




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

## **Financial Statements**

June 30, 2025 and 2024





**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 (IHL System), a Component Unit of the State of Mississippi, as of and for the years ended June 30, 2025 and 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 audits 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, 2025 and 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 years ended June 30, 2025 and 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 0.6%, 0.8%, and 0.2%, respectively, and 0.7%, 1.0%, and 0.4%, respectively, of the assets, net position, and operating revenues of the business-type activities of the IHL System as of and for the years ended June 30, 2025 and 2024, respectively, 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 audits 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 audits. 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, 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*.

### ***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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 audits were 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 audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining supplementary statements 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 February 13, 2026 on our consideration of the IHL System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over

financial reporting and compliance and the results 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  
February 13, 2026**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2025 and 2024**



**Introduction**

This section of the Mississippi Institutions of Higher Learning (IHL System) annual financial report presents a discussion and analysis of the financial performance of the IHL System during the year ended June 30, 2025, with comparative information presented for the year ended June 30, 2024. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with the independent auditor's report, the financial statements, and the notes to the financial statements.

The IHL System is a component unit of the State of Mississippi and an integral part of the state's Annual Comprehensive Financial Report (ACFR). The financial reporting entity for the financial statements is comprised of Mississippi's eight public universities including the University of Mississippi Medical Center, and three component units. The component units are discretely presented based on the nature and significance of their relationship to their respective university. The reader may refer to Note 1 for detailed information on the financial reporting entity. More detailed information about the foundations is presented in Notes 24, 25, and 26 to the financial statements. This discussion focuses on the universities and medical center and does not include the foundations.

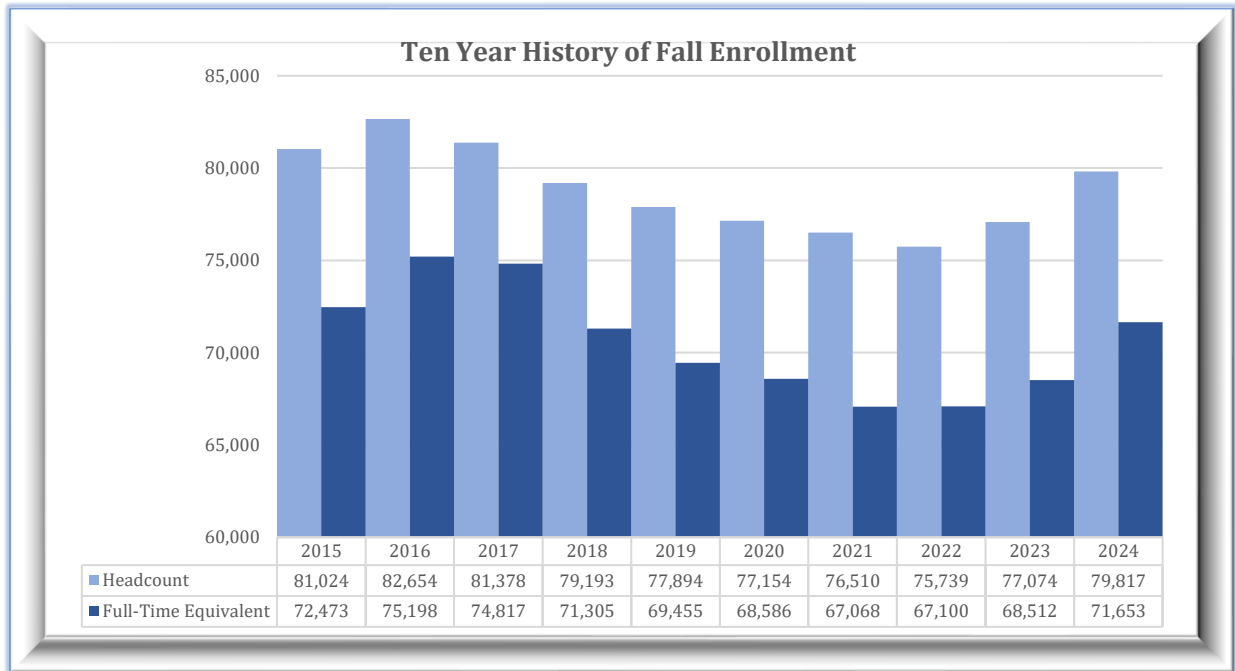
The institutions serve almost 80,000 students with an employee base of over 28,000 individuals. Faculty makes up approximately 6,000 of the total employee count. The system offers over 800 degree programs and awarded approximately 19,300 degrees in academic year 2024.

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
MVSU	Mississippi Valley State University
UM	University of Mississippi
USM	University of Southern Mississippi
UMMC	University of Mississippi Medical Center
EBC	Educational Building Corporation
IHL Executive Office	Institutions of Higher Learning – Executive Office
UPM	University Press of Mississippi
MCVS	Mississippi Commission for Volunteer Service – Off-campus entity
HMC	Healthier Mississippi Collaborative

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

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**Overview of the Financial Statements**

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. The financial statements are presented on a consolidated basis to focus on the IHL System as a whole. The IHL System reports as a special-purpose government, engaged solely in business-type activities.

The IHL System’s financial report includes the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. Notes to the financial statements are also presented to provide additional information that is essential to a full understanding of the financial statements.

**The Statement of Net Position**

The statement of net position is a point-in-time financial statement. The statement of net position presents the financial position of the System at the end of the fiscal year. To aid the reader in determining the System’s ability to meet immediate and future obligations, the statement includes all assets, liabilities, deferred outflows-inflows of resources, and net position of the System and segregates the assets and liabilities into current and noncurrent components. Current assets are those that are available to satisfy current liabilities, inclusive of assets that will be converted to cash within one year. Current liabilities are those that will be paid for within one year. The statement of net position is prepared under the accrual basis of accounting; assets and liabilities are recognized when goods or services are provided or received, despite when cash is exchanged.

From the data presented, readers of the statement can determine the assets available to continue the operations of the System. They are also able to determine how much the System owes vendors, lenders, and others. Net position represents the difference between the System’s assets and liabilities, along with the difference between deferred outflows and deferred inflows of resources and is one indicator of the System’s current financial condition.

The statement of net position also indicates the availability of net position for expenditure by the System. Net position is divided into three major categories. The first category, net investment in capital assets, represents the System’s total investment in property, plant, equipment, and right-of-use lease and subscription assets, net

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of outstanding debt obligations and deferred outflows/inflows of resources related to those capital assets. To the extent debt or deferred inflows of resources have been incurred but not yet expended for capital assets, such amounts are not included. The next category is restricted net position, which is subdivided into two categories, nonexpendable and expendable. Nonexpendable restricted net position includes endowment and similar resources whose use is limited by donors or other outside sources and, as a condition of the gift, the principal is to be maintained in perpetuity. Expendable restricted net position is available for expenditure by the System 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 resources. The final category is unrestricted net position. Unrestricted net position is available to the System for any lawful purpose of the institution.

The following table summarizes the System's assets, liabilities, deferred outflows/inflows of resources, and net position at June 30, 2025, 2024, and 2023:

<b>Summary of Net Position (Condensed)</b>						
<b>(in thousands)</b>						
		<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2025</b>	<b>Changes between years</b>	
					<b>2023 to 2024</b>	<b>2024 to 2025</b>
<b>Assets:</b>						
Current assets	\$	1,664,167	1,855,867	2,135,507	11.5 %	15.1 %
Capital assets, net		4,761,081	4,977,804	5,424,255	4.6	9.0
Other assets		1,453,632	1,613,779	1,632,276	11.0	1.1
Deferred outflows of resources		599,244	1,012,936	824,276	69.0	(18.6)
Total assets and deferred outflows of resources	\$	8,478,124	9,460,386	10,016,314	11.6 %	5.9 %
<b>Liabilities:</b>						
Current liabilities	\$	640,907	738,035	763,659	15.2	3.5
Noncurrent liabilities		4,881,194	5,642,661	5,723,534	15.6	1.4
Deferred inflows of resources		181,518	171,089	186,308	(5.7)	8.9
Total liabilities and deferred inflows of resources	\$	5,703,619	6,551,785	6,673,501	14.9 %	1.9 %
<b>Net position (deficit):</b>						
Net investment in capital assets	\$	3,446,878	3,679,813	3,982,882	6.8 %	8.2 %
Restricted – nonexpendable		190,390	201,036	206,017	5.6	2.5
Restricted – expendable		433,967	484,826	590,380	11.7	21.8
Unrestricted		(1,296,732)	(1,457,074)	(1,436,465)	(12.4)	1.4
Total net position	\$	2,774,503	2,908,601	3,342,814	4.8 %	14.9 %

Total net position increased by \$434.2 million, or 14.9%, during the 2025 fiscal year, and by \$134.1 million, or 4.8% in 2024. As the System is expected to improve its net position, the subsequent discussion and analysis address the resulting net increases.

**The Statement of Revenues, Expenses, and Changes in Net Position**

The statement of revenues, expenses and changes in net position presents the results of operations for the fiscal year. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received. The statement indicates whether the System's financial condition has improved or deteriorated during the fiscal year.

The statement presents the revenues received by the System, both operating and nonoperating; the expenses paid by the System, operating and nonoperating; and any other revenues, expenses, gains, or losses received or spent by the System.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the System. Operating expenses are those expenses paid to acquire or produce the goods

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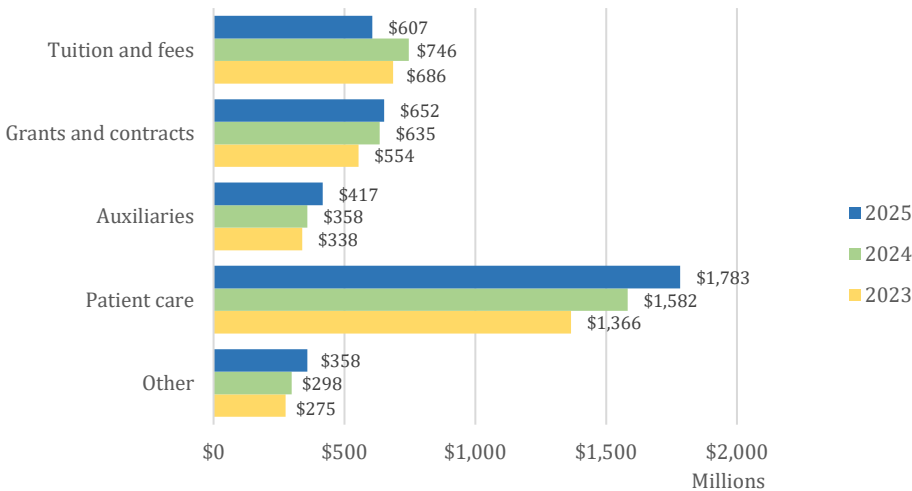
and services provided in return for the operating revenues, and to carry out the mission of the System. Nonoperating revenues are revenues received for which goods and services are not provided directly to the payor. A public university's dependence on state aid and gifts usually results in operating deficits because state appropriations and gifts are classified as nonoperating revenues.

The following table summarizes the System's revenues, expenses, and changes in net position for the years ended June 30, 2025, 2024, and 2023:

<b>Summary of Revenues, Expenses and Changes in Net Position (Condensed)</b>					
<b>(in thousands)</b>					
	<b>Years ended June 30,</b>			<b>Changes between years</b>	
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2023 to 2024</b>	<b>2024 to 2025</b>
Operating revenues	\$ 3,218,887	3,619,688	3,815,984	12.5 %	5.4 %
Operating expenses	4,225,681	4,793,513	4,933,533	13.4	2.9
Operating loss	(1,006,794)	(1,173,825)	(1,117,549)	16.6	(4.8)
Nonoperating revenues	\$ 1,021,385	1,183,375	1,196,508	15.9	1.1
Income before other revenues, expenses, gains or losses	14,591	9,550	78,959	(34.5)	726.8
Other revenues, expenses, gains or losses	78,128	124,547	355,254	59.4	185.2
Change in net position	92,719	134,097	434,213	44.6	223.8
Net position, beginning of the year	2,681,784	2,774,504	2,908,601	3.5	4.8
Net position, end of the year	\$ 2,774,503	2,908,601	3,342,814	4.8 %	14.9 %

**Operating Revenues**

The following summarizes the operating revenues by source that were used to fund operating activities for the last three fiscal years:



In fiscal year 2025, total gross tuition and fee revenues increased by \$109 million, primarily due to increases in enrollment at the UM campus (11%) coupled with increases in tuition and fee rates at every campus except DSU. Net tuition and fee revenues actually decreased by \$139.4 million due to a change in accounting methodology for tuition discounting.

See Note 1 (ff) for more information about the change in tuition discounting methodology. In fiscal year 2024, net tuition and fee revenues increased by 9% primarily due to an overall increase in enrollment coupled with tuition rate increases.

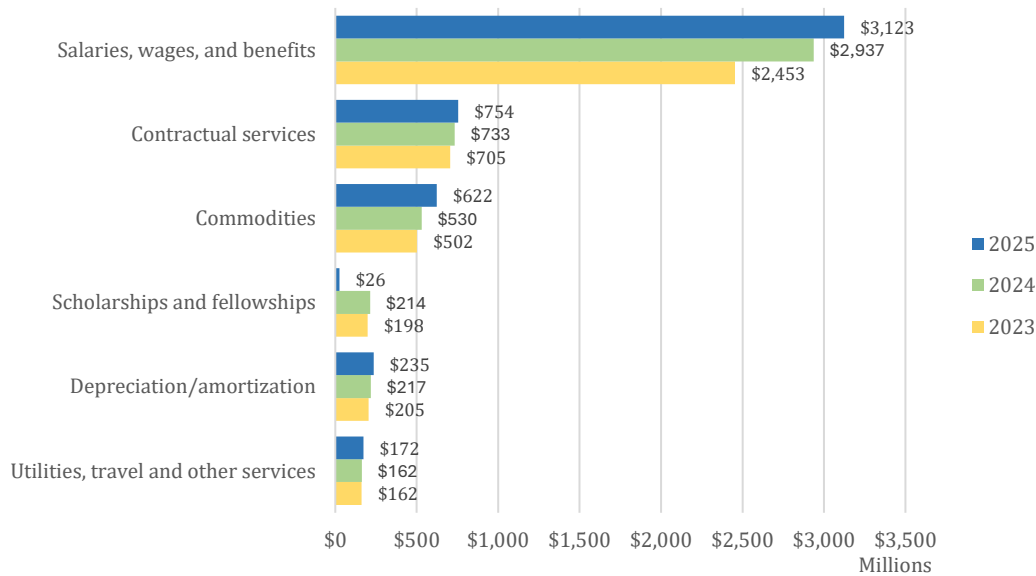
Grants and contracts revenue increased \$16.2 million in 2025 and \$81.4 million in 2024. External funding for research and sponsored projects continues to increase with an overall increase in spending.

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Patient care revenues climbed \$201 million, or 12.7%, in FY 2025 and \$216 million, or 15.8%, in FY 2024. UMMC has experienced growth in patient care revenues over the past two years, attributable primarily to increased patient volumes and changes to the Mississippi Hospital Access Program (MHAP). In 2023, Mississippi received federal approval to expand MHAP supplemental payments to hospitals participating in Medicaid managed care, resulting in a restructuring of the program. Total MHAP funding statewide increased from approximately \$500–\$600 million to more than \$1.5 billion annually. As a result of these program changes, UMMC’s supplemental payments increased by approximately 34% in FY2024 and 39% in FY2025.

**Operating Expenses**

Operating expenses may be reported by nature or function. The System has chosen to report the expenses in their natural classification on the statement of revenues, expenses, and changes in net position and has displayed the functional classification in the notes to the financial statements. The following summarizes the operating expenses by natural classifications for the last three fiscal years:



Salaries, wages, and benefits expense increased \$186.2 million (or 6.3%) and \$483.9 million (or 19.7%) in fiscal years 2025 and 2024, respectively. The increases in benefits are primarily due to increases in the total pension expense under the PERS defined benefit plan, \$48.1 million in 2025 and \$229.0 million in 2024. The Mississippi Legislature approved a one-time injection of \$110 million into PERS during the 2024 legislative session. This additional nonemployer contribution was treated as state appropriations to offset the additional pension expense recognized by the System. The effect of this one-time injection on the System’s financial statements was a \$17.1 million increase in pension expense and state appropriations.

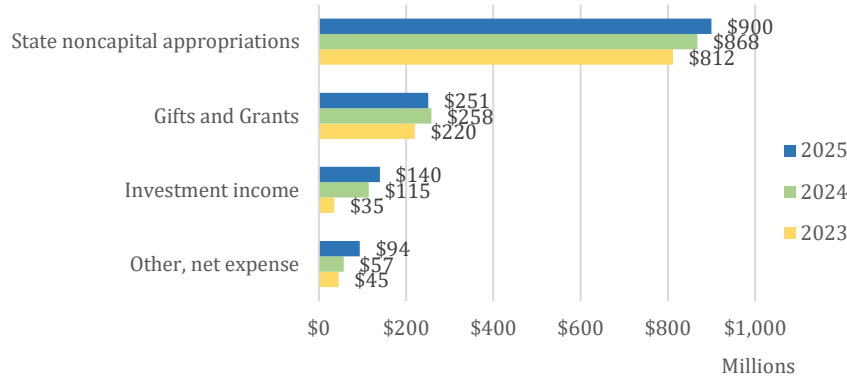
Scholarships and fellowships expense decreased 87.6%, or \$187.4 million, in fiscal year 2025. In fiscal year 2024, these expenses increased modestly by \$15.3 million (or 7.7%). Scholarship discounts and allowances increased across all campuses in 2025 due to the change in measurement methodology. In 2025, the System implemented NACUBO Advisory Report 2023-01. This guidance recommended a change in calculating the discount from the Alternate Method (NACUBO Advisory Report 2000-05) to an estimation and measurement methodology that more accurately reflects how financial aid is provided to students.

**Nonoperating Revenues and Expenses**

Certain revenue sources that the System relies on to provide funding for operations, including state and local noncapital appropriations, certain gifts and grants, and investment income, are defined by the GASB as

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nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets. The following summarizes the System's nonoperating revenues and expenses for the last three fiscal years:



State noncapital appropriations increased \$32.1 million (or 3.7%) and \$55.8 million (or 6.9%) in fiscal years 2025 and 2024, respectively. The increase in 2025 was primarily driven by increases in both required pension contributions and support and maintenance of the UMMC Cancer Institute. The increase in 2024 was primarily driven by funding allocated for repairs and renovation projects at MSU. Nonoperating gifts and grants decreased modestly (2.7%) in 2025 after

experiencing a 17.2% increase in the prior year. Universities receive gifts from their respective foundations based on departmental requests and these can fluctuate from year to year based on various needs.

Investment income increased \$25.0 million and \$79.8 million, in fiscal years 2025 and 2024, respectively, primarily due to higher interest earnings on cash and investment balances. Market interest rates remained elevated compared to the prior year, which resulted in greater yields on short-term and fixed-income holdings. In addition, the System maintained higher investment balances, collectively contributing to an overall increase in investment income.

### Capital Assets and Debt Administration

#### Capital Assets

At June 30, 2025, 2024, and 2023, the IHL System had approximately \$5.4 billion, \$5.0 billion, and \$4.8 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:

	Years ended June 30,			Changes between years	
	2023	2024	2025	2023 to 2024	2024 to 2025
Capital assets not being depreciated/amortized	\$ 544,995	761,476	857,921	39.7 %	12.7 %
Depreciable/amortizable capital assets:					
Improvements other than buildings	549,988	583,723	637,985	6.1	9.3
Buildings	4,962,843	4,995,951	5,353,786	0.7	7.2
Equipment	1,001,979	1,031,844	1,047,692	3.0	1.5
Lease assets	145,773	185,276	244,666	27.1	32.1
Subscription-based software	60,525	81,944	105,505	35.4	28.8
Library books	484,666	488,683	498,758	0.8	2.1
Total depreciable/amortizable capital assets	7,205,774	7,367,421	7,888,392	2.2	7.1
Total cost of capital assets	7,750,769	8,128,897	8,746,313	4.9	7.6
Less accumulated depreciation/amortization	(2,989,688)	(3,151,093)	(3,322,058)	5.4	5.4
Capital assets, net	\$ 4,761,081	4,977,804	5,424,255	4.6 %	9.0 %

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Non-depreciable/amortizable capital assets equaled \$858 million, \$761 million, and \$545 million at June 30, 2025, 2024, and 2023, respectively. These assets principally consisted of land and construction in progress (CIP). The 39.7% increase (\$216 million) in 2024 was the result of \$280 million in additions to construction projects. In 2025, there were \$445.8 million in additions to construction projects. Almost 65% of CIP was transferred out in 2025, whereas only 15% transferred out in 2024.

Transfers to a depreciable category amounted to \$386.0 million and \$62.2 million, in 2025 and 2024, respectively. Improvements like the renovated softball facilities at Ole Miss and the lighting, solar panel and HVAC upgrades at Mississippi State contributed to the \$54.3 million additions in Improvements.

Lease and subscription assets continue to add to the capital assets of the System. Lease assets increased from \$185.3 million to \$244.7 million from 2024 to 2025; and subscription-based software arrangements increased from \$81.9 million to \$105.5 million during that same period.

At June 30, 2025, outstanding commitments under construction contracts totaled \$802.2 million for various renovations and repairs of buildings and infrastructure. Future state capital outlay appropriations will fund \$336.6 million of these costs. See Note 15 for more information regarding construction commitments and financing.

More detailed information about the System’s capital assets is presented in Note 5 to the financial statements.

**Debt**

At June 30, 2025, 2024, and 2023, the IHL System maintained \$1.5 billion in bonded debt, notes payable, lease and subscription liabilities. The following table summarizes the IHL System’s long-term debt for the past three fiscal years:

	<b>Long-Term Debt Summary</b>				
	<b>(in thousands)</b>				
	<b>Years ended June 30,</b>			<b>Changes between years</b>	
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2023 to 2024</b>	<b>2024 to 2025</b>
Bonds payable	\$ 1,286,421	1,313,988	1,260,178	2.1 %	(4.1)%
Notes payable and financed purchases	10,452	7,020	3,576	(32.8)	(49.1)
Lease liability	112,395	135,624	175,729	20.7	29.6
Subscription liability	42,598	41,757	53,167	(2.0)	27.3
Total long-term debt	<u>\$ 1,451,866</u>	<u>1,498,389</u>	<u>1,492,650</u>	<u>3.2 %</u>	<u>(0.4)%</u>

There were no bonds issued in fiscal year 2025. Although, in February 2024, the IHL Board approved the issuance of \$280 million EBC bonds through the University of Mississippi EBC (\$245 million) and the Southern Miss EBC (\$35 million). The UMEBC bonds will be used to help finance capital improvements on the main campus in Oxford, including women’s athletic facilities and student housing. The SMEBC bonds will be used to finance the construction and renovation of athletic facilities.

In February 2024, the Mississippi State University EBC issued \$82,650,000 of Series 2024A Revenue Refunding Bonds and \$48,325,000 of Series 2024B Refunding Bonds to finance construction of a new residence hall and fund renovations for Humphrey Coliseum.

More detailed information about the System’s long-term liabilities is presented in Note 10 to the financial statements.

**Designated Revenues**

Bond indentures previously issued, and those that may be issued in the future by the institution’s EBCs 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

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amounts from any other legally available source and will then allocate the same to cure the insufficiency. Annual principal and interest payments on the bonds are expected to require less than 2.5% of designated revenues. The total principal and interest remaining to be paid on the bonds is \$1.8 billion.

The following table provides a history of all designated revenues available to the IHL Board from fiscal years 2021 through 2025:

<b>Designated Revenues<sup>1</sup> and Unrestricted Net Position (excludes UMMC, Board Office, and MCVS)</b>					
<b>(in thousands)</b>					
	<b>Years ended June 30,</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Tuition, net <sup>2</sup>	\$ 613,222	638,637	644,384	702,848	569,803
Sales and services	57,399	78,927	83,868	87,417	93,339
Auxiliary enterprises, net <sup>2</sup>	298,444	307,701	333,966	353,305	412,045
Other <sup>3</sup>	55,456	64,907	58,086	63,190	72,147
Sub-total	1,024,521	1,090,172	1,120,304	1,206,760	1,147,334
State appropriations	465,521	485,292	564,979	610,582	628,327
Unrestricted net position <sup>4</sup>	—	—	—	—	—
Total	\$ 1,490,042	1,575,464	1,685,283	1,817,342	1,775,661

<sup>1</sup> Designated Revenues represent all unrestricted revenues of the IHL System (excluding the Medical Center, Executive Board Office, and MCVS) which include without limitation, net tuition and auxiliary fees, sales and services, other operating revenue, state appropriations and unrestricted net position balances.

