NEW ISSUE - Book-Entry Only **Ratings: Underlying**

Moody's "Aa2"

Fitch: "AA"

(See "RATINGS" herein.)

In the opinion of Jones Walker LLP, Bond Counsel, under existing statutes, regulations, published rulings and judicial decisions, interest on the Series 2024 Bonds described herein is excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2024 Bonds is not a separate tax preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code")) for the purpose of computing the alternative minimum tax imposed on corporations. Interest on the Series 2024 Bonds is exempt from present State of Mississippi income taxation. See "TAX MATTERS" herein for information concerning assumptions as to compliance with the Code, upon which the foregoing opinions are based.

$82,650,000
MISSISSIPPI STATE UNIVERSITY
EDUCATIONAL BUILDING CORPORATION
Revenue and Refunding Bonds,
Series 2024A (New Residence Hall and Facilities Refinancing)

$48,325,000
MISSISSIPPI STATE UNIVERSITY
EDUCATIONAL BUILDING CORPORATION
Refunding Bonds, Series 2024B
(Forward Delivery)

Dated: Date of Delivery **Due: August 1, as shown on inside front cover**

The Series 2024 Bonds (as defined herein) will be issued as fully registered bonds in denominations of $5,000 or integral multiples thereof up to the amount of a single maturity, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2024 Bonds. Purchases may be made only in book-entry form through the DTC Participants and no physical delivery of the Series 2024 Bonds will be made to Beneficial Owners (as defined herein), except as described herein. So long as Cede & Co. is the Registered Owner (as defined herein), as nominee of DTC, references herein to the Bondholders or Registered Owners will mean Cede & Co., as aforesaid, and will not mean the Beneficial Owners of the Series 2024 Bonds. See "THE SERIES 2024 BONDS" and "BOOK-ENTRY ONLY SYSTEM" herein. The principal of, premium, if any and interest on the Series 2024 Bonds will be paid to Cede & Co., as long as Cede & Co. is the Registered Owner. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Direct and Indirect Participants, as defined and more fully described herein.

Principal of the Series 2024 Bonds is payable on August 1, as shown on inside front cover. Interest on the Series 2024 Bonds is payable on August 1, 2024, and semiannually thereafter on August 1 and February 1 of each year, to the Registered Owners of record as of the applicable Record Date, as herein described, which payments shall, as long as the book-entry only system described herein is in place, be made to Cede & Co.

The Series 2024 Bonds are issued by the Mississippi State University Educational Building Corporation (the "Corporation"), a Mississippi public non-profit corporation, under a Trust Indenture dated as of February 1, 2024 (the "Indenture"), by and between the Corporation and Regions Bank, as trustee (the "Trustee"). The Series 2024A Bonds (as defined herein) will provide funds to (a) acquire, construct, maintain, enlarge, improve or equip public buildings, land and facilities and to make other capital improvements on the main campus of the University located in Starkville, Mississippi (the "Project Site"), including but not limited to construction, equipping and landscaping of an approximately 400 bed new residence hall; (b) fund capitalized interest for the Series 2024A Bonds; (c) refund the outstanding Mississippi State University Educational Building Corporation Revenue Bonds, Series 2013 (Mississippi State University Refunding and Improvements Project) as set forth on the Schedule of Refunded Bonds attached as Schedule I hereto (the "Series 2013 Refunded Bonds"); and (d) pay the related costs of the authorization, issuance, sale, validation and delivery of the Series 2024A Bonds (together, (a), (b), (c), and (d) constitute the "Series 2024A Project"). The Series 2024B Bonds will provide funds to (a) refund the outstanding Mississippi State University Educational Building Corporation Revenue Bonds, Series 2014A (New Facilities and Refinancing Project) as set forth on the Schedule of Refunded Bonds attached as Schedule I hereto (the "Series 2014A Refunded Bonds," and together with the Series 2013 Refunded Bonds, the "Refunded Bonds"); and (b) pay the related costs of the authorization, issuance, sale, validation and delivery of the Series 2024B Bonds (together, (a) and (b) constitute the "Series 2024B Project," and collectively with the Series 2024A Project, the "Project"). See "DESCRIPTION OF THE PROJECT CONSTRUCTION" and "DESCRIPTION OF THE REFUNDING" herein.

The Series 2024 Bonds are payable as to principal, premium, if any, and interest solely from rental payments made by the Board of Trustees of State Institutions of Higher Learning of the State of Mississippi (the "Board") under the Lease (as defined herein). See "THE SERIES 2024 BONDS" and "THE LEASE" herein. Subject to the provisions of the Lease, the obligations of the Board to make the rental payments required in the Lease and to perform and observe the other agreements on its part contained in the Lease shall be absolute and unconditional, regardless of the continued existence of the Project in a physical condition satisfactory to the Board.

