women	<u>\$ —</u>	<u>255,632</u>	<u>273,387</u>	<u>—</u>	<u>37,021</u>	<u>566,040</u>
Mississippi Valley State University:						
2025	\$ 675,000	11,408	60,876	—	486,969	1,234,253
2026	725,000	—	66,569	—	467,623	1,259,192
2027	785,000	—	7,966	—	443,265	1,236,231
2028	845,000	—	—	—	419,456	1,264,456
2029	910,000	—	—	—	393,050	1,303,050
2030 - 2034	5,675,000	—	—	—	1,453,200	7,128,200
2035 - 2039	4,475,000	—	—	—	341,575	4,816,575
Total Mississippi Valley State University	<u>\$ 14,090,000</u>	<u>11,408</u>	<u>135,411</u>	<u>—</u>	<u>4,005,138</u>	<u>18,241,957</u>
University of Mississippi:						
2025	\$ 15,527,025	5,623,800	2,136,303	1,870,806	11,367,076	36,525,010
2026	16,242,787	5,442,073	1,435,042	1,921,427	10,337,293	35,378,622
2027	16,414,708	5,561,280	734,943	880,840	9,320,044	32,911,815
2028	17,187,217	5,690,241	341,313	773,732	8,313,907	32,306,410
2029	17,403,054	667,759	—	—	7,390,558	25,461,371
2030 - 2034	74,987,328	75,254	—	—	26,713,507	101,776,089
2035 - 2039	36,619,048	—	—	—	16,267,463	52,886,511
2040 - 2044	22,848,180	—	—	—	11,151,497	33,999,677
2045 - 2049	20,790,123	—	—	—	5,964,050	26,754,173
2050 - 2054	16,776,845	—	—	—	1,522,131	18,298,976
Total University of Mississippi	<u>\$ 254,796,315</u>	<u>23,060,407</u>	<u>4,647,601</u>	<u>5,446,805</u>	<u>108,347,526</u>	<u>396,298,654</u>

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University - fiscal year(s)	Bonded Debt	Lease Liability	Subscription Liability	Notes Payable and Financed Purchases	Interest	Total
University of Southern Mississippi:						
2025	\$ 6,937,129	1,087,178	1,601,681	—	5,678,525	15,304,513
2026	7,304,230	883,095	528,506	—	5,332,557	14,048,388
2027	7,893,054	593,526	34,383	—	5,009,228	13,530,191
2028	7,851,334	455,621	36,875	—	4,678,779	13,022,609
2029	8,416,767	187,988	—	—	4,340,025	12,944,780
2030 - 2034	47,816,430	269,208	—	—	15,953,772	64,039,410
2035 - 2039	32,155,927	—	—	—	6,217,692	38,373,619
2040 - 2044	17,119,221	—	—	—	1,564,796	18,684,017
Total University of Southern Mississippi	<u>\$ 135,494,092</u>	<u>3,476,616</u>	<u>2,201,445</u>	<u>—</u>	<u>48,775,374</u>	<u>189,947,527</u>
University of Mississippi Medical Center:						
2025	\$ 10,373,491	14,069,549	9,773,019	4,498,680	18,812,154	57,526,893
2026	12,642,010	11,803,158	10,442,314	1,578,982	17,775,529	54,241,993
2027	12,975,657	10,375,048	4,670,558	—	16,729,726	44,750,989
2028	13,319,082	8,571,211	2,310,243	—	15,862,948	40,063,484
2029	13,740,042	8,406,003	429,137	—	15,104,923	37,680,105
2030 - 2034	76,454,839	28,090,288	—	—	64,791,998	169,337,125
2035 - 2039	96,272,241	3,321,271	—	—	49,405,870	148,999,382
2040 - 2044	96,729,166	—	—	—	32,403,460	129,132,626
2045 - 2049	71,580,530	—	—	—	12,330,050	83,910,580
2050 - 2054	24,584,337	—	—	—	2,525,400	27,109,737
Total University of Mississippi Medical Center	<u>\$ 428,671,395</u>	<u>84,636,528</u>	<u>27,625,271</u>	<u>6,077,662</u>	<u>245,742,058</u>	<u>792,752,914</u>
Executive Office						
2025	\$ —	67,658	129,179	—	14,982	211,819
2026	—	57,152	115,753	—	8,105	181,010
2027	—	39,721	20,921	—	2,168	62,810
2028	—	23,542	—	—	341	23,883
2029	—	976	—	—	11	987
Total Executive Office	<u>\$ —</u>	<u>189,049</u>	<u>265,853</u>	<u>—</u>	<u>25,607</u>	<u>480,509</u>
State of Mississippi - Institutions of Higher Learning (Combined):						
2025	\$ 53,810,572	22,645,662	17,437,430	6,438,082	53,935,371	154,267,117
2026	58,528,407	19,986,360	14,557,168	3,500,409	50,491,587	147,063,931
2027	61,886,726	18,102,929	5,985,550	880,840	48,989,301	135,845,346
2028	64,459,528	15,943,193	3,027,063	773,732	45,859,092	130,062,608
2029	65,637,369	10,392,684	725,924	—	42,862,715	119,618,692
2030 - 2034	332,290,116	34,115,791	16,681	—	172,504,275	538,926,863
2035 - 2039	277,961,380	8,404,332	—	—	111,448,070	397,813,782
2040 - 2044	218,977,114	3,217,051	—	—	64,417,894	286,612,059
2045 - 2049	117,252,212	810,068	—	—	25,823,226	143,885,506
2050 - 2054	63,184,768	1,019,381	—	—	7,013,605	71,217,754
2055 - 2059	—	898,859	—	—	47,831	946,690
2060 - 2064	—	5,029	—	—	9,596	14,625
2065 - 2069	—	5,621	—	—	9,004	14,625
2070 - 2074	—	6,282	—	—	8,343	14,625
2075 - 2079	—	7,021	—	—	7,604	14,625
2080 - 2084	—	7,848	—	—	6,777	14,625
2085 - 2089	—	8,771	—	—	5,854	14,625
2090 - 2094	—	9,803	—	—	4,822	14,625
2095 - 2099	—	10,957	—	—	3,668	14,625
2100 - 2104	—	12,246	—	—	2,379	14,625
2105 - 2109	—	13,688	—	—	938	14,626
Total System	<u>\$ 1,313,988,192</u>	<u>135,623,576</u>	<u>41,749,816</u>	<u>11,593,063</u>	<u>623,451,952</u>	<u>2,126,406,599</u>

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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 2054. 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 \$153.5 million and \$3.8 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 years ended June 30, 2024 and 2023:

Functional Classification	2024									
	Salaries and wages	Fringe benefits	Travel	Contractual services	Utilities	Scholarships and fellowships	Commodities	Depreciation and amortization	Other	Total
Instruction	\$ 513,105,429	227,705,471	12,963,823	63,445,017	351,531	1,567,767	19,449,627	—	94,306	838,682,971
Research	220,124,700	106,546,671	10,748,840	85,700,622	4,626,952	1,874,073	24,942,835	—	757,410	455,322,103
Public service	109,641,604	52,924,246	5,526,082	54,779,428	2,456,412	155,195	6,391,751	—	39,607	231,914,325
Academic support	96,661,376	42,493,012	3,290,756	26,834,165	405,641	1,153,934	12,906,602	—	22,447	183,767,933
Student services	57,903,088	26,501,470	8,405,417	19,517,486	272,190	498,667	8,655,443	—	225,089	121,978,850
Institutional support	175,620,940	102,269,217	4,671,650	175,693,504	3,210,755	746,080	12,814,004	—	3,388,024	478,414,174
Operation of plant	60,210,046	30,763,481	285,852	64,044,021	51,505,459	—	16,174,599	5,031,214	284,404	228,299,076
Student aid	4,050,168	7,346,267	142,501	812,255	—	212,071,804	160,896	—	—	224,583,891
Auxiliary enterprises	113,863,803	43,306,827	19,647,825	112,556,847	22,452,089	33,704,939	19,549,667	13,538	131,527	365,227,062
Depreciation and amortization	—	—	—	—	—	—	—	212,361,798	—	212,361,798
Hospital	687,328,176	258,740,797	964,819	185,459,141	1,268,371	—	408,630,369	—	—	1,542,391,673
Loan fund expense	—	—	—	322,273	—	—	452	—	4,302,783	4,625,508
	2,038,509,330	898,597,459	66,647,565	789,164,759	86,549,400	251,772,459	529,676,245	217,406,550	9,245,597	4,887,569,364
Elimination entries	—	—	—	(56,073,344)	—	(37,982,928)	—	—	—	(94,056,272)
Total operating expenses	\$ 2,038,509,330	898,597,459	66,647,565	733,091,415	86,549,400	213,789,531	529,676,245	217,406,550	9,245,597	4,793,513,092

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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	
	1,832,509,450	620,724,480	60,886,146	759,896,683	92,259,266	236,652,358	502,057,442	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	8,996,935	4,318,509,791	
Elimination entries	—	—	—	(54,617,201)	—	(38,211,127)	—	—	—	—	—	—	—	—	—	—	—	—	(92,828,328)
Total operating expenses	\$ 1,832,509,450	620,724,480	60,886,146	705,279,482	92,259,266	198,441,231	502,057,442	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	204,527,031	8,996,935	4,225,681,463	

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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 years ended June 30, 2024 and 2023, the system made variable payments as required by lease agreements totaling \$4,808 and \$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,	Principal	Interest
2025	\$ 22,645,662	3,608,057
2026	19,986,361	2,982,235
2027	18,102,929	2,410,815
2028	15,943,193	1,892,387
2029	10,392,684	1,498,533
2030 - 2034	34,115,791	4,242,605
2035 - 2039	8,404,332	1,504,811
2040 - 2044	3,217,051	524,452
2045 - 2049	810,068	272,926
2050 - 2054	1,019,381	170,450
2055 - 2059	898,858	47,831
2060 - 2064	5,029	9,596
2065 - 2069	5,621	9,004
2070 - 2074	6,282	8,343
2075 - 2079	7,021	7,604
2080 - 2084	7,848	6,777
2085 - 2089	8,771	5,854
2090 - 2094	9,803	4,822
2095 - 2099	10,957	3,668
2100 - 2104	12,246	2,379
2105 - 2109	13,688	938
	\$ 135,623,576	19,214,087

(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, 2024, the System recognized \$2,546,899 and \$617,895 in lease revenue and interest revenue, respectively, pursuant to these contracts. During the year ended June 30, 2023, the

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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.

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

Year ending June 30,	Principal	Interest
2025	\$ 1,701,756	555,801
2026	1,712,585	516,670
2027	1,479,221	479,027
2028	1,321,365	447,851
2029	1,370,449	417,386
2030 - 2034	6,825,172	1,624,776
2035 - 2039	5,028,803	895,388
2040 - 2044	3,659,120	441,496
2045 - 2049	1,004,858	160,238
2050 - 2054	443,599	97,755
2055 - 2059	53,064	68,359
2060 - 2064	60,434	62,077
2065 - 2069	67,843	54,940
2070 - 2074	77,044	46,916
2075 - 2079	86,431	37,822
2080 - 2084	97,915	27,608
2085 - 2089	109,784	16,056
2090 - 2094	14,898	7,895
2095 - 2099	17,026	6,110
2100 - 2104	20,561	4,056
2105 - 2109	21,686	1,602
Total minimum lease payments	\$ 25,173,614	5,969,829

This amount is included in the accompanying statements of net position as accounts receivable.