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

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

<sup>4</sup> The unrestricted net position of \$(447,531,102) for 2021, \$(345,796,497) for 2022, \$(344,025,203) for 2023, \$(371,270,200) for 2024, and \$(466,136,290) for 2025, 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 2026 fiscal year with an anticipated systemwide operating budget increase of \$521 million. Fiscal year 2025 closed strong with a \$434 million net increase (see the SRECNP summary table on page 10 of management discussion and analysis). For fiscal year 2026, general education funding from the State of Mississippi will decrease by 6.4% (or \$34 million), and the IHL system expects tuition to increase by \$130.2 million and auxiliary revenues to increase by \$63 million. In 2026, state-appropriated revenues will comprise approximately 29.9% of the total E&G budget, while self-generated tuition revenues will approximate 65.8% 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

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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, 2025 and 2024, the employer contribution to the Public Employees' Retirement System will increase by \$6 million and \$69 million, respectively, 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 2027, beginning on July 1, 2026. 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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**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**

**STATEMENTS OF NET POSITION**  
**JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 873,790,110	\$ 716,130,485
Short term investments	577,670,511	523,255,686
Accounts receivable, net	566,368,999	517,189,950
Student notes receivable, net	12,949,011	12,366,354
Inventories	49,776,442	45,300,326
Prepaid expenses	43,770,363	36,623,636
Other current assets	11,181,711	5,000,742
Total current assets	2,135,507,147	1,855,867,179
<b>NONCURRENT ASSETS</b>		
Restricted cash and cash equivalents	195,882,151	244,003,456
Restricted investments	31,257,194	56,280,673
Endowment investments	432,041,251	396,912,159
Other long-term investments	794,668,125	757,300,378
Student notes receivable, net	62,853,581	64,201,638
Beneficial interest in irrevocable trust	50,023,205	47,374,211
Capital assets, net	5,424,254,694	4,977,803,909
Other noncurrent assets	65,550,509	47,706,959
Total noncurrent assets	7,056,530,710	6,591,583,383
Total assets	9,192,037,857	8,447,450,562
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Total assets and deferred outflows of resources	\$ 10,016,314,116	\$ 9,460,386,848
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 338,519,272	\$ 351,085,106
Unearned revenues	212,306,000	163,745,299
Accrued leave liabilities - current portion	15,323,168	14,826,027
Long-term liabilities - current portion	128,606,246	111,367,957
Other current liabilities	68,903,961	97,010,791
Total current liabilities	763,658,647	738,035,180
<b>NONCURRENT LIABILITIES</b>		
Accrued leave liabilities	142,823,121	133,578,801
Deposits refundable	1,498,496	1,419,430
Long-term liabilities	1,422,135,655	1,446,613,241
Net pension liability	4,032,405,694	3,933,233,377
Net OPEB liability	104,716,496	103,055,815
Other noncurrent liabilities	19,954,807	24,760,692
Total noncurrent liabilities	5,723,534,269	5,642,661,356
Total liabilities	6,487,192,916	6,380,696,536
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Total liabilities and deferred inflows of resources	186,307,886	171,089,398
Total liabilities and deferred inflows of resources	6,673,500,802	6,551,785,934
<b>NET POSITION</b>		
Net investment in capital assets	3,982,881,850	3,679,812,504
Restricted for		
Nonexpendable		
Scholarships and fellowships	36,654,472	33,367,491
Research	5,723,854	5,299,679
Other purposes	163,638,771	162,369,143
Expendable		
Scholarships and fellowships	50,296,383	49,599,049
Research	122,620,900	106,070,961
Capital projects	59,622,643	31,279,563
Debt service	83,887,778	48,597,679
Loans	68,434,710	63,847,239
Other purposes	205,517,319	185,431,357
Unrestricted	(1,436,465,366)	(1,457,073,751)
Total net position	\$ 3,342,813,314	\$ 2,908,600,914

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

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

**Consolidated Statements of Financial Position  
June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,759,182	\$ 1,420,265
Restricted cash	4,662,898	4,567,124
Restricted short-term investments	7,616,386	7,381,396
Accrued interest, other receivables and prepaid assets	243,668	123,395
Receivable from MSU Alumni Association	127,455	125,944
Pledges receivable, net	98,686,540	48,800,243
Investments	958,307,049	861,331,701
Present value of amounts due from externally managed trusts	64,151,373	60,183,393
Land, buildings, and equipment, net	32,850,405	30,660,056
Total assets	\$ 1,171,404,956	\$ 1,014,593,517
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,538,457	\$ 2,345,085
Agency payable	12,279,284	11,948,520
Liabilities under split interest agreements	7,664,717	7,889,201
Deferred revenue	1,817,043	1,845,913
Payable to Mississippi State University	1,361,045	459,829
Note payable	1,793,603	2,092,686
Total liabilities	27,454,149	26,581,234
<b>NET ASSETS</b>		
Without donor restrictions:		
Net assets attributable to the Foundation	87,621,532	79,520,934
Net assets attributable to noncontrolling interest	57,231,643	53,585,591
Total net assets without donor restrictions	144,853,175	133,106,525
With donor restrictions	999,097,632	854,905,758
Total net assets	1,143,950,807	988,012,283
Total liabilities and net assets	\$ 1,171,404,956	\$ 1,014,593,517

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**

**Statements of Financial Position**  
**June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,400,587	\$ 17,311,446
Pledges receivable, net	110,410,685	77,637,445
Investments	797,131,175	714,471,712
Beneficial interest in remainder trust	12,011,092	11,258,475
Property and equipment, net	1,714,481	1,761,815
Other assets	3,009,203	1,908,597
	<b>\$ 935,677,223</b>	<b>\$ 824,349,490</b>
<b>Total assets</b>	<b>\$ 935,677,223</b>	<b>\$ 824,349,490</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Funds held for others	\$ 29,462,022	\$ 30,659,907
Liabilities under remainder trusts and gift annuities	3,207,353	2,952,569
Other liabilities	4,330,224	3,725,044
	<b>36,999,599</b>	<b>37,337,520</b>
<b>Total liabilities</b>	<b>36,999,599</b>	<b>37,337,520</b>
<b>NET ASSETS</b>		
Without donor restrictions	27,644,590	25,563,854
With donor restrictions	871,033,034	761,448,116
	<b>898,677,624</b>	<b>787,011,970</b>
<b>Total net assets</b>	<b>898,677,624</b>	<b>787,011,970</b>
<b>Total liabilities and net assets</b>	<b>\$ 935,677,223</b>	<b>\$ 824,349,490</b>

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 Statements of Financial Position**  
**June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,081,253	\$ 2,864,221
Accrued earnings	158,526	148,702
Prepaid assets and other receivables	870,338	1,000,326
Property held for sale	979,000	5,000
Pledges receivable, net	7,912,391	7,055,548
Investments	183,488,584	165,749,750
Cash surrender value of life insurance	2,801,210	2,802,540
Amounts due from externally managed trusts	13,161,206	13,397,807
Property and equipment, net	41,609	1,233,789
	<b>\$ 214,494,117</b>	<b>\$ 194,257,683</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 808,343	\$ 682,162
Gift annuities payable	53,039	55,918
	<b>861,382</b>	<b>738,080</b>
<b>NET ASSETS</b>		
Without donor restrictions	24,546,983	20,483,651
With donor restrictions	189,085,752	173,035,952
	<b>213,632,735</b>	<b>193,519,603</b>
	<b>\$ 214,494,117</b>	<b>\$ 194,257,683</b>

See accompanying notes to financial statements.

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

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 1,249,069,669	\$ 1,140,213,761
Less scholarship allowances	(628,892,281)	(385,164,330)
Less bad debt expense	(13,201,897)	(8,659,673)
Net tuition and fees	606,975,491	746,389,758
Federal appropriations	15,869,920	14,525,612
Federal grants and contracts	491,223,647	471,180,195
State grants and contracts	51,986,221	63,547,230
Nongovernmental grants and contracts	108,318,923	100,554,103
Sales and services of educational departments	95,258,474	89,284,655
Auxiliary enterprises:		
Student housing	146,242,722	130,689,770
Food services	41,278,789	39,556,345
Bookstore	5,599,479	5,511,518
Athletics	206,617,353	183,368,859
Other auxiliary revenues	40,526,841	42,228,825
Less auxiliary enterprise scholarship allowances	(23,758,999)	(43,158,171)
Interest earned on loans to students	1,392,463	1,085,699
Patient care revenues, net	1,782,983,789	1,581,873,502
Other operating revenues, net	245,468,978	193,049,957
Total operating revenues	3,815,984,091	3,619,687,857
<b>OPERATING EXPENSES</b>		
Salaries and wages	2,157,935,976	2,038,509,330
Fringe benefits	965,348,180	898,597,459
Travel	72,917,650	66,647,565
Contractual services	754,086,640	733,091,415
Utilities	92,283,025	86,549,400
Scholarships and fellowships	26,430,619	213,789,531
Commodities	622,325,895	529,676,245
Depreciation and amortization	235,150,741	217,406,550
Other operating expenses	7,054,369	9,245,597
Total operating expenses	4,933,533,095	4,793,513,092
Operating loss	(1,117,549,004)	(1,173,825,235)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	899,852,831	867,778,793
Gifts and grants	250,768,156	257,785,320
Investment income, net of investment expense	139,647,725	114,642,380
Interest expense on capital asset-related debt	(53,498,224)	(51,511,518)
Other nonoperating revenues	7,685,464	5,489,783
Other nonoperating expenses	(47,947,834)	(10,809,841)
Total nonoperating revenues, net	1,196,508,118	1,183,374,917
Income before other revenues, expenses, gains and losses	78,959,114	9,549,682
<b>OTHER REVENUES, EXPENSES, GAINS AND LOSSES</b>		
Capital grants and gifts	107,435,552	41,873,222
State appropriations restricted for capital purposes	223,773,679	76,024,252
Additions to permanent endowments	21,303,655	2,092,888
Other additions	9,573,379	8,452,966
Other deletions	(6,832,979)	(3,896,196)
CHANGE IN NET POSITION	434,212,400	134,096,814
Net position, beginning of the year	2,908,600,914	2,774,504,100
<b>NET POSITION, END OF THE YEAR</b>	<b>\$ 3,342,813,314</b>	<b>\$ 2,908,600,914</b>

**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, 2025**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Contributions	\$ 27,061,864	94,871,462	121,933,326
Investment return, net	10,712,698	91,183,865	101,896,563
Change in value of split interest agreements	—	4,700,713	4,700,713
Other	8,422,328	102,914	8,525,242
Net assets released from restrictions	46,667,080	(46,667,080)	—
Total revenues, gains, and other support	<u>92,863,970</u>	<u>144,191,874</u>	<u>237,055,844</u>
<b>EXPENDITURES</b>			
Program services:			
Contributions and support for Mississippi State University	59,271,878	—	59,271,878
Contributions and support for Bulldog Club	3,104,078	—	3,104,078
Contributions and support for MSU Alumni Association	1,520,901	—	1,520,901
Total program services	<u>63,896,857</u>	<u>—</u>	<u>63,896,857</u>
Supporting services:			
General administrative	8,877,804	—	8,877,804
Fund raising	5,728,415	—	5,728,415
Total supporting services	<u>14,606,219</u>	<u>—</u>	<u>14,606,219</u>
Total expenditures	<u>78,503,076</u>	<u>—</u>	<u>78,503,076</u>
Change in net assets before noncontrolling interests	14,360,894	144,191,874	158,552,768
Payments to noncontrolling interests	(2,614,244)	—	(2,614,244)
<b>CHANGE IN NET ASSETS</b>	11,746,650	144,191,874	155,938,524
Net assets, beginning of the year	133,106,525	854,905,758	988,012,283
<b>NET ASSETS, END OF THE YEAR</b>	<u>\$ 144,853,175</u>	<u>999,097,632</u>	<u>1,143,950,807</u>

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**

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
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
<b>EXPENDITURES</b>			
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)
<b>CHANGE IN NET ASSETS</b>	10,062,734	74,520,476	84,583,210
Net assets, beginning of the year	123,043,791	780,385,282	903,429,073
<b>NET ASSETS, END OF THE YEAR</b>	\$ 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 --**  
**THE UNIVERSITY OF MISSISSIPPI FOUNDATION**

**Statement of Activities**  
**Year ended June 30, 2025**

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
Contributions, gifts and bequests	\$ —	94,823,183	94,823,183
Investment return, net	4,387,502	61,562,979	65,950,481
Change in value of split interest agreements	—	519,018	519,018
Management fees	1,939,528	(1,939,528)	—
Development fees	1,939,528	(1,939,528)	—
Other income	1,117,654	2,059,610	3,177,264
Total revenues, gains, and other support	9,384,212	155,085,734	164,469,946
Net assets released from restrictions/ redesignated by donor:			
Appropriation from donor endowment	13,927,255	(13,927,255)	—
Satisfaction of program restrictions	31,573,561	(31,573,561)	—
<b>EXPENDITURES</b>			
Support for University activities:			
Academic	6,402,168	—	6,402,168
Scholarship	11,629,264	—	11,629,264
Programmatic	19,281,842	—	19,281,842
University of Mississippi Medical Center	9,272,437	—	9,272,437
General and administrative expenses	3,403,607	—	3,403,607
Fund-raising expenses	2,814,974	—	2,814,974
Total expenses	52,804,292	—	52,804,292
<b>CHANGE IN NET ASSETS</b>	2,080,736	109,584,918	111,665,654
Net assets, beginning of the year	25,563,854	761,448,116	787,011,970
<b>NET ASSETS, END OF THE YEAR</b>	<b>\$ 27,644,590</b>	<b>871,033,034</b>	<b>898,677,624</b>

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**

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
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)	—
<b>EXPENDITURES</b>			
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
<b>CHANGE IN NET ASSETS</b>	5,172,452	62,515,888	67,688,340
Net assets, beginning of the year	20,391,402	698,932,228	719,323,630
<b>NET ASSETS, END OF THE YEAR</b>	\$ 25,563,854	761,448,116	787,011,970

See accompanying notes to financial statements.

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

**Consolidated Statement of Activities**  
**Year ended June 30, 2025**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Contributions	\$ 2,121,502	13,959,351	16,080,853
Investment return, net	6,177,782	14,081,086	20,258,868
Gain on externally managed trusts	—	88,093	88,093
Change in value of split interest agreements	—	(334,464)	(334,464)
Change in value - other	(304)	(1,026)	(1,330)
Other	10,859	69,655	80,514
Total revenues, gains, and other support	<u>8,309,839</u>	<u>27,862,695</u>	<u>36,172,534</u>
Changes in restrictions:			
Net assets released from restrictions	11,812,895	(11,812,895)	—
<b>EXPENDITURES</b>			
Program services:			
Contributions and support for The University of Southern Mississippi	12,500,422	—	12,500,422
Supporting services:			
General and administrative	2,386,646	—	2,386,646
Fund-raising	1,172,334	—	1,172,334
Total expenses	<u>16,059,402</u>	<u>—</u>	<u>16,059,402</u>
<b>CHANGE IN NET ASSETS</b>	4,063,332	16,049,800	20,113,132
Net assets, beginning of the year	<u>20,483,651</u>	<u>173,035,952</u>	<u>193,519,603</u>
<b>NET ASSETS, END OF THE YEAR</b>	<u><u>\$ 24,546,983</u></u>	<u><u>189,085,752</u></u>	<u><u>213,632,735</u></u>

See accompanying notes to financial statements.

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**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**

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>REVENUES AND SUPPORT</b>			
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)	—
<b>EXPENDITURES</b>			
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
<b>CHANGE IN NET ASSETS</b>	3,851,543	25,052,478	28,904,021
Net assets, beginning of the year	16,632,108	147,983,474	164,615,582
<b>NET ASSETS, END OF THE YEAR</b>	\$ 20,483,651	173,035,952	193,519,603

See accompanying notes to financial statements.

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
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**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 608,246,900	\$ 744,403,223
Grants and contracts	704,966,711	643,354,191
Sales and services of educational departments	95,263,526	84,992,511
Payments to suppliers	(1,453,764,867)	(1,293,523,663)
Payments to employees for salaries and benefits	(2,793,042,092)	(2,633,520,351)
Payments for utilities	(92,168,055)	(85,825,065)
Payments for scholarships and fellowships	(26,319,110)	(212,579,324)
Loans issued to students	(8,702,133)	(9,885,014)
Collection of loans from students	8,751,918	8,401,171
Federal loan program receipts	484,204,812	456,338,862
Federal loan program disbursements	(501,259,749)	(455,366,322)
Auxiliary enterprise charges:		
Student housing	142,042,879	109,745,802
Food services	38,657,043	34,482,573
Bookstore	5,580,836	4,640,141
Athletics	200,141,303	183,613,259
Other auxiliary enterprises	27,260,567	30,977,375
Patient care services	1,722,998,272	1,579,060,350
Interest earned on loans to students	1,462,870	1,117,069
Other receipts	252,675,130	212,235,870
Other payments	(25,057,185)	(21,761,707)
Net cash used in operating activities	(608,060,424)	(619,099,049)
<b>NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	915,191,819	850,546,244
Gifts and grants for other than capital purposes	232,666,132	242,759,622
Private gifts for endowment purposes	21,109,250	2,291,141
Other sources	26,933,356	18,356,868
Other uses	(35,549,215)	(7,331,278)
Net cash provided by noncapital financing activities	1,160,351,342	1,106,622,597
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from capital debt	1,694,967	142,602,294
Cash paid for capital assets	(507,931,965)	(350,215,937)
Capital appropriations received	160,266,038	45,862,363
Capital grants and contracts received	45,606,935	38,393,404
Proceeds from sales of capital assets	485,435	340,819
Principal paid on capital debt, leases and subscriptions	(110,161,844)	(155,366,603)
Interest paid on capital debt, leases and subscriptions	(54,999,829)	(50,083,561)
Other sources	4,067,336	7,849,865
Other uses	(2,290,408)	(2,228,513)
Net cash used in capital and related financing activities	(463,263,335)	(322,845,869)
<b>INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	673,711,593	527,238,886
Interest received on investments	79,125,413	78,390,957
Purchases of investments	(732,326,269)	(648,175,928)
Net cash provided by (used in) investing activities	20,510,737	(42,546,085)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	109,538,320	122,131,594
Cash and cash equivalents, beginning of the year	960,133,941	838,002,347
<b>CASH AND CASH EQUIVALENTS, END OF THE YEAR</b>	<b>\$ 1,069,672,261</b>	<b>\$ 960,133,941</b>

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
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**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (1,117,549,004)	\$ (1,173,825,235)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	235,150,741	217,406,550
Actuarial change in self-insured claims expense	7,535,167	10,219,284
Provision for uncollectible receivables	217,110,977	127,381,114
Other	2,558,366	3,213,069
Changes in Assets and Liabilities:		
(Increase) Decrease in Assets:		
Receivables, Net	(262,612,560)	(141,499,953)
Inventories	(4,476,113)	(1,272,363)
Prepaid Expenses	(6,902,467)	(1,997,982)
Loans to Students	(3,757,078)	(2,525,179)
Deferred outflows of resources	187,144,429	(414,571,986)
Other Assets	(5,287,234)	3,763,380
Increase (Decrease) in Liabilities:		
Accounts Payables and Accrued Liabilities	(10,622,249)	32,644,898
Unearned Revenue	59,595,091	840,780
Deposits Refundable	89,750	2,323
Accrued Leave Liability	9,708,583	7,669,335
Net pension liability	109,144,677	703,357,700
Net OPEB liability	1,660,681	12,966,786
Deferred inflows of resources	14,467,537	(15,016,705)
Other Liabilities	(41,019,718)	12,145,135
Total Adjustments	509,488,580	554,726,186
Net cash used in operating activities	\$ (608,060,424)	\$ (619,099,049)
Reconciliation of cash and cash equivalents:		
Current assets - cash and cash equivalents	\$ 873,790,110	\$ 716,130,485
Noncurrent assets - restricted cash and cash equivalents	195,882,151	244,003,456
Cash and cash equivalents, end of the year	\$ 1,069,672,261	\$ 960,133,941
Noncash capital related financing and investing activities:		
Gifts and contributions of capital assets	\$ 54,430,291	\$ 709,907
Net unrealized gain (loss) on investments	60,567,120	36,251,423
Right-to-use assets acquired under lease obligations	74,988,174	44,827,769
Assets acquired under subscription-based information technology arrangements	39,391,778	26,649,150
State of Mississippi - Contribution to PERS on behalf of IHL	17,081,577	—

See accompanying notes to financial statements.

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**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2025 and 2024**

**Note 1**

**Summary of Significant Accounting Policies**

**(a) Nature of Operations**

Through its member universities, the 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 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.

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

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the timing or amounts 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, 2025 and 2024, support distributions, which are included in gifts and grants revenues, were as follows:

	<u>2025</u>	<u>2024</u>
Mississippi State University Foundation, Inc.	\$ 59,271,878	\$ 52,610,149
University of Mississippi Foundation	46,585,711	47,498,018
University of Southern Mississippi Foundation	12,500,422	10,420,857

The following is a list of abbreviations used throughout the report for the member universities of the 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
EBC	Educational Building Corporation
IHL Executive Office	Institutions of Higher Learning – Executive Office
UPM	University Press of Mississippi
MCVS	Mississippi Commission for Volunteer Service – Off-campus entity
HMC	Healthier Mississippi Collaborative

**(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.

**(d) New Accounting Standards**

During fiscal year 2025, the IHL System adopted GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash

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means. 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. The adoption of this standard had no material impact on the financial statements.

During fiscal year 2025, the IHL System adopted GASB Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether a concentration or a constraint makes the primary government reporting unit vulnerable to the risk of a substantial impact and disclose, if necessary, information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The IHL System adopted the requirements of the guidance effective July 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption. The adoption of this standard had no material impact on the financial statements.

**(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 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.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this statement requires intangible assets other than those three types to be disclosed separately by major class. The effective date of this statement is for fiscal years beginning after June 15, 2025.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The primary objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application. This statement clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements for non-recognized events. The effective date of this statement is for fiscal years beginning after June 15, 2026.

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

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that liabilities established for these unpaid claims at June 30, 2025 and 2024 are adequate to cover the ultimate net cost of claims and contractual adjustments, but these liabilities are necessarily based upon estimates, and accordingly, the amount ultimately paid will be more or less than such estimates. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in operations currently.

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

**(g) Cash Equivalents**

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

**(h) Short-Term Investments**

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

**(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.

**(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

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charged to operations at the time impairment is identified. No write-down of capital assets was required for the years ended June 30, 2025 and 2024.

**(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) 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.

**(w) 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. Twelve-month employees also earn annual major medical leave at a rate of 8 hours per month for one month to three years of service; 7 hours per month for three to eight years of service; 6 hours per month for eight to fifteen years of service; and 5 hours per month for fifteen years of service and above.

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.

At termination or retirement, unused personal and major medical leave for which an employee is not compensated can be counted as creditable service for purposes of the Public Employees' Retirement System (PERS). When classifying compensated absences into current and noncurrent, leave is considered taken on a last-in, first-out (LIFO) basis. The annual change in accrued leave liabilities is presented as a net change.

**(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 \$20.0 million and \$24.8 million, as of June 30, 2025 and 2024, 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 is the largest and only non-profit publisher in the state. UPM tells stories of scholarly and social importance that impact the state, region, nation, and world. Working at the forefront of publishing and cultural trends, UPM publishes books that enhance and extend the reputation of the state and its universities. Affiliated with and supported by Mississippi's eight state universities, UPM has more than 2,200 active titles and has distributed more than three million books

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worldwide in print and digital edition, each with the Mississippi imprint. From its offices in Jackson, the University Press of Mississippi acquires, edits, designs, and promotes more than 90 new books every year. UPM 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 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 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 33% and 34% of UMMC's net patient service revenue for the years ended June 30, 2025 and 2024, 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 UMMC and audits thereof by the Medicaid administrative contractor. Revenue from the Medicaid program accounted for approximately 51% and 52% of UMMC's net patient service revenue for the years ended June 30, 2025 and 2024. 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 MississippiCAN 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 \$345.8 million and \$248.6 million for the years ended June 30, 2025 and 2024, respectively.

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, 2025, UMMC maintains a reserve of approximately \$67.9 million for these potential

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liabilities, of which approximately \$19.7 million is related primarily to UMMC Medicaid DSH audits. At June 30, 2024, UMMC maintained reserves of approximately \$95.1 million, of which approximately \$63.2 million related primarily to UMMC Medicaid DSH audits. UMMC did not receive Medicaid DSH in 2025.

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**

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenues, expenses, and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the university and the amount that is paid by the student and/or third parties making payments on the student's behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the institution's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the institution has recorded a scholarship discount and allowance.

During 2025, the IHL System implemented guidance in NACUBO Advisory 2023-01 *Public Institutions: Accounting for and Reporting Financial Aid as a Discount*. This advisory concluded that the "alternate method," originally presented in NACUBO Advisory 2000-05, would no longer be endorsed considering that a more accurate methodology would be possible due to improved student information systems. The change in methodology proposed in Advisory 2023-01 is preferable because the older method was more likely to overstate scholarship expense and understate tuition discount. The new methodology will also more accurately reflect how charges and payments flow through a student's account. In accordance with GASB Statement No. 100, the newly adopted methodology is considered a change in accounting estimate. The change in estimate affects the financial statement line items for tuition and fees (net of tuition discounts and allowances), the auxiliary enterprises of student housing, food services, and athletics (net of discounts and allowances), and scholarships and fellowships expense.

**(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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**(hh) Reclassifications**

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no impact on net position or changes in net position.

**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, 2025 and 2024, the System's balances exceeded federally insured limits by approximately \$7 million and \$12 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.