CUSIP PREFIX: 605699
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Inside Front Cover

THE SERIES 2024 BONDS ARE SOLELY AND EXCLUSIVELY THE OBLIGATION OF THE CORPORATION PAYABLE SOLELY FROM RENTAL PAYMENTS MADE BY THE BOARD UNDER THE LEASE AS DEFINED AND DESCRIBED HEREIN. THE SERIES 2024 BONDS ARE NOT OBLIGATIONS OR DEBTS OF THE BOARD OR THE STATE OF MISSISSIPPI, AND DO NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF EITHER THE BOARD OR THE STATE OF MISSISSIPPI. THE CORPORATION HAS NO TAXING POWER. FURTHER, THE SERIES 2024 BONDS DO NOT CONSTITUTE A DEBT OF THE UNIVERSITY.

THE REVENUES THAT ARE THE SOURCE OF THE PAYMENT OF THE SERIES 2024 BONDS ARE SIMILAR TO THE REVENUES THAT ARE THE SOURCE OF PAYMENT OF THE CORPORATION'S OUTSTANDING BONDS AND ANY FUTURE BONDS OF THE CORPORATION AND ALL OUTSTANDING BONDS ISSUED AND ANY FUTURE BONDS ISSUED BY OTHER EDUCATIONAL BUILDING CORPORATIONS FOR THE BENEFIT OF OTHER MEMBER INSTITUTIONS (AS DEFINED HEREIN) INCLUDING MONEYS APPROPRIATED BY THE MISSISSIPPI LEGISLATURE TO THE BOARD. THERE HAS BEEN NO DEFAULT IN THE PAYMENT OF DEBT SERVICE ON THE CORPORATION'S OUTSTANDING BONDS. IN ADDITION, THERE HAS BEEN NO DEFAULT IN THE PAYMENT OF DEBT SERVICE ON THE BONDS ISSUED BY OTHER EDUCATIONAL BUILDING CORPORATIONS FOR THE BENEFIT OF OTHER MEMBER INSTITUTIONS. SEE "SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS."

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORM") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM, THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IS PRINTED IN ITS ENTIRETY FROM SUCH WEBSITE.

Purchase of the Series 2024 Bonds involves a certain degree of risk, and reference is made to "Risks of Ownership of Series 2024 Bonds" and "Risks to Bondholders" herein for a discussion of such risks. Additionally, for a discussion regarding forward delivery of the Series 2024B Bonds, certain conditions to the obligations of the Underwriters to purchase the Series 2024B Bonds and certain risks to the purchasers of the Series 2024B Bonds, see "FORWARD DELIVERY OF SERIES 2024B BONDS" herein. Purchasers of Series 2024B Bonds will be required to execute a Delayed Delivery Agreement in the form attached hereto as APPENDIX F.

The Series 2024 Bonds are subject to redemption prior to maturity as provided herein. This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2024 Bonds are offered when, as and if issued by the Corporation and accepted by the Underwriters, as defined herein, subject to prior sale, to withdrawal or modification of the offer without notice, and to the opinion as to legality and tax exemption of the Series 2024 Bonds by Jones Walker LLP, Jackson, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the Corporation by its counsel, Joan Lucas, Mississippi State, Mississippi, for the Underwriters by their counsel, Butler Snow LLP, Ridgeland, Mississippi, and for the Board by the Attorney General of the State. Hilltop Securities, Inc., Dallas, Texas, serves as Financial Advisor to the Corporation with respect to the issuance of the Series 2024 Bonds. The Series 2024A Bonds are expected to be available for delivery on or about February 27, 2024, and the Series 2024B Bonds are expected to be available for delivery on or about May 7, 2024.

WELLS FARGO SECURITIES

RAYMOND JAMES **STEPHENS INC.**

Dated: January 23, 2024

MATURITY SCHEDULE

$82,650,000
Series 2024A Bonds(1)(2)

Serial Bonds

Maturity (Aug. 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP(3)
2026	$1,300,000	5.000%	2.840%	105.030	605699RX7
2027	1,365,000	5.000%	2.730%	107.378	605699RY5
2028	1,960,000	4.000%	2.720%	105.304	605699RZ2
2028	1,435,000	5.000%	2.670%	109.667	605699SA6
2029	3,560,000	5.000%	2.660%	111.752	605699SB4
2030	1,590,000	5.000%	2.690%	113.550	605699SC2
2031	1,670,000	5.000%	2.710%	115.311	605699SD0
2032	1,755,000	5.000%	2.730%	116.984	605699SE8
2033	2,520,000	4.000%	2.840%	109.533	605699SF5
2033	1,845,000	5.000%	2.760%	118.480	605699SG3
2034	1,940,000	5.000%	2.800%	119.774	605699SH1
2035	2,040,000	5.000%	2.930%	118.481*	605699SJ7
2036	2,145,000	5.000%	3.020%	117.596*	605699SK4
2037	2,255,000	5.000%	3.160%	116.235*	605699SL2
2038	2,370,000	5.000%	3.260%	115.275*	605699SM0
2039	2,490,000	5.000%	3.370%	114.229*	605699SN8
2040	2,620,000	5.000%	3.480%	113.195*	605699SP3
2041	2,755,000	5.000%	3.560%	112.449*	605699SQ1
2042	2,895,000	5.000%	3.650%	111.618*	605699SR9
2043	3,045,000	5.000%	3.720%	110.977*	605699SS7
2044	3,200,000	5.000%	3.770%	110.521*	605699ST5

Term Bonds

$18,150,000 4.00% Series 2024A Term Bond due August 1, 2049 – Price 95.088%; CUSIP: 605699SU2
$17,745,000 5.00% Series 2024A Term Bond due August 1, 2053 – Price 106.870%*; CUSIP: 605699SV0

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* Priced to the par call date of August 1, 2034.