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 2031 and some provide for renewal options ranging from one year to five years. Subscription payments are made monthly and annually ranging from \$636 - \$943,000, with an estimated incremental borrowing rate of 4.00% in fiscal year 2024 and 3.25% in fiscal year 2023. 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, 2024 are as follows:

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Year ending June 30,	Subscription obligations payable	Interest
2025	\$ 17,437,430	1,250,078
2026	14,557,168	723,865
2027	5,985,550	281,820
2028	3,027,063	93,127
2029	725,924	28,447
2030 - 2031	16,681	818
Total remaining subscription commitments	<u>\$ 41,749,816</u>	<u>2,378,155</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 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, 2024. 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	\$ 43,131,421	—	42,036,532	1,094,889	—
Delta State University	8,485,070	—	8,485,070	—	—
Jackson State University	56,654,493	—	56,654,493	—	—
Mississippi State University	290,856,762	37,873,528	116,341,997	117,912,262	18,728,975
Mississippi University for Women	4,814,641	2,297,656	1,670,649	846,336	—
Mississippi Valley State University	45,811,626	—	43,686,626	2,125,000	—
University of Mississippi	310,598,000	1,360,000	56,423,000	233,183,000	19,632,000
University of Southern Mississippi	6,688,352	2,083,342	2,975,519	1,629,491	—
University of Mississippi Medical Center	256,727,468	58,995,005	71,202,949	30,812,257	95,717,257
Totals	<u>\$ 1,023,767,833</u>	<u>102,609,531</u>	<u>399,476,835</u>	<u>387,603,235</u>	<u>134,078,232</u>

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Note 16

Donor Restricted Endowments

Endowment investments totaled \$396.9 million and \$370.5 million at June 30, 2024 and 2023, respectively. The net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure approximated \$59.7 million and \$51.1 million as of June 30, 2024 and 2023, respectively, and these net appreciation amounts are included in the accompanying statements of net position in “net position – expendable for other purposes,” and “net position – expendable for scholarships and fellowships.”

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

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, 2023 for fiscal year 2024 and 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 years 2024 and 2023 include all disclosures for GASB Statement No. 68 using the latest valuation report available (June 30, 2022). For fiscal year 2024, the measurement date for the PERS defined benefit plan is June 30, 2023. 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, 2023 and 2022 for the fiscal years 2024 and 2023 financials, respectively.

(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

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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 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 years ended June 30, 2024 and 2023 was 17.40% for each year of annual payroll. Contributions from the IHL System are recognized when legally due based on statutory requirements. During the 2024 session, the Mississippi Legislature increased the employer contribution rate by 0.50% each July 1 from 2024 through 2028.

Employer Contributions

The IHL System's contributions to PERS for the years ended June 30, 2024 and 2023 were \$207.1 million and \$201.7 million, respectively. 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:

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	<u>Proportionate share of contributions</u>	<u>Allocation percentage of proportionate share of collective pension amount</u>	<u>Change in proportionate share of collective pension amount</u>
PERS defined benefit plan:			
2024	\$ 201,705,645	15.64%	-0.05%
2023	187,963,561	15.69%	-0.16%

Net Pension Liability

The IHL System's proportion of the net pension liability at June 30, 2024 and 2023 is as follows:

	<u>Proportionate share of net pension liability</u>	<u>Proportion of net pension liability</u>
PERS defined benefit plan:		
2024	\$ 3,933,233,377	15.64%
2023	3,229,875,677	15.69%

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 years ended June 30, 2024 and 2023, the remaining service life was 3.59 years and 3.73 years, respectively. 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 years ended June 30, 2024 and 2023 is equal to the collective pension expense multiplied by the employer's allocation percentage, or \$529.9 million and \$290.6 million, respectively. 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 will increase pension expense, they are labeled deferred outflows. After amortization of these deferred amounts, the IHL System's net pension expense at June 30, 2024 and 2023 was \$296.2 million and \$72.5 million, respectively.

The tables below provide a summary of the deferred outflows and inflows of resources related to pensions:

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	2024						Deferred inflows	
	Deferred outflows					Total deferred outflows of resources	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 investment earnings on pension plan investment		Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources
Alcorn State University	\$ 2,084,707	9,776,283	—	4,668,323	3,257,509	19,786,822	6,306,844	6,306,844
Delta State University	1,697,739	7,961,589	162,707	3,304,392	2,652,843	15,779,270	—	—
Jackson State University	4,169,338	19,552,211	—	9,014,219	6,514,899	39,250,667	2,491,625	2,491,625
Mississippi State University	20,803,289	97,557,522	6,571,436	44,843,297	32,506,676	202,282,220	—	—
Mississippi University for Women	1,460,140	6,847,362	427,007	3,015,215	2,281,577	14,031,301	—	—
Mississippi Valley State University	1,317,436	6,178,145	—	2,752,581	2,058,590	12,306,752	2,899,035	2,899,035
University of Mississippi	12,613,267	59,150,218	12,331,601	28,509,128	19,709,162	132,313,376	—	—
University of Southern Mississippi	7,911,087	37,099,231	—	16,323,484	12,361,658	73,695,460	5,390,988	5,390,988
University of Mississippi Medical Center	45,734,245	214,471,830	—	91,100,768	71,463,134	422,769,977	33,994,373	33,994,373
Executive Office	635,410	2,979,769	—	1,282,462	992,875	5,890,516	118,022	118,022
MCVS	55,711	261,256	—	105,934	87,051	509,952	74,988	74,988
Total	<u>\$ 98,482,369</u>	<u>461,835,416</u>	<u>19,492,751</u>	<u>204,919,803</u>	<u>153,885,974</u>	<u>938,616,313</u>	<u>51,275,875</u>	<u>51,275,875</u>

Contributions subsequent to the measurement date at 2024 of \$204.9 million, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

	2023						Deferred inflows	
	Deferred outflows					Total deferred outflows of resources	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 investment earnings on pension plan investment		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 at 2023 of \$199.7 million, reported as deferred outflows of resources, are recognized as a reduction of the net pension liability in the current year.

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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				
	2025	2026	2027	2028	Total
Alcorn State University	\$ 5,585,386	3,444,510	6,063,846	24,757	15,118,499
Delta State University	4,785,139	2,842,008	4,827,569	20,162	12,474,878
Jackson State University	11,170,569	6,888,895	12,127,472	49,512	30,236,448
Mississippi State University	59,450,924	35,971,648	61,769,306	247,045	157,438,923
Mississippi University for Women	4,136,939	2,599,281	4,262,527	17,339	11,016,086
Mississippi Valley State University	3,529,698	2,176,766	3,832,062	15,645	9,554,171
University of Mississippi	38,509,474	26,027,802	39,117,186	149,786	103,804,248
University of Southern Mississippi	21,195,533	13,071,294	23,011,202	93,947	57,371,976
University of Mississippi Medical Center	122,532,049	75,565,565	133,028,488	543,107	331,669,209
Executive Office	1,702,402	1,049,872	1,848,234	7,546	4,608,054
MCVS	149,261	92,049	162,047	661	404,018
Total	<u>\$ 272,747,374</u>	<u>169,729,690</u>	<u>290,049,939</u>	<u>1,169,507</u>	<u>733,696,510</u>

	Deferred inflows of resources, Year Ended June 30			
	2025	2026	2027	Total
Alcorn State University	\$ 3,950,571	1,830,967	525,306	6,306,844
Delta State University	—	—	—	—
Jackson State University	964,313	744,560	782,752	2,491,625
Mississippi State University	—	—	—	—
Mississippi University for Women	—	—	—	—
Mississippi Valley State University	1,703,710	837,462	357,863	2,899,035
University of Mississippi	—	—	—	—
University of Southern Mississippi	2,496,779	1,949,515	944,694	5,390,988
University of Mississippi Medical Center	21,606,080	9,814,896	2,573,397	33,994,373
Executive Office	133,296	(35,404)	20,130	118,022
MCVS	49,582	20,870	4,536	74,988
Total	<u>\$ 30,904,331</u>	<u>15,162,866</u>	<u>5,208,678</u>	<u>51,275,875</u>

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. The actuarial assumptions

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used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the four-year period ending June 30, 2022.

The following table provides a summary of the actuarial methods and assumptions used to determine the contribution rate reported for PERS for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Valuation date	June 30, 2022	June 30, 2021
Measurement date	June 30, 2023	June 30, 2022
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Inflation rate	2.40 %	2.40 %
Salary increases	2.65% – 17.90%	2.65% – 17.90%
Investment rate of return	7.00 %	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, 2024 and 2023 are summarized in the following table:

<u>Asset class</u>	<u>Year ended June 30, 2024</u>		<u>Year ended June 30, 2023</u>	
	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Domestic Equity	27.00 %	4.75 %	25.00 %	4.60 %
International equity	22.00	4.75	20.00	4.50
Global Equity	12.00	4.95	12.00	4.85
Debt securities	20.00	1.75	18.00	1.40
Real Estate	10.00	3.25	10.00	3.65
Private Equity	8.00	6.00	10.00	6.00
Private Infrastructure			2.00	4.00
Private Credit			2.00	4.00
Cash Equivalents	1.00	0.25	1.00	(0.10)
	<u>100.00</u>		<u>100.00</u>	

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Discount Rate

For the years ended June 30, 2024 and 2023, the discount rates used to measure the total pension liability were 7.00% and 7.55%, respectively. 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 years ended June 30, 2024 and 2023. Based on those assumptions, the pension 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 2024, calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Discount Rate Sensitivity		
	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
IHL System proportionate share of net pension liability 2024	\$ 5,072,004,189	\$ 3,933,233,377	\$ 2,998,745,391

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%)
IHL System proportionate share of net pension liability 2023	\$ 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

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ORP for the years ended June 30, 2024 and 2023 were \$81.4 million and \$81.7 million, respectively, 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; the Chairman of the House of Representatives Insurance Committee; the Chairman of the Senate Appropriations Committee; and the Chairman of the House of Representatives Appropriations Committee. 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 the average cost of providing healthcare benefits to retirees under age 65 and the average cost of providing healthcare benefits to all participants when premiums paid by retirees are not age-adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage.

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.

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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, 2023 and 2022, the Plan provided health coverage to 321 and 325 employer units, respectively.

Disclosures under GASB Statement No. 75

The disclosures that follow for fiscal years 2024 and 2023 include all disclosures for GASB Statement No. 75 using the latest valuation report available (June 30, 2023). For fiscal year 2024, the measurement date for the State and School Employees' Life and Health Insurance Plan is June 30, 2023. For fiscal year 2023, the measurement date for the Plan is June 30, 2022. The IHL System is presenting net OPEB liability as of June 30, 2023 and 2022 for the fiscal years 2024 and 2023 financials, respectively.

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, 2024 and 2023, the IHL System reported a liability of \$103.1 million and \$90.1 million, respectively, for its proportionate share of the net OPEB liability (NOL). For fiscal year ended June 30, 2024, the NOL was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2024 and 2023, the IHL System's proportion was 18.62% and 18.29%, respectively.

For the years ended June 30, 2024 and 2023, the IHL System recognized OPEB (income) of (\$7.3) million and (\$12.3) million, respectively.

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

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2024

	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	Contributions subsequent to the measurement date	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	\$ 414,149	155	225,710	—	115,985	755,999	190,070	713,307	483,562	1,386,939
Delta State University	366,222	137	199,589	58,915	92,529	717,392	168,074	630,760	126,746	925,580
Jackson State University	738,505	277	402,482	94,482	209,773	1,445,519	338,930	1,271,959	417,278	2,028,167
Mississippi State University	3,892,553	1,459	2,121,424	1,802,091	1,073,960	8,891,487	1,786,449	6,704,311	5,571	8,496,331
Mississippi University for Women	303,493	114	165,403	149,197	79,828	698,035	139,285	522,720	5,525	667,530
Mississippi Valley State University	290,807	109	158,488	—	73,306	522,710	133,463	500,869	317,161	951,493
University of Mississippi	2,551,431	956	1,390,518	1,094,375	728,254	5,765,534	1,170,954	4,394,438	90,218	5,655,610
University of Southern Mississippi	1,659,981	622	904,682	210,312	440,599	3,216,196	761,832	2,859,056	47,830	3,668,718
University of Mississippi Medical Center	6,594,244	2,464	3,593,829	1,557,240	1,742,631	13,490,408	3,026,371	11,357,559	2,799,405	17,183,335
Executive Office	81,476	31	44,404	39,646	20,634	186,191	37,393	140,331	27,596	205,320
Total	\$ 16,892,861	6,324	9,206,529	5,006,258	4,577,499	35,689,471	7,752,821	29,095,310	4,320,892	41,169,023

\$4.6 million reported as deferred outflows of resources related to OPEB resulting from the IHL System contributions subsequent to the measurement date will be recognized as a reduction of the NOL in the year ending June 30, 2025.