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A summary of cash and investments as of June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 873,790,110	\$ 716,130,485
Restricted cash and cash equivalents	195,882,151	244,003,456
U.S. Treasury securities	834,377,010	749,618,129
U.S. government agency securities	555,676,726	585,126,811
Commercial mortgage backed securities	2,386,794	2,112,613
Collateralized mortgage obligations	24,498,295	20,686,415
Asset backed securities	1,308,867	1,893,397
Corporate bonds and notes	9,820,583	5,700,587
Municipal bonds	3,760,684	6,333,232
Fixed income mutual funds	2,421,852	7,333,019
Other fixed income securities	122,745	2,095,871
Certificates of deposit	43,247,292	16,846,731
Money market funds	10,571,753	1,915,306
Domestic equity securities	33,627,530	40,379,385
Global equity securities	386,702	417,860
Domestic equity mutual funds	43,996,823	39,339,095
International equity mutual funds	8,383,205	8,028,000
Equity long/short hedge funds	123,268,058	104,394,917
Private capital	70,223,098	66,201,314
Endowment Pool Balanced	2,769,583	3,009,652
Mississippi State Foundation Investment Pool	54,610,881	51,091,634
Miscellaneous	10,178,600	21,224,928
Total cash and investments	<u>\$ 2,905,309,342</u>	<u>\$ 2,693,882,837</u>

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

Carrying value		
Deposits	\$ 1,069,672,261	\$ 960,133,941
Investments	1,835,637,081	1,733,748,896
	<u>\$ 2,905,309,342</u>	<u>\$ 2,693,882,837</u>
Included in the following statement of net position captions		
Cash and cash equivalents	\$ 873,790,110	\$ 716,130,485
Short-term investments	577,670,511	523,255,686
Restricted cash and cash equivalents - noncurrent	195,882,151	244,003,456
Restricted investments	31,257,194	56,280,673
Endowment investments	432,041,251	396,912,159
Noncurrent cash and investments	794,668,125	757,300,378
	<u>\$ 2,905,309,342</u>	<u>\$ 2,693,882,837</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, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total
Investment strategy:				
Fixed income:				
U.S. Treasury securities	\$ 821,491,270	12,885,740	—	834,377,010
Fixed income mutual funds	1,529,131	892,721	—	2,421,852
U.S. government securities	12,900,288	542,776,438	—	555,676,726
Mortgage obligations and asset backed securities	65,108	28,128,848	—	28,193,956
Corporate bonds and notes	8,062,254	1,758,329	—	9,820,583
Negotiable certificates of deposit	4,381,202	38,866,090	—	43,247,292
Municipal bonds	595,189	3,165,495	—	3,760,684
Other fixed income securities	—	122,745	—	122,745
Money market funds	8,692,602	1,879,151	—	10,571,753
Total fixed income investments	<u>\$ 857,717,044</u>	<u>630,475,557</u>	<u>—</u>	<u>1,488,192,601</u>
Equity securities:				
Domestic equity securities	33,627,530	—	—	33,627,530
Domestic equity mutual funds	42,833,768	1,163,055	—	43,996,823
Global equity securities	—	386,702	—	386,702
International equity mutual funds	8,383,205	—	—	8,383,205
Total equity securities	<u>\$ 84,844,503</u>	<u>1,549,757</u>	<u>—</u>	<u>86,394,260</u>
Investments measured at NAV as a practical expedient:				
Equity long/short hedge funds				\$ 123,268,058
Private capital				70,223,098
Mississippi State Foundation Investment Pool				54,610,881
Endowed Pool II Balanced				2,769,583
Other miscellaneous investments				10,178,600
Total investments measured at NAV				<u>261,050,220</u>
Total investments measured at fair value and NAV				<u>\$ 1,835,637,081</u>

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

	2025			
	Fair Value	Unfunded Commitments	Redemption frequency (if eligible)	Redemption notice period
Equity long/short hedge funds (1)	\$ 123,268,058	3,052,057	Quarterly	45-120 Days
Private capital (2)	70,223,098	32,296,575	Various	Various
Mississippi State Foundation Investment Pool	54,610,881	—	Daily	1-3 Days
Endowed Pool II Balanced	2,769,583	—	Daily	1-3 Days
Other miscellaneous investments (3)	10,178,600	39,386	Various	Various
Total investments measured at NAV	<u>\$ 261,050,220</u>			

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	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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 and NAV				<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:

	<b>2024</b>			
	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption frequency (if eligible)</b>	<b>Redemption notice period</b>
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>			

- (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, 2025 and 2024, the IHL System had the following investments subject to interest rate risk:

		<b>2025</b>				
		<b>Years to maturity</b>				
	<b>Fair value</b>	<b>Less than 1</b>	<b>1 - 5</b>	<b>6 - 10</b>	<b>More than 10</b>	
U.S. Treasury securities	\$ 834,377,010	413,008,285	409,579,444	11,646,958	142,323	
U.S. government agency obligations	555,676,726	137,446,769	354,137,425	56,017,668	8,074,864	
Commercial mortgage backed securities	2,386,794	636,462	467,375	955,060	327,897	
Collateralized mortgage obligations	24,498,295	86,295	734,461	2,794,199	20,883,340	
Asset backed securities	1,308,867	—	—	—	1,308,867	
Corporate bonds and notes	9,820,583	2,221,031	6,771,522	828,030	—	
Negotiable certificates of deposit	43,247,292	23,967,987	19,279,305	—	—	
Municipal bonds	3,760,684	1,429,558	1,835,066	—	496,060	
Other fixed income securities	122,745	—	—	—	122,745	
Fixed income mutual funds	2,421,852	1,380,802	371,038	66,250	603,762	
Total	<u>\$ 1,477,620,848</u>	<u>580,177,189</u>	<u>793,175,636</u>	<u>72,308,165</u>	<u>31,959,858</u>	

		<b>2024</b>				
		<b>Years to maturity</b>				
	<b>Fair value</b>	<b>Less than 1</b>	<b>1 - 5</b>	<b>6 - 10</b>	<b>More than 10</b>	
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>	

**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, 2025 and 2024, the IHL System had the following investments recorded at fair value subject to credit risk:

	<b>2025</b>	<b>2024</b>
Credit rating:		
AAA	\$ 3,842,503	\$ 9,562,775
Aaa	71,869,935	167,908,791
Aa1	40,619,297	796,720
Aa2	3,457,000	4,293,479
Aa3	505,346	559,113
AA	64,333,238	46,994,072
A1	1,825,211	504,580
A2	2,345,440	912,699
A3	1,858,531	381,471
AAA - BBB	—	955,944
A	592,023	554,471
A+	144,781	—
AA+	360,571,561	349,949,364
BAA	63,558	190,760
Ba1	258,405	—
BAA2	—	257,166
BAA3	257,167	251,472
Not rated or unavailable	47,452,550	47,209,068
	\$ 599,996,546	\$ 631,281,945
Cash and Investments excluded from credit risk disclosure:		
Cash	\$ 873,790,110	\$ 716,130,485
Restricted cash and cash equivalents	195,882,151	244,003,456
U.S. Treasury securities	834,377,010	749,618,129
Certificates of deposit	43,247,292	16,846,731
Money market funds	10,571,753	1,915,306
Equity securities	86,394,260	88,164,340
Investments measured at NAV	261,050,220	245,922,445
Total investments excluded from credit risk disclosure	2,305,312,796	2,062,600,892
Total cash and investments	\$ 2,905,309,342	\$ 2,693,882,837

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

**Concentration of Credit Risk**

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

As of June 30, 2025 and 2024, the IHL System had the following issuers holding investments recorded at fair value that exceeded 5% of total investments:

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<b>Issuer</b>	<b>2025</b>	
	<b>Fair value</b>	<b>Percentage</b>
U.S. Treasury securities	\$ 834,377,010	46.06%
Federal Home Loan Bank notes	242,668,562	13.40%
Federal Farm Credit Bank notes	155,453,337	8.58%

<b>Issuer</b>	<b>2024</b>	
	<b>Fair value</b>	<b>Percentage</b>
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%

**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 \$135.7 million and \$115.9 million at June 30, 2025 and 2024, respectively.

**Note 3**

**Accounts Receivable, net**

Accounts receivable consisted of the following at June 30, 2025 and 2024:

	<b>June 30, 2025</b>	<b>Current Portion</b>	<b>Non-current Portion</b>
Student tuition	\$ 195,605,672	195,605,672	—
Auxiliary enterprises and other operating activities	49,051,102	49,051,102	—
Contributions and gifts	68,146,852	25,761,489	42,385,363
Federal, state, and private grants and contracts	184,125,865	184,125,865	—
State appropriations	30,045,049	30,045,049	—
Accrued interest	8,835,027	8,835,027	—
Patient receivables	1,051,763,719	1,051,763,719	—
Accrued lease receivable	23,707,410	1,799,650	21,907,760
Other	53,045,428	51,984,479	1,060,949
Total accounts receivable	1,664,326,124	1,598,972,052	65,354,072
Less bad debt provision	(1,032,029,548)	(1,032,029,548)	—
Less elimination entry	(573,505)	(573,505)	—
Net accounts receivable	<u>\$ 631,723,071</u>	<u>566,368,999</u>	<u>65,354,072</u>

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	<b>June 30, 2024</b>	<b>Current Portion</b>	<b>Non-current Portion</b>
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	<u>\$ 564,694,497</u>	<u>517,189,950</u>	<u>47,504,547</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, 2025 and 2024:

	<b>Interest Rates</b>	<b>June 30, 2025</b>	<b>Current Portion</b>	<b>Non-current Portion</b>
Perkins student loans	3% to 9%	\$ 14,269,780	3,347,964	10,921,816
Institutional loans	0% to 9%	76,012,420	9,970,889	66,041,531
Nursing student loans	3% to 9%	1,482,519	274,975	1,207,544
Dental student loans	3% to 9%	172,001	25,276	146,725
Medical student loans	3% to 9%	302,160	44,403	257,757
Other federal loans	3% to 9%	4,581,495	2,058,038	2,523,457
Total loans receivable		96,820,375	15,721,545	81,098,830
Less allowance for doubtful accounts		(21,017,783)	(2,772,534)	(18,245,249)
Net loans receivable		<u>\$ 75,802,592</u>	<u>12,949,011</u>	<u>62,853,581</u>

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	<b>Interest Rates</b>	<b>June 30, 2024</b>	<b>Current Portion</b>	<b>Non-current Portion</b>
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>

**Note 5**  
**Capital Assets**

A summary of changes in capital assets for the years ended June 30, 2025 and 2024 is presented as follows:

	<b>Balance July 1, 2024</b>	<b>Additions</b>	<b>Transfers</b>	<b>Reductions</b>	<b>Balance June 30, 2025</b>
<b>Nondepreciable Capital Assets:</b>					
Land	\$ 139,800,401	37,850,084	—	—	177,650,485
Construction in progress	618,746,116	445,783,937	(385,993,449)	1,246,213	677,290,391
Livestock	2,929,214	51,180	—	—	2,980,394
Total nondepreciable capital assets	<u>761,475,731</u>	<u>483,685,201</u>	<u>(385,993,449)</u>	<u>1,246,213</u>	<u>857,921,270</u>
<b>Depreciable/amortizable capital assets:</b>					
Buildings	4,995,951,313	21,853,336	339,399,003	3,417,212	5,353,786,440
Improvements other than buildings	583,723,301	8,383,198	45,943,616	64,812	637,985,303
Equipment	1,031,843,864	54,603,301	650,830	39,406,315	1,047,691,680
Library books	488,683,455	11,242,616	—	1,167,822	498,758,249
Right-to-use leased land	9,305,578	14,690	—	10,351	9,309,917
Right-to-use leased buildings	133,607,266	71,072,400	—	8,454,366	196,225,300
Right-to-use leased equipment	42,362,813	3,901,084	—	7,133,014	39,130,883
Right-to-use subscription assets	81,943,458	39,391,778	—	15,831,591	105,503,645
Total depreciable/amortizable assets	<u>7,367,421,048</u>	<u>210,462,403</u>	<u>385,993,449</u>	<u>75,485,483</u>	<u>7,888,391,417</u>
Total capital assets	<u>8,128,896,779</u>	<u>694,147,604</u>	<u>—</u>	<u>76,731,696</u>	<u>8,746,312,687</u>
<b>Less accumulated depreciation for:</b>					
Buildings	1,552,110,493	97,131,143	10,288,866	2,297,391	1,657,233,111
Improvements other than buildings	273,894,414	17,297,298	(10,288,866)	19,443	280,883,403
Equipment	798,617,273	51,479,305	—	38,334,377	811,762,201
Library books	436,677,064	11,800,258	—	1,068,429	447,408,893
<b>Less accumulated amortization for:</b>					
Right-to-use lease assets	55,950,701	32,635,724	—	9,445,890	79,140,535
Right-to-use subscription assets	33,842,925	26,057,568	—	14,270,643	45,629,850
Total accumulated depreciation and amortization	<u>3,151,092,870</u>	<u>236,401,296</u>	<u>—</u>	<u>65,436,173</u>	<u>3,322,057,993</u>
Net capital assets	<u>\$ 4,977,803,909</u>	<u>457,746,308</u>	<u>—</u>	<u>11,295,523</u>	<u>5,424,254,694</u>

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	<b>Balance July 1, 2023</b>	<b>Additions</b>	<b>Transfers</b>	<b>Reductions</b>	<b>Balance June 30, 2024</b>
<b>Nondepreciable Capital Assets:</b>					
Land	\$ 139,147,965	762,258	—	109,822	139,800,401
Construction in progress	403,691,270	279,968,721	(62,225,456)	2,688,419	618,746,116
Livestock	2,155,944	773,270	—	—	2,929,214
Total nondepreciable capital assets	<u>544,995,179</u>	<u>281,504,249</u>	<u>(62,225,456)</u>	<u>2,798,241</u>	<u>761,475,731</u>
<b>Depreciable/amortizable capital assets:</b>					
Buildings	4,962,842,519	3,393,773	33,758,751	4,043,730	4,995,951,313
Improvements other than buildings	549,987,941	5,268,655	28,466,705	—	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>157,854,542</u>	<u>62,225,456</u>	<u>58,432,406</u>	<u>7,367,421,048</u>
Total capital assets	<u>7,750,768,635</u>	<u>439,358,791</u>	<u>—</u>	<u>61,230,647</u>	<u>8,128,896,779</u>
<b>Less accumulated depreciation for:</b>					
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
<b>Less accumulated amortization for:</b>					
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>—</u>	<u>59,745,880</u>	<u>3,151,092,870</u>
Net capital assets	<u>\$ 4,761,080,932</u>	<u>218,207,744</u>	<u>—</u>	<u>1,484,767</u>	<u>4,977,803,909</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

**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, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
<b>Deferred Outflows of Resources</b>		
Pension related (see note 17)	\$ 753,140,937	\$ 938,616,313
OPEB related (see note 18)	35,723,758	35,689,471
Unamortized loss on refunding of debt	35,411,564	38,630,502
Total deferred outflows of resources	<u>\$ 824,276,259</u>	<u>\$ 1,012,936,286</u>

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	<b>2025</b>	<b>2024</b>
<b>Deferred Inflows of Resources</b>		
Pension related (see note 17)	\$ 75,790,501	\$ 51,275,875
OPEB related (see note 18)	30,631,987	41,169,023
Unamortized gain on refunding of debt	2,714,670	3,099,427
Lease related (see note 12)	21,274,695	23,158,134
PPP related (see note 14)	4,564,450	4,564,450
Beneficial interest in irrevocable trusts	50,023,205	47,374,211
Other	1,308,378	448,278
Total deferred inflows of resources	\$ 186,307,886	\$ 171,089,398

**Note 7**  
**Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities as of June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Payable to vendors and contractors	\$ 213,253,223	\$ 239,906,778
Accrued salaries, wages and employee withholdings	107,323,871	96,439,724
Accrued interest	11,027,969	10,538,103
Other	6,914,209	4,200,501
Total accounts payable and accrued liabilities	\$ 338,519,272	\$ 351,085,106

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

**Note 8**  
**Unearned Revenues**

Unearned revenues as of June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Unearned summer school revenue	\$ 43,069,602	\$ 39,901,642
Unearned grants and contract revenue	116,842,052	80,015,144
Auxiliary and other activities	52,394,346	43,828,513
Total unearned revenues	\$ 212,306,000	\$ 163,745,299

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 and Healthier Mississippi Collaborative 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. The University Press is also a blended component unit of the Executive Office and is affiliated with and supported by the eight universities. Condensed financial information as of June 30, 2025 and 2024 is listed in the following schedules.

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**2025 Condensed Financial Information for Materially Blended Component Units**

	<b>ASU EBC</b>	<b>DSU EBC</b>	<b>JSU EBC</b>	<b>MSU EBC</b>	<b>MVSU EBC</b>	<b>UM EBC</b>	<b>SM EBC</b>	<b>MC EBC</b>	<b>HMC</b>	<b>UPM</b>	<b>IHL SYSTEM</b>	<b>TOTALS</b>
<b>Condensed Statement of Net Position</b>												
Total current assets	\$ —	—	—	—	—	20,819,689	7,304,230	13,948,167	17,800,604	1,750,719	2,073,883,738	2,135,507,147
Total noncurrent assets	32,655,546	9,765,000	68,351,934	320,115,000	13,415,000	227,011,544	121,252,737	398,277,203	10,817,332	2,774,204	5,852,095,210	7,056,530,710
Total assets	32,655,546	9,765,000	68,351,934	320,115,000	13,415,000	247,831,233	128,556,967	412,225,370	28,617,936	4,524,923	7,925,978,948	9,192,037,857
Deferred outflows of resources	—	—	4,538,066	—	—	—	—	9,951,786	—	733,406	809,053,001	824,276,259
Total current liabilities	2,205,834	525,000	5,340,000	11,795,000	675,000	20,435,369	7,304,230	7,351,422	16,888,326	922,091	690,216,375	763,658,647
Total noncurrent liabilities	37,637,057	9,240,000	67,550,000	308,320,000	12,740,000	224,681,194	121,252,737	418,297,904	—	4,006,797	4,519,808,580	5,723,534,269
Total liabilities	39,842,891	9,765,000	72,890,000	320,115,000	13,415,000	245,116,563	128,556,967	425,649,326	16,888,326	4,928,888	5,210,024,955	6,487,192,916
Deferred inflows of resources	—	—	—	—	—	2,714,670	—	—	—	121,690	183,471,526	186,307,886
Total Net Position	\$ (7,187,345)	—	—	—	—	—	—	(3,472,170)	11,729,610	207,751	3,341,535,468	3,342,813,314
<b>Condensed Statement of Revenues, Expenses, and Change in Net Position</b>												
<b>Operating revenues:</b>												
Interest	\$ —	—	—	—	—	—	—	3,477,973	232,366	—	(2,317,876)	1,392,463
Other operating income	—	—	—	—	—	—	—	—	141,145,376	2,812,388	3,670,633,864	3,814,591,628
Total operating revenues	—	—	—	—	—	—	—	3,477,973	141,377,742	2,812,388	3,668,315,988	3,815,984,091
<b>Operating expenses:</b>												
Interest	1,317,416	—	—	—	—	—	—	3,393,911	—	—	(4,711,327)	—
Other operating expenses	1,177,097	—	—	—	—	—	—	—	141,601,684	3,543,953	4,787,210,361	4,933,533,095
Total operating expenses	2,494,513	—	—	—	—	—	—	3,393,911	141,601,684	3,543,953	4,782,499,034	4,933,533,095
Operating income (loss)	(2,494,513)	—	—	—	—	—	—	84,062	(223,942)	(731,565)	(1,114,183,046)	(1,117,549,004)
<b>Nonoperating revenues (expenses):</b>												
Interest income on financing lease receivable	—	—	—	—	—	8,570,281	—	—	—	289,127	(8,859,408)	—
Interest expense on indebtedness	—	419,868	2,297,789	12,789,962	492,199	(8,571,618)	(5,208,247)	—	—	—	(55,718,177)	(53,498,224)
Other nonoperating income	3,092,500	—	—	—	—	18,837	11,064,259	—	—	—	1,645,864,845	1,660,040,441
Other nonoperating expense	—	(419,868)	(2,297,789)	(12,789,962)	(492,199)	(17,500)	(5,856,012)	—	473,674	—	(33,381,157)	(54,780,813)
Total nonoperating revenues, net	3,092,500	—	—	—	—	—	—	—	473,674	289,127	1,547,906,103	1,551,761,404
Change in net position	597,987	—	—	—	—	—	—	84,062	249,732	(442,438)	433,723,057	434,212,400
Net position, beginning of the year	(7,785,332)	—	—	—	—	—	—	17,853,682	22,241,482	650,189	2,875,640,893	2,908,600,914
Intercompany equity adjustment	—	—	—	—	—	—	—	(21,409,914)	(10,761,604)	—	32,171,518	—
Net position, end of the year	\$ (7,187,345)	—	—	—	—	—	—	(3,472,170)	11,729,610	207,751	3,341,535,468	3,342,813,314
<b>Condensed Statement of Cash Flows</b>												
<b>Cash provided by (used in)</b>												
Operating activities	\$ (1,083,004)	—	—	—	—	—	—	3,477,973	9,733,746	(593,910)	(619,595,229)	(608,060,424)
Noncapital financing activities	—	—	—	—	—	—	—	—	—	—	1,160,351,342	1,160,351,342
Capital and related financing activities	1,083,004	—	—	—	—	411	—	(61,029,788)	—	(4,254)	(403,312,708)	(463,263,335)
Investing activities	—	—	—	—	—	—	—	57,551,815	(13,717,484)	529,196	(23,852,790)	20,510,737
Net change in cash and cash equivalents	—	—	—	—	—	411	—	(3,983,738)	(68,968)	(68,968)	113,590,615	109,538,320
Cash and cash equivalents - beginning of year	—	—	—	—	—	167,874	—	—	11,665,559	187,659	948,112,849	960,133,941
Cash and cash equivalents - end of year	\$ —	—	—	—	—	168,285	—	—	7,681,821	118,691	1,061,703,464	1,069,672,261

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**2024 Condensed Financial Information for Materially Blended Component Units**

	<b>ASU EBC</b>	<b>DSU EBC</b>	<b>JSU EBC</b>	<b>MSU EBC</b>	<b>MVSU EBC</b>	<b>UM EBC</b>	<b>SM EBC</b>	<b>MC EBC</b>	<b>HMC</b>	<b>UPM</b>	<b>IHL SYSTEM</b>	<b>TOTALS</b>
<b>Condensed Statement of Net Position</b>												
Total current assets	\$ —	—	—	—	—	20,011,932	6,937,129	11,699,857	16,070,746	1,772,208	1,799,375,307	1,855,867,179
Total 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	9,935,689	3,017,119	5,314,081,527	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	26,006,435	4,789,327	7,113,456,834	8,447,450,562
Deferred outflows of resources	—	—	5,174,286	—	—	—	—	10,831,164	—	1,046,527	995,884,309	1,012,936,286
Total current liabilities	2,093,401	500,000	5,223,015	11,495,000	625,000	19,844,220	6,937,129	13,808,983	3,764,953	714,160	673,029,319	738,035,180
Total 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	—	4,401,981	4,392,750,484	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	3,764,953	5,116,141	5,065,779,803	6,380,696,536
Deferred inflows of resources	—	—	—	—	—	3,099,427	—	—	—	69,524	167,920,447	171,089,398
Total Net Position	\$ (7,785,332)	—	—	—	—	—	—	17,853,682	22,241,482	650,189	2,875,640,893	2,908,600,914
<b>Condensed Statement of Revenues, Expenses, and Change in Net Position</b>												
<b>Operating revenues:</b>												
Interest	\$ —	—	—	—	—	—	—	4,854,066	485,061	—	(4,253,428)	1,085,699
Other operating income	—	—	—	—	—	—	—	—	110,940,026	2,732,416	3,504,929,716	3,618,602,158
Total operating revenues	—	—	—	—	—	—	—	4,854,066	111,425,087	2,732,416	3,500,676,288	3,619,687,857
<b>Operating expenses:</b>												
Interest	961,378	—	—	—	—	—	—	5,068,302	—	—	(6,029,680)	—
Other operating expenses	1,039,997	—	—	—	—	—	—	—	111,770,802	3,864,119	4,676,838,174	4,793,513,092
Total operating expenses	2,001,375	—	—	—	—	—	—	5,068,302	111,770,802	3,864,119	4,670,808,494	4,793,513,092
Operating income (loss)	(2,001,375)	—	—	—	—	—	—	(214,236)	(345,715)	(1,131,703)	(1,170,132,206)	(1,173,825,235)
<b>Nonoperating revenues (expenses):</b>												
Interest income on financing lease receivable	—	—	—	—	—	7,792,767	—	—	—	326,984	(8,119,751)	—
Interest expense on indebtedness	—	452,892	2,625,128	11,645,381	507,824	(8,915,534)	(5,365,232)	—	—	—	(52,461,977)	(51,511,518)
Other nonoperating income	3,035,200	—	—	—	—	621,300	10,714,844	—	—	—	1,359,768,260	1,374,139,604
Other nonoperating expense	—	(452,892)	(2,625,128)	(11,645,381)	(507,824)	(19,217)	(5,349,612)	—	(217,447)	—	6,111,464	(14,706,037)
Total nonoperating revenues (expenses), net	3,035,200	—	—	—	—	(520,684)	—	—	(217,447)	—	1,305,297,996	1,307,922,049
Change in net position	1,033,825	—	—	—	—	(520,684)	—	(214,236)	(563,162)	(804,719)	135,165,790	134,096,814
Net position, beginning of the year	(8,819,157)	—	—	—	—	520,684	—	18,067,918	22,804,644	1,454,908	2,740,475,103	2,774,504,100
Net position, end of the year	\$ (7,785,332)	—	—	—	—	—	—	17,853,682	22,241,482	650,189	2,875,640,893	2,908,600,914
<b>Condensed Statement of Cash Flows</b>												
<b>Cash provided by (used in)</b>												
Operating activities	\$ (1,407,688)	—	—	—	—	—	—	4,918,963	(2,293,522)	(710,393)	(619,606,409)	(619,099,049)
Noncapital financing activities	—	—	—	—	—	—	—	—	—	—	1,106,622,597	1,106,622,597
Capital and related financing activities	1,407,688	—	—	—	—	(26,269,512)	—	(21,270,876)	—	(5,136)	(276,708,033)	(322,845,869)
Investing activities	—	—	—	—	—	—	—	16,351,913	(116,558)	689,647	(59,471,087)	(42,546,085)
Net change in cash and cash equivalents	—	—	—	—	—	(26,269,512)	—	—	(2,410,080)	(25,882)	150,837,068	122,131,594
Cash and cash equivalents - beginning of year	—	—	—	—	—	26,437,386	—	—	14,075,639	213,541	797,275,781	838,002,347
Cash and cash equivalents - end of year	\$ —	—	—	—	—	167,874	—	—	11,665,559	187,659	948,112,849	960,133,941

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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, 2025 and 2024.

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, 2025 and 2024 is listed in the following schedules.

Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2025				
				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	\$ 38,245,000	—	1,560,000	36,685,000	1,695,000
Unamortized Premium				2,839,572	—	192,512	2,647,060	192,512
Total Bonded Debt				41,084,572	—	1,752,512	39,332,060	1,887,512
Other Long-term Liabilities:								
Accrued leave liabilities *				3,198,894	454,988	—	3,653,882	717,326
Net pension liability				83,259,969	8,539,677	—	91,799,646	—
Net OPEB liability				2,526,540	126,774	—	2,653,314	—
Lease Liability				111,979	—	2,034	109,945	451
Deposits refundable				675,779	96,102	—	771,881	—
Total Other liabilities				89,773,161	9,217,541	2,034	98,988,668	717,777
Total				\$ 130,857,733	9,217,541	1,754,546	138,320,728	2,605,289
Due within one year							(2,605,289)	
Total noncurrent liabilities							\$ 135,715,439	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2025				
				Beginning balance	Additions	Deletions	Ending balance	Due within one year
Delta State University:								
Bonded Debt								
EBC - Series 2016	\$ 15,105,000	2.00% - 5.00%	2039	\$ 10,265,000	—	500,000	9,765,000	525,000
Total Bonded Debt				10,265,000	—	500,000	9,765,000	525,000
Other Long-term Liabilities:								
Accrued leave liabilities *				1,556,304	23,226	—	1,579,530	394,883
Net pension liability				67,805,076	—	2,731,882	65,073,194	—
Net OPEB liability				2,234,156	—	117,438	2,116,718	—
Lease Liability				166,398	—	50,711	115,687	52,384
Subscription Liability				198,882	—	89,100	109,782	66,434
Deposits refundable				108,996	2,130	—	111,126	—
Total Other liabilities				72,069,812	25,356	2,989,131	69,106,037	513,701
Total				\$ 82,334,812	25,356	3,489,131	78,871,037	1,038,701
Due within one year							(1,038,701)	
Total noncurrent liabilities							\$ 77,832,336	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2025				
				Beginning balance	Additions	Deletions	Ending balance	Due within one year
Jackson State University:								
Bonded Debt								
EBC - Series 2015A	\$ 57,595,000	2.00% - 5.00%	2025	\$ 3,885,000	—	3,885,000	—	—
EBC - Series 2017A	29,745,000	1.60% - 3.70%	2034	25,330,000	—	1,115,000	24,215,000	1,235,000
EBC - Series 2021A	42,380,000	1.05% - 2.85%	2045	42,380,000	—	—	42,380,000	4,105,000
EBC - Series 2021B	6,295,000	2.35%	2035	6,295,000	—	—	6,295,000	—
Unamortized premium				203,585	—	203,585	—	—
Total Bonded Debt				78,093,585	—	5,203,585	72,890,000	5,340,000
Other Long-term Liabilities:								
Accrued leave liabilities *				6,031,607	—	926,342	5,105,265	367,579
Net pension liability				166,516,916	10,803,185	—	177,320,101	—
Net OPEB liability				4,505,290	293,536	—	4,798,826	—
Lease Liability				6,414,489	6,204,239	3,480,265	9,138,463	3,804,287
Subscription Liability				865,592	—	661,522	204,070	204,070
Financed purchases - buses				68,596	—	68,596	—	—
Deposits refundable				452,201	—	5,675	446,526	—
Federal Loan Fund Repayment Contingency				1,912,787	—	—	1,912,787	—
Total Other liabilities				186,767,478	17,300,960	5,142,400	198,926,038	4,375,936
Total				\$ 264,861,063	17,300,960	10,345,985	271,816,038	9,715,936
Due within one year							(9,715,936)	
Total noncurrent liabilities							\$ 262,100,102	

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2025				
				Beginning balance	Additions	Deletions	Ending balance	Due within one year
Mississippi State University:								
Bonded Debt								
EBC - Series 2014A	\$ 89,810,000	2.00% - 5.00%	2044	\$ 4,590,000	—	4,590,000	—	—
EBC - Series 2014B	23,435,000	0.29% - 4.813%	2044	14,185,000	—	1,115,000	13,070,000	1,160,000
EBC - Series 2015	56,010,000	2.00% - 5.00%	2046	46,985,000	—	1,375,000	45,610,000	1,445,000
EBC - Series 2017	63,270,000	2.00% - 5.00%	2046	46,945,000	—	1,945,000	45,000,000	2,045,000
EBC - Series 2017A	92,075,000	2.00% - 5.00%	2044	87,930,000	—	2,470,000	85,460,000	2,595,000
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	4,550,000
Unamortized premium				19,883,233	—	1,346,831	18,536,402	2,066,868
Total Bonded Debt				<u>351,493,233</u>	<u>—</u>	<u>12,841,831</u>	<u>338,651,402</u>	<u>13,861,868</u>
Other Long-term Liabilities:								
Accrued leave liabilities *				28,902,232	1,976,270	—	30,878,502	3,296,946
Net pension liability				830,851,179	51,294,613	—	882,145,792	—
Net OPEB liability				23,746,723	821,520	—	24,568,243	—
Lease Liability				17,301,070	386,435	1,020,139	16,667,366	1,094,876
Subscription Liability				5,536,374	10,056,424	4,590,366	11,002,432	3,572,080
Deposits refundable				52,274	—	8,237	44,037	—
Federal Loan Fund Repayment Contingency				2,438,586	—	847,452	1,591,134	—
Total Other liabilities				<u>908,828,438</u>	<u>64,535,262</u>	<u>6,466,194</u>	<u>966,897,506</u>	<u>7,963,902</u>
Total				<u>\$ 1,260,321,671</u>	<u>64,535,262</u>	<u>19,308,025</u>	<u>1,305,548,908</u>	<u>21,825,770</u>
Due within one year							<u>(21,825,770)</u>	
Total noncurrent liabilities							<u>\$ 1,283,723,138</u>	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Year Ended June 30, 2025				
	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Mississippi University for Women:					
Other Long-term Liabilities:					
Accrued leave liabilities *	\$ 1,313,298	76,892	—	1,390,190	55,608
Net pension liability	58,315,739	1,024,857	—	59,340,596	—
Net OPEB liability	1,851,477	—	25,306	1,826,171	—
Lease Liability	255,632	4,698	62,871	197,459	65,452
Subscription Liability	273,387	193,626	255,298	211,715	71,511
Federal Loan Fund Repayment Contingency	249,466	—	11,418	238,048	—
Total Other liabilities	<u>62,258,999</u>	<u>1,300,073</u>	<u>354,893</u>	<u>63,204,179</u>	<u>192,571</u>
Total	<u>\$ 62,258,999</u>	<u>1,300,073</u>	<u>354,893</u>	<u>63,204,179</u>	<u>192,571</u>
Due within one year				<u>(192,571)</u>	
Total noncurrent liabilities				<u>\$ 63,011,608</u>	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2025				
				Beginning balance	Additions	Deletions	Ending balance	Due within one year
Mississippi Valley State University:								
Bonded Debt								
EBC - Series 2015	\$ 17,270,000	2.00%	2037	\$ 14,090,000	—	675,000	13,415,000	725,000
Total Bonded Debt				14,090,000	—	675,000	13,415,000	725,000
Other Long-term Liabilities:								
Accrued leave liabilities *				1,422,442	32,878	—	1,455,320	216,477
Net pension liability				52,616,337	1,548,928	—	54,165,265	—
Net OPEB liability				1,774,082	—	97,111	1,676,971	—
Lease Liability				11,408	85,850	11,408	85,850	16,347
Subscription Liability				135,411	—	60,876	74,535	66,569
Deposits refundable				31,474	—	7,951	23,523	—
Total Other liabilities				55,991,154	1,667,656	177,346	57,481,464	299,393
Total				\$ 70,081,154	1,667,656	852,346	70,896,464	1,024,393
Due within one year							(1,024,393)	
Total noncurrent liabilities							\$ 69,872,071	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2025				
				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	\$ 13,480,000	—	415,000	13,065,000	460,000
EBC - Series 2015B	10,125,000	1.375% - 3.75%	2030	4,580,000	—	700,000	3,880,000	720,000
EBC - Series 2015C	31,630,000	2.00% - 5.00%	2046	26,415,000	—	760,000	25,655,000	800,000
EBC - Series 2015D	17,660,000	0.993% - 4.452%	2036	11,875,000	—	800,000	11,075,000	825,000
EBC - Series 2016A	33,245,000	2.00% - 5.00%	2034	18,665,000	—	2,340,000	16,325,000	2,445,000
EBC - Series 2017	38,995,000	2.00% - 5.00%	2035	29,705,000	—	3,065,000	26,640,000	3,300,000
EBC - Series 2019A	73,350,000	3.00% - 5.00%	2036	61,690,000	—	4,645,000	57,045,000	4,875,000
EBC - Series 2022	72,760,000	4.00% - 5.00%	2043	71,650,000	—	1,170,000	70,480,000	1,225,000
Unamortized Premium				16,736,315	—	1,632,025	15,104,290	1,592,787
Total Bonded Debt				254,796,315	—	15,527,025	239,269,290	16,242,787
Other Long-term Liabilities:								
Accrued leave liabilities *				23,051,590	4,133,808	—	27,185,398	2,133,000
Net pension liability				503,754,374	56,809,575	—	560,563,949	—
Net OPEB liability				15,565,136	1,094,642	—	16,659,778	—
Lease Liability				23,060,407	20,661,952	8,709,364	35,012,995	11,354,114
Subscription Liability				4,647,601	2,905,646	3,056,463	4,496,784	2,283,576
Deposits refundable				95,900	5,503	—	101,403	—
Note Payable from direct borrowings - Hancock Bank				2,102,278	—	1,037,542	1,064,736	1,064,736
Note Payable from direct borrowings - Renasant Bank				3,344,527	—	833,145	2,511,382	856,691
Federal Loan Fund Repayment Contingency				4,928,100	—	710,038	4,218,062	—
Total Other liabilities				580,549,913	85,611,126	14,346,552	651,814,487	17,692,117
Total				\$ 835,346,228	85,611,126	29,873,577	891,083,777	33,934,904
Due within one year							(33,934,904)	
Total noncurrent liabilities							\$ 857,148,873	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2025				
				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	\$ 5,300,000	—	845,000	4,455,000	945,000
SMEBC - Series 2015A	38,600,000	2.00% - 5.00%	2034	27,070,000	—	2,135,000	24,935,000	2,300,000
SMEBC - Series 2015B	16,690,000	0.50% - 3.25%	2034	1,995,000	—	645,000	1,350,000	665,000
SMEBC - Series 2016	58,870,000	2.00% - 5.00%	2040	51,580,000	—	2,030,000	49,550,000	2,195,000
SMEBC - Series 2017	44,005,000	2.00% - 5.00%	2044	42,365,000	—	190,000	42,175,000	195,000
Unamortized Premium				7,184,092	—	1,092,129	6,091,963	1,004,230
Total Bonded Debt				135,494,092	—	6,937,129	128,556,963	7,304,230
Other Long-term Liabilities:								
Accrued leave liabilities *				11,878,196	284,209	—	12,162,405	1,337,865
Net pension liability				315,956,570	5,122,205	—	321,078,775	—
Net OPEB liability				10,126,798	—	47,519	10,079,279	—
Lease Liability				3,476,616	—	1,702,656	1,773,960	797,360
Subscription Liability				2,201,445	—	1,582,770	618,675	539,756
Deposits refundable				2,806	—	2,806	—	—
Federal Loan Fund Repayment Contingency				13,841,064	—	2,993,827	10,847,237	—
Total Other liabilities				357,483,495	5,406,414	6,329,578	356,560,331	2,674,981
Total				\$ 492,977,587	5,406,414	13,266,707	485,117,294	9,979,211
Due within one year							(9,979,211)	
Total noncurrent liabilities							\$ 475,138,083	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2025				
				Beginning balance	Additions	Deletions	Ending balance	Due within one year
University of Mississippi Medical Center:								
Bonded Debt								
MCEBC - Series 2017A	\$ 137,635,000	3.00% - 5.00%	2047	\$ 135,160,000	—	3,970,000	131,190,000	4,165,000
MCEBC - Series 2019	24,380,000	5.00%	2035	21,475,000	—	2,420,000	19,055,000	2,530,000
MCEBC - Series 2020B	158,125,000	0.445% - 2.917%	2041	149,545,000	—	2,435,000	147,110,000	2,530,000
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	2,024,000
Unamortized premium				12,491,395	—	1,548,491	10,942,904	1,393,011
Total Bonded Debt				428,671,395	—	10,373,491	418,297,904	12,642,011
Notes Payable - Direct borrowings:								
University of Mississippi		2.00%	2026	3,237,007	—	3,237,007	—	—
University of Mississippi		0.93%	2026	1,335,557	—	762,052	573,505	573,505
Total Notes Payable				4,572,564	—	3,999,059	573,505	573,505
Other Long-term Liabilities:								
Accrued leave liabilities *				70,148,929	3,665,244	—	73,814,173	6,753,978
Net pension liability				1,826,554,940	—	32,968,714	1,793,586,226	—
Net OPEB liability				40,228,560	—	363,394	39,865,166	—
Lease Liability				84,636,528	47,303,084	19,443,597	112,496,015	14,481,488
Subscription Liability				27,625,271	24,869,035	16,312,328	36,181,978	15,819,517
Federal Loan Fund Repayment Contingency				1,390,689	—	243,150	1,147,539	—
Financed purchases - various equipment				1,505,098	—	1,505,098	—	—
Reserve for unpaid claims				28,022,000	—	1,983,999	26,038,001	6,844,000
Total Other liabilities				2,080,112,015	75,837,363	72,820,280	2,083,129,098	43,898,983
Total				\$ 2,513,355,974	75,837,363	87,192,830	2,502,000,507	57,114,499
Due within one year							(57,114,499)	
Total noncurrent liabilities							\$ 2,444,886,008	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Year Ended June 30, 2025				
	Beginning balance	Additions	Deletions	Ending balance	Due within one year
IHL Executive Office:					
Other Long-term Liabilities:					
Accrued leave liabilities *	\$ 847,161	7,947	—	855,108	38,962
Net pension liability	25,377,284	—	131,816	25,245,468	—
Net OPEB liability	497,053	—	25,023	472,030	—
Lease Liability	189,049	11,742	69,845	130,946	59,391
Subscription Liability	265,853	164,921	163,616	267,158	146,367
Reserve for unpaid claims	31,577,117	477,231	—	32,054,348	6,816,381
Total Other liabilities	<u>\$ 58,753,517</u>	<u>661,841</u>	<u>390,300</u>	59,025,058	<u>7,061,101</u>
Due within one year				(7,061,101)	
Total noncurrent liabilities				<u>\$ 51,963,957</u>	

Description and Purpose	Year Ended June 30, 2025				
	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Mississippi Commission for Volunteer Services:					
Other Long-term Liabilities:					
Accrued leave liabilities *	\$ 54,175	12,341	—	66,516	10,544
Net pension liability	2,224,993	—	138,311	2,086,682	—
Total Other liabilities	<u>\$ 2,279,168</u>	<u>12,341</u>	<u>138,311</u>	2,153,198	<u>10,544</u>
Due within one year				(10,544)	
Total noncurrent liabilities				<u>\$ 2,142,654</u>	

\* The change in accrued leave liabilities is presented as a net change.

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Description and Purpose	Year ended June 30, 2025						
	Beginning balance	Additions	Deletions	Total	Elimination Entries	Ending balance	Due within one year
<b>Mississippi Institutions of Higher Learning:</b>							
Bonded debt	\$ 1,313,988,192	—	53,810,573	1,260,177,619	—	1,260,177,619	58,528,408
Reserves for unpaid claims	59,599,117	477,231	1,983,999	58,092,349	—	58,092,349	13,660,381
<b>Other long-term liabilities and notes payable:</b>							
Accrued leave liabilities *	148,404,828	9,741,461	—	158,146,289	—	158,146,289	15,323,168
Net pension liability	3,933,233,377	99,172,317	—	4,032,405,694	—	4,032,405,694	—
Net OPEB liability	103,055,815	1,660,681	—	104,716,496	—	104,716,496	—
Lease Liability	135,623,576	74,658,000	34,552,890	175,728,686	—	175,728,686	31,726,150
Subscription Liability	41,749,816	38,189,652	26,772,339	53,167,129	—	53,167,129	22,769,880
Notes payable from direct borrowings	5,446,803	—	5,869,744	(422,941)	3,999,059	3,576,118	1,921,427
Financed purchases	1,573,694	—	1,573,694	—	—	—	—
Deposits refundable	1,419,430	103,735	24,669	1,498,496	—	1,498,496	—
Refundable government advances	24,760,692	—	4,805,885	19,954,807	—	19,954,807	—
Total other long-term liabilities and notes payable	<u>4,395,268,031</u>	<u>223,525,846</u>	<u>73,599,221</u>	<u>4,545,194,656</u>	<u>3,999,059</u>	<u>4,549,193,715</u>	<u>71,740,625</u>
<b>Total</b>	<u><u>\$ 5,768,855,340</u></u>	<u><u>224,003,077</u></u>	<u><u>129,393,793</u></u>	<u><u>5,863,464,624</u></u>	<u><u>3,999,059</u></u>	<u><u>5,867,463,683</u></u>	<u><u>143,929,414</u></u>
Due within one year						<u>(143,929,414)</u>	
Total noncurrent liabilities						<u>\$ 5,723,534,269</u>	

\* The change in accrued leave liabilities is presented as a net change.

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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	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				
				Beginning balance	Additions	Deletions	Ending balance	Due within one year
Delta State University:								
Bonded Debt								
EBC - Series 2016	\$ 15,105,000	2.00% - 5.00%	2039	\$ 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	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				
				Beginning balance	Additions	Deletions	Ending balance	Due within one year
Jackson State University:								
Bonded Debt								
EBC - Series 2015A	\$ 57,595,000	2.00% - 5.00%	2025	\$ 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							(7,058,204)	
Total noncurrent liabilities							\$ 257,802,859	

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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	Due within one year
<b>Mississippi State University:</b>								
<b>Bonded Debt</b>								
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	4,590,000
EBC - Series 2014B	23,435,000	0.29% - 4.813%	2044	15,260,000	—	1,075,000	14,185,000	1,115,000
EBC - Series 2015	56,010,000	2.00% - 5.00%	2046	48,295,000	—	1,310,000	46,985,000	1,375,000
EBC - Series 2017	63,270,000	2.00% - 5.00%	2046	50,905,000	—	3,960,000	46,945,000	1,945,000
EBC - Series 2017A	92,075,000	2.00% - 5.00%	2044	89,620,000	—	1,690,000	87,930,000	2,470,000
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	1,346,830
<b>Total Bonded Debt</b>				<b>283,688,122</b>	<b>142,575,181</b>	<b>74,770,070</b>	<b>351,493,233</b>	<b>12,841,830</b>
<b>Other Long-term Liabilities:</b>								
Accrued leave liabilities				27,334,524	1,567,708	—	28,902,232	3,036,022
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	981,153
Subscription Liability				6,075,910	2,811,439	3,350,975	5,536,374	2,791,861
Deposits refundable				46,417	5,857	—	52,274	—
Federal Loan Fund Repayment Contingency				3,389,885	—	951,299	2,438,586	—
<b>Total Other liabilities</b>				<b>743,124,785</b>	<b>170,912,108</b>	<b>5,208,455</b>	<b>908,828,438</b>	<b>6,809,036</b>
<b>Total</b>				<b>\$ 1,026,812,907</b>	<b>313,487,289</b>	<b>79,978,525</b>	<b>1,260,321,671</b>	<b>19,650,866</b>
Due within one year							(19,650,866)	
<b>Total noncurrent liabilities</b>							<b>\$ 1,240,670,805</b>	

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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	164,154	—	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	11,557,383	307,367	62,258,999	308,367
Total	\$ 51,008,983	11,557,383	307,367	62,258,999	308,367
Due within one year				(308,367)	
Total noncurrent liabilities				\$ 61,950,632	

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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	Due within one year
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	Original Issue	Annual Interest Rate	Maturity (fiscal year)	Year Ended June 30, 2024				
				Beginning balance	Additions	Deletions	Ending balance	Due within one year
<b>University of Mississippi:</b>								
<b>Bonded Debt</b>								
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
<b>Total Bonded Debt</b>				<b>269,618,340</b>	<b>—</b>	<b>14,822,025</b>	<b>254,796,315</b>	<b>15,527,025</b>
<b>Other Long-term Liabilities:</b>								
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	—
<b>Total Other liabilities</b>				<b>448,969,404</b>	<b>141,034,855</b>	<b>9,454,346</b>	<b>580,549,913</b>	<b>11,773,909</b>
<b>Total</b>				<b>\$ 718,587,744</b>	<b>141,034,855</b>	<b>24,276,371</b>	<b>835,346,228</b>	<b>27,300,934</b>
Due within one year							(27,300,934)	
<b>Total noncurrent liabilities</b>							<b>\$ 808,045,294</b>	

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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	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
Unamortized 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	

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
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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	Due within one year
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>	58,753,517	<u>7,118,132</u>
Due within one year				<u>(7,118,132)</u>	
Total noncurrent liabilities				<u>\$ 51,635,385</u>	

Description and Purpose	Year Ended June 30, 2024				
	Beginning balance	Additions	Deletions	Ending balance	Due within one year
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>	2,279,168	<u>14,896</u>
Due within one year				<u>(14,896)</u>	
Total noncurrent liabilities				<u>\$ 2,264,272</u>	

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Description and Purpose	Year ended June 30, 2024						
	Beginning balance	Additions	Deletions	Total	Elimination Entries	Ending balance	Due within one year
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	7,669,335	—	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	<u>3,655,797,905</u>	<u>793,536,716</u>	<u>58,967,269</u>	<u>4,390,367,352</u>	<u>4,900,679</u>	<u>4,395,268,031</u>	<u>58,353,619</u>
Total	<u>\$ 5,000,767,023</u>	<u>938,920,411</u>	<u>175,732,773</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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The annual debt service requirements for the outstanding debt as of June 30, 2025 for each of the respective universities within the IHL System are as follows:

<b>University - fiscal years</b>	<b>Bonded Debt</b>	<b>Lease Liability</b>	<b>Subscription Liability</b>	<b>Notes Payable and Financed Purchases</b>	<b>Interest</b>	<b>Total</b>
<b>Alcorn State University:</b>						
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	2,292,512	492	—	—	1,072,433	3,365,437
2031 - 2035	13,337,560	2,638	—	—	3,856,887	17,197,085
2036 - 2040	15,511,940	2,948	—	—	1,336,802	16,851,690
2041 - 2045	—	3,295	—	—	11,330	14,625
2046 - 2050	—	3,683	—	—	10,942	14,625
2051 - 2055	—	4,116	—	—	10,509	14,625
2056 - 2060	—	4,601	—	—	10,024	14,625
2061 - 2065	—	5,142	—	—	9,483	14,625
2066 - 2070	—	5,747	—	—	8,878	14,625
2071 - 2075	—	6,423	—	—	8,202	14,625
2076 - 2080	—	7,179	—	—	7,446	14,625
2081 - 2085	—	8,024	—	—	6,601	14,625
2086 - 2090	—	8,968	—	—	5,657	14,625
2091 - 2095	—	10,024	—	—	4,601	14,625
2096 - 2100	—	11,203	—	—	3,422	14,625
2101 - 2105	—	12,522	—	—	2,103	14,625
2106 - 2110	—	11,074	—	—	630	11,704
Total Alcorn State University	<u>\$ 39,332,060</u>	<u>109,945</u>	<u>—</u>	<u>—</u>	<u>11,633,284</u>	<u>51,075,289</u>
<b>Delta State University:</b>						
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	630,000	—	—	—	281,100	911,100
2031 - 2035	3,510,000	—	—	—	1,031,550	4,541,550
2036 - 2040	3,365,000	—	—	—	276,100	3,641,100
Total Delta State University	<u>\$ 9,765,000</u>	<u>115,687</u>	<u>109,782</u>	<u>—</u>	<u>2,969,634</u>	<u>12,960,103</u>
<b>Jackson State University:</b>						
2026	\$ 5,340,000	3,804,287	204,070	—	1,791,692	11,140,049
2027	6,520,000	700,852	—	—	1,618,096	8,838,948
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	6,860,000	462,794	—	—	1,246,841	8,569,635
2031 - 2035	35,850,000	2,476,650	—	—	3,506,136	41,832,786
2036 - 2040	2,375,000	798,924	—	—	441,656	3,615,580
2041 - 2045	2,625,000	—	—	—	167,895	2,792,895
Total Jackson State University	<u>\$ 72,890,000</u>	<u>9,138,463</u>	<u>204,070</u>	<u>—</u>	<u>11,696,738</u>	<u>93,929,271</u>

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<b>University - fiscal years</b>	<b>Bonded Debt</b>	<b>Lease Liability</b>	<b>Subscription Liability</b>	<b>Notes Payable and Financed Purchases</b>	<b>Interest</b>	<b>Total</b>
<b>Mississippi State University:</b>						
2026	\$ 13,861,868	1,094,876	3,572,080	—	13,377,070	31,905,894
2027	14,740,795	1,053,035	2,268,880	—	14,412,751	32,475,461
2028	15,974,383	780,097	1,648,898	—	13,649,123	32,052,501
2029	15,649,994	741,636	1,367,731	—	12,886,084	30,645,445
2030	15,019,807	748,785	807,536	—	12,159,012	28,735,140
2031 - 2035	76,488,242	3,256,283	1,337,307	—	50,284,235	131,366,067
2036 - 2040	79,389,260	3,897,283	—	—	32,814,876	116,101,419
2041 - 2045	69,606,396	2,532,006	—	—	15,728,898	87,867,300
2046 - 2050	20,060,015	846,257	—	—	6,588,401	27,494,673
2051 - 2055	17,860,642	1,062,040	—	—	1,966,402	20,889,084
2056 - 2060	—	655,068	—	—	20,019	675,087
Total Mississippi State University	<u>\$ 338,651,402</u>	<u>16,667,366</u>	<u>11,002,432</u>	<u>—</u>	<u>173,886,871</u>	<u>540,208,071</u>
<b>Mississippi University for Women:</b>						
2026	\$ —	65,452	71,511	—	15,290	152,253
2027	—	65,930	77,368	—	9,827	153,125
2028	—	49,385	44,790	—	4,345	98,520
2029	—	16,692	18,046	—	906	35,644
Total Mississippi University for Women	<u>\$ —</u>	<u>197,459</u>	<u>211,715</u>	<u>—</u>	<u>30,368</u>	<u>439,542</u>
<b>Mississippi Valley State University:</b>						
2026	\$ 725,000	16,347	66,569	—	470,956	1,278,872
2027	785,000	17,056	7,966	—	445,889	1,255,911
2028	845,000	17,795	—	—	421,341	1,284,136
2029	910,000	18,566	—	—	394,164	1,322,730
2030	980,000	16,086	—	—	363,790	1,359,876
2031 - 2035	4,695,000	—	—	—	1,089,725	5,784,725
2036 - 2040	4,475,000	—	—	—	341,576	4,816,576
Total Mississippi Valley State University	<u>\$ 13,415,000</u>	<u>85,850</u>	<u>74,535</u>	<u>—</u>	<u>3,527,441</u>	<u>17,102,826</u>
<b>University of Mississippi:</b>						
2026	\$ 16,242,787	11,354,114	2,283,576	1,921,427	11,062,937	42,864,841
2027	16,414,708	12,557,333	1,542,417	880,840	9,732,740	41,128,038
2028	17,187,217	8,038,132	670,791	773,851	8,474,650	35,144,641
2029	17,403,054	2,701,950	—	—	7,451,519	27,556,523
2030	18,133,570	361,466	—	—	6,612,122	25,107,158
2031 - 2035	68,259,234	—	—	—	23,951,299	92,210,533
2036 - 2040	30,562,629	—	—	—	15,016,809	45,579,438
2041 - 2045	22,393,903	—	—	—	10,169,022	32,562,925
2046 - 2050	19,835,909	—	—	—	5,004,375	24,840,284
2051 - 2055	12,836,279	—	—	—	868,275	13,704,554
Total University of Mississippi	<u>\$ 239,269,290</u>	<u>35,012,995</u>	<u>4,496,784</u>	<u>3,576,118</u>	<u>98,343,748</u>	<u>380,698,935</u>
<b>University of Southern Mississippi:</b>						
2026	\$ 7,304,230	797,360	539,756	—	5,338,375	13,979,721
2027	7,893,054	477,917	42,042	—	5,012,573	13,425,586
2028	7,851,334	333,735	36,877	—	4,680,381	12,902,327
2029	8,416,767	50,258	—	—	4,340,407	12,807,432
2030	8,985,091	29,368	—	—	4,034,197	13,048,656
2031 - 2035	47,078,049	85,322	—	—	13,808,623	60,971,994
2036 - 2040	28,375,529	—	—	—	4,942,800	33,318,329
2041 - 2045	12,652,909	—	—	—	950,650	13,603,559
Total University of Southern Mississippi	<u>\$ 128,556,963</u>	<u>1,773,960</u>	<u>618,675</u>	<u>—</u>	<u>43,108,006</u>	<u>174,057,604</u>

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<b>University - fiscal years</b>	<b>Bonded Debt</b>	<b>Lease Liability</b>	<b>Subscription Liability</b>	<b>Notes Payable and Financed Purchases</b>	<b>Interest</b>	<b>Total</b>
University of Mississippi						
Medical Center:						
2026	\$ 12,642,011	14,481,488	15,819,517	—	19,854,421	62,797,437
2027	12,975,656	14,180,556	11,703,566	—	18,421,264	57,281,042
2028	13,319,082	11,132,490	5,623,394	—	17,191,837	47,266,803
2029	13,740,042	10,910,803	2,190,162	—	16,252,374	43,093,381
2030	14,153,749	9,998,840	845,339	—	15,348,073	40,346,001
2031 - 2035	80,858,140	36,387,162	—	—	65,208,559	182,453,861
2036 - 2040	98,794,318	15,404,676	—	—	47,383,247	161,582,241
2041 - 2045	95,097,113	—	—	—	28,539,783	123,636,896
2046 - 2050	57,896,681	—	—	—	9,232,900	67,129,581
2051 - 2055	18,821,112	—	—	—	1,534,600	20,355,712
Total University of Mississippi Medical Center	<u>\$ 418,297,904</u>	<u>112,496,015</u>	<u>36,181,978</u>	<u>—</u>	<u>238,967,058</u>	<u>805,942,955</u>
Executive Office						
2026	\$ —	59,391	146,367	—	14,014	219,772
2027	—	42,057	52,836	—	6,677	101,570
2028	—	25,979	33,271	—	3,393	62,643
2029	—	3,519	34,684	—	1,544	39,747
Total Executive Office	<u>\$ —</u>	<u>130,946</u>	<u>267,158</u>	<u>—</u>	<u>25,628</u>	<u>423,732</u>
Mississippi Institutions of Higher Learning (Combined):						
2026	\$ 58,528,408	31,726,150	22,769,880	1,921,427	53,766,386	168,712,251
2027	61,886,725	29,149,309	15,738,423	880,840	51,383,171	159,038,468
2028	64,459,528	20,829,725	8,058,021	773,851	47,550,522	141,671,647
2029	65,637,369	14,896,413	3,610,623	—	44,209,201	128,353,606
2030	67,054,729	11,617,831	1,652,875	—	41,117,568	121,443,003
2031 - 2035	330,076,225	42,208,055	1,337,307	—	162,737,014	536,358,601
2036 - 2040	262,848,676	20,103,831	—	—	102,553,866	385,506,373
2041 - 2045	202,375,321	2,535,301	—	—	55,567,578	260,478,200
2046 - 2050	97,792,605	849,940	—	—	20,836,618	119,479,163
2051 - 2055	49,518,033	1,066,156	—	—	4,379,786	54,963,975
2056 - 2060	—	659,669	—	—	30,043	689,712
2061 - 2065	—	5,142	—	—	9,483	14,625
2066 - 2070	—	5,747	—	—	8,878	14,625
2071 - 2075	—	6,423	—	—	8,202	14,625
2076 - 2080	—	7,179	—	—	7,446	14,625
2081 - 2085	—	8,024	—	—	6,601	14,625
2086 - 2090	—	8,968	—	—	5,657	14,625
2091 - 2095	—	10,024	—	—	4,601	14,625
2096 - 2100	—	11,203	—	—	3,422	14,625
2101 - 2105	—	12,522	—	—	2,103	14,625
2106 - 2110	—	11,074	—	—	630	11,704
Total System	<u>\$ 1,260,177,619</u>	<u>175,728,686</u>	<u>53,167,129</u>	<u>3,576,118</u>	<u>584,188,776</u>	<u>2,076,838,328</u>

The educational building corporations have pledged future designated revenues to repay \$1.26 billion in EBC bonds. Proceeds from bonds provide 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 2.5% of designated revenues. The total principal and interest remaining to be paid on the bonds is \$1.8 billion. Principal and interest paid for the current year was \$96.7 million and total designated revenues equaled \$4.0 billion, (which includes \$2.2 billion attributable to UMMC).