(1) The Series 2024A Bonds which mature on and after August 1, 2035, are subject to optional redemption prior to their respective maturities on and after August 1, 2034, at the election of the Corporation in whole or in part on any date at the redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest, if any, to the redemption date. See "Optional Redemption of the Series 2024 Bonds – *Series 2024A Bonds*."

(2) Interest to accrue from the date of delivery.

(3) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard and Poor's CUSIP Service Bureau, a Division of McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services.

MATURITY SCHEDULE

$48,325,000
Series 2024B Bonds(1)(2)

Serial Bonds

Maturity (Aug. 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP(3)
2025	$4,550,000	5.000%	3.290%	102.045	605699SW8
2026	3,915,000	5.000%	3.070%	104.130	605699SX6
2027	4,160,000	5.000%	2.960%	106.241	605699SY4
2028	4,380,000	5.000%	2.880%	108.388	605699SZ1
2029	3,560,000	5.000%	2.850%	110.379	605699TA5
2030	2,540,000	5.000%	2.870%	112.073	605699TB3
2031	2,675,000	5.000%	2.880%	113.749	605699TC1
2032	2,805,000	5.000%	2.910%	115.199	605699TD9
2033	2,950,000	5.000%	2.940%	116.547	605699TE7
2034	3,105,000	5.000%	2.980%	117.699	605699TF4
2035	3,260,000	5.000%	3.100%	116.547*	605699TG2
2036	1,090,000	5.000%	3.200%	115.597*	605699TH0
2037	1,145,000	5.000%	3.330%	114.376*	605699TJ6
2038	1,200,000	5.000%	3.460%	113.171*	605699TK3
2039	1,265,000	5.000%	3.540%	112.437*	605699TL1
2040	1,325,000	5.000%	3.630%	111.617*	605699TM9
2041	1,395,000	5.000%	3.710%	110.895*	605699TN7
2042	1,465,000	5.000%	3.800%	110.089*	605699TP2
2043	1,540,000	5.000%	3.870%	109.468*	605699TQ0

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* Priced to the par call date of August 1, 2034.
(1) The Series 2024B Bonds which mature on and after August 1, 2035, are subject to optional redemption prior to their respective maturities on and after August 1, 2034, at the election of the Corporation in whole or in part on any date at the redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest, if any, to the redemption date. See "Optional Redemption of the Series 2024 Bonds – *Series 2024B Bonds*."
(2) Interest to accrue from the date of delivery.
(3) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard and Poor's CUSIP Service Bureau, a Division of McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE SERIES 2024 BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2024 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE SERIES 2024 BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE CORPORATION AND THE UNDERWRITERS OR HOLDERS OF THE SERIES 2024 BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.

INFORMATION HEREIN HAS BEEN OBTAINED FROM THE CORPORATION, THE BOARD, THE UNIVERSITY, DTC (EACH AS DEFINED HEREIN) AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITERS.

UPON ISSUANCE, THE SERIES 2024 BONDS WILL NOT BE REGISTERED UNDER 15 U.S.C. SECTION 77A *ET SEQ.* ("THE SECURITIES ACT OF 1933"), AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE CORPORATION (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2024 BONDS FOR SALE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT CONTAINS FORECASTS, PROJECTIONS AND ESTIMATES THAT ARE BASED ON EXPECTATIONS AND ASSUMPTIONS WHICH EXISTED AT THE TIME SUCH FORECASTS, PROJECTIONS AND ESTIMATES WERE PREPARED. IN LIGHT OF THE IMPORTANT FACTORS THAT MAY MATERIALLY AFFECT ECONOMIC CONDITIONS IN THE STATE OF MISSISSIPPI, THE INCLUSION IN THIS OFFICIAL STATEMENT OF SUCH FORECASTS, PROJECTIONS AND ESTIMATES SHOULD NOT BE REGARDED AS A REPRESENTATION BY THE STATE OF MISSISSIPPI, THE CORPORATION, THE BOARD OR THE UNIVERSITY THAT SUCH FORECASTS, PROJECTIONS AND ESTIMATES WILL OCCUR. SUCH FORECASTS, PROJECTIONS AND

ESTIMATES ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS.