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2023

	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	Contributions subsequent to the measurement date	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	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 IHL System contributions subsequent to the measurement date is recognized as a reduction of the NOL in the current year.

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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, 2023 and 2022 measurement periods 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 ending June 30						Total
	2025	2026	2027	2028	2029	Thereafter	
Alcorn State University	\$ (259,188)	(261,505)	(195,763)	(53,976)	5,466	18,041	(746,925)
Delta State University	(108,450)	(129,332)	(76,731)	(20,245)	17,182	16,859	(300,717)
Jackson State University	(381,138)	(326,891)	(152,715)	(21,317)	50,365	39,275	(792,421)
Mississippi State University	(424,100)	(636,799)	(418,078)	31,674	466,129	302,370	(678,804)
Mississippi University for Women	(38,286)	(53,472)	(33,910)	10,971	40,976	24,398	(49,323)
Mississippi Valley State University	(178,637)	(182,769)	(123,702)	(41,023)	7,858	16,184	(502,089)
University of Mississippi	(383,668)	(561,231)	(364,055)	98,854	370,853	220,917	(618,330)
University of Southern Mississippi	(398,373)	(476,028)	(294,932)	(8,784)	169,577	115,419	(893,121)
University of Mississippi Medical Center	(1,792,086)	(2,294,445)	(1,932,248)	(431,022)	539,511	474,732	(5,435,558)
Executive Office	(21,999)	(25,076)	(10,489)	3,222	9,263	5,316	(39,763)
Total	<u>\$ (3,985,925)</u>	<u>(4,947,548)</u>	<u>(3,602,623)</u>	<u>(431,646)</u>	<u>1,677,180</u>	<u>1,233,511</u>	<u>(10,057,051)</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 years ended June 30, 2024 and 2023:

	2024	2023
Valuation date	June 30, 2023	June 30, 2022
Measurement date	June 30, 2023	June 30, 2022
Actuarial assumptions:		
Cost method	Entry age normal	Entry age normal
Inflation rate	2.40 %	2.40 %
Long-term expected rate of return	4.50 %	4.50 %
Discount rate	3.66 %	3.37 %
Projected cash flows	N/A	N/A
Projected salary increases	2.65% - 17.90%	2.65% - 17.90%
Healthcare cost trend rates	6.50% decreasing to 4.50% by 2029	7.00% decreasing to 4.50% by 2029

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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.

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 years ended June 30, 2024 and 2023, the discount rates used to measure the total OPEB liability were 3.66% and 3.37%, respectively. 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, 2024 and 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 2024 and 2023, calculated using the discount rates of 3.66% and 3.37%, respectively, 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 (2.66%)	Current discount rate (3.66%)	1% Increase (4.66%)
IHL System proportionate share of net OPEB liability 2024	\$ 112,881,766	\$ 103,055,815	\$ 94,536,665
	1% Decrease (2.37%)	Current discount rate (3.37%)	1% Increase (4.37%)
IHL System proportionate share of net OPEB liability 2023	\$ 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:

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	Health Care Cost Trend Rates Sensitivity		
	1% Decrease	Current discount rate	1% Increase
	IHL System proportionate share of net OPEB liability		
2024	\$ 96,025,586	\$ 103,055,815	\$ 110,929,688
2023	83,821,360	90,089,029	97,142,425

Non-cash Impact on Fringe Benefits Expense

For the years ended June 30, 2024 and 2023, the non-cash impact of GASB Statement No. 68 on fringe benefits expense was \$296.2 million and \$72.5 million, respectively. For the years ended June 30, 2024 and 2023, the non-cash impact of GASB Statement No. 75 on fringe benefits expense was \$(11.4) million and \$(16.7) million, respectively.

	Year ended June 30, 2024			
	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	13,256,098	(1,882,901)	449,710	11,822,907
Delta State University	14,834,410	(5,668,545)	249,719	9,415,584
Jackson State University	33,358,197	(11,044,541)	794,909	23,108,565
Mississippi State University	230,985,671	(71,786,216)	2,222,826	161,422,281
Mississippi University for Women	12,885,777	(5,111,370)	163,803	7,938,210
Mississippi Valley State University	8,955,213	(2,320,772)	305,575	6,940,016
University of Mississippi	131,117,594	(42,952,840)	1,422,537	89,587,291
University of Southern Mississippi	79,649,503	(23,108,732)	1,076,587	57,617,358
University of Mississippi Medical Center	368,956,093	(130,314,288)	4,677,966	243,319,771
Executive Office	4,274,208	(1,881,746)	60,142	2,452,604
MCVS	324,695	(138,470)	—	186,225
Totals	\$ 898,597,459	(296,210,421)	11,423,774	613,810,812

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	Year ended June 30, 2023			
	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 \$38.6 million and \$16.3 million at June 30, 2024, and \$34.7 million and \$16.4 million at June 30, 2023, and are included in the statements 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, 2024 and 2023 were approximately \$380,000 and \$359,000, 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.

The following represents changes in the unpaid claim liabilities for the WC Fund for the years ended June 30, 2024, 2023, and 2022 (in thousands):

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	2024	2023	2022
Unpaid claim liability at beginning of year	\$ 16,303	\$ 17,385	\$ 17,277
Incurred claims:			
Insured events of the current	5,769	5,500	7,054
Decrease in provisions for			
insured events of prior years	(2,168)	(2,085)	(2,878)
Total incurred claims	3,601	3,415	4,176
Payments:			
Attributable to insured events of the current year	1,473	1,235	1,510
Attributable to insured events of the prior year	2,561	3,262	2,558
Total payments	4,034	4,497	4,068
Unpaid claim liability at end of year	\$ 15,870	\$ 16,303	\$ 17,385

Claim liabilities are presented at their present value using a discount rate of 4.0% as of June 30, 2024 and 2023. The discounts amounted to \$2,332,000 and \$2,411,000 at June 30, 2024 and 2023, 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 \$13.2 million and \$4.7 million at June 30, 2024, respectively, and \$11.6 million and \$4.6 million at June 30, 2023, respectively, and are included in the statements of net position.

A professionally licensed actuarial firm was contracted to perform an actuarial analysis of the Unemployment Fund as of June 30, 2024. The actuaries concluded that the fund's actual assets at June 30, 2024 exceeded the recommended minimum fund balance. The recommended fund balance at June 30, 2024 is \$4.7 million. Actual fund assets equaled \$13.2 million at June 30, 2024 and \$11.6 million at June 30, 2023. The fiscal year 2025 assessment level was set at \$1.2 million. Future assessments are recommended to be set at \$1.2 million for fiscal years 2026 and 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, 2024. Total assets and liabilities related to this activity approximated \$16.5 million and \$11.0 million at June 30, 2024, respectively, and \$15.2 million and \$8.1 million at June 30, 2023, respectively, and are included in the statements of net position.

The following represents changes in the unpaid claim liabilities for the IHL Tort Fund during the years ended June 30, 2024, 2023 and 2022 (in thousands):

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	<u>2024</u>	<u>2023</u>	<u>2022</u>
Unpaid claim liability at beginning of year	\$ 7,964	\$ 8,953	\$ 10,000
Incurred claims:			
Insured events of the current	4,386	3,360	7,127
Decrease in provisions for			
insured events of prior years	<u>(350)</u>	<u>(1,782)</u>	<u>(4,855)</u>
Total incurred claims	<u>4,036</u>	<u>1,578</u>	<u>2,272</u>
Payments:			
Attributable to insured events of the current year	116	219	1,931
Attributable to insured events of the prior year	<u>1,101</u>	<u>2,348</u>	<u>1,388</u>
Total payments	<u>1,217</u>	<u>2,567</u>	<u>3,319</u>
Unpaid claim liability at end of year	<u>\$ 10,783</u>	<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, 2024 and 2023. The discounts amounted to \$1,308,000 and \$936,000 at June 30, 2024 and 2023, 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 \$51.2 million and \$28.0 million at June 30, 2024, respectively, and \$48.2 million and \$29.8 million at June 30, 2023, respectively, and are included in the statements 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, 2024, 2023, and 2022 (in thousands):

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	<u>2024</u>	<u>2023</u>	<u>2022</u>
Unpaid claim liability at beginning of year	\$ 29,780	\$ 29,862	\$ 31,350
Incurred claims:			
Insured events of the current	6,005	5,485	6,845
Decrease in provisions for			
insured events of prior years	<u>(5,182)</u>	<u>(2,793)</u>	<u>(5,683)</u>
Total incurred claims	<u>823</u>	<u>2,692</u>	<u>1,162</u>
Payments:			
Attributable to insured events of the current year	10	26	26
Attributable to insured events of the prior year	<u>2,571</u>	<u>2,748</u>	<u>2,624</u>
Total payments	<u>2,581</u>	<u>2,774</u>	<u>2,650</u>
Unpaid claim liability at end of year	<u>\$ 28,022</u>	<u>\$ 29,780</u>	<u>\$ 29,862</u>

At June 30, 2024 and 2023, unpaid claims of \$28.0 million and \$29.8 million, respectively, are presented at their nominal value.

Note 23
Subsequent Events

In February 2024, the IHL Board approved the issuance of \$245 million UMEBC bonds through the University of Mississippi Educational Building Corporation to help finance capital improvements on the main campus in Oxford, MS, including women’s athletic facilities and student housing. Due to increased project costs on the planned student housing facility, it is uncertain when the UMEBC Series 2024 bonds will be issued. The University is reevaluating the various options for student housing projects.

In February 2024, the IHL Board approved the issuance of \$35 million SMEBC bonds through the University of Southern Mississippi Educational Building Corporation to finance the construction and renovation of athletic facilities. The University is evaluating the future timing of the issuance of these bonds.

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:

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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.

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 Cerity Partners OCIO LLC (previously Agility, the former Outsourced Chief Investment Officer-related business of Perella Weinberg Partners Capital Management LP, which merged into Cerity Partners OCIO effective June 1, 2024), Cerity Partners OCIO 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, 2024 and 2023, MSUF had no plans or intentions to sell investments at amounts different from

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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.

Mississippi State Investment Pool

MSUF, MSU, MSU Alumni Association, Inc., 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 93% and 92% as of June 30, 2024 and 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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Unconditional promises expected to be collected in:		
One year	\$ 12,187,936	\$ 11,979,691
two to five years	36,102,614	133,096,163
More than five years	<u>9,330,591</u>	<u>17,943,348</u>
	57,621,141	163,019,202
Present value discounts (rates ranging from 0.3% to 5.0%)	<u>(7,839,561)</u>	<u>(18,791,077)</u>
	49,781,580	144,228,125
Allowances for uncollectible pledges	<u>(981,337)</u>	<u>(928,150)</u>
	<u>\$ 48,800,243</u>	<u>\$ 143,299,975</u>

(d) Investments

Investments are summarized as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Short-term investments	\$ 2,372,898	\$ 9,706,527
Agility Comprehensive Solutions Fund	718,035,772	539,529,880
Global fixed income	4,273,180	4,308,808
Global equities	9,529,496	9,414,879
Real assets	64,959,760	65,076,407
Absolute return strategies	36,972	30,020
Private capital	23,348,137	26,260,831
Contributed properties held for investment	35,840,879	32,143,644
Cash-surrender value of life insurance	<u>2,934,607</u>	<u>3,025,775</u>
	<u>\$ 861,331,701</u>	<u>\$ 689,496,771</u>

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During 2024 and 2023, the MSIP held a limited partnership interest in the Agility Comprehensive Solutions Fund LP, a Delaware limited partnership (the Fund). Cerity 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, 2024 and 2023, respectively: global equities, 61% and 61%; absolute return strategies, 8% and 8%; global fixed income, 10% and 9%; real assets, 9% and 9%; and private capital, 12% and 13%.

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, 2024 and 2023 with a fair value of \$14.1 million and \$14.0 million, respectively.