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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, 2025 and 2024:

2025										
<b>Functional Classification</b>	<b>Salaries and wages</b>	<b>Fringe benefits</b>	<b>Travel</b>	<b>Contractual services</b>	<b>Utilities</b>	<b>Scholarships and fellowships</b>	<b>Commodities</b>	<b>Depreciation and amortization</b>	<b>Other</b>	<b>Total</b>
Instruction	\$ 495,221,569	241,648,873	12,623,897	55,971,165	408,569	168,205	20,045,955	—	228,740	826,316,973
Research	230,085,366	119,896,151	11,310,354	87,326,874	4,569,290	1,944,077	29,032,477	—	908,369	485,072,958
Public service	117,079,867	61,158,682	5,630,950	64,409,385	2,724,000	94,325	9,369,256	—	17,575	260,484,040
Academic support	107,453,837	52,048,476	2,905,125	32,216,063	411,641	1,129,135	15,921,141	—	22,945	212,108,363
Student services	59,942,106	30,716,317	8,306,997	21,280,037	321,023	176,024	8,940,541	—	190,261	129,873,306
Institutional support	184,441,490	89,450,667	5,685,142	177,794,331	1,484,787	211,177	21,026,125	—	1,091,454	481,185,173
Operation of plant	64,932,512	36,123,475	344,583	66,729,290	57,940,201	3,857,805	14,748,316	—	469,720	245,145,902
Student aid	4,957,686	8,115,751	147,808	475,134	—	55,681,212	157,145	—	—	69,534,736
Auxiliary enterprises	122,352,985	51,041,052	24,886,164	120,440,929	22,765,710	79,285	25,534,030	—	293,124	367,393,279
Depreciation and amortization	—	—	—	—	—	—	—	235,150,741	—	235,150,741
Hospital	771,468,558	275,148,736	1,076,630	167,055,495	1,657,804	—	477,550,909	—	—	1,693,958,132
Loan fund expense	—	—	—	187,515	—	—	—	—	3,832,181	4,019,696
	<u>2,157,935,976</u>	<u>965,348,180</u>	<u>72,917,650</u>	<u>793,886,218</u>	<u>92,283,025</u>	<u>63,341,245</u>	<u>622,325,895</u>	<u>235,150,741</u>	<u>7,054,369</u>	<u>5,010,243,299</u>
Elimination entries	—	—	—	(39,799,578)	—	(36,910,626)	—	—	—	(76,710,204)
Total operating expenses	<u>\$ 2,157,935,976</u>	<u>965,348,180</u>	<u>72,917,650</u>	<u>754,086,640</u>	<u>92,283,025</u>	<u>26,430,619</u>	<u>622,325,895</u>	<u>235,150,741</u>	<u>7,054,369</u>	<u>4,933,533,095</u>

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2024

<b>Functional Classification</b>	<b>Salaries and wages</b>	<b>Fringe benefits</b>	<b>Travel</b>	<b>Contractual services</b>	<b>Utilities</b>	<b>Scholarships and fellowships</b>	<b>Commodities</b>	<b>Depreciation and amortization</b>	<b>Other</b>	<b>Total</b>
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	—	284,404	223,267,862
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	—	131,527	365,213,524
Depreciation and amortization	—	—	—	—	—	—	—	217,406,550	—	217,406,550
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
	<u>2,038,509,330</u>	<u>898,597,459</u>	<u>66,647,565</u>	<u>789,164,759</u>	<u>86,549,400</u>	<u>251,772,459</u>	<u>529,676,245</u>	<u>217,406,550</u>	<u>9,245,597</u>	<u>4,887,569,364</u>
Elimination entries	<u>—</u>	<u>—</u>	<u>—</u>	<u>(56,073,344)</u>	<u>—</u>	<u>(37,982,928)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(94,056,272)</u>
Total operating expenses	<u>\$ 2,038,509,330</u>	<u>898,597,459</u>	<u>66,647,565</u>	<u>733,091,415</u>	<u>86,549,400</u>	<u>213,789,531</u>	<u>529,676,245</u>	<u>217,406,550</u>	<u>9,245,597</u>	<u>4,793,513,092</u>

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**Note 12**  
**Leases**

**(a) Lessee**

The IHL System leases equipment, land, as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through fiscal year 2110 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, 2025 and 2024, the system made variable payments as required by lease agreements totaling \$5,089 and \$4,808.

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

Year ending June 30,	<u>Principal</u>	<u>Interest</u>
2026	\$ 31,726,150	5,097,876
2027	29,149,309	4,046,450
2028	20,829,725	3,209,289
2029	14,896,413	2,637,016
2030	11,617,831	2,244,769
2031 - 2035	42,208,055	7,097,464
2036 - 2040	20,103,831	2,340,937
2041 - 2045	2,535,301	430,255
2046 - 2050	849,940	254,293
2051 - 2055	1,066,156	147,037
2056 - 2060	659,669	30,043
2061 - 2065	5,142	9,483
2066 - 2070	5,747	8,878
2071 - 2075	6,423	8,202
2076 - 2080	7,179	7,446
2081 - 2085	8,024	6,601
2086 - 2090	8,968	5,657
2091 - 2095	10,024	4,601
2096 - 2100	11,203	3,422
2101 - 2105	12,522	2,103
2106 - 2110	11,074	630
Total minimum lease payments	<u>\$ 175,728,686</u>	<u>27,592,452</u>

**(b) Lessor**

The System, acting as lessor, leases buildings, land, and other various equipment under long-term, non-cancelable lease agreements. The leases expire at various dates through 2110 and provide for renewal options ranging from 5 years to 10 years. During the year ended June 30, 2025, the System recognized \$2,180,421 and \$581,358 in lease revenue and interest revenue, respectively, pursuant to these contracts. 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.

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.

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

Year ending June 30,	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,799,649	525,627
2027	1,531,634	484,272
2028	1,368,578	451,038
2029	1,419,707	418,527
2030	1,401,872	386,115
2031 - 2035	6,893,254	1,468,064
2036 - 2040	4,281,263	789,095
2041 - 2045	3,354,120	361,569
2046 - 2050	671,996	140,532
2051 - 2055	369,008	88,415
2056 - 2060	495,572	231,467
2061 - 2065	4,777	13,590
2066 - 2070	5,339	13,028
2071 - 2075	7,504	12,332
2076 - 2080	8,387	11,449
2081 - 2085	11,034	10,339
2086 - 2090	12,332	9,090
2091 - 2095	15,576	7,560
2096 - 2100	17,409	5,727
2101 - 2105	21,394	3,593
2106 - 2110	17,005	1,127
Total minimum lease payments	<u>\$ 23,707,410</u>	<u>5,432,556</u>

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 2033 and some provide for renewal options ranging from one year to five years. Subscription payments are made monthly and annually ranging from \$125 - \$1.35 million, with an estimated incremental borrowing rate of 4.25% in fiscal year 2025 and 4.00% in fiscal year 2024. 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, 2025 are as follows:

Year ending June 30,	<u>Subscription obligations payable</u>	<u>Interest</u>
2026	\$ 22,769,880	1,883,025
2027	15,738,423	1,040,056
2028	8,058,021	467,714
2029	3,610,623	236,450
2030	1,652,875	100,401
2031 - 2035	1,337,307	86,271
Total remaining subscription commitments	<u>\$ 53,167,129</u>	<u>3,813,917</u>

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**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, 2025. 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	\$ 47,831,364	—	47,785,672	45,692	—
Delta State University	5,551,745	—	5,551,745	—	—
Jackson State University	73,738,742	—	73,738,742	—	—
Mississippi State University	151,508,747	29,698,201	72,493,093	34,159,895	15,157,558
Mississippi University for Women	4,280,400	529,802	3,154,060	596,538	—
Mississippi Valley State University	42,311,626	—	41,686,626	625,000	—
University of Mississippi	277,040,000	1,329,000	16,613,000	257,394,000	1,704,000
University of Southern Mississippi	35,520,164	11,743,666	17,966,505	5,809,993	—
University of Mississippi Medical Center	164,431,212	34,430,952	57,597,357	41,098,248	31,304,655
Totals	\$ 802,214,000	77,731,621	336,586,800	339,729,366	48,166,213

**Note 16**

**Donor Restricted Endowments**

Endowment investments totaled \$432.0 million and \$396.9 million at June 30, 2025 and 2024, respectively. The net appreciation on investments of donor-restricted endowments that is available for authorization for expenditure approximated \$89.7 million and \$59.7 million as of June 30, 2025 and 2024, 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.

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**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):

<u>Plan type</u>	<u>Plan name</u>
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, 2024 for fiscal year 2025 and June 30, 2023 for fiscal year 2024.

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](http://www.pers.ms.gov).

**Disclosures under GASB Statement No. 68**

The pension disclosures that follow for fiscal years 2025 and 2024 include all disclosures for GASB Statement No. 68 using the latest valuation report available (June 30, 2023). For fiscal year 2025, the measurement date for the PERS defined benefit plan is June 30, 2024. For fiscal year 2024, the measurement date for the PERS defined benefit plan is June 30, 2023. The IHL System presents net pension liability as of June 30, 2024 and 2023 for the fiscal years 2025 and 2024 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 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

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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 rates for the years ended June 30, 2025 and 2024 were 17.90% and 17.40%, respectively, 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, as well as approving a one-time injection of \$110 million. This additional nonemployer contribution was treated as state appropriations to offset the additional pension expense recognized by the System. The effect of this one-time injection on the System's financial statements was a \$17.1 million increase in pension expense and state appropriations.

**Employer Contributions**

The IHL System's contributions to PERS for the years ended June 30, 2025 and 2024 were \$225.1 million and \$207.1 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:

	Proportionate share of contributions	Allocation percentage of proportionate share of collective pension amount	Change in proportionate share of collective pension amount
PERS defined benefit plan:			
2025	\$ 207,059,912	15.53%	-0.11%
2024	201,705,645	15.64%	-0.05%

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**Net Pension Liability**

The IHL System's proportion of the net pension liability at June 30, 2025 and 2024 is as follows:

	Proportionate share of net pension liability	Proportion of net pension liability
PERS defined benefit plan:		
2025	\$ 4,032,405,694	15.53%
2024	3,933,233,377	15.64%

**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, 2025 and 2024, the remaining service life was 3.54 years and 3.59 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, 2025 and 2024 is equal to the collective pension expense multiplied by the employer's allocation percentage, or \$581.9 million and \$529.9 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, 2025 and 2024 was \$309.2 million and \$296.2 million, respectively.

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

	2025							
	Deferred outflows					Deferred inflows		
	Differences between expected and actual experience	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Contributions subsequent to the measurement date	Net difference between projected and actual investment earnings on pension plan investment	Total deferred outflows of resources	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources
Alcorn State University	\$ 4,939,594	5,686,528	964,253	5,448,584	304,235	17,343,194	—	—
Delta State University	3,501,486	4,030,958	—	3,397,373	215,660	11,145,477	2,879,003	2,879,003
Jackson State University	9,541,316	10,984,091	1,544,093	10,039,531	587,660	32,696,691	—	—
Mississippi State University	47,466,875	54,644,509	16,698,287	48,828,153	2,923,537	170,561,361	—	—
Mississippi University for Women	3,193,024	3,675,852	—	3,357,687	196,662	10,423,225	291,227	291,227
Mississippi Valley State University	2,914,547	3,355,267	—	2,893,251	179,510	9,342,575	1,285,395	1,285,395
University of Mississippi	30,163,062	34,724,126	30,630,493	32,495,572	1,857,776	129,871,029	—	—
University of Southern Mississippi	17,276,743	19,889,220	—	17,360,270	1,064,094	55,590,327	5,811,950	5,811,950
University of Mississippi Medical Center	96,510,048	111,103,674	—	97,869,080	5,944,160	311,426,962	64,849,743	64,849,743
Executive Office	1,358,419	1,563,830	—	1,366,913	83,667	4,372,829	528,046	528,046
MCVS	112,281	129,259	—	118,811	6,916	367,267	145,137	145,137
Total	<u>\$ 216,977,395</u>	<u>249,787,314</u>	<u>49,837,126</u>	<u>223,175,225</u>	<u>13,363,877</u>	<u>753,140,937</u>	<u>75,790,501</u>	<u>75,790,501</u>

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Contributions subsequent to the measurement date at 2025 of \$223.2 million, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

	2024						Deferred inflows	
	Deferred outflows							
	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	Total deferred outflows of resources	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources
Alcorn State University	\$ 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, are recognized as a reduction of the net pension liability in the current year.

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				
	2026	2027	2028	2029	Total
Alcorn State University	\$ 3,878,628	7,981,751	780,029	(745,798)	11,894,610
Delta State University	3,120,621	5,103,632	52,520	(528,669)	7,748,104
Jackson State University	8,968,137	14,333,517	796,089	(1,440,583)	22,657,160
Mississippi State University	49,351,964	75,893,382	3,654,590	(7,166,728)	121,733,208
Mississippi University for Women	2,845,711	4,654,029	47,893	(482,095)	7,065,538
Mississippi Valley State University	2,597,525	4,248,133	43,716	(440,050)	6,449,324
University of Mississippi	41,130,252	55,454,033	5,345,307	(4,554,135)	97,375,457
University of Southern Mississippi	15,397,508	25,181,917	259,139	(2,608,507)	38,230,057
University of Mississippi Medical Center	86,012,407	140,669,342	1,447,585	(14,571,452)	213,557,882
Executive Office	1,210,660	1,979,979	20,375	(205,098)	3,005,916
MCVS	100,068	163,657	1,684	(16,953)	248,456
Total	<u>\$ 214,613,481</u>	<u>335,663,372</u>	<u>12,448,927</u>	<u>(32,760,068)</u>	<u>529,965,712</u>

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	<b>Deferred inflows of resources, Year Ended June 30</b>			
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Alcorn State University	\$ —	—	—	—
Delta State University	1,067,528	1,215,096	596,379	2,879,003
Jackson State University	—	—	—	—
Mississippi State University	—	—	—	—
Mississippi University for Women	7,497	178,849	104,881	291,227
Mississippi Valley State University	872,922	393,324	19,149	1,285,395
University of Mississippi	—	—	—	—
University of Southern Mississippi	3,098,232	2,093,411	620,307	5,811,950
University of Mississippi Medical Center	30,469,010	23,227,511	11,153,222	64,849,743
Executive Office	178,502	234,036	115,508	528,046
M CVS	68,008	51,674	25,455	145,137
Total	\$ 35,761,699	27,393,901	12,634,901	75,790,501

**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 used in the June 30, 2023 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, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Valuation date	June 30, 2023	June 30, 2022
Measurement date	June 30, 2024	June 30, 2023
Asset valuation method	Market value	Market value
<b>Actuarial assumptions:</b>		
Inflation rate	2.40 %	2.40 %
Salary increases	2.65% – 17.90 %	2.65% – 17.90 %
Investment rate of return	7.00 %	7.00 %

**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

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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, 2025 and 2024 are summarized in the following table:

Asset class	Year ended June 30, 2025		Year ended June 30, 2024	
	Target allocation	Long-term expected real rate of return	Target allocation	Long-term expected real rate of return
Domestic Equity	25.00 %	5.15 %	27.00 %	4.75 %
International equity	20.00	5.00	22.00	4.75
Global Equity	12.00	5.15	12.00	4.95
Fixed Income	18.00	2.75	20.00	1.75
Real Estate	10.00	3.50	10.00	3.25
Private Equity	10.00	6.25	8.00	6.00
Infrastructure	2.00	3.85		
Private Credit	2.00	4.90		
Cash Equivalents	1.00	0.50	1.00	0.25
	<u>100.00 %</u>		<u>100.00 %</u>	

**Discount Rate**

For the years ended June 30, 2025 and 2024, the discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that 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 (17.90% and 17.40%, respectively) for the years ended June 30, 2025 and 2024. 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 2025, 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		
	Current		
	1% Decrease (6.00%)	discount rate (7.00%)	1% Increase (8.00%)
IHL System proportionate share of net pension liability 2025	\$ 5,226,584,595	\$ 4,032,405,694	\$ 3,055,060,662

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		
	Current		
	1% Decrease (6.00%)	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

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

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

The ORP uses the accrual basis of accounting. Investments are reported at fair value, based on quoted market prices. Employees immediately vest in plan contributions upon entering the plan. The IHL System's contributions to the ORP for the years ended June 30, 2025 and 2024 were \$90.9 million and \$81.4 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 employees, dependents, and retirees. The State of Mississippi (State) administers The State and School Employees' Life and Health Insurance Plan (the Plan), a cost-sharing, multiple employer defined benefit OPEB Plan, for units of state government, political subdivisions, community colleges and school districts. Plan assets may be used to pay the benefits of the employees and retirees of any employer that participates in the Plan. The Plan was authorized by Section 25-15-3 et seq., Mississippi Code Ann. (1972).

On June 28, 2018, the State and the State and School Employees' Health Insurance Management Board (Board) established the State of Mississippi State and School Employees' Life and Health Insurance Plan (OPEB Plan), a plan administered under an irrevocable trust. The trust is designed to hold and manage the assets and income of the OPEB Plan's other postemployment benefits plan (OPEB) for the exclusive benefit of the State to provide OPEB to plan participants. The trust was initially funded by a \$1,000,000 transfer from the State.

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.

**Benefits Provided and Contributions**

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 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 OPEB 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

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determines actuarially to cover the full cost of insurance. The Board imposes a surcharge by charging Horizon retirees higher premiums than Legacy retirees.

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 OPEB Plan. Because the trust assets represent only 5% of benefits paid during 2024, assets in the trust were not used to make benefit payments. Instead, the implicit rate subsidy OPEB benefits were paid by the participating employers.

Pursuant to the authority granted by Mississippi Statute, the Board has the authority to establish and change premium rates for the participants, employers, and other contributing entities. An outside consulting actuary advises the Board regarding changes in premium rates. If premium rates are changed, they generally become effective at the beginning of the next calendar year or next fiscal year.

Plan participants are not subject to supplemental assessment in the event of a premium deficiency. At the time of premium payment, the risk of loss due to incurred benefit costs is transferred from the participant to the OPEB Plan. If the assets of the OPEB Plan were to be exhausted, participants would not be responsible for the OPEB 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](http://knowyourbenefits.dfa.ms.gov).

At June 30, 2024 and 2023, the Plan provided health coverage to 324 and 321 employer units, respectively.

**Disclosures under GASB Statement No. 75**

The disclosures that follow for fiscal years 2025 and 2024 include all disclosures for GASB Statement No. 75 using the latest valuation report available (June 30, 2024). For fiscal year 2025, the measurement date for the State and School Employees' Life and Health Insurance Plan is June 30, 2024. For fiscal year 2024, the measurement date for the Plan is June 30, 2023. The IHL System is presenting net OPEB liability as of June 30, 2024 and 2023 for the fiscal years 2025 and 2024 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, 2025 and 2024, the IHL System reported a liability of \$104.7 million and \$103.1 million, respectively, for its proportionate share of the net OPEB liability (NOL). For fiscal year ending June 30, 2025, the NOL was measured as of June 30, 2024, 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, 2025 and 2024, the IHL System's proportion was 18.74% and 18.62%, respectively.

For the years ended June 30, 2025 and 2024, the IHL System recognized OPEB expense of (\$4.4) million and (\$7.3) million, respectively.

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

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	2025									
	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 in proportion and differences between employer OPEB benefit payments and proportionate share of OPEB benefit payments	Differences between expected and actual experience	Changes of assumptions	Total deferred inflows of resources
Alcorn State University	\$ 548,124	104	104,607	93,908	128,224	874,967	330,083	470,151	202,547	1,002,781
Delta State University	437,273	83	83,451	38,096	89,916	648,819	219,083	375,069	161,584	755,736
Jackson State University	991,345	189	189,193	302,540	224,525	1,707,792	203,167	850,322	366,329	1,419,818
Mississippi State University	5,075,325	967	968,600	1,769,302	1,178,176	8,992,370	—	4,353,338	1,875,471	6,228,809
Mississippi University for Women	377,252	72	71,997	106,073	88,736	644,130	41,509	323,586	139,405	504,500
Mississippi Valley State University	346,430	66	66,114	—	75,316	487,926	318,043	297,149	128,015	743,207
University of Mississippi	3,441,589	656	656,810	1,662,767	810,502	6,572,324	59,109	2,952,008	1,271,761	4,282,878
University of Southern Mississippi	2,082,185	397	397,375	156,641	463,975	3,100,573	154,267	1,785,985	769,424	2,709,676
University of Mississippi Medical Center	8,235,382	1,564	1,571,684	883,949	1,832,522	12,525,101	2,713,235	7,063,855	3,043,184	12,820,274
Executive Office	97,512	19	18,610	30,394	23,221	169,756	44,633	83,641	36,034	164,308
Total	<u>\$ 21,632,417</u>	<u>4,117</u>	<u>4,128,441</u>	<u>5,043,670</u>	<u>4,915,113</u>	<u>35,723,758</u>	<u>4,083,129</u>	<u>18,555,104</u>	<u>7,993,754</u>	<u>30,631,987</u>

\$4.9 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, 2026.