IF AND WHEN INCLUDED IN THIS OFFICIAL STATEMENT, THE WORDS "EXPECTS," "FORECASTS," "PROJECTS," "INTENDS," "ANTICIPATES, "ESTIMATES" AND ANALOGOUS EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS AND ANY SUCH STATEMENTS INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, LITIGATION AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE STATE OF MISSISSIPPI, THE CORPORATION, THE BOARD AND THE UNIVERSITY. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE CORPORATION DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE CORPORATION'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

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OFFICIAL STATEMENT

$82,650,000	**$48,325,000**
MISSISSIPPI STATE UNIVERSITY EDUCATIONAL BUILDING CORPORATION	**MISSISSIPPI STATE UNIVERSITY EDUCATIONAL BUILDING CORPORATION**
Revenue and Refunding Bonds, Series 2024A (New Residence Hall and Facilities Refinancing)	**Refunding Bonds, Series 2024B (Forward Delivery)**

INTRODUCTION

THE PURPOSE OF THIS OFFICIAL STATEMENT IS TO SET FORTH CERTAIN INFORMATION IN CONNECTION WITH THE SALE AND ISSUANCE OF THE (I) MISSISSIPPI STATE UNIVERSITY EDUCATIONAL BUILDING CORPORATION REVENUE AND REFUNDING BONDS, SERIES 2024A (NEW RESIDENCE HALL AND FACILITIES REFINANCING) (THE "SERIES 2024A BONDS") AND (II) MISSISSIPPI STATE UNIVERSITY EDUCATIONAL BUILDING CORPORATION REFUNDING BONDS, SERIES 2024B (FORWARD DELIVERY) (THE "SERIES 2024B BONDS," AND TOGETHER WITH THE SERIES 2024A BONDS, THE "SERIES 2024 BONDS"). CERTAIN CAPITALIZED TERMS USED IN THIS OFFICIAL STATEMENT AND NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS SET FORTH IN APPENDIX B ATTACHED HERETO.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in this Official Statement, including the cover page and all Appendices hereto, and the documents summarized or described herein. A full review should be made of this entire Official Statement. The offering of the Series 2024 Bonds to potential investors is made only by means of this entire Official Statement.

Authority and Purpose

The Series 2024 Bonds of both series are being issued pursuant to the Act (as defined below) and resolutions of the Board of Directors of the Mississippi State University Educational Building Corporation (the "Corporation") dated June 15, 2021, May 24, 2023, and September 18, 2023, and resolutions of the Board of Trustees of State Institutions of Higher Learning of the State of Mississippi (the "Board") dated May 20, 2021, and October 19, 2023. The Series 2024A Bonds will provide funds to finance all or a portion of the costs to (a) acquire, construct, maintain, enlarge, improve or equip public buildings, land and facilities and to make other capital improvements on the main campus of the University located in Starkville, Mississippi (the "Project Site"), including but not limited to construction, equipping and landscaping of an approximately 400 bed new residence hall; (b) fund capitalized interest for the Series 2024A Bonds; (c) refund the outstanding Mississippi State University Educational Building Corporation Revenue Bonds, Series 2013 (Mississippi State University Refunding and Improvements Project) as set forth on the Schedule of Refunded Bonds attached as Schedule I hereto (the "Series 2013 Refunded Bonds"); and (d) pay the related costs of the authorization, issuance, sale, validation and delivery of the Series 2024A Bonds (together, (a), (b), (c), and (d) constitute the "Series 2024A Project").

The Series 2024B Bonds will provide funds to finance all or a portion of the costs to (a) refund the outstanding Mississippi State University Educational Building Corporation Revenue Bonds, Series 2014A (New Facilities and Refinancing Project) as set forth on the Schedule of Refunded Bonds attached as Schedule I hereto (the "Series 2014A Refunded Bonds," and together with the Series 2013 Refunded Bonds, the "Refunded Bonds"); and (b) pay the related costs of the authorization, issuance, sale, validation and delivery of the Series 2024B Bonds (together, (a) and (b) constitute the "Series 2024B Project," and collectively with the Series 2024A Project, the "Project"). See "SOURCES AND USES OF FUNDS" AND "DESCRIPTION OF THE PROJECT CONSTRUCTION" herein.

The IHL System and the University

The Board was created to direct the operations of state-supported institutions of higher learning which include Mississippi State University of Agriculture and Applied Science (the "University"), as well as Alcorn State University, Delta State University, Jackson State University, the University of Mississippi, Mississippi University for Women, Mississippi Valley State University and the University of Southern Mississippi (together, and where appropriate including the related educational building corporations, the "Member Institutions"). The Board and Member Institutions are referred to herein together as the "IHL System."

Pursuant to Article VIII, Section 213-A, Mississippi Constitution of 1890, and Sections 37-101-1, et seq., Mississippi Code of 1972, as amended, the Board, which is composed of twelve (12) members who appoint a Commissioner of Higher Education who is responsible for administering its policies and decisions, is charged with the management and control of the "Member Institutions.

The University, which was organized and incorporated as such an institution pursuant to Sections 37-113-1 *et seq*., Mississippi Code of 1972, as amended, is under the supervision of the Board.

For purposes of the Lease and all covenants contained therein, the Board and the University are to be treated as one and the same legal entity, and all references to the University in the Lease shall be deemed to be references to the Board.

See "APPENDIX A – ADDITIONAL INFORMATION ABOUT THE IHL SYSTEM AND THE UNIVERSITY."

The Corporation

The Corporation was created as a public nonprofit corporation, known as an educational building corporation, pursuant to a resolution adopted by the Board under the authority of Sections 37-101-61 through 37-101-71, Mississippi Code of 1972, as amended (the "Act"), and was chartered by the State on October 14, 1985. See "THE CORPORATION" herein.