The following schedule summarizes net investment income in the consolidated statement of activities for the years ended June 30, 2024 and 2023:

	2024	2023
Dividends and interest, net of expenses	\$ 4,322,921	\$ 3,518,244
Net realized and unrealized gains	75,588,190	58,984,892
	\$ 79,911,111	\$ 62,503,136

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, 2024 and 2023:

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at June 30, 2024 and 2023, respectively, 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 \$6,379,000 and \$6,610,000 at June 30, 2024 and 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 both June 30, 2024 and 2023, which have terms ending in 2024, 2026 and 2027. Investments with lockup periods are subject to one or more one to two-year extensions. Future commitments to these funds approximate \$1,325,000 and \$1,891,200 at June 30, 2024 and 2023, respectively. 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, 2024 and 2023, the MSUF had no absolute return strategy investments for which an otherwise redeemable investment was not redeemable.
- (5) Bulldog Forest properties totaling approximately \$32,914,000 and \$28,800,000 at June 30, 2024 and 2023, respectively, 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 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.

The following table presents MSUF's activities for the years ended June 30, 2024 and 2023 for contributed properties held for investments classified as Level 3:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 32,143,644	30,339,389
Acquisitions	670,000	829,855
Dispositions	(1,050,570)	(154,676)
Net realized and unrealized gains	4,077,805	1,129,076
Balance, end of year	<u>\$ 35,840,879</u>	<u>32,143,644</u>

For the years ended June 30, 2024 and 2023, the changes in present value of amounts due from externally managed trusts classified as Level 3 are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 56,102,682	54,819,357
Change in valuation	4,080,711	1,283,325
Balance, end of year	<u>\$ 60,183,393</u>	<u>56,102,682</u>

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For the years ended June 30, 2024 and 2023, the changes in direct real estate classified as Level 3 are as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 43,640,220	—
Acquisitions	—	36,750,000
Dispositions	—	—
Net realized and unrealized gains	1,773,285	6,890,220
Balance, end of year	<u>\$ 45,413,505</u>	<u>43,640,220</u>

(e) Net Assets Without Donor Restrictions

Net assets attributable to the foundation without donor restrictions as of June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Spendable funds	\$ 24,819,318	\$ 28,716,699
Quasi-endowment funds	26,134,246	22,008,466
Net investment in land, buildings and equipment	28,567,370	23,123,709
	<u>\$ 79,520,934</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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
General college support	\$ 35,534,961	\$ 28,483,329
Student financial aid	29,652,012	23,464,227
Research	445,049	395,319
Faculty and staff support	2,573,314	2,532,406
Facilities	2,566,359	902,110
Other	2,248,206	2,827,580
	<u>73,019,901</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	12,545,991	12,086,126
Pledges receivable restricted by donors	24,764,691	24,053,632
	<u>37,310,682</u>	<u>36,139,758</u>

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Donor restricted endowments subject to spending policy and appropriation to support the following purposes (including net accumulated earnings of approximately \$124,671,000 and \$95,700,000 at June 30, 2024 and 2023, (respectively):

Subject to endowment spending policy and appropriation:

General college support	161,072,662	142,446,749
Student financial aid	388,403,855	268,982,634
Research	18,235,364	17,252,583
Faculty and staff support	77,736,593	67,296,132
Facilities	8,671,382	8,270,248
Other	8,978,744	8,535,407
	663,098,600	512,783,753
Charitable remainder trusts, gift annuities and other	57,441,023	53,610,457
Pledges receivable restricted to endowment by donors	24,035,552	119,246,343
	\$ 854,905,758	\$ 780,385,282

(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, 2024 and 2023 is as follows:

	2024		
	Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	\$ —	663,098,600	663,098,600
Board-designated funds	26,134,246	—	26,134,246
Total	\$ 26,134,246	663,098,600	689,232,846
	2023		
	Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	\$ —	512,783,753	512,783,753
Board-designated funds	22,008,466	—	22,008,466
Total	\$ 22,008,466	512,783,753	534,792,219

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Changes in endowment net assets for the fiscal years ended June 30, 2024 and 2023 is as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2022	\$ 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, June 30, 2023	\$ 22,008,466	512,783,753	534,792,219
Investment returns (loss), net	4,063,409	43,855,761	47,919,170
Contributions	2,000	118,722,816	118,724,816
Appropriation of endowment assets for expenditure	(1,473,957)	(13,719,423)	(15,193,380)
Other	1,534,328	1,455,693	2,990,021
Endowment net assets, June 30, 2024	<u>\$ 26,134,246</u>	<u>663,098,600</u>	<u>689,232,846</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 \$576,003 and \$1,774,315 at June 30, 2024 and 2023, respectively. These endowments had an original gift value of approximately \$17.6 million and \$29.1 million at June 30, 2024 and 2023, respectively.

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.

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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.

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, 2024 and 2023 is as follows:

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	<u>2024</u>	<u>2023</u>
Unconditional promises expected to be collected in:		
One year	\$ 19,164,604	\$ 15,861,646
Two to five years	37,542,621	37,512,398
More than five years	<u>38,882,528</u>	<u>39,710,145</u>
	95,589,753	93,084,189
Present value discounts (rates ranging from 0.73% to 4.31%)	<u>(14,329,340)</u>	<u>(12,562,884)</u>
	81,260,413	80,521,305
Allowances for uncollectible pledges	<u>(3,622,968)</u>	<u>(3,179,935)</u>
	<u>\$ 77,637,445</u>	<u>\$ 77,341,370</u>

(d) Investments

Investments, aggregated by investment strategy, consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Investment strategy:		
Fixed income:		
U.S. government securities	\$ 11,641,942	\$ 16,115,756
Corporate bonds	45,204,602	37,731,221
Other fixed income securities	<u>27,654,072</u>	<u>26,875,188</u>
Total fixed income	<u>84,500,616</u>	<u>80,722,165</u>
Equities:		
Common stocks	46,575,641	36,412,732
International common stock funds	924,380	688,484
Mutual funds	<u>173,119,943</u>	<u>88,120,146</u>
Total equities	<u>220,619,964</u>	<u>125,221,362</u>
Real estate owned	1,549,117	7,880,416
Other short-term investments	41,553,114	34,434,420
Pooled investment funds, at NAV	<u>366,248,901</u>	<u>408,852,088</u>
Total investments	<u>\$ 714,471,712</u>	<u>\$ 657,110,451</u>

The following schedule summarizes net investment income in the statement of activities for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Dividends and interest, net of expenses	\$ 14,278,718	\$ 9,196,365
Net realized and unrealized gains	<u>48,465,858</u>	<u>25,887,029</u>
	<u>\$ 62,744,576</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

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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 presents the financial assets of UMF carried at fair value by level within the valuation hierarchy as of June 30, 2024 and 2023:

	2024			
	Level 1	Level 2	Level 3	Total
Investment strategy:				
Fixed income:				
U.S. Government securities	\$ —	11,641,942	—	11,641,942
Corporate bonds	—	45,204,602	—	45,204,602
Other fixed income securities	20,295,782	7,358,290	—	27,654,072
Total fixed income	20,295,782	64,204,834	—	84,500,616
Equities:				
Common stock	46,575,641	—	—	46,575,641
International common stock funds:	924,380	—	—	924,380
Mutual funds	173,119,943	—	—	173,119,943
Total equities	220,619,964	—	—	220,619,964
Real estate owned	—	—	1,549,117	1,549,117
Other short-term investments	41,553,114	—	—	41,553,114
	<u>\$ 282,468,860</u>	<u>64,204,834</u>	<u>1,549,117</u>	<u>348,222,811</u>
Pooled investment funds, at NAV				366,248,901
Total investments				<u>\$ 714,471,712</u>
Beneficial interest in trusts	\$ 4,740,693	6,517,782	—	11,258,475

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	2023			
	Level 1	Level 2	Level 3	Total
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	22,934,262	57,787,903	—	80,722,165
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, 2024:

Investment	Fair Value	Unfunded Commitments	Redemption frequency (if eligible)	Redemption notice period	Expected life span of investment
Pooled investment funds, at NAV:					
Diversifying strategies	\$ 20,180,913	—	Semiannually	60 days	Indefinite
Event driven	18,237	—	Quarterly	60 days	Indefinite
Fixed income	29,886,628	—	Daily	5 days	Indefinite
Global equity	80,501,322	—	Various	None	Indefinite
Global equity-long only	17,541,138	—	Quarterly	90 days	Indefinite
Long/short equity fund	11,291,910	—	Quarterly	60 days	Indefinite
Natural resource private fund	8,134,830	13,801	No redemption feature	None	10 years
Relative value	19,330,960	—	Quarterly	65 days	Indefinite
Other	506,285	—	No redemption feature	None	Indefinite
Venture capital and private equity	178,856,678	86,265,347	No redemption feature	None	7 years to indefinite
	<u>\$ 366,248,901</u>				
Real estate:					
Real estate owned	\$ 1,549,117		No redemption feature	None	Indefinite

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(e) Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2024 and 2023 were restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Spendable:		
Academic and program support	\$ 253,696,022	\$ 226,587,420
Scholarship support	94,164,183	78,918,048
Faculty support	49,142,889	39,114,683
Library support	13,758,893	26,874,359
Total	<u>\$ 410,761,987</u>	<u>\$ 371,494,510</u>
Endowment:		
Academic and program support	\$ 80,895,421	\$ 80,356,981
Scholarship support	152,761,035	147,320,595
Faculty support	94,117,333	85,205,548
Library support	22,912,340	14,554,594
Total	<u>350,686,129</u>	<u>327,437,718</u>
Total net assets with donor restrictions	<u>\$ 761,448,116</u>	<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, 2024 and 2023 is as follows:

	<u>2024</u>		
	<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	\$ —	350,686,129	350,686,129
Portion subject to appropriation	—	172,175,850	172,175,850
Board-designated quasi endowment	23,506,008	—	23,506,008
Total endowment funds	<u>\$ 23,506,008</u>	<u>522,861,979</u>	<u>546,367,987</u>

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	2023		
	Without donor restrictions	With donor restrictions	Total
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>

Changes in endowment net assets for the years ended June 30, 2024 and 2023 is as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, June 30, 2022	\$ 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, June 30, 2023	<u>\$ 19,453,666</u>	<u>467,662,354</u>	<u>487,116,020</u>
Contributions and transfers to endowment	2,314,060	23,178,396	25,492,456
Appropriation of expenditures	(270,518)	(14,434,151)	(14,704,669)
Investment return:			
Investment income	705,170	36,213,832	36,919,002
Net appreciation	1,303,630	10,241,548	11,545,178
Endowment net assets, June 30, 2024	<u>\$ 23,506,008</u>	<u>522,861,979</u>	<u>546,367,987</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, 2024, there were no endowments with a fair value below the amount of the gifts made to the endowment. 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.

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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 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.

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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, 2024 and 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.