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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	Implicit rate subsidy	Total deferred outflows of resources	Changes of assumptions	Differences between expected and actual experience	Changes in proportion and differences between employer OPEB benefit payments and proportionate share of OPEB benefit payments	Total deferred inflows of resources
Alcorn State University	\$ 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	<u>\$ 16,892,861</u>	<u>6,324</u>	<u>9,206,529</u>	<u>5,006,258</u>	<u>4,577,499</u>	<u>35,689,471</u>	<u>7,752,821</u>	<u>29,095,310</u>	<u>4,320,892</u>	<u>41,169,023</u>

\$4.6 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, 2024 and 2023 measurement periods were 8.43 years and 6.4 years, respectively. 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
	2026	2027	2028	2029	2030	Thereafter	
Alcorn State University	\$ (221,586)	(154,167)	(9,555)	51,784	64,016	13,470	(256,038)
Delta State University	(125,010)	(74,696)	(22,064)	12,774	12,911	(748)	(196,833)
Jackson State University	(246,602)	(68,327)	69,974	146,294	134,365	27,745	63,449
Mississippi State University	(311,540)	(83,136)	382,926	828,337	662,573	106,225	1,585,385
Mississippi University for Women	(40,171)	(21,323)	22,358	51,556	35,118	3,356	50,894
Mississippi Valley State University	(179,858)	(122,671)	(43,160)	3,594	12,299	(801)	(330,597)
University of Mississippi	(272,980)	(60,320)	428,669	718,188	565,084	100,303	1,478,944
University of Southern Mississippi	(391,013)	(212,324)	69,771	245,408	191,720	23,360	(73,078)
University of Mississippi Medical Center	(1,980,281)	(1,630,517)	(150,225)	806,244	743,900	83,184	(2,127,695)
Executive Office	(23,966)	(9,870)	3,014	8,500	4,654	(105)	(17,773)
Total	<u>\$ (3,793,007)</u>	<u>(2,437,351)</u>	<u>751,708</u>	<u>2,872,679</u>	<u>2,426,640</u>	<u>355,989</u>	<u>176,658</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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Valuation date	June 30, 2024	June 30, 2023
Measurement date	June 30, 2024	June 30, 2023
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	3.94 %	3.66 %
Projected cash flows	N/A	N/A
Projected salary increases	2.65% - 17.90%	2.65% - 17.90%
Healthcare cost trend rates	6.00% decreasing to 4.50% by 2029	6.50% decreasing to 4.50% by 2029

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

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**Mortality**

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

**Discount Rate**

The discount rates used to measure the total OPEB liability at June 30, 2025 and 2024 were 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**

The long-term investment 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 2025 and 2024, calculated using the discount rates of 3.94% and 3.66%, 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	Current	1% Increase
	(2.94%)	discount rate (3.94%)	(4.94%)
IHL System proportionate share of net OPEB liability 2025	\$ 114,155,482	\$ 104,716,496	\$ 96,479,291
	Discount Rate Sensitivity		
	1% Decrease	Current	1% Increase
	(2.66%)	discount rate (3.66%)	(4.66%)
IHL System proportionate share of net OPEB liability 2024	\$ 112,881,766	\$ 103,055,815	\$ 94,536,665

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

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

	Health Care Cost Trend Rates Sensitivity		
	1% Decrease	Current	1% Increase
		discount rate	
IHL System proportionate share of net OPEB liability 2025	\$ 97,810,960	\$ 104,716,496	\$ 112,415,093
2024	96,025,586	103,055,815	110,929,688

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**Non-cash Impact on Fringe Benefits Expense**

For the years ended June 30, 2025 and 2024, the non-cash impact of GASB Statement No. 68 on fringe benefits expense was \$326.2 million and \$296.2 million, respectively. For the years ended June 30, 2025 and 2024, the non-cash impact of GASB Statement No. 75 on fringe benefits expense was \$(8.9) million and \$(11.4) million, respectively.

<b>Year ended June 30, 2025</b>				
	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	\$ 19,979,943	(5,065,331)	376,352	15,290,964
Delta State University	13,917,012	(5,056,569)	218,709	9,079,152
Jackson State University	39,968,036	(15,616,677)	577,086	24,928,445
Mississippi State University	256,765,079	(86,752,309)	1,546,885	171,559,655
Mississippi University for Women	13,530,584	(5,175,531)	134,431	8,489,484
Mississippi Valley State University	9,818,796	(3,128,913)	270,613	6,960,496
University of Mississippi	160,468,279	(61,626,514)	1,084,880	99,926,645
University of Southern Mississippi	81,865,918	(25,008,414)	890,938	57,748,442
University of Mississippi Medical Center	364,452,921	(116,827,439)	3,761,148	251,386,630
Executive Office	4,287,122	(1,902,815)	49,600	2,433,907
MCVS	294,490	(83,362)	—	211,128
<b>Totals</b>	<b>\$ 965,348,180</b>	<b>(326,243,874)</b>	<b>8,910,642</b>	<b>648,014,948</b>

<b>Year ended June 30, 2024</b>				
	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
<b>Totals</b>	<b>\$ 898,597,459</b>	<b>(296,210,421)</b>	<b>11,423,774</b>	<b>613,810,812</b>

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**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 approximate \$34.4 million and \$15.1 million at June 30, 2025, and \$38.6 million and \$16.3 million at June 30, 2024, 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.

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, 2025 and 2024 were approximately \$365,000 and \$380,500, 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, 2025, 2024, and 2023 (in thousands):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Unpaid claim liability at beginning of year	\$ 15,870	\$ 16,303	\$ 17,385
Incurred claims:			
Insured events of the current	6,668	5,769	5,500
Decrease in provisions for			
insured events of prior years	<u>(2,765)</u>	<u>(2,168)</u>	<u>(2,085)</u>
Total incurred claims	<u>3,903</u>	<u>3,601</u>	<u>3,415</u>
Payments:			
Attributable to insured events of the current year	1,709	1,473	1,235
Attributable to insured events of the prior year	<u>3,019</u>	<u>2,561</u>	<u>3,262</u>
Total payments	<u>4,728</u>	<u>4,034</u>	<u>4,497</u>
Unpaid claim liability at end of year	<u>\$ 15,045</u>	<u>\$ 15,870</u>	<u>\$ 16,303</u>

Claim liabilities are presented at their present value using a discount rate of 3.5% and 4.0% as of June 30, 2025 and 2024, respectively. The discounts amounted to \$1,894,000 and \$2,332,000 at June 30, 2025 and 2024, 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 \$14.7 million and \$4.7 million at June 30, 2025, respectively, and \$13.2 million and \$4.7 million at June 30, 2024, 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, 2025. The actuaries concluded that the fund's actual assets at June 30, 2025 exceeded the recommended minimum fund balance. The recommended fund balance at June 30, 2025 is \$4.7 million. Actual fund assets equaled \$14.7 million at June 30, 2025 and \$13.2 million at June 30, 2024. Given the fund's strong financial position, and the increased cost that universities would experience having to reserve for higher property insurance

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deductibles, the IHL System provided an unemployment fund assessment holiday for fiscal year 2026. The IHL System will consider these facts 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, 2025. Total assets and liabilities related to this activity approximated \$18.0 million and \$11.4 million at June 30, 2025, respectively, and \$16.5 million and \$11.0 million at June 30, 2024, 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, 2025, 2024 and 2023 (in thousands):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Unpaid claim liability at beginning of year	\$ 10,783	\$ 7,964	\$ 8,953
Incurred claims:			
Insured events of the current	4,484	4,386	3,360
Decrease in provisions for			
insured events of prior years	<u>(2,877)</u>	<u>(350)</u>	<u>(1,782)</u>
Total incurred claims	<u>1,607</u>	<u>4,036</u>	<u>1,578</u>
Payments:			
Attributable to insured events of the current year	100	116	219
Attributable to insured events of the prior year	<u>957</u>	<u>1,101</u>	<u>2,348</u>
Total payments	<u>1,057</u>	<u>1,217</u>	<u>2,567</u>
Unpaid claim liability at end of year	<u>\$ 11,333</u>	<u>\$ 10,783</u>	<u>\$ 7,964</u>

Claim liabilities are presented at their present value using a discount rate of 3.5% and 4.0% as of June 30, 2025 and 2024, respectively. The discounts amounted to \$1,209,000 and \$1,308,000 at June 30, 2025 and 2024, 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.

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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 \$54.6 million and \$26.0 million at June 30, 2025, respectively, and \$51.2 million and \$28.0 million at June 30, 2024, 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, 2025, 2024, and 2023 (in thousands):

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Unpaid claim liability at beginning of year	\$ 28,022	\$ 29,780	\$ 29,862
Incurred claims:			
Insured events of the current	6,300	6,005	5,485
Decrease in provisions for			
insured events of prior years	<u>(6,259)</u>	<u>(5,182)</u>	<u>(2,793)</u>
Total incurred claims	<u>41</u>	<u>823</u>	<u>2,692</u>
Payments:			
Attributable to insured events of the current year	46	10	26
Attributable to insured events of the prior year	<u>1,979</u>	<u>2,571</u>	<u>2,748</u>
Total payments	<u>2,025</u>	<u>2,581</u>	<u>2,774</u>
Unpaid claim liability at end of year	<u>\$ 26,038</u>	<u>\$ 28,022</u>	<u>\$ 29,780</u>

At June 30, 2025 and 2024, unpaid claims of \$26 million and \$28 million, respectively, are presented at their nominal value.

**Note 23**  
**Subsequent Events**

Subsequent to the fiscal year ended June 30, 2025, several institutions within the IHL system were impacted by a significant winter storm that affected portions of the State of Mississippi. The storm resulted in temporary campus closures and damage to facilities, grounds, and infrastructure. At the time these financial statements were available to be issued, the full financial and operational impacts of the storm had not been determined. Management continues to assess property and equipment damage, insurance recoveries, federal and state assistance, emergency response and remediation costs, and potential impacts on future operations.

The winter storm represents a nonrecognized subsequent event, as the storm occurred after the fiscal year-end. Accordingly, no amounts related to this event have been recorded in the accompanying financial statements. While management expects that certain costs may be incurred and that insurance recoveries or other forms of assistance may be available, the IHL is unable at this time to reasonably estimate the financial effect, if any, of these matters on its future financial position or results of operations. Management will continue to monitor developments related to the winter storm and will record or disclose additional information in future periods, as appropriate.

In February 2024, the IHL Board approved the issuance of up to \$245 million in revenue bonds through the University of Mississippi Educational Building Corporation (UMEBC) for capital improvements, including student housing. Due to escalating construction costs, the University subsequently transitioned the housing component to a Public-Private Partnership (P3) model, and no debt was issued under the original 2024 authorization. The University is currently seeking updated IHL approval to issue up to \$245 million in UMEBC revenue bonds to finance the expansion and renovation of academic and research facilities, as well as essential campus infrastructure necessitated

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by sustained enrollment growth. This strategic reallocation of debt capacity is intended to support the University's core mission and operational reliability.

In November 2025, the IHL Board approved the University of Mississippi to enter a public-private partnership with PRG - Oxford Properties LLC (PRG) to develop a new student housing project on the former Kincannon Hall site, located on university-owned land. Under the 45-year ground lease, PRG will fully finance, develop, and construct the approximately 1,250-bed facility at an estimated cost of \$118 million, funded through a combination of tax-exempt and taxable bonds. The University has no obligation for the project's debt. Under the agreement, project revenues will be used to cover operating costs and debt service, with any excess cash flow paid to the University as annual rent. Additionally, the University entered into a five-year management agreement with PRG to oversee operations, under which the University will be reimbursed for budgeted administrative and approved operating expenses.

In February 2024, the IHL Board approved the issuance of up to \$35 million in revenue bonds through the Southern Mississippi Educational Building Corporation (SMEBC) 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; McAllister Street Properties, LLC; West Side Fund I, LLC; West Side Real Estate Holdings, LLC; West Side Fund VI, LLC; and the Mississippi State Investment Pool in which the foundation has a controlling financial interest. The consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

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

Net assets without donor restrictions – net assets that represent resources generated from operations or that are not subject to donor-imposed stipulations.

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

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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 held in various types of investment securities and in various companies 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 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), the foundation's outsourced chief investment officer. 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, 2025 and 2024, MSUF had no plans or intentions to sell investments at amounts different from NAV. Properties held for investment are reported at estimated fair value based on periodic appraisals conducted by third-party appraisers who utilize the cost, sales comparison and income capitalization approaches to estimate the fair value of the investments. MSUF considers recent comparables, among other things, to adjust for any changes in fair value between the most recent appraisal date and year-end.

*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 94% and 93% as of June 30, 2025 and 2024, 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.

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Pledges receivable, net, are summarized as follows at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Unconditional promises expected to be collected in:		
One year	\$ 28,195,553	\$ 12,187,936
two to five years	58,507,255	36,102,614
More than five years	<u>31,660,909</u>	<u>9,330,591</u>
	118,363,717	57,621,141
Present value discounts (rates ranging from 0.3% to 5.0%)	<u>(18,650,283)</u>	<u>(7,839,561)</u>
	99,713,434	49,781,580
Allowances for uncollectible pledges	<u>(1,026,894)</u>	<u>(981,337)</u>
	<u>\$ 98,686,540</u>	<u>\$ 48,800,243</u>

**(d) Investments**

Investments are summarized as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Short-term investments	\$ 6,329,300	\$ 2,372,898
Agility Comprehensive Solutions Fund	809,736,446	718,035,772
Global fixed income	4,527,969	4,273,180
Global equities	10,501,239	9,529,496
Real assets	59,591,591	64,959,760
Absolute return strategies	25,894	36,972
Private capital	22,939,119	23,348,137
Contributed properties held for investment	41,735,468	35,840,879
Cash-surrender value of life insurance	<u>2,920,023</u>	<u>2,934,607</u>
	<u>\$ 958,307,049</u>	<u>\$ 861,331,701</u>

During 2025 and 2024, 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, 2025 and 2024, respectively: global equities, 61% and 61%; absolute return strategies, 9% and 8%; global fixed income, 8% and 10%; real assets, 9% and 9%; and private capital, 13% and 12%.

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, 2025 and 2024 with a fair value of \$15.2 million and \$14.1 million, respectively.

The following schedule summarizes net investment income in the consolidated statement of activities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest, net of expenses	\$ 3,820,798	\$ 4,322,921
Net realized and unrealized gains	<u>98,075,765</u>	<u>75,588,190</u>
	<u>\$ 101,896,563</u>	<u>\$ 79,911,111</u>

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**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, 2025 and 2024:

	<b>2025</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Investments at NAV</b>	<b>Total</b>
Short-term investments	\$ 6,329,300	—	—	—	6,329,300
Agility-Comprehensive Solutions Fund (1)	—	—	—	809,736,446	809,736,446
Global fixed income:					
Interest-rate sensitive	4,527,969	—	—	—	4,527,969
Global equities:					
Domestic	10,501,239	—	—	—	10,501,239
Real assets:					
Real estate funds (2)	—	—	—	1,643,612	1,643,612
Natural resources (3)	—	—	—	10,436,423	10,436,423
Direct real estate (7)	—	—	47,511,556	—	47,511,556
Total real assets	—	—	47,511,556	12,080,035	59,591,591
Absolute return strategies (4)	—	—	—	25,894	25,894
Private capital (2)	—	—	—	22,939,119	22,939,119
Contributed properties held for investment (5)	—	—	41,735,468	—	41,735,468
Cash surrender value of life insurance (6)	—	2,920,023	—	—	2,920,023
Total investments	<u>\$ 21,358,508</u>	<u>2,920,023</u>	<u>89,247,024</u>	<u>844,781,494</u>	<u>958,307,049</u>
Present value of amounts due from externally managed trusts	—	—	64,151,373	—	64,151,373

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	2024				
	Level 1	Level 2	Level 3	Investments at NAV	Total
Short-term investments	\$ 2,372,898	—	—	—	2,372,898
Agility-Comprehensive Solutions Fund (1)	—	—	—	718,035,772	718,035,772
Global fixed income:					
Interest-rate sensitive	4,273,180	—	—	—	4,273,180
Global equities:					
Domestic	9,529,496	—	—	—	9,529,496
Real assets:					
Real estate funds (2)	—	—	—	2,877,763	2,877,763
Natural resources (3)	—	—	—	16,668,492	16,668,492
Direct real estate (7)	—	—	45,413,505	—	45,413,505
Total real assets	—	—	45,413,505	19,546,255	64,959,760
Absolute return strategies (4)	—	—	—	36,972	36,972
Private capital (2)	—	—	—	23,348,137	23,348,137
Contributed properties held for investment (5)	—	—	35,840,879	—	35,840,879
Cash surrender value of life insurance (6)	—	2,934,607	—	—	2,934,607
Total investments	<u>\$ 16,175,574</u>	<u>2,934,607</u>	<u>81,254,384</u>	<u>760,967,136</u>	<u>861,331,701</u>
Present value of amounts due from externally managed trusts	—	—	60,183,393	—	60,183,393

- (1) The master fund's terms allow for 5-day notice withdrawals at any month-end totaling up to 10% of its account balance at the fund's previous fiscal yearend, (plus any capital contributions to the fund during the current year). In addition, the MSIP may make withdrawals from its capital account, of up to 100% of its Agility Global Equities, Agility Fixed Income, and Agility Real Asset holdings, as well as 25% of its Agility Absolute Return holdings, as of any fiscal quarter end, with at least one quarter's prior written notice to the general partner. Further, approximately \$135.5 million and \$108.1 million of MSIP's investment in the Fund is considered illiquid at June 30, 2025 and 2024, 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 \$5,918,000 and \$6,379,000 at June 30, 2025 and 2024. 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, 2025 and 2024, which have terms ending in 2024 (currently in liquidation mode), 2026 and 2027. Investments with lockup periods are subject to one or more one to two-year extensions. Future commitments to these funds approximate \$1,302,700 and \$1,325,400 at June 30, 2025 and 2024, 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, 2025 and 2024, the MSUF had no absolute return strategy investments for which an otherwise redeemable investment was not redeemable.
- (5) Bulldog Forest properties totaling approximately \$34,608,000 and \$32,914,000 at June 30, 2025 and 2024, 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.

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The following table presents MSUF's activities for the years ended June 30, 2025 and 2024 for contributed properties held for investments classified as Level 3:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 35,840,879	32,143,644
Acquisitions	4,725,000	670,000
Dispositions	—	(1,050,570)
Net realized and unrealized gains	1,169,589	4,077,805
Balance, end of year	<u>\$ 41,735,468</u>	<u>35,840,879</u>

For the years ended June 30, 2025 and 2024, the changes in present value of amounts due from externally managed trusts classified as Level 3 are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 60,183,393	56,102,682
Change in valuation	3,967,980	4,080,711
Balance, end of year	<u>\$ 64,151,373</u>	<u>60,183,393</u>

For the years ended June 30, 2025 and 2024, the changes in direct real estate classified as Level 3 are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 45,413,505	43,640,220
Net realized and unrealized gains	2,098,051	1,773,285
Balance, end of year	<u>\$ 47,511,556</u>	<u>45,413,505</u>

**(e) Net Assets Without Donor Restrictions**

Net assets attributable to the foundation without donor restrictions as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Spendable funds	\$ 28,291,558	\$ 24,819,318
Quasi-endowment funds	28,273,172	26,134,246
Net investment in land, buildings and equipment	31,056,802	28,567,370
	<u>\$ 87,621,532</u>	<u>\$ 79,520,934</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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose:		
General college support	\$ 42,445,477	\$ 35,534,961
Student financial aid	34,534,443	29,652,012
Research	480,077	445,049
Faculty and staff support	2,685,024	2,573,314
Facilities	17,087,508	2,566,359
Other	2,369,746	2,248,206
	<u>99,602,275</u>	<u>73,019,901</u>

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	<b>2025</b>	<b>2024</b>
Subject to the passage of time and specified purpose:		
Charitable remainder trusts, cash surrender value of life insurance, gift annuities and other	13,067,492	12,545,991
Pledges receivable restricted by donors	71,982,969	24,764,691
	85,050,461	37,310,682
Donor restricted endowments subject to spending policy and appropriation to support the following purposes (including net accumulated earnings of approximately \$166,467,000 and \$124,671,000 at June 30, 2025 and 2024, respectively):		
Subject to endowment spending policy and appropriation:		
General college support	175,966,601	161,072,662
Student financial aid	425,357,096	388,403,855
Research	19,595,915	18,235,364
Faculty and staff support	85,915,140	77,736,593
Facilities	9,304,193	8,671,382
Other	9,417,500	8,978,744
	725,556,445	663,098,600
Charitable remainder trusts, gift annuities and other	62,184,880	57,441,023
Pledges receivable restricted to endowment by donors	26,703,571	24,035,552
	\$ 999,097,632	\$ 854,905,758

**(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, 2025 and 2024 is as follows:

	<b>2025</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor restricted endowment funds	\$ —	725,556,445	725,556,445
Board-designated funds	28,273,172	—	28,273,172
Total	\$ 28,273,172	725,556,445	753,829,617
	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
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

Changes in endowment net assets for the fiscal years ended June 30, 2025 and 2024 is as follows:

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	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2023	\$ 22,008,466	512,783,753	534,792,219
Investment returns, 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	\$ 26,134,246	663,098,600	689,232,846
Investment returns, net	2,238,940	57,895,888	60,134,828
Contributions	271,958	20,722,089	20,994,047
Appropriation of endowment assets for expenditure	(1,165,864)	(15,797,469)	(16,963,333)
Other	793,892	(362,663)	431,229
Endowment net assets, June 30, 2025	<u>\$ 28,273,172</u>	<u>725,556,445</u>	<u>753,829,617</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 \$216,266 and \$576,003 at June 30, 2025 and 2024, respectively. These endowments had an original gift value of approximately \$6.5 million and \$17.6 million at June 30, 2025 and 2024, 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.

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

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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, 2025, 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, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Unconditional promises expected to be collected in:		
One year	\$ 23,431,463	\$ 19,164,604
Two to five years	50,514,341	37,542,621
More than five years	<u>68,067,994</u>	<u>38,882,528</u>
	142,013,798	95,589,753
Present value discounts (rates ranging from 0.73% to 4.38%)	<u>(27,289,724)</u>	<u>(14,329,340)</u>
	114,724,074	81,260,413
Allowances for uncollectible pledges	<u>(4,313,389)</u>	<u>(3,622,968)</u>
	<u>\$ 110,410,685</u>	<u>\$ 77,637,445</u>

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**(d) Investments**

Investments, aggregated by investment strategy, consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Investment strategy:		
Fixed income:		
U.S. government securities	\$ 17,791,626	\$ 11,641,942
Corporate bonds	49,249,753	45,204,602
Other fixed income securities	<u>28,907,420</u>	<u>27,654,072</u>
Total fixed income	<u>95,948,799</u>	<u>84,500,616</u>
Equities:		
Common stocks	55,515,573	46,575,641
International common stock funds	953,742	924,380
Mutual funds	<u>217,849,504</u>	<u>173,119,943</u>
Total equities	<u>274,318,819</u>	<u>220,619,964</u>
Real estate owned	<u>1,549,117</u>	<u>1,549,117</u>
Other short-term investments	25,665,045	41,553,114
Pooled investment funds, at NAV	<u>399,649,395</u>	<u>366,248,901</u>
Total investments	<u>\$ 797,131,175</u>	<u>\$ 714,471,712</u>

The following schedule summarizes net investment income in the statement of activities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest, net of expenses	\$ 15,020,958	\$ 14,278,718
Net realized and unrealized gains	<u>50,929,523</u>	<u>48,465,858</u>
	<u>\$ 65,950,481</u>	<u>\$ 62,744,576</u>

**Fair Value Measurements**

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

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

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

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The following table presents the financial assets of UMF carried at fair value by level within the valuation hierarchy as of June 30, 2025 and 2024:

	<b>2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Investment strategy:				
Fixed income:				
U.S. Government securities	\$ —	17,791,626	—	17,791,626
Corporate bonds	—	49,249,753	—	49,249,753
Other fixed income securities	17,423,009	11,484,411	—	28,907,420
Total fixed income	<u>17,423,009</u>	<u>78,525,790</u>	<u>—</u>	<u>95,948,799</u>
Equities:				
Common stock	55,515,573	—	—	55,515,573
International common stock funds:	217,849,504	—	—	217,849,504
ETFs and Mutual funds	953,742	—	—	953,742
Total equities	<u>274,318,819</u>	<u>—</u>	<u>—</u>	<u>274,318,819</u>
Real estate owned	—	—	1,549,117	1,549,117
Other short-term investments	25,665,045	—	—	25,665,045
	<u>\$ 317,406,873</u>	<u>78,525,790</u>	<u>1,549,117</u>	<u>397,481,780</u>
Pooled investment funds, at NAV				<u>399,649,395</u>
Total investments				<u>\$ 797,131,175</u>
Beneficial interest in trusts	\$ 4,892,039	7,119,053	—	12,011,092

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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	<u>20,295,782</u>	<u>64,204,834</u>	<u>—</u>	<u>84,500,616</u>
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	<u>220,619,964</u>	<u>—</u>	<u>—</u>	<u>220,619,964</u>
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				<u>366,248,901</u>
Total investments				<u>\$ 714,471,712</u>
Beneficial interest in trusts	\$ 4,740,693	6,517,782	—	11,258,475

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, 2025:

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<u>Investment</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption frequency (if eligible)</u>	<u>Redemption notice period</u>	<u>Expected life span of investment</u>
Pooled investment funds, at NAV:					
Diversifying strategies	\$ 32,229,061	—	Various	15-95 days	Indefinite
Fixed income	32,072,800	—	Daily	5 days	Indefinite
Global equity	90,856,011	—	Various	5-120 days	Indefinite
Global equity-long only	19,660,991	—	Quarterly	90 days	Indefinite
Long/short equity fund	15,097,243	—	Quarterly	45 days	Indefinite
Natural resource private fund	5,632,234	13,801	No redemption feature	None	10 years
Relative value	20,106,332	—	Quarterly	65 days	Indefinite
Other	493,878	—	No redemption feature	None	Indefinite
Venture capital and private equity	183,500,845	90,826,785	No redemption feature	None	4 years to indefinite
	<u>\$ 399,649,395</u>				
Real estate:					
Real estate owned	\$ 1,549,117		No redemption feature	None	Indefinite

**(e) Net Assets With Donor Restrictions**

Net assets with donor restrictions at June 30, 2025 and 2024 were restricted for the following purposes:

	<u>2025</u>	<u>2024</u>
Spendable:		
Academic and program support	\$ 325,747,026	\$ 253,696,022
Scholarship support	107,764,031	94,164,183
Faculty support	55,529,502	49,142,889
Library support	14,049,434	13,758,893
Total	<u>\$ 503,089,993</u>	<u>\$ 410,761,987</u>
Endowment:		
Academic and program support	\$ 84,767,181	\$ 80,895,421
Scholarship support	164,965,269	152,761,035
Faculty support	96,209,986	94,117,333
Library support	22,000,605	22,912,340
Total	<u>367,943,041</u>	<u>350,686,129</u>
Total net assets with donor restrictions	<u>\$ 871,033,034</u>	<u>\$ 761,448,116</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, 2025 and 2024 is as follows:

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	<b>2025</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be retained by donor	\$ —	367,943,042	367,943,042
Portion subject to appropriation	—	201,452,424	201,452,424
Board-designated quasi endowment	24,744,015	—	24,744,015
Total endowment funds	<u>\$ 24,744,015</u>	<u>569,395,466</u>	<u>594,139,481</u>

	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
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>

Changes in endowment net assets for the years ended June 30, 2025 and 2024 is as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2023	\$ 19,453,666	467,662,354	487,116,020
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>
Contributions and transfers to endowment	203	17,157,553	17,157,756
Appropriation of expenditures	(910,625)	(17,806,312)	(18,716,937)
Investment return:			
Investment income	818,549	9,337,655	10,156,204
Net appreciation	1,329,880	37,844,591	39,174,471
Endowment net assets, June 30, 2025	<u>\$ 24,744,015</u>	<u>569,395,466</u>	<u>594,139,481</u>

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**(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, 2025 and 2024, there were no endowments with a fair value below the amount of the gifts made to the endowment.

**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. This entity did not have activity for the years ended June 30, 2025, and 2024.