The Corporation has not made and does not intend to make any profit by reason of any business or venture in which it may engage or by reason of the Project, and no part of the Corporation's net earnings, if any, will ever inure to the benefit of any person, firm or corporation, excepting the Board.

The Series 2024 Bonds are being issued under the authority of the Constitution and statutes of the State, including the Act, and by further authority of proceedings duly held by the Corporation and the Board.

The Indenture and Security

The Series 2024 Bonds will be issued under and pursuant to a Trust Indenture dated as of February 1, 2024 (the "Indenture"), by and between the Corporation and Regions Bank, as Trustee (the "Trustee"). The principal of, premium, if any, and interest on any and all of the Series 2024 Bonds are payable solely from the Trust Estate, as defined herein (which includes the rental payments by the Board under the Lease) and funds of the Corporation that are pledged therefore in accordance with the Indenture for the benefit of the owners of the Series 2024 Bonds without priority. The faith, credit, taxing power and moral obligation of neither the Board, the University nor the State are pledged to the payment of the principal of, premium, if any, and interest on any of the Series 2024 Bonds. The Series 2024 Bonds are solely an obligation of the Corporation and not a debt, liability, loan of the credit or pledge of the faith and credit of the University, the Board, the State or of any political subdivision thereof. The Corporation has no taxing power and has only those powers and sources of revenue set forth in the Act.

The revenues that are the source of payment of the Series 2024 Bonds are similar to the revenues that are the source of payment of the Corporation's outstanding bonds and any future bonds of the Corporation and all outstanding bonds issued and any future bonds issued by other educational building corporations for the benefit of other Member Institutions including moneys appropriated by the Mississippi Legislature to the Board. There has been no default in the payment of debt service on the Corporation's outstanding Bonds. See "SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" and Table "OUTSTANDING OBLIGATIONS OF THE CORPORATION AND THE UNIVERSITY" in Appendix A attached hereto. The Series 2024 Bonds are not secured by a moral obligation of, or in any other manner by, the State, and there is no reserve fund provided for payment of debt service on the Series 2024 Bonds.

The Series 2024 Bonds are secured by the pledge of the Trust Estate established under the Indenture including the rental payments to be made by the Board under the Lease (as defined herein). All Series 2024 Bonds will be secured equally and ratably by the Trust Estate. Reference is made to the Lease for a description of the obligations of the Board under the Lease and for the covenants of the Board to appropriate moneys from Designated Revenues or from any other legally available source for rental payments under the Lease. Designated Revenues are defined as all unrestricted revenues of the Board which include without limitation, tuition, fees and auxiliary enterprises net of scholarship allowances, sales and services, other operating revenues (including those of the University), State appropriations and unrestricted net asset balances. See "THE INDENTURE," "THE SERIES 2024 BONDS," "SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS," and "THE LEASE" herein and Appendix B attached hereto.

Transaction Structure

The Project will be located on the Project Site on the campus of the University. The Corporation will lease the Project Site from the Board and the University pursuant to the Ground Lease dated as of February 1, 2024, by and among the Board and the University, and the Corporation (the "Ground Lease"). The Board will, in turn, lease the Project Site and the Project back from the Corporation pursuant to the Lease. The Lease shall provide for rental payments to be made by the Board in an amount sufficient to pay the principal of, premium, if any, and interest on the Series 2024 Bonds as the same come due. Such rental payments include repayment of the amounts used by the Corporation to fund the Project. Upon retirement of the Series 2024 Bonds, the State, acting by and through the Board, will obtain fee simple title to all property financed with the Bond Proceeds, including any additions to such property, without demand or further action on its part. See "THE GROUND LEASE" and "THE LEASE."

Risks of Ownership of Series 2024 Bonds

There are certain risks involved in the ownership of the Series 2024 Bonds that should be considered by prospective purchasers. The ability of the Corporation to pay principal of, premium, if any, and interest on the Series 2024 Bonds depends solely upon the receipt of rental payments from the Board, which is obligated under the Lease to make such payments to the Trustee, as assignee of the Corporation, together with investment earnings on certain amounts in the funds and accounts created in the Indenture.

The rental payments will be paid by the Board from Designated Revenues or from any other legally available source as set forth in the Lease. There is no reserve fund to be provided for payment of the debt service on the Series 2024 Bonds. See "INTRODUCTION – Risks to Bondholders."

Risks to Bondholders

Nothing in the Lease or the Indenture (a) creates a lien of any kind or character whatsoever (i) upon any specific funds, income or revenues (including, but not limited to, Designated Revenues) now existing or hereafter held, collected, received, anticipated by or available to the Board or (ii) upon the Project or (b) limits or prevents the ability of the Board to use or pledge Designated Revenues for the incurrence of additional debt for any of its Member Institutions so long as the Board has made a prior finding that sufficient Designated Revenues exist for the payment of the principal of, premium, if any, and interest on all Bonds issued under the Indenture. Negative financial events occurring with respect to the Board may have an adverse effect on the holders of all Bonds issued under the Indenture.