(c) Pledges Receivable, Net

Pledges receivable, net, are summarized as follows at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 2,974,772	\$ 1,853,498
One year to five years	4,777,331	2,068,111
More than five years	—	19,558
	<u>7,752,103</u>	<u>3,941,167</u>
Present value discounts (rates ranging from 0.29% to 4.33%)	<u>(364,955)</u>	<u>(134,653)</u>
	7,387,148	3,806,514
Allowances for uncollectible pledges	<u>(331,600)</u>	<u>(302,650)</u>
	<u>\$ 7,055,548</u>	<u>\$ 3,503,864</u>

(d) Investments

Investments, aggregated by investment strategy, consist of the following at June 30, 2024 and 2023:

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	<u>2024</u>	<u>2023</u>
Fixed income	\$ 40,543,991	\$ 34,400,571
Equities:		
Mutual and common stock funds	81,096,868	71,076,292
Alternative investments:		
Hedge funds	27,547,223	23,905,361
Real estate investment funds	5,396,925	5,759,484
Private equity funds	<u>11,081,547</u>	<u>7,592,628</u>
Total alternative investments	44,025,695	37,257,473
Cash and cash equivalents	31,664	162
Investments held at cost	<u>56,532</u>	<u>224,497</u>
Total investments	<u>\$ 165,754,750</u>	<u>\$ 142,958,995</u>

The following schedule summarizes net investment income in the consolidated statement of activities for the year ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Dividends and interest, net of expenses	\$ 2,841,182	\$ 2,513,724
Net realized and unrealized gains	<u>14,687,052</u>	<u>7,709,195</u>
	<u>\$ 17,528,234</u>	<u>\$ 10,222,919</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 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, 2024 and 2023:

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	2024			
	Level 1	Level 2	Level 3	Total
Fixed income:				
Mutual funds	\$ 40,543,991	—	—	40,543,991
Equities:				
Mutual and common stock	81,096,868	—	—	81,096,868
Total investments at fair value	\$ 121,640,859	—	—	121,640,859
Investments measured at NAV or equivalent				44,025,695
Cash and cash equivalents				31,664
Other investments held at cost				56,532
Total investments				\$ 165,754,750
Amounts due from externally managed trusts	\$ —	—	13,397,807	13,397,807
	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 years ended June 30, 2024 and 2023, the changes in present value of amounts due from externally managed trusts classified as Level 3 are as follows:

	Amounts due from Externally Managed Trusts
Balance as of June 30, 2022	\$ 10,266,352
Change in value	1,726,080
Distributions	(25,000)
Balance as of June 30, 2023	\$ 11,967,432
Change in value	1,465,375
Distributions	(35,000)
Balance as of June 30, 2024	\$ 13,397,807

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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, 2024 and 2023:

Investment	2024			
	Net Asset Value	Unfunded Commitments	Redemption frequency	Redemption notice
Hedge funds	\$ 27,547,223	—	Quarterly	Various
Real estate investment funds	5,396,925	—	Quarterly	95 days
Private equity	11,081,547	13,242,281	None	None
Total	<u>\$ 44,025,695</u>			

Investment	2023			
	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	<u>\$ 37,257,473</u>			

(e) Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at June 30, 2024 and 2023:

	2024	2023
Subject to expenditure for specified purpose:		
Student financial aid	\$ 2,367,656	\$ 2,172,910
Academic divisions	2,907,327	2,922,143
Research	584,648	552,275
Operations and maintenance of plant	6,562,025	1,107,408
Library	56,540	128,382
Athletics	422,373	454,425
Faculty and staff support	40,480	53,316
Other restricted purposes	7,605,479	7,611,995
Total	<u>20,546,528</u>	<u>15,002,854</u>
Not subject to expenditure for specified purpose:		
Amounts due from externally managed trusts	88,886	80,015
Investments - Restricted for student trading	108,564	—
Total	<u>197,450</u>	<u>80,015</u>
Endowments:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor:		
Student financial aid	62,617,878	58,568,219
Academic divisions	5,560,235	5,308,070
Research	827,334	801,980
Operations and maintenance of plant	5,688,732	5,681,427

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	2024	2023
Library	3,088,073	3,084,769
Faculty and staff support	17,606,215	11,531,520
Other restricted purposes	6,059,816	5,955,931
Total	101,450,307	90,933,939
Subject to foundation endowment spending policy and appropriation:		
Student financial aid	20,341,847	15,880,899
Academic divisions	2,108,205	1,614,529
Research	180,693	102,153
Operations and maintenance of plant	1,404,894	986,184
Library	919,378	706,096
Faculty and staff support	4,524,604	3,044,406
Other restricted purposes	3,476,407	2,869,266
Total	32,956,028	25,203,533
Sub-Total endowments	134,406,335	116,137,472
Endowment not subject to spending policy or appropriations:		
Externally managed perpetual trust	3,879,489	3,456,130
Total endowments	138,285,824	119,593,602
Not subject to spending policy or appropriation -		
Restricted to endowment:		
Pledges and other receivables, net	2,368,428	2,507,996
Amounts due from externally managed trusts	9,429,432	8,431,287
Gift annuities	(6,781)	5,834
Cash surrender value of life insurance	2,217,095	2,195,944
Investments held at cost	—	167,965
Total	14,008,174	13,309,026
Total net assets with donor restrictions	\$ 173,037,976	\$ 147,985,497

(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, 2024 and 2023 is as follows:

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	2024		
	Without donor restrictions	With donor restrictions	Total
Board designated endowment funds	\$ 9,040,287	—	9,040,287
Donor-restricted funds functioning as endowments	5,823,356	7,097,035	12,920,391
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	101,448,283	101,448,283
Accumulated investment gains	—	25,858,993	25,858,993
Sub-total	14,863,643	134,404,311	149,267,954
Externally managed perpetual trust	—	3,879,489	3,879,489
Total	<u>\$ 14,863,643</u>	<u>138,283,800</u>	<u>153,147,443</u>

	2023		
	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	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>

During the years ended June 30, 2024 and 2023, the foundation had the following endowment related activities:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, June 30, 2022	\$ 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, June 30, 2023	\$ 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>

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, June 30, 2023	\$ 13,928,253	116,135,449	130,063,702
Net investment gain	2,028,284	12,143,002	14,171,286
Contributions	29,635	10,248,682	10,278,317
Change in restrictions by donors	(14,021)	(33,164)	(47,185)
Other	(1,108,508)	(4,089,658)	(5,198,166)
Endowment net assets, June 30, 2024	\$ 14,863,643	134,404,311	149,267,954
Externally managed perpetual trust	—	3,879,489	3,879,489
Total	<u>\$ 14,863,643</u>	<u>138,283,800</u>	<u>153,147,443</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, 2024, there were no underwater funds. 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.

REQUIRED SUPPLEMENTARY INFORMATION

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MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net Pension Liability of
the Mississippi Public Employees' Retirement System
June 30, 2024

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
2024	0.33	83,259,969	24,538,914	339.30	55.70
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
2024	0.27	67,805,076	19,983,948	339.30	55.70
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
2024	0.66	166,516,916	49,076,937	339.30	55.70
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

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net Pension Liability of
the Mississippi Public Employees' Retirement System
June 30, 2024

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
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
2024	3.30	830,851,179	244,873,805	339.30	55.70
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
2024	0.23	58,315,739	17,187,190	339.30	55.70
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
2024	0.21	52,616,337	15,507,425	339.30	55.70
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

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net Pension Liability of
the Mississippi Public Employees' Retirement System
June 30, 2024

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
2023	1.92 %	\$ 395,825,863	\$ 132,386,218	298.99 %	59.93 %
2024	2.00	503,754,374	148,469,730	339.30	55.70
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
2024	1.26	315,956,570	93,120,753	339.30	55.70
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
2024	7.26	1,826,554,940	538,334,023	339.30	55.70
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
2024	0.10	25,377,284	7,479,356	339.30	55.70
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

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net Pension Liability of
the Mississippi Public Employees' Retirement System
June 30, 2024

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
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
2024	0.01	2,224,993	655,764	339.30	55.70
2015 Totals	<u>15.24 %</u>	<u>\$ 1,850,037,000</u>	<u>\$ 931,333,441</u>	<u>199.00 %</u>	<u>67.00 %</u>
2016 Totals	<u>15.54 %</u>	<u>\$ 2,402,927,178</u>	<u>\$ 971,178,203</u>	<u>247.43 %</u>	<u>61.70 %</u>
2017 Totals	<u>15.81 %</u>	<u>\$ 2,824,552,261</u>	<u>\$ 1,011,579,899</u>	<u>279.22 %</u>	<u>57.47 %</u>
2018 Totals	<u>15.96 %</u>	<u>\$ 2,653,162,201</u>	<u>\$ 1,023,869,410</u>	<u>259.13 %</u>	<u>61.49 %</u>
2019 Totals	<u>15.93 %</u>	<u>\$ 2,649,318,090</u>	<u>\$ 1,017,162,190</u>	<u>260.46 %</u>	<u>62.54 %</u>
2020 Totals	<u>16.16 %</u>	<u>\$ 2,843,514,960</u>	<u>\$ 1,052,700,786</u>	<u>270.12 %</u>	<u>61.59 %</u>
2021 Totals	<u>16.13 %</u>	<u>\$ 3,123,010,235</u>	<u>\$ 1,074,205,666</u>	<u>290.73 %</u>	<u>58.97 %</u>
2022 Totals	<u>15.85 %</u>	<u>\$ 2,342,156,187</u>	<u>\$ 1,053,619,798</u>	<u>222.30 %</u>	<u>70.44 %</u>
2023 Totals	<u>15.69 %</u>	<u>\$ 3,229,875,677</u>	<u>\$ 1,080,250,350</u>	<u>298.99 %</u>	<u>59.93 %</u>
2024 Totals	<u>15.64 %</u>	<u>\$ 3,933,233,377</u>	<u>\$ 1,159,227,845</u>	<u>339.30 %</u>	<u>55.70 %</u>

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of Contributions to the
Mississippi Public Employees' Retirement System
June 30, 2024

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
2024	4,668,323	4,668,323	—	26,829,443	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
2024	3,304,392	3,304,392	—	18,990,759	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
2024	9,014,219	9,014,219	—	51,805,856	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

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of Contributions to the
Mississippi Public Employees' Retirement System
June 30, 2024

Employer	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered- employee payroll	Contribution as a percentage of covered- employee payroll
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
2024	44,843,297	44,843,297	—	257,720,098	17.40
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
2024	3,015,215	3,015,215	—	17,328,822	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
2024	2,752,581	2,752,581	—	15,819,431	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
2024	28,509,128	28,509,128	—	163,845,563	17.40

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of Contributions to the
Mississippi Public Employees' Retirement System
June 30, 2024

Employer	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered-employee payroll	Contribution as a percentage of covered- employee payroll
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
2024	16,323,484	16,323,484	—	93,813,126	17.40
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
2024	91,100,768	91,100,768	—	523,567,632	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
2024	1,282,462	1,282,462	—	7,370,471	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

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Schedule of Proportionate Share of Contributions to the
Mississippi Public Employees' Retirement System
June 30, 2024

Employer	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered-employee payroll	Contribution as a percentage of covered- employee payroll
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
2024	105,934	105,934	—	608,816	17.40
2015 Totals	<u>\$ 151,852,867</u>	<u>151,852,867</u>	<u>—</u>	<u>964,145,187</u>	<u>15.75 %</u>
2016 Totals	<u>\$ 157,218,362</u>	<u>157,218,362</u>	<u>—</u>	<u>998,211,822</u>	<u>15.75 %</u>
2017 Totals	<u>\$ 158,509,906</u>	<u>158,509,906</u>	<u>—</u>	<u>1,006,412,102</u>	<u>15.75 %</u>
2018 Totals	<u>\$ 159,067,970</u>	<u>159,067,970</u>	<u>—</u>	<u>1,009,955,364</u>	<u>15.75 %</u>
2019 Totals	<u>\$ 163,772,905</u>	<u>163,772,905</u>	<u>—</u>	<u>1,039,827,967</u>	<u>15.75 %</u>
2020 Totals	<u>\$ 183,390,513</u>	<u>183,390,513</u>	<u>—</u>	<u>1,053,968,466</u>	<u>17.40 %</u>
2021 Totals	<u>\$ 181,198,864</u>	<u>181,198,864</u>	<u>—</u>	<u>1,041,372,782</u>	<u>17.40 %</u>
2022 Totals	<u>\$ 185,942,205</u>	<u>185,942,205</u>	<u>—</u>	<u>1,068,633,363</u>	<u>17.40 %</u>
2023 Totals	<u>\$ 199,675,802</u>	<u>199,675,802</u>	<u>—</u>	<u>1,147,562,081</u>	<u>17.40 %</u>
2024 Totals	<u>\$ 204,919,803</u>	<u>204,919,803</u>	<u>—</u>	<u>1,177,700,017</u>	<u>17.40 %</u>

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Schedule of Proportionate Share of the Net OPEB Liability of the
Mississippi State and School Employees' Life and Health Insurance Plan
June 30, 2024

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
2024	0.46	2,526,540	24,481,430	10.40	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
2024	0.40	2,234,156	21,288,200	10.40	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
2024	0.81	4,505,290	43,108,605	10.40	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
2024	4.29	23,746,723	228,315,945	10.40	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

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Schedule of Proportionate Share of the Net OPEB Liability of the
Mississippi State and School Employees' Life and Health Insurance Plan
June 30, 2024

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
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
2024	0.34	1,851,477	18,094,970	10.40	0.00
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
2024	0.32	1,774,082	17,030,560	10.40	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
2024	2.81	15,565,136	149,549,605	10.40	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
2024	1.83	10,126,798	97,393,515	10.40	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