**(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.

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

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

*Use of Estimates*

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

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

*Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value. Hedge funds, real estate investment funds and private equity funds are reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair value of the foundation's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. At June 30, 2025 and 2024, 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, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Unconditional promises expected to be collected in:		
Less than one year	\$ 3,267,991	\$ 2,974,772
One year to five years	4,703,963	4,777,331
More than five years	810,000	—
	8,781,954	7,752,103
Present value discounts (rates ranging from 0.29% to 4.36%)	(528,063)	(364,955)
	8,253,891	7,387,148
Allowances for uncollectible pledges	(341,500)	(331,600)
	<b>\$ 7,912,391</b>	<b>\$ 7,055,548</b>

**(d) Investments**

Investments, aggregated by investment strategy, consist of the following at June 30, 2025 and 2024:

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	<u>2025</u>	<u>2024</u>
Fixed income	\$ 49,944,168	\$ 40,543,991
Equities:		
Mutual and common stock funds	80,472,078	81,096,868
Alternative investments:		
Hedge funds	30,393,845	27,547,223
Real estate investment funds	5,567,794	5,396,925
Private equity funds	<u>17,025,019</u>	<u>11,081,547</u>
Total alternative investments	52,986,658	44,025,695
Cash and cash equivalents	34,148	31,664
Investments held at cost	51,532	51,532
Total investments	<u>\$ 183,488,584</u>	<u>\$ 165,749,750</u>

The following schedule summarizes net investment income in the consolidated statement of activities for the year ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Dividends and interest, net of expenses	\$ 3,227,272	\$ 2,841,182
Net realized and unrealized gains	<u>17,031,596</u>	<u>14,687,052</u>
	<u>\$ 20,258,868</u>	<u>\$ 17,528,234</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, 2025 and 2024:

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	<b>2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed income:				
Mutual funds	\$ 49,944,168	—	—	49,944,168
Equities:				
Mutual and common stock	80,472,078	—	—	80,472,078
Total investments at fair value	\$ 130,416,246	—	—	130,416,246
Investments measured at NAV or equivalent				52,986,658
Cash and cash equivalents				34,148
Other investments held at cost				51,532
Total investments				\$ 183,488,584
Amounts due from externally managed trusts	\$ —	—	13,161,206	13,161,206
	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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

For the years ended June 30, 2025 and 2024, 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, 2023	\$ 11,967,432
Change in value	1,465,375
Distributions	(35,000)
Balance as of June 30, 2024	\$ 13,397,807
Change in value	39,330
Distributions	(275,931)
Balance as of June 30, 2025	\$ 13,161,206

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, 2025 and 2024:

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<b>2025</b>				
Investment	Net Asset Value	Unfunded Commitments	Redemption frequency	Redemption notice
Hedge funds	\$ 30,393,845	—	Quarterly	Various
Real estate investment funds	5,567,794	—	Quarterly	95 days
Private equity	17,025,019	12,316,760	None	None
Total	\$ 52,986,658	\$ 12,316,760		

<b>2024</b>				
Investment	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	\$ 44,025,695			

**(e) Net Assets with Donor Restrictions**

Net assets with donor restrictions consisted of the following at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Subject to expenditure for specified purpose:		
Student financial aid	\$ 2,476,870	\$ 2,014,982
Academic divisions	2,943,934	2,862,889
Research	658,523	593,556
Operations and maintenance of plant	2,154,386	847,519
Library	61,207	60,341
Faculty and staff support	8,112	8,796
Other restricted purposes	7,122,999	7,238,798
Total	15,426,031	13,626,881
Not subject to expenditure for specified purpose:		
Amounts due from externally managed trusts	89,722	88,886
Investments - Restricted for student trading	120,946	108,564
Pledges and other receivables, net	5,589,004	5,387,537
Cash surrender value of life insurance	453,890	458,157
Property held for sale	5,000	5,000
Construction in progress	—	1,107,605
Prepaid and accrued expenses	(114,975)	(38,652)
Total	6,143,587	7,117,097
Endowments:		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor:		
Student financial aid	65,565,690	62,617,878
Academic divisions	6,036,973	5,560,235
Research	844,958	827,334
Operations and maintenance of plant	5,735,147	5,688,732

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	<u>2025</u>	<u>2024</u>
Library	3,090,707	3,088,073
Faculty and staff support	18,475,732	17,606,215
Other restricted purposes	6,511,930	6,059,816
Total	<u>106,261,137</u>	<u>101,448,283</u>
Subject to foundation endowment spending policy and appropriation:		
Student financial aid	25,630,638	20,341,847
Academic divisions	2,659,772	2,108,205
Research	254,123	180,693
Operations and maintenance of plant	1,935,246	1,404,894
Library	1,172,754	919,378
Faculty and staff support	6,374,586	4,524,604
Other restricted purposes	4,104,324	3,476,407
Total	<u>42,131,443</u>	<u>32,956,028</u>
Sub-Total endowments	148,392,580	134,404,311
Endowment not subject to spending policy or appropriations:		
Externally managed perpetual trust	3,967,582	3,879,489
Total endowments	<u>152,360,162</u>	<u>138,283,800</u>
Not subject to spending policy or appropriation -		
Restricted to endowment:		
Pledges and other receivables, net	2,874,284	2,368,428
Amounts due from externally managed trusts	9,103,902	9,429,432
Gift annuities	(16,551)	(6,781)
Cash surrender value of life insurance	2,220,337	2,217,095
Property held for sale	974,000	—
Total	<u>15,155,972</u>	<u>14,008,174</u>
Total net assets with donor restrictions	<u>\$ 189,085,752</u>	<u>\$ 173,035,952</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, 2025 and 2024 is as follows:

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	<b>2025</b>		<b>Total</b>
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	
Board designated endowment funds	\$ 9,960,540	—	9,960,540
Donor-restricted funds functioning as endowments, including earnings	6,981,469	6,785,550	13,767,019
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	—	106,261,137	106,261,137
Accumulated investment gains	—	35,345,893	35,345,893
Sub-total	16,942,009	148,392,580	165,334,589
Externally managed perpetual trust	—	3,967,582	3,967,582
Total	<u>\$ 16,942,009</u>	<u>152,360,162</u>	<u>169,302,171</u>

	<b>2024</b>		<b>Total</b>
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	
Board designated endowment funds	\$ 9,040,287	—	9,040,287
Donor-restricted funds functioning as endowments, including earnings	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>

During the years ended June 30, 2025 and 2024, the foundation had the following endowment related activities:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
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>

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	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, June 30, 2024	\$ 14,863,643	134,404,311	149,267,954
Net investment gain	2,198,711	13,815,675	16,014,386
Contributions	62,977	5,636,323	5,699,300
Change in restrictions by donors	—	193,777	193,777
Other	<u>(183,322)</u>	<u>(5,657,506)</u>	<u>(5,840,828)</u>
Endowment net assets, June 30, 2025	\$ 16,942,009	148,392,580	165,334,589
Externally managed perpetual trust	—	<u>3,967,582</u>	<u>3,967,582</u>
Total	<u>\$ 16,942,009</u>	<u>152,360,162</u>	<u>169,302,171</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, 2025 and 2024, there were no underwater funds.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**Required Supplementary Information (Unaudited)**

Schedule of Proportionate Share of the Net Pension Liability of  
the Mississippi Public Employees' Retirement System  
June 30, 2025

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:					
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
2025	0.35	91,799,646	26,334,179	348.60	56.30
Delta State University:					
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
2025	0.25	65,073,194	18,667,274	348.60	56.30
Jackson State University:					
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
2025	0.68	177,320,101	50,867,073	348.60	56.30
Mississippi State University:					
2016	3.15	487,619,653	197,073,543	247.43	61.70
2017	3.22	575,770,041	206,205,213	279.22	57.47
2018	3.16	525,651,937	202,851,879	259.13	61.49
2019	3.11	517,960,848	198,862,565	260.46	62.54
2020	3.17	558,213,479	206,656,819	270.12	61.59
2021	3.22	623,650,981	214,514,000	290.73	58.97
2022	3.28	484,398,386	217,906,787	222.30	70.44
2023	3.26	671,443,515	224,568,115	298.99	59.93
2024	3.30	830,851,179	244,873,805	339.30	55.70
2025	3.40	882,145,792	253,057,458	348.60	56.30

(Continued)

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Schedule of Proportionate Share of the Net Pension Liability of  
the Mississippi Public Employees' Retirement System  
June 30, 2025

Employer	Proportionate share of the net pension liability (%)	Proportionate share of the net pension liability (\$)	Estimated Covered-employee payroll provided by PERS	Proportionate share of the net pension liability as a percentage of its covered-employee payroll	PERS fiduciary net position as a percentage of the total pension liability
Mississippi University for Women:					
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
2025	0.23	59,340,596	17,022,788	348.60	56.30
Mississippi Valley State University:					
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
2025	0.21	54,165,265	15,538,162	348.60	56.30
University of Mississippi:					
2016	1.86	287,872,551	116,344,946	247.43	61.70
2017	1.87	333,566,560	119,462,908	279.22	57.47
2018	1.92	319,127,442	123,152,978	259.13	61.49
2019	1.96	325,309,886	124,897,390	260.46	62.54
2020	1.93	339,244,839	125,592,222	270.12	61.59
2021	1.91	370,390,153	127,401,184	290.73	58.97
2022	1.89	279,700,687	125,823,454	222.30	70.44
2023	1.92	395,825,863	132,386,218	298.99	59.93
2024	2.00	503,754,374	148,469,730	339.30	55.70
2025	2.16	560,563,949	160,806,626	348.60	56.30
University of Southern Miss:					
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
2025	1.24	321,078,775	92,106,520	348.60	56.30

(Continued)

**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, 2025

Employer	Proportionate share of the net pension liability (%)	Proportionate share of the net pension liability (\$)	Estimated Covered-employee payroll provided by PERS	Proportionate share of the net pension liability as a percentage of its covered- employee payroll	PERS fiduciary net position as a percentage of the total pension liability
University Medical Center:					
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
2025	6.91	1,793,586,226	514,518,547	348.60	56.30
Executive Office:					
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
2025	0.09	25,245,468	7,242,061	348.60	56.30
MS Commission for Volunteer Service					
2016	0.01	1,231,115	503,886	247.43	61.70
2017	0.01	1,586,388	568,146	279.22	57.47
2018	0.01	1,649,603	636,590	259.13	61.49
2019	0.01	1,652,816	634,570	260.46	62.54
2020	0.01	1,750,782	648,159	270.12	61.59
2021	0.01	1,925,718	662,379	290.73	58.97
2022	0.01	1,385,339	623,195	222.30	70.44
2023	0.01	1,851,627	619,287	298.99	59.93
2024	0.01	2,224,993	655,764	339.30	55.70
2025	0.01	2,086,682	598,598	348.60	56.30
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>
2025 Totals	<u>15.53 %</u>	<u>\$ 4,032,405,694</u>	<u>\$ 1,156,759,286</u>	<u>348.60 %</u>	<u>56.30 %</u>

See accompanying notes to required supplementary information.

**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, 2025

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:					
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
2025	5,448,584	5,448,584	—	30,439,017	17.90
Delta State University:					
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
2025	3,397,373	3,397,373	—	18,979,737	17.90
Jackson State University:					
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
2025	10,039,531	10,039,531	—	56,086,765	17.90
Mississippi State University:					
2016	32,082,720	32,082,720	—	203,699,810	15.75
2017	32,311,407	32,311,407	—	205,151,790	15.75
2018	31,045,339	31,045,339	—	197,113,263	15.75
2019	32,163,084	32,163,084	—	204,210,057	15.75
2020	36,670,189	36,670,189	—	210,748,213	17.40
2021	37,491,151	37,491,151	—	215,466,385	17.40
2022	38,656,800	38,656,800	—	222,165,517	17.40
2023	42,179,640	42,179,640	—	242,411,724	17.40
2024	44,843,297	44,843,297	—	257,720,098	17.40
2025	48,828,153	48,828,153	—	272,782,978	17.90

(Continued)

**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, 2025

Employer	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered- employee payroll	Contribution as a percentage of covered- employee payroll
Mississippi University for Women:					
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
2025	3,357,687	3,357,687	—	18,758,028	17.90
Mississippi Valley State University:					
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
2025	2,893,251	2,893,251	—	16,163,413	17.90
University of Mississippi:					
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
2025	32,495,572	32,495,572	—	181,539,508	17.90
University of Southern Miss:					
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
2025	17,360,270	17,360,270	—	96,984,749	17.90

(Continued)

**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, 2025

Employer	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered-employee payroll	Contribution as a percentage of covered- employee payroll
University Medical Center:					
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
2025	97,869,080	97,869,080	—	546,754,637	17.90
Executive Office:					
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
2025	1,366,913	1,366,913	—	7,636,385	17.90
MS Commission for Volunteer Service:					
2016	88,482	88,482	—	561,790	15.75
2017	89,025	89,025	—	565,238	15.75
2018	99,080	99,080	—	629,080	15.75
2019	100,856	100,856	—	640,356	15.75
2020	114,024	114,024	—	655,310	17.40
2021	107,124	107,124	—	615,655	17.40
2022	106,561	106,561	—	612,420	17.40
2023	112,921	112,921	—	648,971	17.40
2024	105,934	105,934	—	608,816	17.40
2025	118,811	118,811	—	663,749	17.90
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>
2025 Totals	<u>\$ 223,175,225</u>	<u>223,175,225</u>	<u>—</u>	<u>1,246,788,966</u>	<u>17.90 %</u>

See accompanying notes to required supplementary information.

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

Schedule of Proportionate Share of the Net OPEB Liability of the  
Mississippi State and School Employees' Life and Health Insurance Plan  
June 30, 2025

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
2025	0.47	2,653,314	25,482,986	10.31	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
2025	0.38	2,116,718	20,603,266	10.31	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
2025	0.86	4,798,826	46,628,443	10.31	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
2025	4.40	24,568,243	238,564,128	10.31	0.00
Mississippi University for Women:					
2018	0.30	2,342,410	13,412,798	17.46	0.00
2019	0.31	2,364,085	13,822,757	17.10	0.00
2020	0.30	2,567,364	13,855,612	18.53	0.00
2021	0.31	2,421,117	14,993,708	16.15	0.00
2022	0.32	2,037,630	15,213,434	13.54	0.00
2023	0.32	1,592,366	15,724,659	10.03	0.00

(Continued)

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

Schedule of Proportionate Share of the Net OPEB Liability of the  
Mississippi State and School Employees' Life and Health Insurance Plan  
June 30, 2025

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
2024	0.34 %	\$ 1,851,477	\$ 18,094,970	10.40 %	0.00 %
2025	0.33	1,826,171	17,892,310	10.31	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
2025	0.30	1,676,971	16,265,736	10.31	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
2025	2.98	16,659,778	161,572,978	10.31	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
2025	1.80	10,079,279	97,594,416	10.31	0.00
University of Mississippi Medical Center:					
2018	7.35	57,663,711	330,186,370	17.46	0.00
2019	7.34	56,789,549	332,047,403	17.10	0.00
2020	7.60	64,529,186	348,252,627	18.53	0.00
2021	7.76	60,353,305	373,761,386	16.15	0.00
2022	7.46	47,990,300	354,663,171	13.54	0.00
2023	7.15	35,246,134	351,347,854	10.03	0.00
2024	7.27	40,228,560	386,913,035	10.40	0.00
2025	7.13	39,865,166	386,582,326	10.31	0.00

(Continued)

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

Schedule of Proportionate Share of the Net OPEB Liability of the  
Mississippi State and School Employees' Life and Health Insurance Plan  
June 30, 2025

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
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
2025	0.09	472,030	4,879,721	10.31	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>
2025 Totals	<u>18.74 %</u>	<u>\$ 104,716,496</u>	<u>\$ 1,016,066,309</u>	<u>10.31 %</u>	<u>0.00 %</u>

See accompanying notes to required supplementary information.

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
**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, 2025

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	135,716	23,586,989	0.41
2024	181,806	111,619	70,187	24,481,430	0.46
2025	205,987	114,802	91,185	25,482,986	0.45
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	118,750	20,638,615	0.41
2024	158,092	97,060	61,032	21,288,200	0.46
2025	166,543	92,819	73,724	20,603,266	0.45
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	234,675	40,785,835	0.41
2024	320,136	196,547	123,590	43,108,605	0.46
2025	376,912	210,064	166,849	46,628,443	0.45
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	1,179,025	204,911,965	0.41
2024	1,695,537	1,040,969	654,568	228,315,945	0.46
2025	1,928,388	1,074,744	853,644	238,564,128	0.45
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

(Continued)

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
**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, 2025

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	90,476	15,724,659	0.41 %
2024	134,378	82,501	51,877	18,094,970	0.46
2025	144,629	80,606	64,023	17,892,310	0.45
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
2025	131,481	73,278	58,203	16,265,736	0.45
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	757,744	131,694,021	0.41
2024	1,110,596	681,847	428,750	149,549,605	0.46
2025	1,306,045	727,895	578,150	161,572,978	0.45
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
2025	788,886	439,668	349,218	97,594,416	0.45
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
2025	3,124,865	1,741,574	1,383,291	386,582,326	0.45

(Continued)

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
**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, 2025

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
2025	39,444	21,983	17,461	4,879,721	0.45
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>
2025 Totals	<u>\$ 8,213,180</u>	<u>4,577,432</u>	<u>3,635,747</u>	<u>1,016,066,309</u>	<u>0.45 %</u>

See accompanying notes to required supplementary information.

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
**Notes to Required Supplementary Information (Unaudited)**  
**June 30, 2025 and 2024**

**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:*

**2025**

- There were no 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.

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
**Notes to Required Supplementary Information (Unaudited)**  
**June 30, 2025 and 2024**

- The price inflation assumption was reduced from 2.75% to 2.40%;
- The wage inflation assumption was reduced from 3.00% to 2.65%;
- The investment rate of return assumption was changed from 7.75% to 7.55%;
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll;
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely;
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%; and
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

**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, 2025 and 2024**

*Change in benefit provisions:*

**2018 - 2025**

- 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:*

**2025**

- The SEIR was changed from 3.66% for the prior measurement date to 3.94% to the current measurement date. Withdrawal rates, disability rates, service retirement rates and salary merit rates were adjusted to reflect actual experience more closely.

**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.

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
**Notes to Required Supplementary Information (Unaudited)**  
**June 30, 2025 and 2024**

*Changes to benefit terms:*

**2025**

- The schedule of monthly retiree contributions was increased as of January 1, 2025. In addition, the medical deductible was increased for the Base Family coverage beginning January 1, 2025.

**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.

**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, 2025

<b>Assets</b>	<b>Alcorn State University</b>	<b>Delta State University</b>	<b>Jackson State University</b>	<b>Mississippi State University</b>	<b>Mississippi University for Women</b>	<b>Mississippi Valley State University</b>	<b>University of Mississippi</b>	<b>University of Southern Mississippi</b>	<b>University of Mississippi Medical Center</b>	<b>IHL Board Office</b>	<b>MCVS</b>	<b>Elimination entries</b>	<b>Total</b>
<b>Current assets:</b>													
Cash and cash equivalents	\$ 79,801,845	10,494,234	67,170,295	315,972,674	6,860,459	29,289,305	57,128,727	105,424,765	190,196,472	11,948,633	(497,299)	—	873,790,110
Short-term investments	3,594,767	374,919	—	23,710,359	—	3,387,894	211,061,391	14,709,583	306,949,394	13,882,204	—	—	577,670,511
Accounts receivable, net	24,841,419	8,022,575	50,839,751	119,782,933	4,573,800	11,807,300	64,394,409	38,244,954	240,020,436	3,610,886	804,041	(573,505)	566,368,999
Student notes receivable, net	646,601	1,194,918	—	961,525	2,004	—	6,180,544	2,477,890	960,972	524,557	—	—	12,949,011
Inventories	277,871	315,536	421,025	3,309,297	—	457,410	1,210,166	209,980	42,527,141	1,048,016	—	—	49,776,442
Prepaid expenses	—	—	9,391,593	5,535,255	654,304	204,487	7,703,315	7,103,156	13,115,571	62,682	—	—	43,770,363
Other current assets	—	—	—	1,502,090	—	—	—	—	9,679,621	—	—	—	11,181,711
<b>Total current assets</b>	<b>109,162,503</b>	<b>20,402,182</b>	<b>127,822,664</b>	<b>470,774,133</b>	<b>12,090,567</b>	<b>45,146,396</b>	<b>347,678,552</b>	<b>168,170,328</b>	<b>803,449,607</b>	<b>31,076,978</b>	<b>306,742</b>	<b>(573,505)</b>	<b>2,135,507,147</b>
<b>Noncurrent assets:</b>													
Restricted cash and cash equivalents	3,101,763	1,236,619	2,239,710	14,256,128	1,124,024	—	8,577,813	10,022,691	155,323,403	—	—	—	195,882,151
Restricted investments	1,058,329	—	—	—	—	467,662	—	—	29,731,203	—	—	—	31,257,194
Endowments investments	20,450,682	—	62,632,200	57,358,146	3,984,147	24,976,638	123,739,887	11,972,720	123,563,504	3,363,327	—	—	432,041,251
Other long-term investments	—	—	—	78,362,515	7,332,460	1,489,312	362,238,799	66,489,658	219,918,013	58,116,211	721,157	—	794,668,125
Student notes receivable, net	—	404,848	1,216,977	18,157,751	23,046	—	27,828,566	1,679,594	2,639,534	10,903,265	—	—	62,853,581
Beneficial interest in irrevocable trust	—	—	—	—	—	—	—	—	50,023,205	—	—	—	50,023,205
Capital assets, net	169,553,680	138,515,261	246,763,393	1,524,802,766	131,524,004	123,304,662	1,347,088,827	598,287,760	1,140,294,273	4,117,676	2,392	—	5,424,254,694
Other noncurrent assets	—	1,119,723	87,030	22,071,391	—	109,407	38,596,884	907,010	2,659,064	—	—	—	65,550,509
<b>Total noncurrent assets</b>	<b>194,164,454</b>	<b>141,276,451</b>	<b>312,939,310</b>	<b>1,715,008,697</b>	<b>143,987,681</b>	<b>150,347,681</b>	<b>1,908,070,776</b>	<b>689,359,433</b>	<b>1,724,152,199</b>	<b>76,500,479</b>	<b>723,549</b>	<b>—</b>	<b>7,056,530,710</b>
<b>Total assets</b>	<b>303,326,957</b>	<b>161,678,633</b>	<b>440,761,974</b>	<b>2,185,782,830</b>	<b>156,078,248</b>	<b>195,494,077</b>	<b>2,255,749,328</b>	<b>857,529,761</b>	<b>2,527,601,806</b>	<b>107,577,457</b>	<b>1,030,291</b>	<b>(573,505)</b>	<b>9,192,037,857</b>
Deferred outflows of resources	21,751,664	11,794,296	38,942,549	189,843,231	11,067,355	9,830,501	136,443,353	65,789,609	333,903,849	4,542,585	367,267	—	824,276,259
<b>Total assets and deferred outflows of resources</b>	<b>\$ 325,078,621</b>	<b>173,472,929</b>	<b>479,704,523</b>	<b>2,375,626,061</b>	<b>167,145,603</b>	<b>205,324,578</b>	<b>2,392,192,681</b>	<b>923,319,370</b>	<b>2,861,505,655</b>	<b>112,120,042</b>	<b>1,397,558</b>	<b>(573,505)</b>	<b>10,016,314,116</b>

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
Combining Statement of Net Position Information  
June 30, 2025

	<b>Alcorn State University</b>	<b>Delta State University</b>	<b>Jackson State University</b>	<b>Mississippi State University</b>	<b>Mississippi University for Women</b>	<b>Mississippi Valley State University</b>	<b>University of Mississippi</b>	<b>University of Southern Mississippi</b>	<b>University of Mississippi Medical Center</b>	<b>IHL Board Office</b>	<b>MCVS</b>	<b>Elimination entries</b>	<b>Total</b>
<b>Liabilities</b>													
Current liabilities:													
Accounts payable and accrued liabilities	\$ 10,419,229	5,680,382	21,579,611	55,469,850	3,189,101	2,611,226	55,077,757	26,944,207	155,351,343	2,030,303	166,263	—	338,519,272
Unearned revenues	2,730,050	1,862,410	16,737,824	72,481,076	1,692,431	1,282,782	62,665,749	14,099,280	38,754,398	—	—	—	212,306,000
Accrued leave liabilities – current portion	717,326	394,883	367,579	3,296,946	55,608	216,477	2,133,000	1,337,865	6,753,978	38,962	10,544	—	15,323,168
Long-term liabilities – current portion	1,887,963	643,818	9,348,357	18,528,824	136,963	807,916	31,801,904	8,641,346	50,360,521	7,022,139	—	(573,505)	128,606,246
Other current liabilities	—	—	—	—	378,835	100,291	53,881	82,358	67,889,011	399,585	—	—	68,903,961
<b>Total current liabilities</b>	<b>15,754,568</b>	<b>8,581,493</b>	<b>48,033,371</b>	<b>149,776,696</b>	<b>5,452,938</b>	<b>5,018,692</b>	<b>151,732,291</b>	<b>51,105,056</b>	<b>319,109,251</b>	<b>9,490,989</b>	<b>176,807</b>	<b>(573,505)</b>	<b>763,658,647</b>
Noncurrent liabilities:													
Accrued leave liabilities	2,936,556	1,184,647	4,737,686	27,581,556	1,334,582	1,238,843	25,052,398	10,824,540	67,060,195	816,146	55,972	—	142,823,121
Deposits refundable	771,881	111,126	446,526	44,037	—	23,523	101,403	—	—	—	—	—	1,498,496
Long-term liabilities	37,554,042	9,346,651	72,884,176	347,792,376	272,211	12,767,469	250,553,283	122,308,252	543,226,882	25,430,313	—	—	1,422,135,655
Net pension liability	91,799,646	65,073,194	177,320,101	882,145,792	59,340,596	54,165,265	560,563,949	321,078,775	1,793,586,226	25,245,468	2,086,682	—	4,032,405,694
Net OPEB liability	2,653,314	2,116,718	4,798,826	24,568,243	1,826,171	1,676,971	16,659,778	10,079,279	39,865,166	472,030	—	—	104,716,496
Other long-term liabilities	—	—	1,912,787	1,591,134	238,048	—	4,218,062	10,847,237	1,147,539	—	—	—	19,954,807
<b>Total noncurrent liabilities</b>	<b>135,715,439</b>	<b>77,832,336</b>	<b>262,100,102</b>	<b>1,283,723,138</b>	<b>63,011,608</b>	<b>69,872,071</b>	<b>857,148,873</b>	<b>475,138,083</b>	<b>2,444,886,008</b>	<b>51,963,957</b>	<b>2,142,654</b>	<b>—</b>	<b>5,723,534,269</b>
<b>Total liabilities</b>	<b>151,470,007</b>	<b>86,413,829</b>	<b>310,133,473</b>	<b>1,433,499,834</b>	<b>68,464,546</b>	<b>74,890,763</b>	<b>1,008,881,164</b>	<b>526,243,139</b>	<b>2,763,995,259</b>	<b>61,454,946</b>	<b>2,319,461</b>	<b>(573,505)</b>	<b>6,487,192,916</b>
Deferred inflows of resources	1,002,781	5,616,581	1,419,818	23,201,703	795,727	2,028,602	12,100,967	9,803,143	129,501,073	692,354	145,137	—	186,307,886
<b>Total liabilities and deferred inflows of resources</b>	<b>\$ 152,472,788</b>	<b>92,030,410</b>	<b>311,553,291</b>	<b>1,456,701,537</b>	<b>69,260,273</b>	<b>76,919,365</b>	<b>1,020,982,131</b>	<b>536,046,282</b>	<b>2,893,496,332</b>	<b>62,147,300</b>	<b>2,464,598</b>	<b>(573,505)</b>	<b>6,673,500,802</b>
<b>Net Position</b>													
Net investment in capital assets	\$ 133,645,178	128,750,261	177,788,017	1,178,311,556	131,109,681	109,717,749	1,046,720,119	460,044,079	613,146,916	3,645,902	2,392	—	3,982,881,850
Restricted for:													
Nonexpendable:													
Scholarship and fellowships	—	—	12,501,589	3,788,170	915,274	2,201,910	10,210,802	6,069,090	—	967,637	—	—	36,654,472
Research	—	—	—	5,435,796	—	—	288,058	—	—	—	—	—	5,723,854
Other purposes	17,982,425	—	38,854,786	8,998,049	286,659	19,810,000	45,168,475	—	32,538,377	—	—	—	163,638,771
Expendable:													
Scholarships and fellowships	—	—	10,880,410	1,239,913	680,016	979,788	10,367,880	1,556,356	5,005,824	19,586,196	—	—	50,296,383
Research	—	—	—	38,109,168	—	—	12,049,638	—	72,462,094	—	—	—	122,620,900
Capital projects	—	—	791,934	13,200,527	2,222,363	766,858	42,640,961	—	—	—	—	—	59,622,643
Debt service	—	—	16,929	(3,556,824)	—	527,277	—	15,342,251	71,558,145	—	—	—	83,887,778
Loans	558,842	—	337,551	20,346,106	42,009	—	35,916,302	3,332,937	7,900,963	—	—	—	68,434,710
Other purposes	—	—	—	1,575,327	—	549,476	27,772,131	15,190,730	123,478,106	36,087,977	863,572	—	205,517,319
Unrestricted	20,419,388	(47,307,742)	(73,019,984)	(348,523,264)	(37,370,672)	(6,147,845)	140,076,184	(114,262,355)	(958,081,102)	(10,314,970)	(1,933,004)	—	(1,436,465,366)
<b>Total net position</b>	<b>\$ 172,605,833</b>	<b>81,442,519</b>	<b>168,151,232</b>	<b>918,924,524</b>	<b>97,885,330</b>	<b>128,405,213</b>	<b>1,371,210,550</b>	<b>387,273,088</b>	<b>(31,990,677)</b>	<b>49,972,742</b>	<b>(1,067,040)</b>	<b>—</b>	<b>3,342,813,314</b>