THE OPERATIONS OF THE BOARD AND ITS MEMBER INSTITUTIONS ARE HEAVILY DEPENDENT ON STATE APPROPRIATIONS. THE BOARD AND MEMBER INSTITUTIONS HAVE NO ASSURANCE THAT THE STATE APPROPRIATIONS TO THE MEMBER INSTITUTIONS WILL CONTINUE AT THE SAME LEVEL AS IN THE PREVIOUS YEARS.

THE SERIES 2024 BONDS ARE SOLELY AND EXCLUSIVELY THE OBLIGATION OF THE CORPORATION PAYABLE SOLELY FROM THE RENTAL PAYMENTS MADE BY THE BOARD UNDER THE LEASE AS DESCRIBED HEREIN. THE SERIES 2024 BONDS ARE NOT OBLIGATIONS OR DEBTS OF THE BOARD, THE STATE OR THE UNIVERSITY, AND DO NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE BOARD, THE UNIVERSITY OR THE STATE. THE CORPORATION HAS NO TAXING POWER.

THE REVENUES THAT ARE THE SOURCE OF THE PAYMENT OF THE SERIES 2024 BONDS ARE SIMILAR TO THE REVENUES THAT ARE THE SOURCE OF PAYMENT OF THE CORPORATION'S OUTSTANDING BONDS AS WELL AS THE OUTSTANDING DEBT OF THE OTHER MEMBER INSTITUTIONS AND ANY FUTURE BONDS INCLUDING MONEYS APPROPRIATED BY THE MISSISSIPPI LEGISLATURE TO THE BOARD. THERE HAS BEEN NO DEFAULT IN THE PAYMENT OF DEBT SERVICE ON THE CORPORATION'S OUTSTANDING BONDS. IN ADDITION, THERE HAS BEEN NO DEFAULT IN THE PAYMENT OF DEBT SERVICE ON THE BONDS ISSUED BY OTHER EDUCATIONAL BUILDING CORPORATIONS FOR THE BENEFIT OF OTHER MEMBER INSTITUTIONS. SEE "SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" HEREIN AND THE TABLE "MEMBER INSTITUTIONS OUTSTANDING OBLIGATIONS" IN APPENDIX A ATTACHED HERETO.

Cybersecurity

Despite the implementation of network security measures by the IHL System, its information technology systems may be vulnerable to breaches, hacker and ransomware attacks, computer viruses, physical or electronic break-ins and other similar events or issues. Universities have recently been subject to such attacks.

The foregoing events or issues could lead to the inadvertent disclosure of protected health information or other confidential information, ransomware attacks holding critical information and operations hostage or could have an adverse effect on the IHL System's ability to provide a continuity of services. Any breach or cyberattack that compromises IHL System data could result in negative press and substantial fines and penalties for violation of federal or state law, particularly compromises of student data, which could be a violation of the Family Education Rights and Privacy Act (FERPA) or similar state privacy laws. Despite efforts of the IHL System, no assurances can be given that the IHL System's measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the IHL System.

Offering and Delivery of the Series 2024 Bonds

The Series 2024 Bonds are offered when, as and if issued by the Corporation and accepted by Wells Fargo Bank, National Association (the "Representative"), acting for and on behalf of itself, Raymond James & Associates, Inc. and Stephens Inc. (collectively, the "Underwriters"), subject to prior sale and to withdrawal or modification of the offer without notice. The Series 2024A Bonds in definitive form are expected to be delivered to the Trustee on behalf of The Depository Trust Company ("DTC"), New York, New York, under the DTC FAST system of registration on or about February 27, 2024. The Series 2024B Bonds in definitive form are expected to be delivered to the Trustee under the DTC FAST system of registration on or about May 7, 2024. For more information about DTC, see "BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2024B Bonds are to be delivered pursuant to a forward delivery in order to address limitations set forth in the Code as to the issuance of refunding bonds and the timing associated therewith. The issuance of the Series 2024B Bonds is contingent upon delivery of certain certificates and legal opinions and the satisfaction of other conditions described herein. The delay in the issuance and delivery of the Series 2024B Bonds may have significant consequences to the owners thereof. The market value of the Series 2024B Bonds on the date of issuance and delivery thereof is unlikely to be the same as, and will likely be greater or less than, the initial offering prices thereof, and such difference may be substantial. Several factors may adversely affect the market prices of the Series 2024B Bonds, including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in federal tax laws affecting the relative benefits of owning tax-exempt securities instead of other types of investments, such as fully taxable obligations, or any adverse development with respect to the Corporation. See "FORWARD DELIVERY OF SERIES 2024B BONDS" herein. Purchasers of Series 2024B Bonds will be required to execute a Delayed Delivery Agreement in the form attached hereto as APPENDIX F.

Other Information about this Official Statement

This Official Statement speaks only as of its date, and certain information contained herein is subject to change. Copies of the Indenture, the Ground Lease, the Lease and the other documents described herein are available, upon request, and upon payment to the Corporation of a charge for copying, mailing and handling, from Kevin Edelblute, Treasurer, Mississippi State University Educational Building Corporation, 532 McArthur Hall, P. O. Box 5227, Mississippi State, Mississippi 39762, telephone number 662-325-2302.