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A Component Unit of the State of Mississippi
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Schedule of Proportionate Share of the Net OPEB Liability of the
Mississippi State and School Employees' Life and Health Insurance Plan
June 30, 2024

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
2023	7.15 %	\$ 35,246,134	\$ 351,347,854	10.03	0.00 %
2024	7.27	40,228,560	386,913,035	10.40	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
2024	0.09	497,053	4,789,845	10.40	0.00
2018 Totals	<u>18.31 %</u>	<u>\$ 143,674,333</u>	<u>\$ 822,689,094</u>	<u>17.46 %</u>	<u>0.00 %</u>
2019 Totals	<u>18.34 %</u>	<u>\$ 141,831,761</u>	<u>\$ 829,287,578</u>	<u>17.10 %</u>	<u>0.00 %</u>
2020 Totals	<u>18.56 %</u>	<u>\$ 157,499,028</u>	<u>\$ 849,994,451</u>	<u>18.53 %</u>	<u>0.00 %</u>
2021 Totals	<u>18.76 %</u>	<u>\$ 146,002,208</u>	<u>\$ 904,175,557</u>	<u>16.15 %</u>	<u>0.00 %</u>
2022 Totals	<u>18.53 %</u>	<u>\$ 119,272,015</u>	<u>\$ 880,952,889</u>	<u>13.54 %</u>	<u>0.00 %</u>
2023 Totals	<u>18.29 %</u>	<u>\$ 90,089,029</u>	<u>\$ 898,762,552</u>	<u>10.03 %</u>	<u>0.00 %</u>
2024 Totals	<u>18.62 %</u>	<u>\$ 103,055,815</u>	<u>\$ 990,965,710</u>	<u>10.40 %</u>	<u>0.00 %</u>

See accompanying independent auditors' report.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of Employer Contributions to the
Mississippi State and School Employees' Life and Health Insurance Plan
June 30, 2024

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
2024	181,806	111,619	70,187	24,481,430	0.46
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
2024	158,092	97,060	61,032	21,288,200	0.46
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
2024	320,136	196,547	123,590	43,108,605	0.46
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
2024	1,695,537	1,040,969	654,568	228,315,945	0.46
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

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Schedule of Proportionate Share of Employer Contributions to the
Mississippi State and School Employees' Life and Health Insurance Plan
June 30, 2024

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
2023	\$ 154,726	64,250	90,477	15,724,659	0.41 %
2024	134,378	82,501	51,877	18,094,970	0.46
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
2024	126,474	77,648	48,826	17,030,560	0.46
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
2024	1,110,596	681,847	428,750	149,549,605	0.46
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
2024	723,271	444,050	279,221	97,393,515	0.46
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
2024	2,873,322	1,764,066	1,109,257	386,913,035	0.46

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
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Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of Employer Contributions to the
Mississippi State and School Employees' Life and Health Insurance Plan
June 30, 2024

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
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
2024	35,571	21,839	13,732	4,789,845	0.46
2018 Totals	<u>\$ 7,997,218</u>	<u>5,653,152</u>	<u>2,344,066</u>	<u>822,689,094</u>	<u>0.69 %</u>
2019 Totals	<u>\$ 8,630,368</u>	<u>6,316,285</u>	<u>2,314,083</u>	<u>829,287,578</u>	<u>0.76 %</u>
2020 Totals	<u>\$ 8,615,532</u>	<u>6,313,021</u>	<u>2,302,512</u>	<u>849,994,451</u>	<u>0.74 %</u>
2021 Totals	<u>\$ 9,339,393</u>	<u>5,822,581</u>	<u>3,516,812</u>	<u>904,175,557</u>	<u>0.64 %</u>
2022 Totals	<u>\$ 10,912,317</u>	<u>4,792,599</u>	<u>6,119,718</u>	<u>880,952,889</u>	<u>0.54 %</u>
2023 Totals	<u>\$ 8,843,581</u>	<u>3,672,266</u>	<u>5,171,315</u>	<u>898,762,552</u>	<u>0.41 %</u>
2024 Totals	<u>\$ 7,359,183</u>	<u>4,518,143</u>	<u>2,841,040</u>	<u>990,965,710</u>	<u>0.46 %</u>

See accompanying independent auditors' report.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Notes to Required Supplementary Information (Unaudited)
June 30, 2024 and 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:

2024

- The investment rate of return assumption was changed from 7.55% to 7.00%;
- The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll;
- Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely;
- The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%;
- For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years;
- The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years; and
- The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

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%;

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June 30, 2024 and 2023

- 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%.

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.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Notes to Required Supplementary Information (Unaudited)
June 30, 2024 and 2023

Change in benefit provisions:

2018 - 2024

- 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.

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:

2024

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

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:

2024

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

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Notes to Required Supplementary Information (Unaudited)
June 30, 2024 and 2023

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.

COMBINING SUPPLEMENTARY INFORMATION

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MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

Combining Statement of Net Position Information
 June 30, 2024

	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	\$ 69,871,208	5,606,812	59,332,892	262,884,493	5,400,293	36,479,870	40,397,389	120,725,223	104,156,177	12,141,592	(865,464)	—	716,130,485
Short-term investments	3,594,768	360,208	—	32,422,304	—	2,091,281	246,420,983	8,009,733	205,215,576	24,728,303	412,530	—	523,255,686
Accounts receivable, net	18,065,258	6,210,237	42,729,776	1,263,477,788	5,277,522	6,978,309	70,464,135	37,068,837	201,031,785	4,474,984	1,534,901	(2,993,582)	517,189,950
Student notes receivable, net	681,646	556,726	—	1,442,952	1,462	—	6,655,567	1,355,023	958,667	714,311	—	—	12,366,354
Inventories	295,601	407,771	422,815	2,862,299	—	411,032	1,203,898	205,802	38,407,720	1,083,388	—	—	45,300,326
Prepaid expenses	—	—	6,036,366	5,213,071	284,079	100,906	3,331,331	7,097,111	14,501,694	59,078	—	—	36,623,636
Other current assets	—	—	—	15,000,950	—	—	—	—	3,499,792	—	—	—	5,000,742
Total current assets	92,508,481	13,141,754	108,521,849	432,673,857	10,963,356	46,061,398	368,473,303	174,461,729	567,771,411	43,201,656	1,081,967	(2,993,582)	1,855,867,179
Noncurrent assets:													
Restricted cash and cash equivalents	2,338,213	(300,605)	60,284	73,978,445	322,818	—	9,504,177	10,525,468	147,574,656	—	—	—	244,003,456
Restricted investments	1,058,330	—	—	—	—	552,340	—	—	54,670,003	—	—	—	56,280,673
Endowments investments	19,878,828	—	60,978,291	53,570,145	4,052,827	4,273,893	111,519,542	11,036,275	112,192,994	19,500,364	—	—	396,912,159
Other long-term investments	—	—	—	65,592,801	9,966,120	1,372,335	322,334,270	51,257,601	256,672,648	49,837,157	267,446	—	757,300,378
Student notes receivable, net	—	483,398	1,231,441	15,736,177	16,817	—	26,652,795	5,595,865	2,863,037	11,622,108	—	—	64,201,638
Beneficial interest in irrevocable trust	—	—	—	—	—	—	—	—	47,374,211	—	—	—	47,374,211
Capital assets, net	161,956,860	133,685,944	249,466,622	1,354,467,489	126,649,291	108,704,227	1,270,273,753	583,727,823	984,552,956	4,316,552	2,392	—	4,977,803,909
Other noncurrent assets	—	1,144,730	87,030	24,847,166	—	115,382	18,963,848	1,285,693	2,842,094	—	—	(1,578,984)	47,706,959
Total noncurrent assets	185,141,231	135,013,467	311,823,668	1,588,192,223	141,007,873	115,018,177	1,759,248,385	663,428,725	1,608,742,599	85,276,181	2,698,838	(1,578,984)	6,591,583,383
Total assets	277,649,712	148,155,221	420,345,517	2,020,866,080	151,971,229	161,079,575	2,127,721,688	837,890,454	2,176,514,010	128,477,837	1,351,805	(4,572,566)	8,447,450,562
Deferred outflows of resources	24,333,306	16,496,662	45,870,472	222,061,919	14,729,336	12,829,462	138,078,910	84,858,011	447,091,549	6,076,707	509,952	—	1,012,936,286
Total assets and deferred outflows of resources	\$ 301,983,018	164,651,883	466,215,989	2,242,927,999	166,700,565	173,909,037	2,265,800,598	922,748,465	2,623,605,559	134,554,544	1,861,757	(4,572,566)	9,460,386,848

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

Combining Statement of Net Position Information

June 30, 2024

	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
Liabilities													
Current liabilities:													
Accounts payable and accrued liabilities	\$ 5,887,855	5,210,550	19,421,750	52,653,075	2,946,664	2,632,162	64,192,856	25,975,788	168,885,796	2,911,947	366,663	—	351,085,106
Unearned revenues	3,097,340	1,610,623	14,364,325	23,170,540	1,313,524	1,335,520	72,028,647	17,372,730	29,452,050	—	—	—	163,745,299
Accrued leave liabilities – current portion	573,449	389,076	434,276	3,036,022	52,532	278,047	2,143,000	1,306,602	6,565,625	32,502	14,896	—	14,826,027
Long-term liabilities – current portion	1,754,546	639,811	6,623,928	16,614,844	255,835	747,284	25,157,934	9,625,988	45,855,739	7,085,630	—	(2,993,582)	111,367,957
Other current liabilities	995,040	—	—	—	336,917	94,481	118,022	42,604	95,062,268	361,459	—	—	97,010,791
Total current liabilities	12,308,230	7,850,060	40,844,279	95,474,481	4,905,472	5,087,494	163,640,459	54,323,712	345,821,478	10,391,538	381,559	(2,993,582)	738,035,180
Noncurrent liabilities:													
Accrued leave liabilities	2,625,445	1,167,228	5,597,331	25,866,210	1,260,766	1,144,395	20,908,590	10,571,594	63,583,304	814,659	39,279	—	133,578,801
Deposits refundable	675,779	108,996	452,201	52,274	—	31,474	95,900	2,806	—	—	—	—	1,419,430
Long-term liabilities	39,442,005	9,900,469	78,818,334	357,715,833	273,184	13,489,535	262,793,194	131,546,165	529,177,117	24,946,389	—	(1,578,984)	1,446,613,241
Net pension liability	83,259,969	67,805,076	166,516,916	830,851,179	58,315,739	52,616,337	503,754,374	315,956,570	1,826,554,940	25,377,284	2,224,993	—	3,933,233,377
Net OPEB liability	2,526,540	2,234,156	4,505,290	23,746,723	1,851,477	1,774,082	15,565,136	10,126,798	40,228,560	497,053	—	—	103,055,815
Other long-term liabilities	—	—	1,912,787	24,383,586	249,466	—	4,928,100	13,841,064	1,390,689	—	—	—	24,760,692
Total noncurrent liabilities	128,529,738	81,305,925	257,802,859	1,240,670,805	61,950,632	69,055,823	808,045,294	482,044,997	2,460,934,610	51,635,385	2,264,272	(1,578,984)	5,642,661,356
Total liabilities	140,837,968	89,155,985	298,647,138	1,336,145,286	66,856,104	74,143,317	971,685,753	536,368,709	2,806,756,088	62,026,923	2,645,831	(4,572,566)	6,380,696,536
Deferred inflows of resources	7,693,783	2,097,376	4,519,792	26,514,723	667,530	3,850,528	14,155,045	10,665,662	100,526,629	323,342	74,988	—	171,089,398
Total liabilities and deferred inflows of resources	\$ 148,531,751	91,253,361	303,166,930	1,362,660,009	67,523,634	77,993,845	985,840,798	547,034,371	2,907,282,717	62,350,265	2,720,819	(4,572,566)	6,551,785,934
Net Position													
Net investment in capital assets	\$ 124,129,372	123,420,944	177,919,933	1,058,690,528	126,115,369	94,540,572	979,223,198	448,233,725	543,747,571	3,788,900	2,392	—	3,679,812,504
Restricted for:													
Nonexpendable:													
Scholarship and fellowships	—	—	11,736,063	2,604,705	872,481	2,063,758	9,106,074	6,069,090	—	915,320	—	—	33,367,491
Research	18,184,059	—	37,966,402	5,014,148	—	—	285,531	—	—	—	—	—	5,299,679
Other purposes	—	—	—	83,151,120	286,659	—	45,449,132	—	32,522,759	19,645,012	—	—	162,369,143
Expendable:													
Scholarships and fellowships	—	—	11,031,578	2,011,824	472,039	1,288,151	9,114,422	1,898,038	5,173,644	18,609,353	—	—	49,599,049
Research	—	—	—	39,349,843	—	—	11,638,354	—	55,082,764	—	—	—	106,070,961
Capital projects	—	—	1,791,934	20,097,082	2,180,422	766,858	6,443,267	—	38,634,586	—	—	—	31,279,563
Debt service	—	—	16,929	(849,597)	—	483,319	—	10,312,442	7,604,404	—	—	—	48,597,679
Loans	553,657	—	337,551	17,239,695	44,024	—	34,432,816	3,635,092	6,004,404	—	—	—	63,847,239
Other purposes	—	—	—	1,508,807	—	1,191,394	25,925,392	9,060,859	109,711,954	37,016,049	1,016,902	—	185,431,357
Unrestricted	10,584,179	(50,022,422)	(77,751,331)	(273,714,165)	(30,794,063)	(44,188,600)	158,341,614	(103,495,152)	(1,076,154,840)	(7,770,355)	(1,878,356)	—	(1,457,073,751)
Total net position	\$ 153,451,267	73,398,522	163,049,059	880,267,990	99,176,931	95,915,192	1,279,959,800	375,714,094	(283,677,158)	72,204,279	(859,062)	—	2,909,600,914