**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, 2025

	<b>Alcorn State University</b>	<b>Delta State University</b>	<b>Jackson State University</b>	<b>Mississippi State University</b>	<b>Mississippi University for Women</b>	<b>Mississippi Valley State University</b>	<b>University of Mississippi</b>	<b>University of Southern Mississippi</b>	<b>University of Mississippi Medical Center</b>	<b>IHL Board Office</b>	<b>MCVS</b>	<b>Elimination entries</b>	<b>Total</b>
Operating revenues:													
Tuition and fees	\$ 22,788,170	25,985,092	68,452,092	383,565,874	19,050,611	12,549,430	513,200,231	148,553,415	54,924,754	—	—	—	1,249,069,669
Scholarship allowances	(19,816,205)	(13,762,745)	(35,512,804)	(204,019,693)	(14,858,386)	(10,642,122)	(227,231,145)	(85,296,664)	(17,752,517)	—	—	—	(628,892,281)
Bad debt expense	(763,508)	(124,925)	(2,421,398)	(3,821,152)	(249,105)	(570,418)	(1,873,561)	(3,377,830)	—	—	—	—	(13,201,897)
Net tuition and fees	2,208,457	12,097,422	30,517,890	175,725,029	3,943,120	1,336,890	284,095,525	59,878,921	37,172,237	—	—	—	606,975,491
Federal appropriations	—	—	—	15,869,920	—	—	—	—	—	—	—	—	15,869,920
Federal grants and contracts	42,408,630	5,834,646	50,219,602	194,655,337	398,280	8,207,840	70,501,502	61,390,482	81,152,040	3,892,469	3,395,251	(30,832,432)	491,223,647
State grants and contracts	1,158,818	1,470,926	2,067,121	37,388,760	9,140,143	—	15,882,058	19,246,823	2,392,198	150,000	—	(36,910,626)	51,986,221
Nongovernmental grants and contracts	1,408,403	4,221,890	2,150,358	18,290,298	3,639,578	—	41,768,283	16,416,046	19,673,797	750,270	—	—	108,318,923
Sales and services of educational departments	1,258,306	1,011,899	2,831,191	70,315,366	1,243,446	2,151,284	11,376,738	3,151,251	1,265,331	4,775,276	—	(4,121,614)	95,258,474
Auxiliary enterprises:													
Student housing	10,521,082	3,925,060	15,423,150	37,195,327	2,010,803	4,328,618	50,241,143	22,597,539	—	—	—	—	146,242,722
Food services	7,282,157	4,067,548	10,780,239	3,180,433	1,813,288	3,469,123	7,079,529	3,606,472	—	—	—	—	41,278,789
Bookstore	224,649	200,668	—	1,102,923	80,680	552,397	860,418	622,794	1,954,950	—	—	—	5,599,479
Athletics	—	—	—	83,725,552	—	—	109,289,166	13,602,635	—	—	—	—	206,617,353
Other auxiliary revenues	764,812	812,030	2,163,476	12,177,060	154,007	1,210,939	14,508,234	6,230,417	402,385	2,103,481	—	—	40,526,841
Less auxiliary enterprise scholarship allowances	(1,596,955)	—	(227,270)	(13,778,464)	—	(1,342,099)	(845,610)	(5,968,601)	—	—	—	—	(23,758,999)
Interest earned on loans to students	—	2,665	—	89,619	—	—	721,723	—	578,456	—	—	—	1,392,463
Patient care revenues	—	—	—	—	—	—	—	—	1,782,983,789	—	—	—	1,782,983,789
Other operating revenues	5,929,559	81,607	21,475,523	9,822,258	118,444	2,422,337	9,776,269	5,837,021	187,377,089	7,459,167	15,236	(4,845,532)	245,468,978
Total operating revenues	71,567,918	33,726,361	137,401,280	645,759,418	22,541,789	22,337,329	615,254,978	206,611,800	2,114,952,272	19,130,663	3,410,487	(76,710,204)	3,815,984,091
Operating expenses:													
Salaries and wages	38,108,800	27,282,274	78,609,717	454,076,180	25,463,278	20,471,336	342,723,926	164,730,698	997,949,773	7,850,675	669,319	—	2,157,935,976
Fringe benefits	19,979,943	13,917,012	39,968,036	256,765,079	13,530,584	9,818,796	160,468,279	81,865,918	364,452,921	4,287,122	294,490	—	965,348,180
Travel	3,563,551	1,372,049	6,733,681	20,393,144	1,128,393	1,734,738	23,849,428	8,695,796	5,262,447	122,623	61,800	—	72,917,650
Contractual services	36,709,686	14,809,965	56,365,672	190,225,670	8,002,415	11,721,043	126,594,452	76,083,749	250,223,129	19,525,026	3,625,411	(39,799,578)	754,086,640
Utilities	3,833,269	2,357,513	5,031,266	24,162,077	3,573,235	2,195,447	21,211,678	11,460,580	17,751,428	706,532	—	—	92,283,025
Scholarships and fellowships	4,065,947	558,615	4,710,858	—	—	—	—	—	997,500	53,008,325	—	(36,910,626)	26,430,619
Commodities	7,978,912	3,643,106	4,255,777	15,216,309	3,843,824	4,176,692	57,235,750	20,034,787	505,310,412	516,216	114,110	—	622,325,895
Depreciation and amortization	4,624,519	4,870,867	11,203,709	52,693,666	3,085,322	3,006,895	54,117,811	20,198,199	80,970,655	379,098	—	—	235,150,741
Other operating expenses	—	1,456	3,012,572	—	—	—	3,060,234	—	770,491	209,616	—	—	7,054,369
Total operating expenses	118,864,627	68,812,857	209,891,288	1,013,532,125	58,627,051	53,124,947	789,261,558	383,069,727	2,223,688,756	86,605,233	4,765,130	(76,710,204)	4,933,533,095
Operating loss	(47,296,709)	(35,086,496)	(72,490,008)	(367,772,707)	(36,085,262)	(30,787,618)	(174,006,580)	(176,457,927)	(108,736,484)	(67,474,570)	(1,354,643)	—	(1,117,549,004)

**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, 2025

	<b>Alcorn State University</b>	<b>Delta State University</b>	<b>Jackson State University</b>	<b>Mississippi State University</b>	<b>Mississippi University for Women</b>	<b>Mississippi Valley State University</b>	<b>University of Mississippi</b>	<b>University of Southern Mississippi</b>	<b>University of Mississippi Medical Center</b>	<b>IHL Board Office</b>	<b>MCVS</b>	<b>Elimination entries</b>	<b>Total</b>
Nonoperating revenue (expenses):													
State appropriations	\$ 37,790,212	30,995,834	49,594,871	238,066,721	20,008,679	18,359,613	121,863,340	111,647,481	211,085,799	59,317,547	1,122,734	—	899,852,831
Gifts and grants	14,804,947	6,727,830	22,608,661	101,564,828	6,754,537	8,273,945	40,501,358	41,544,577	7,987,473	—	—	—	250,768,156
Investment income, net of investment expense	1,944,371	440,091	6,780,912	29,176,337	502,418	1,458,460	43,594,323	10,168,463	45,578,781	80,166	(20,108)	(56,489)	139,647,725
Interest expense on capital assets-related debt	(1,317,419)	(419,868)	(2,653,377)	(13,509,968)	(23,656)	(492,199)	(10,081,646)	(5,208,247)	(19,824,964)	(23,369)	—	56,489	(53,498,224)
Other nonoperating revenues	—	27,410	5,917,919	324,040	208,683	229,448	976,886	—	1,078	—	—	—	7,685,464
Other nonoperating expenses	—	—	(22,591,056)	(171,723)	(302,465)	(5,073)	(17,500)	—	—	(24,860,017)	—	—	(47,947,834)
<b>Total net nonoperating revenue</b>	<b>53,222,111</b>	<b>37,771,297</b>	<b>59,657,930</b>	<b>355,450,235</b>	<b>27,148,196</b>	<b>27,824,194</b>	<b>196,836,761</b>	<b>158,152,274</b>	<b>244,828,167</b>	<b>34,514,327</b>	<b>1,102,626</b>	<b>—</b>	<b>1,196,508,118</b>
Income (loss) before other revenues, expenses, gains and losses	5,925,402	2,684,801	(12,832,078)	(12,322,472)	(8,937,066)	(2,963,424)	22,830,181	(18,305,653)	136,091,683	(32,960,243)	(252,017)	—	78,959,114
Capital grants and gifts	—	—	—	39,192,995	—	—	29,453,412	9,372,697	29,416,448	—	—	—	107,435,552
State appropriations restricted for capital purposes	11,964,358	5,359,196	17,934,251	12,552,065	7,890,518	15,565,355	38,014,067	19,830,513	89,969,534	4,693,822	—	—	223,773,679
Additions to permanent endowments	—	—	—	—	194,405	19,888,090	1,217,610	—	3,550	—	—	—	21,303,655
Other additions	1,282,540	—	—	—	—	—	389,603	1,822,313	—	6,034,884	44,039	—	9,573,379
Other deletions	(17,734)	—	—	(766,054)	(439,458)	—	(654,123)	(1,160,876)	(3,794,734)	—	—	—	(6,832,979)
<b>Change in net position</b>	<b>19,154,566</b>	<b>8,043,997</b>	<b>5,102,173</b>	<b>38,656,534</b>	<b>(1,291,601)</b>	<b>32,490,021</b>	<b>91,250,750</b>	<b>11,558,994</b>	<b>251,686,481</b>	<b>(22,231,537)</b>	<b>(207,978)</b>	<b>—</b>	<b>434,212,400</b>
Net position, beginning of the year	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)	—	2,908,600,914
Net position, end of the year	172,605,833	81,442,519	168,151,232	918,924,524	97,885,330	128,405,213	1,371,210,550	387,273,088	(31,990,677)	49,972,742	(1,067,040)	—	3,342,813,314

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
Combining Statement of Cash Flows Information  
Year ended June 30, 2025

	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	\$ 2,884,375	20,892,913	25,253,084	176,827,430	4,048,033	(2,860,448)	283,373,362	58,177,844	39,650,307	—	—	—	608,246,900
Grants and contracts	40,748,223	10,685,906	51,492,613	295,371,530	13,178,001	8,598,073	132,013,937	97,053,351	114,649,285	4,792,739	4,126,111	(67,743,058)	704,966,711
Sales and services of educational departments	1,258,306	1,011,899	2,831,491	69,095,343	1,229,904	2,151,284	11,920,332	3,151,251	1,265,331	5,469,999	—	(4,121,614)	95,263,526
Payments to suppliers	(40,412,178)	(19,444,190)	(74,036,878)	(224,139,145)	(13,508,264)	(17,887,051)	(187,418,596)	(102,912,738)	(789,248,502)	(20,555,182)	(4,001,721)	39,799,578	(1,453,764,867)
Payments to employees for salaries and benefits	(57,633,755)	(36,511,139)	(97,951,651)	(626,094,671)	(33,693,019)	(28,794,157)	(437,343,458)	(223,031,839)	(1,240,727,903)	(10,383,555)	(876,945)	—	(2,793,042,092)
Payments for utilities	(3,833,269)	(2,357,513)	(5,031,266)	(24,162,077)	(3,679,540)	(2,195,447)	(21,074,633)	(11,460,580)	(17,667,198)	(706,532)	—	—	(92,168,055)
Payment for scholarships and fellowships	(4,065,947)	(558,615)	(4,710,858)	—	—	—	(158)	—	(885,833)	(53,008,325)	—	36,910,626	(26,319,110)
Loans issued to students	—	(579,185)	—	(2,826,416)	—	—	(5,281,147)	—	680,402	(695,787)	—	—	(8,702,133)
Collections of loans from students	—	22,208	—	890,288	374,260	—	1,837,243	2,793,404	1,125,839	1,708,676	—	—	8,751,918
Federal loan program receipts	18,436,163	13,845,689	53,736,324	144,203,688	9,099,895	9,056,539	126,056,405	60,677,933	49,092,176	—	—	—	484,204,812
Federal loan program disbursements	(18,436,163)	(23,040,357)	(53,736,324)	(144,158,479)	(9,099,895)	(9,056,539)	(126,056,405)	(66,360,619)	(51,314,968)	—	—	—	(501,259,749)
Auxiliary enterprise charges:													
Student housing	8,042,602	3,927,190	15,289,380	37,735,039	2,010,803	3,721,005	48,719,321	22,597,539	—	—	—	—	142,042,879
Food services	6,400,632	4,073,191	9,206,599	3,163,722	1,813,288	2,982,158	7,410,981	3,606,472	—	—	—	—	38,657,043
Bookstore	224,649	200,668	—	1,136,880	80,680	474,856	860,418	622,794	1,979,891	—	—	—	5,580,836
Athletics	—	—	—	82,678,347	—	—	109,828,922	7,634,034	—	—	—	—	200,141,303
Other auxiliary enterprises	764,812	525,893	2,163,177	(1,614,289)	154,007	1,040,959	15,568,972	6,230,417	402,385	2,024,234	—	—	27,260,567
Patient care services	—	—	—	—	—	—	—	—	1,722,998,272	—	—	—	1,722,998,272
Interest earned on loans to students	—	—	—	—	—	—	721,723	—	578,456	162,691	—	—	1,462,870
Other receipts	5,689,316	910,568	21,410,419	24,982,973	118,444	2,720,144	10,100,716	2,560,765	181,715,605	7,296,476	15,236	(4,845,532)	252,675,130
Other payments	—	23,418	—	—	—	—	(23,996,204)	—	(770,491)	(313,908)	—	—	(25,057,185)
Net cash provided by (used in) operating activities	(39,932,234)	(26,371,456)	(54,083,890)	(186,909,837)	(27,873,403)	(30,048,624)	(52,758,269)	(138,659,972)	13,523,054	(64,208,474)	(737,319)	—	(608,060,424)
Noncapital financing activities:													
State appropriations	37,790,212	30,995,834	52,475,077	260,395,764	21,151,294	17,133,299	119,805,355	111,647,483	203,488,031	59,186,736	1,122,734	—	915,191,819
Gifts and grants for other than capital purposes	14,804,947	6,727,830	22,608,661	84,132,566	6,090,540	8,273,946	40,495,592	41,544,577	7,987,473	—	—	—	232,666,132
Private gifts for endowment purposes	—	—	—	—	—	19,888,090	1,217,610	—	3,550	—	—	—	21,109,250
Other sources	1,264,806	—	—	—	8,293,606	—	4,398,548	1,822,311	—	11,110,046	44,039	—	26,933,356
Other uses	—	—	(39,566)	(132,090)	(741,923)	—	(7,871,487)	(1,160,876)	(743,256)	(24,860,017)	—	—	(35,549,215)
Net cash provided by noncapital financing activities	53,859,965	37,723,664	75,044,172	344,396,240	34,793,517	45,295,335	158,045,618	153,853,495	210,735,798	45,436,765	1,166,773	—	1,160,351,342

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
Combining Statement of Cash Flows Information  
Year ended June 30, 2025

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination entries	Total
Capital and related financing activities:													
Proceeds from Capital Debt	\$ —	24,340	—	—	—	1,670,627	—	—	—	—	—	—	1,694,967
Cash Paid for Capital Assets	(13,407,452)	(9,724,524)	(484,972)	(178,417,749)	(3,209,004)	(2,047,048)	(109,511,835)	(37,275,567)	(153,849,560)	(4,254)	—	—	(507,931,965)
Capital Appropriations Received	11,964,358	5,359,196	—	21,473,346	(5,432,685)	—	26,004,327	19,830,513	81,066,983	—	—	—	160,266,038
Capital Grants and Contracts Received	—	—	—	4,425,613	—	—	7,115,564	9,372,697	28,692,122	—	—	(3,999,061)	45,606,935
Proceeds from Sales of Capital Assets	—	(24,340)	—	—	—	—	118,883	—	390,892	—	—	—	485,435
Principal Paid on Capital Debt, Leases & Subscriptions	(1,754,549)	(639,811)	(8,548,860)	(19,565,061)	12,219	(855,317)	(27,531,514)	(5,016,265)	(50,085,084)	(176,663)	—	3,999,061	(110,161,844)
Interest Paid on Capital Debt, Leases & Subscriptions	(1,317,419)	(422,018)	(2,653,377)	(14,704,406)	(23,656)	(486,224)	(10,256,881)	(5,208,247)	(19,960,721)	(23,369)	—	56,489	(54,999,829)
Other Source	—	74,215	—	2,932,310	669,435	—	389,603	—	1,078	695	—	—	4,067,336
Other Uses	—	—	(256,126)	—	—	—	(2,034,282)	—	—	—	—	—	(2,290,408)
Net cash used in capital and related financing activities	(4,515,062)	(5,352,942)	(11,943,335)	(183,855,947)	(7,983,691)	(1,717,962)	(115,706,135)	(18,296,869)	(113,744,290)	(203,591)	—	56,489	(463,263,335)
Investing activities:													
Proceeds from Sales and Maturities of Investments	—	—	—	46,480,276	7,616,795	(2,214,727)	268,937,267	—	283,855,657	68,391,567	644,758	—	673,711,593
Interest Received on Investments	1,944,371	425,380	2,653,791	20,875,807	911,780	1,774,409	19,675,943	4,960,216	25,927,013	78,259	(45,067)	(56,489)	79,125,413
Purchases of Investments	(662,853)	—	(1,653,909)	(47,620,675)	(5,203,626)	(20,278,996)	(262,389,450)	(17,660,105)	(326,508,190)	(49,687,485)	(660,980)	—	(732,326,269)
Net cash provided by (used in) investing activities	1,281,518	425,380	999,882	19,735,408	3,324,949	(20,719,314)	26,223,760	(12,699,889)	(16,725,520)	18,782,341	(61,289)	(56,489)	20,510,737
Net increase (decrease) in cash and cash equivalents	10,694,187	6,424,646	10,016,829	(6,634,136)	2,261,372	(7,190,565)	15,804,974	(15,803,235)	93,789,042	(192,959)	368,165	—	109,538,320
Cash and cash equivalents - beginning 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
Cash and cash equivalents - end of year	82,903,608	11,730,853	69,410,005	330,228,802	7,984,483	29,289,305	65,706,540	115,447,456	345,519,875	11,948,633	(497,299)	—	1,069,672,261

**MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING**  
**A Component Unit of the State of Mississippi**  
Combining Statement of Cash Flows Information  
Year ended June 30, 2025

	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	\$ (47,296,709)	(35,086,496)	(72,490,008)	(367,772,707)	(36,085,262)	(30,787,618)	(174,006,580)	(176,457,927)	(108,736,484)	(67,474,570)	(1,354,643)	—	(1,117,549,004)
Adjustment to reconcile operating loss to net cash used in operating activities:													
Depreciation and amortization expense	4,624,519	4,870,867	11,203,709	52,693,666	3,085,322	3,006,895	54,117,811	20,198,199	80,970,655	379,098	—	—	235,150,741
Actuarial change in self-insured claims expense	—	—	—	—	—	—	—	—	2,024,900	5,510,267	—	—	7,535,167
Provision for uncollectible accounts receivable	763,508	124,925	2,421,398	3,821,152	—	(570,418)	2,061,577	—	208,593,127	(104,292)	—	—	217,110,977
Other	—	—	—	—	—	2,558,366	—	—	—	—	—	—	2,558,366
Changes in assets and liabilities:													
(Increase) decrease in assets:													
Receivables, net	(6,353,556)	(1,934,721)	(11,315,179)	(10,883,372)	98,142	(4,026,978)	5,382,941	1,092,327	(237,031,389)	1,628,365	730,860	—	(262,612,560)
Inventories	17,734	92,235	1,790	(446,999)	—	(46,378)	(6,268)	(4,178)	(4,119,421)	35,372	—	—	(4,476,113)
Prepaid expenses	—	—	(3,015,765)	1,059	(370,225)	(103,581)	(4,371,984)	(6,045)	967,678	(3,604)	—	—	(6,902,467)
Loans to students	35,045	(559,642)	—	—	—	—	(3,453,679)	—	221,198	—	—	—	(3,757,078)
Deferred outflows of resources	2,581,642	4,702,366	6,291,703	32,218,688	3,661,981	2,998,961	1,635,557	19,068,402	112,308,322	1,534,122	142,685	—	187,144,429
Other assets	—	—	—	—	—	(11,048)	—	903,643	(6,179,829)	—	—	—	(5,287,234)
Increase (decrease) in liabilities:													
Accounts payable and accrued liabilities													
accrued liabilities	4,531,374	471,982	2,163,535	2,407,406	242,437	(20,936)	2,132,332	968,419	(22,436,754)	(881,644)	(200,400)	—	(10,622,249)
Unearned revenue	(367,290)	251,787	2,373,500	50,271,889	378,907	(52,738)	710,139	(3,273,450)	9,302,347	—	—	—	59,595,091
Deposits refundable	96,102	2,130	(5,676)	—	—	—	—	(2,806)	—	—	—	—	89,750
Accrued leave liability	454,988	23,226	(926,342)	1,976,269	76,892	—	4,133,808	284,209	3,665,245	7,947	12,341	—	9,708,583
Net pension liability	8,539,677	(2,731,882)	10,803,185	51,294,613	1,024,857	1,548,928	59,184,167	5,122,205	(25,370,946)	(131,816)	(138,311)	—	109,144,677
Net OPEB liability	126,774	(117,438)	293,536	821,520	(25,306)	(97,111)	1,094,642	(47,519)	(363,394)	(25,023)	—	—	1,660,681
Deferred inflows of resources	(6,691,002)	3,519,205	(1,883,276)	(3,313,021)	128,197	(1,821,926)	(1,372,732)	(862,519)	26,325,450	369,012	70,149	—	14,467,537
Other liabilities	(995,040)	—	—	—	(89,345)	(2,623,042)	—	(5,642,932)	(26,617,651)	(5,051,708)	—	—	(41,019,718)
Total adjustments	7,364,475	8,715,040	18,406,118	180,862,870	8,211,859	738,994	121,248,311	37,797,955	122,259,538	3,266,096	617,324	—	509,488,580
Net cash provided by (used in) operating activities	\$ (39,932,234)	(26,371,456)	(54,083,890)	(186,909,837)	(27,873,403)	(30,048,624)	(52,758,269)	(138,659,972)	13,523,054	(64,208,474)	(737,319)	—	(608,060,424)
Noncash capital related financing and investing activities:													
Gifts and contributions of capital assets	\$ —	—	—	34,767,383	—	15,565,355	2,274,708	1,822,311	534	—	—	—	54,430,291
Net unrealized gain (loss) on investments	\$ —	14,711	4,127,121	8,300,530	(409,362)	(315,949)	23,918,380	5,208,247	19,696,576	1,907	24,959	—	60,567,120
Right-to-use assets acquired under lease obligations	\$ —	—	6,204,239	432,549	4,698	88,821	20,664,352	278,689	47,303,084	11,742	—	—	74,988,174
Assets acquired under subscription-based information technology arrangements	\$ —	—	—	11,202,019	193,626	—	2,907,642	54,535	24,869,035	164,921	—	—	39,391,778
State of MS - Contribution to PERS on behalf of IHL	\$ 388,870	275,655	751,141	3,736,837	251,371	229,448	2,374,592	1,360,114	7,597,768	106,942	8,839	—	17,081,577

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## **REPORT ON INTERNAL CONTROL AND COMPLIANCE**

**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 (IHL System), a Component Unit of the State of Mississippi, as of and for the year ended June 30, 2025 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 February 13, 2026.

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  
February 13, 2026**