There follows in this Official Statement a description of the security and sources of payment for the Series 2024 Bonds and summaries of certain provisions of the Series 2024 Bonds, the Indenture, the Ground Lease, the Lease, and certain provisions of the Act. All discussions of the Act, the Ground Lease, the Lease, and the Indenture are qualified in their entirety by reference to the Act, the Ground Lease, the Lease, and the Indenture, and all discussions of the Series 2024 Bonds are qualified in their entirety by reference to the definitive form of the information with respect to the Series 2024 Bonds contained in the Indenture. Certain additional information about the Member Institutions is set forth in "APPENDIX A – ADDITIONAL INFORMATION ABOUT THE IHL SYSTEM AND THE UNVERSITY," definitions of certain terms and a summary of certain provisions of the Indenture and the Lease are set forth in "APPENDIX B - DEFINED TERMS AND SUMMARY OF LEASE AND INDENTURE," certain financial information on the Board is set forth in "APPENDIX C – STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING FINANCIAL STATEMENTS – JUNE 30, 2023," the proposed form of opinion of Bond Counsel with respect to the Series 2024 Bonds is set forth in "APPENDIX D - FORM OF OPINIONS OF BOND COUNSEL," the form of the Continuing Disclosure Agreement of the Corporation and the Board is set forth in "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT," and the proposed form of the Delayed Delivery Agreement relating to the Series 2024B Bonds is set forth in "APPENDIX F – FORM OF DELAYED DELIVERY AGREEMENT." Each of the Appendices to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Series 2024 Bonds.

THE CORPORATION

The Corporation is a public nonprofit corporation, known as an educational building corporation, created pursuant to resolution of the Board under the authority of the Act. The members of the Board of Directors, who manage all business of the Corporation, serve for one-year terms and receive no compensation.

The current officers and directors of the Corporation are:

Name	Position
David Shaw	President and Director
John Rush	First Vice President and Director
Regina Hyatt	Second Vice President and Director
Les Potts	Secretary and Director
Kevin Edelblute	Treasurer and Director
Mark E. Keenum	Director
Ra'Sheda Forbes	Director
Keith Coble	Director
Julie Jordan	Director
Zac Selmon	Director

The Act empowers the Corporation, among other things, (a) to acquire, whether by purchase, construction or gift, facilities for one or more institutions of higher learning, and to equip, maintain or improve such facilities; (b) to issue its bonds for said purpose; (c) to lease such Project to the Board; and (d) to secure the payment of such bonds through the pledge or the lien on its rights to receive lease payments.

The Corporation has previously issued and may in the future issue bonds to finance and refinance facilities at the University. Each series of bonds issued by the Corporation is payable only from revenues (lease payments) pledged pursuant to the indentures authorizing the issuance of the bonds. (See "SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" herein.)

ALL BONDS PREVIOUSLY ISSUED AND THAT MAY BE ISSUED BY THE CORPORATION ARE PAYABLE FROM DESIGNATED REVENUES WHICH ARE THE SAME SOURCE OF REVENUES AVAILABLE FOR DEBT SERVICE ON THE SERIES 2024 BONDS.

The incorporators, members, directors and officers of the Corporation shall not be personally liable for any costs, losses, damages or liabilities, including payments on the Series 2024 Bonds, caused or incurred by the Corporation in connection with the Indenture.

DESCRIPTION OF THE PROJECT CONSTRUCTION

A portion of the proceeds of the Series 2024 Bonds will be used to acquire, construct, maintain, enlarge, improve or equip public buildings, land and facilities and to make other capital improvements on the main campus of the University located in Starkville, Mississippi (the "Project Site"), including but not limited to construction, equipping and landscaping of an approximately 400 bed new residence hall.

DESCRIPTION OF THE REFUNDING

A portion of the proceeds of the Series 2024A Bonds will be used to refund all or a portion of the Corporation's outstanding Revenue Bonds, Series 2013 (Mississippi State University Refunding and Improvements Project) (the "Series 2013 Refunded Bonds"). A portion of the proceeds of the Series 2024B Bonds will be used to refund all or a portion of the Corporation's outstanding Revenue Bonds, Series 2014A (New Facilities and Refinancing Project) (the "Series 2014A Refunded Bonds," and together with the Series 2013 Refunded Bonds, the "Refunded Bonds"). See "SCHEDULE I – Schedule of Refunded Bonds" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The following is a summary of the estimated sources and uses of the proceeds of the Series 2024 Bonds which proceeds will be used for the construction of the Project, the refunding of the Refunded Bonds, and to pay certain necessary expenses incidental thereto. See "DESCRIPTION OF THE PROJECT CONSTRUCTION" and "DESCRIPTION OF THE REFUNDING" herein.