See accompanying independent auditors' report.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

Combining Statement of Revenues, Expenses and Changes in Net Position Information
Year ended June 30, 2024

	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	MCYS	Elimination entries	Total
Operating revenues:													
Tuition and fees	\$ 21,346,969	24,772,192	62,241,314	360,467,130	18,194,769	11,137,675	450,547,094	140,513,704	50,992,914	—	—	—	1,140,213,761
Scholarship allowances	(11,172,182)	(3,248,289)	(15,778,700)	(131,756,859)	(6,074,273)	(10,306,455)	(146,237,416)	(53,138,833)	(7,451,323)	—	—	—	(385,164,330)
Bad debt expense	(249,236)	(209,288)	(1,768,480)	(3,944,870)	(232,070)	216,317	(170,915)	(2,301,131)	—	—	—	—	(8,659,673)
Net tuition and fees	9,925,551	21,314,615	44,694,134	224,765,401	11,888,426	1,047,537	304,138,763	85,073,740	43,541,591	—	—	—	746,389,758
Federal appropriations	—	—	—	14,525,612	—	—	—	—	—	—	—	—	14,525,612
Federal grants and contracts	27,373,882	4,492,460	41,096,069	202,986,539	114,336	6,876,875	71,077,431	67,770,697	83,403,607	2,737,214	3,619,359	(40,368,274)	471,180,195
State grants and contracts	189,939	3,440,413	3,361,926	48,640,539	7,237,070	18,923	15,705,611	12,898,746	9,886,991	150,000	—	(37,982,928)	63,547,230
Nongovernmental grants and contracts	560,263	4,932,157	2,380,100	14,020,517	3,527,482	—	38,844,917	15,018,300	20,714,411	555,956	—	—	100,554,103
Sales and services of educational departments	1,060,422	1,086,305	2,137,379	68,354,896	1,299,453	2,694,743	8,482,124	2,301,659	1,143,351	4,817,133	—	(4,092,810)	89,284,655
Auxiliary enterprises:													
Student housing	10,646,269	3,341,314	13,712,316	36,905,714	2,348,843	3,842,632	38,427,710	21,464,972	—	—	—	—	130,689,770
Food services	6,524,744	3,233,542	11,986,598	3,502,052	1,772,562	3,093,805	6,053,072	3,389,970	—	—	—	—	39,556,345
Bookstore	239,424	193,866	—	1,077,131	79,940	684,055	788,867	491,605	1,956,630	—	—	—	5,511,518
Athletics	—	—	—	74,033,400	—	—	95,348,095	13,987,364	—	—	—	—	183,368,859
Other auxiliary revenues	645,796	858,475	1,677,746	12,297,796	201,077	1,138,368	16,347,480	6,126,706	759,221	2,176,460	—	—	42,228,825
Less auxiliary enterprise scholarship allowances	(2,969,821)	—	(7,935,624)	(13,975,758)	(1,394,880)	—	(11,857,088)	(5,025,000)	—	—	—	—	(43,158,171)
Interest earned on loans to students	—	4,962	—	136,381	—	—	523,781	—	420,575	—	—	—	1,085,699
Patient care revenues	—	—	—	—	—	—	—	—	1,581,873,502	—	—	—	1,581,873,502
Other operating revenues	5,237,503	59,716	12,577,816	8,740,903	96,374	2,275,493	12,665,413	6,345,787	142,530,563	14,120,820	11,829	(11,612,260)	193,049,957
Total operating revenues	59,433,972	42,957,825	125,688,460	696,011,123	27,170,683	21,672,431	596,545,876	229,844,546	1,886,230,442	24,557,583	3,631,188	(94,056,272)	3,619,687,857
Operating expenses:													
Salaries and wages	34,303,295	28,500,490	73,658,014	429,941,473	24,000,952	19,556,228	310,046,363	159,808,946	950,613,992	7,463,086	616,491	—	2,038,509,330
Fringe benefits	13,256,098	14,834,410	33,358,197	230,985,671	12,888,777	8,955,213	131,117,594	79,649,503	368,956,093	4,274,208	324,695	—	898,597,459
Travel	3,994,055	1,452,431	6,664,577	18,766,571	1,249,448	1,950,708	19,250,565	8,133,645	4,982,415	116,524	86,626	—	66,647,565
Contractual services	28,811,665	15,209,064	51,113,769	201,176,258	7,091,517	12,842,436	109,568,851	72,807,367	265,641,949	21,235,728	3,666,155	(56,073,344)	733,091,415
Utilities	3,758,707	2,498,504	5,074,507	19,131,677	3,346,184	2,318,620	20,290,466	11,238,516	18,160,551	731,668	—	—	86,549,400
Scholarships and fellowships	7,749,241	9,337,199	13,830,177	58,774,981	6,023,576	1,746,555	68,413,650	22,354,289	9,597,414	53,945,377	—	(37,982,928)	213,789,531
Commodities	6,795,672	2,888,014	4,420,852	4,683,814	3,368,985	3,510,238	47,712,154	17,054,852	438,736,960	379,478	125,226	—	529,676,245
Depreciation and amortization	4,872,992	5,031,214	9,084,316	50,694,975	2,822,879	3,043,025	45,831,107	19,954,073	75,726,182	345,787	—	—	217,406,550
Other operating expenses	—	26,862	4,866,315	—	—	—	2,172,883	—	2,103,038	64,465	12,034	—	92,455,597
Total operating expenses	103,541,725	79,778,188	202,070,724	1,014,155,420	60,789,318	53,923,023	754,403,633	391,001,191	2,134,518,594	88,556,321	4,831,227	(94,056,272)	4,793,513,092
Operating loss	(44,107,753)	(36,820,363)	(76,382,264)	(318,144,297)	(33,618,635)	(32,250,592)	(157,857,757)	(161,156,645)	(248,288,152)	(63,998,738)	(1,200,039)	—	(1,173,825,235)

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

Combining Statement of Revenues, Expenses and Changes in Net Position Information
Year ended June 30, 2024

	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
Nonoperating revenue (expenses):													
State appropriations	\$ 32,095,292	26,421,136	50,069,962	245,317,631	18,488,214	17,177,446	111,586,640	109,425,621	194,127,865	61,970,573	1,098,413	—	867,778,793
Gifts and grants	12,192,731	5,559,134	21,445,830	113,472,180	5,498,580	11,385,458	42,543,074	33,769,725	11,918,608	—	—	—	257,785,320
Investment income, net of investment expense	1,657,775	291,104	7,417,964	24,270,382	496,056	560,252	38,869,827	9,265,915	34,555,505	(2,520,749)	(44,039)	(127,612)	114,642,380
Interest expense on capital assets-related debt	(964,212)	(452,892)	(2,833,001)	(12,686,569)	(25,263)	(515,495)	(10,076,541)	(5,365,232)	(18,703,888)	(16,037)	—	127,612	(51,511,518)
Other nonoperating revenues	—	1,833,796	2,111,878	339,871	660,038	—	544,200	—	—	—	—	—	5,489,783
Other nonoperating expenses	—	—	(3,738,835)	(1,171,623)	(4,806)	(19,217)	—	—	—	(4,831,299)	—	—	(10,809,841)
Total net nonoperating revenue	44,981,586	33,652,278	74,473,798	369,619,434	23,946,002	28,602,855	183,447,983	147,096,029	221,898,090	54,602,488	1,054,374	—	1,183,374,917
Income (loss) before other revenues, expenses, gains and losses	873,833	(3,168,085)	(1,908,466)	51,475,137	(9,672,633)	(3,647,737)	25,590,226	(14,060,616)	(26,390,062)	(9,396,250)	(145,665)	—	9,549,682
Capital grants and gifts	—	—	—	7,235,692	—	—	23,163,740	4,273,983	7,199,807	—	—	—	41,873,222
State appropriations restricted for capital purposes	5,688,837	3,801,774	4,114,155	19,197,620	3,074,794	4,612,645	24,698,233	5,411,762	5,259,934	4,898,498	—	—	76,024,252
Additions to permanent endowments	—	—	—	196,450	275,985	7,348	—	—	1,613,105	—	—	—	2,092,888
Other additions	—	—	—	—	—	—	215,352	531,721	—	7,644,707	61,186	—	8,452,966
Other deletions	—	—	—	(1,442,065)	(673,410)	—	(776,035)	(482,803)	(521,883)	—	—	—	(3,896,196)
Change in net position	6,562,670	633,689	2,205,689	76,466,384	(7,074,799)	1,240,893	72,898,864	(4,325,953)	(17,573,099)	3,146,955	(84,479)	—	134,096,814
Net position, beginning of the year	146,888,597	72,764,833	1,60,843,370	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
Net position, end of the year	153,451,267	73,398,522	1,63,049,059	880,267,990	99,176,931	95,915,192	1,279,959,800	375,714,094	(283,677,158)	72,204,279	(859,062)	—	2,909,600,914

See accompanying independent auditors' report.

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

Combining Statement of Cash Flows Information
Year ended June 30, 2024

	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	\$ 88,287,717	22,459,890	45,530,638	230,774,262	11,109,444	(2,985,474)	302,709,787	84,479,368	41,496,591	—	—	—	744,403,223
Grants and contracts	35,450,637	13,186,677	50,909,242	250,395,628	11,467,823	12,383,568	120,957,754	95,687,742	124,882,330	3,443,170	2,940,822	(78,351,202)	643,354,191
Sales and services of educational departments	1,060,422	1,086,305	144,172	67,057,102	1,299,453	2,694,813	7,997,916	2,301,659	1,143,351	4,300,128	—	(4,092,810)	84,992,511
Payments to suppliers	(40,066,991)	(19,453,843)	(76,174,237)	(228,331,258)	(11,632,411)	(17,377,291)	(159,806,366)	(91,495,110)	(683,612,899)	(17,806,072)	(3,840,529)	56,073,344	(1,293,523,663)
Payments to employees for salaries and benefits	(45,304,526)	(37,682,638)	(96,521,347)	(588,131,338)	(31,775,008)	(2,662,175.6)	(396,432,868)	(217,816,582)	(1,182,480,128)	(9,940,139)	(814,021)	—	(2,633,520,351)
Payments for utilities	(3,758,707)	(2,498,504)	(5,074,507)	(19,131,677)	(3,346,184)	(2,318,620)	(20,279,246)	(11,238,516)	(17,447,436)	(731,668)	—	—	(85,825,065)
Payment for scholarships and fellowships	(7,749,241)	(9,337,199)	(13,328,572)	(58,774,980)	(6,023,576)	(1,746,555)	(68,417,192)	(22,354,289)	(8,885,271)	(5,394,377)	—	37,982,928	(212,579,324)
Loans issued to students	—	(492,810)	—	(2,513,220)	—	—	(4,331,989)	—	(1,941,387)	(605,608)	—	—	(9,885,014)
Collections of loans from students	19,143	55,101	—	1,284,906	153,664	—	2,111,848	2,576,284	558,378	1,641,847	—	—	8,401,171
Federal loan program receipts	12,428,954	11,135,487	58,150,067	1,355,214,37	9,142,029	9,200,080	110,187,531	65,937,952	44,635,325	—	—	—	456,338,862
Federal loan program disbursements	(12,014,026)	(11,862,018)	(58,150,067)	(1,357,552,48)	(9,142,029)	(9,200,080)	(110,187,531)	(67,763,171)	(41,292,152)	—	—	—	(455,366,322)
Auxiliary enterprise charges:													
Student housing	7,676,448	3,338,489	9,478,075	36,183,730	1,553,883	3,842,632	26,207,573	21,464,972	—	—	—	—	109,745,802
Food services	6,524,744	3,184,158	7,411,961	3,495,016	1,172,642	3,093,805	6,210,277	3,389,970	—	—	—	—	34,482,573
Bookstore	(40,787)	193,866	—	1,056,474	79,940	684,055	788,867	491,605	1,386,121	—	—	—	4,640,141
Athletics	—	—	—	75,003,246	—	—	99,647,649	8,962,364	—	—	—	—	183,613,259
Other auxiliary enterprises	644,154	953,162	1,847,746	(300,609)	201,077	1,138,368	17,482,143	6,126,706	759,220	2,125,408	—	—	30,977,375
Patient care services	—	—	—	—	—	—	—	—	1,579,060,350	—	—	—	1,579,060,350
Interest earned on loans to students	—	—	—	—	—	—	523,781	—	420,575	172,713	—	—	1,117,069
Other receipts	7,387,287	296,019	12,367,243	21,874,484	50,809	1,786,018	14,233,634	8,375,696	143,515,004	13,948,107	11,829	(11,612,260)	212,235,870
Other payments	—	111,199	—	—	—	—	(19,626,170)	—	(2,103,038)	(1,316,664)	(12,034)	—	(21,761,707)
Net cash provided by (used in) operating activities	(289,137,772)	(25,326,659)	(63,409,586)	(210,292,045)	(25,688,444)	(25,424,437)	(70,022,602)	(110,873,350)	9,934	(57,529,155)	(1,713,933)	—	(619,099,049)
Noncapital financing activities:													
State appropriations	32,095,292	26,421,136	48,905,233	229,954,481	17,716,793	17,177,446	114,062,117	107,295,875	194,738,951	61,080,507	1,098,413	—	850,546,244
Gifts and grants for other than capital purposes	12,192,731	5,559,134	21,445,830	100,108,974	6,870,478	11,385,458	39,508,684	33,769,725	11,918,608	—	—	—	242,759,622
Private gifts for endowment purposes	—	—	—	—	—	237,107	440,929	—	1,613,105	—	—	—	2,291,141
Other sources	—	—	635,255	—	3,886,225	—	109,759	—	624,009	12,508,713	61,186	—	18,356,868
Other uses	—	—	—	(224,464)	(1,845,033)	—	52,324	(482,806)	—	(4,831,299)	—	—	(7,331,278)
Net cash provided by noncapital financing activities	44,288,023	31,980,270	70,986,318	329,838,991	26,628,463	28,800,011	154,173,813	141,114,515	208,894,673	68,757,921	1,159,599	—	1,106,622,597

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi

Combining Statement of Cash Flows Information
Year ended June 30, 2024

	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	MCYS	Elimination entries	Total
Capital and related financing activities:													
Proceeds from Capital Debt	—	27,113	—	142,575,181	—	—	—	—	—	—	—	—	142,602,294
Cash Paid for Capital Assets	(6,786,318)	(9,163,640)	(87,757)	(150,711,677)	(40,720)	(389,278)	(81,484,734)	(20,461,370)	(81,059,686)	(30,757)	—	—	(350,215,937)
Capital Appropriations Received	5,688,837	3,801,774	—	9,212,955	(3,434,720)	—	24,698,233	5,411,762	483,522	—	—	—	45,862,363
Capital Grants and Contracts Received	—	—	—	7,330,889	—	—	24,537,649	4,273,983	7,194,421	—	—	(4,943,538)	38,393,404
Proceeds from Sales of Capital Assets	—	(27,113)	—	—	—	—	53,365	—	314,567	—	—	—	340,819
Principal Paid on Capital Debt, Leases & Subscriptions	(1,453,454)	(795,015)	(5,808,017)	(79,027,226)	(354,196)	(581,263)	(15,011,107)	(9,544,277)	(47,406,427)	(286,300)	—	4,900,679	(155,366,603)
Interest Paid on Capital Debt, Leases & Subscriptions	(1,669,122)	(455,162)	(2,618,366)	(12,299,165)	—	(506,787)	(9,043,092)	(5,365,232)	(18,281,069)	(16,037)	—	1,704,771	(50,083,561)
Other Source	—	1,880,996	1,880,064	3,628,492	408,085	—	52,228	—	—	—	—	—	7,849,865
Net cash used in capital and related financing activities	(192,512)	—	—	(79,290,551)	(3,421,551)	(1,477,328)	(2,036,001)	—	—	—	—	—	(2,228,513)
Investing activities:													
Proceeds from Sales and Maturities of Investments	601,945	—	—	22,602,042	800,000	1,749,598	142,221,396	—	346,244,742	12,955,063	64,100	—	527,238,886
Interest Received on Investments	2,135,064	282,300	7,414,748	17,345,172	277,339	948,417	20,393,432	4,407,168	27,971,316	(2,595,199)	(61,188)	(127,612)	78,390,957
Purchases of Investments	(1,600,174)	—	(6,895,449)	(24,442,821)	(1,170,088)	(2,613,993)	(209,051,678)	—	(38,103,4085)	(21,279,507)	(88,133)	—	(648,175,928)
Net cash provided by (used in) investing activities	1,136,835	282,300	519,299	15,504,393	(92,749)	84,022	(46,436,850)	4,407,168	(6,818,027)	(10,919,643)	(85,221)	(127,612)	(42,546,085)
Net increase (decrease) in cash and cash equivalents	12,098,517	2,204,864	1,461,955	55,760,788	(2,574,281)	1,982,268	(20,519,098)	8,963,199	63,416,908	(23,971)	(639,555)	—	122,131,594
Cash and cash equivalents - beginning 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
Cash and cash equivalents - end of year	72,209,421	5,306,207	59,393,176	336,862,938	5,723,111	36,479,870	49,901,566	131,250,691	251,730,833	12,141,592	(865,464)	—	960,133,941

MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
A Component Unit of the State of Mississippi
Combining Statement of Cash Flows Information
Year ended June 30, 2024

	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	\$ (44,107,753)	(36,820,363)	(76,382,264)	(318,144,297)	(33,618,635)	(32,250,592)	(157,857,757)	(161,156,645)	(248,288,152)	(63,998,738)	(1,200,039)	—	(1,173,825,235)
Adjustment to reconcile operating loss to net cash used in operating activities:													
Depreciation and amortization expense	4,872,992	5,031,214	9,084,316	50,694,975	2,822,879	3,043,025	45,831,107	19,954,073	75,726,182	345,787	—	—	217,406,550
Actuarial change in self-insured claims expense	249,236	209,288	1,768,480	3,944,786	—	(216,317)	282,653	—	2,581,334	7,637,950	—	—	10,219,284
Provision for uncollectible accounts receivable	—	—	—	—	—	3,213,069	—	—	121,210,187	(67,199)	—	—	127,381,114
Other	—	—	—	—	—	—	—	—	—	—	—	—	3,213,069
Changes in assets and liabilities:													
(Increase) decrease in assets:													
Receivables, net	6,616,892	188,128	(4,328,157)	(11,358,829)	(77,884)	3,356,615	240,469	1,981,912	(137,908,744)	468,182	(678,537)	—	(141,499,953)
Inventories	(18,329)	—	(99,280)	(16,192)	—	32,377	137,948	1,795	(1,104,945)	(205,737)	—	—	(1,272,363)
Prepaid expenses	—	—	(6,023,815)	727,898	(90,254)	77,836	(548,222)	(308,442)	4,176,927	(9,910)	—	—	(1,997,982)
Loans to students	19,143	(442,671)	—	—	—	—	(2,319,891)	—	218,240	—	—	—	(2,525,179)
Deferred outflows of resources	(8,291,294)	(6,095,361)	(16,099,048)	(90,129,961)	(5,826,999)	(5,215,504)	(67,353,406)	(3,165,127)	(181,640,100)	(2,545,670)	(209,516)	—	(414,571,986)
Other assets	151,838	—	—	—	—	(13,514)	—	(1,429,543)	5,054,599	—	—	—	3,763,380
Increase (decrease) in liabilities:													
Accounts payable and accrued liabilities	142,934	408,862	(5,136,878)	(87,676)	88,383	(547,218)	(2,289,685)	4,043,373	34,774,576	1,210,749	37,478	—	32,644,898
Unearned revenue	169,741	225,687	6,793,029	(7,654,988)	(89,731)	(2,179,794)	1,850,881	2,029,962	(304,007)	—	—	—	840,780
Deposits refundable	(1,642)	(2,825)	—	—	—	6,850	—	(60)	—	—	—	—	2,323
Accrued leave liability	313,536	58,965	553,272	1,567,709	164,154	31,102	3,119,592	56,473	1,840,286	(24,449)	(11,305)	—	7,669,335
Net pension liability	11,564,153	11,564,514	24,941,273	159,407,664	10,694,705	7,132,676	107,928,511	50,984,298	314,294,108	4,472,432	373,366	—	703,357,700
Net OPEB liability	175,325	165,605	395,616	3,199,875	259,111	164,193	2,362,978	1,206,504	4,982,426	55,153	—	—	12,966,786
Deferred inflows of resources	(1,758,011)	182,298	1,500,934	(2,443,009)	(179,250)	(66,168)	(1,407,780)	1,636,308	(12,296,336)	(160,311)	(25,380)	—	(15,016,705)
Other liabilities	987,467	—	(377,064)	(1,995,073)	165,077	(1,995,073)	—	1,291,769	16,778,353	(4,707,394)	—	—	12,145,135
Total adjustments	15,193,981	11,493,704	12,972,678	107,852,252	7,930,191	6,826,155	87,835,155	50,283,295	248,383,086	6,469,583	(513,894)	—	554,726,186
Net cash used in operating activities	\$ (28,913,772)	(25,326,659)	(63,409,586)	(210,292,045)	(25,688,444)	(25,424,437)	(70,022,602)	(110,873,350)	94,934	(57,529,155)	(1,713,933)	—	(619,099,049)
Noncash capital related financing and investing activities:													
Gifts and contributions of capital assets	—	—	—	—	—	—	704,521	—	5,386	—	—	—	709,907
Net unrealized gain (loss) on investments	(477,289)	8,804	3,216	6,875,210	218,717	(388,165)	18,476,395	4,858,747	6,584,189	74,450	17,149	—	36,251,423
Right-to-use assets acquired under lease obligations	—	—	—	4,032,643	226,387	3,369	23,691,715	78,025	16,786,660	8,970	—	—	44,827,769
Assets acquired under subscription-based information technology arrangements	—	—	80,031	2,879,203	127,809	175,279	3,960,375	4,330,451	14,817,771	278,231	—	—	26,649,150

See accompanying independent auditors' report.

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REPORT ON INTERNAL CONTROL AND COMPLIANCE

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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* – Independent Auditor’s Report

Board of Trustees
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 (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate discretely presented component units of the 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, 2024 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 January 10, 2025.

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 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, as described in our report on IHL System’s financial statements. 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*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with 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 or that are reported on separately by those auditors who audited 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.

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 opinion 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 IHL System'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 IHL System'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 IHL System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Jackson, Mississippi
January 10, 2025**