Sources of Funds	**Series 2024A**	**Series 2024B**	**Total**
Par Amount of Bonds	$82,650,000.00	$48,325,000.00	$130,975,000.00
Net Original Issue Premium	6,421,522.50	5,178,658.05	11,600,180.55
Total Sources	$89,071,522.50	$53,503,658.05	$142,575,180.55
Uses of Funds			
Transfer to Series 2024A Escrow Agent for Deposit in Escrow Fund for Series 2013 Refunded Bonds	$ 7,070,184.18	$ -	$ 7,070,184.18
Transfer to Series 2024B Escrow Agent for Deposit in Escrow Fund for Series 2014A Refunded Bonds	-	53,151,528.13	53,151,528.13
Deposit to Series 2024A Construction Account	76,000,000.00	-	76,000,000.00
Deposit to Series 2024A Capitalized Interest Fund	5,174,980.56	-	5,174,980.56
Deposit to Series 2024A Costs of Issuance Account	400,113.29	-	400,113.29
Deposit to Series 2024B Costs of Issuance Account	-	130,902.76	130,902.76
Underwriters' Discount	426,244.47	221,227.16	647,471.63
Total Uses	$89,071,522.50	$53,503,658.05	$142,575,180.55

THE SERIES 2024 BONDS

Terms of the Series 2024 Bonds

The Series 2024 Bonds shall be registered as to both principal and interest; shall be dated the date of issuance and delivery thereof; shall be issued in the denomination of $5,000 each, or integral multiples thereof; shall be numbered from one upward in the order of issuance; shall bear interest from the date thereof at the rate or rates specified on the inside front cover of this Official Statement, payable on August 1, 2024, and semiannually thereafter on August 1 and February 1 of each year; and shall mature and become due and payable, with option of prior payment, on August 1 in the principal amounts and on the dates set forth on the inside front cover of this Official Statement.

Optional Redemption of the Series 2024 Bonds

Series 2024A Bonds. The Series 2024A Bonds are subject to optional redemption prior to their respective maturities on and after August 1, 2034, at the election of the Corporation, in whole or in part on any date in the manner hereinafter provided in Section 3.01 of the Indenture, at a redemption price of 100% of the principal amount thereof (expressed as a percentage of the principal amount or portion thereof to be redeemed) plus accrued interest, if any, to the date of redemption.

Series 2024B Bonds. The Series 2024B Bonds are subject to optional redemption prior to their respective maturities on and after August 1, 2034, at the election of the Corporation, in whole or in part on any date in the manner hereinafter provided in Section 3.01 of the Indenture, at a redemption price of 100% of the principal amount thereof (expressed as a percentage of the principal amount or portion thereof to be redeemed) plus accrued interest, if any, to the date of redemption.

Notice of the call for redemption of any Series 2024 Bond (which may be a conditional notice) shall be given by the Trustee not less than thirty (30) days prior to the date of redemption to all Registered Owners of the Series 2024 Bonds to be redeemed; provided, however, that with respect to any notice of optional redemption of Series 2024 Bonds, unless upon the giving of such notice such Series 2024 Bonds or portions thereof shall be deemed to have been paid within the meaning hereof, such notice shall state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Series 2024 Bonds or portions thereof to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Corporation shall not be required to redeem such Series 2024 Bonds or portions thereof. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within five (5) days thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Failure to so give the notice of the call of redemption shall not affect the redemption of Series 2024 Bonds held by Registered Owners with respect to which no such failure has occurred.

Mandatory Sinking Fund Redemption for the Series 2024 Bonds

Series 2024A Bonds. The Series 2024A Bonds maturing on August 1, 2049, shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest, if any, thereon to the redemption date, on August 1 in the years and in the principal amounts (after credit as provided below) as follows:

Year	Principal Amount
2045	$3,345,000
2046	3,485,000
2047	3,625,000
2048	3,770,000
2049*	3,925,000

* Final Maturity

Not less than 45 or more than 60 days prior to each such scheduled mandatory sinking fund redemption date, the Trustee shall proceed to select for redemption, by lot, Series 2024A Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2024A Bonds or portions thereof for redemption on such scheduled mandatory sinking fund redemption date; provided, however, that the Corporation may, upon Written Direction (as defined in the Indenture) delivered to the Trustee not less than 60 days prior to such scheduled mandatory sinking fund redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2024A Bonds scheduled for redemption on such date: (a) the principal amount of Series 2024A Bonds maturing on August 1, 2049, delivered by the Corporation to the Trustee for cancellation and not previously claimed as a credit; (b) the principal amount of Series 2024A Bonds maturing on August 1, 2049, previously redeemed (other than pursuant to this provision) and not previously claimed as a credit; and (c) the principal amount of Series 2024A Bonds maturing on August 1, 2049, which have been otherwise deemed "fully paid" and not previously claimed as credit.

The Series 2024A Bonds maturing on August 1, 2053, shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest, if any, thereon to the redemption date, on August 1 in the years and in the principal amounts (after credit as provided below) as follows:

Year	Principal Amount
2050	$4,110,000
2051	4,320,000
2052	4,540,000
2053*	4,775,000

* Final Maturity

Not less than 45 or more than 60 days prior to each such scheduled mandatory sinking fund redemption date, the Trustee shall proceed to select for redemption, by lot, Series 2024A Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Series 2024A Bonds or portions thereof for redemption on such scheduled mandatory sinking fund redemption date; provided, however, that the Corporation may, upon Written Direction (as defined in the Indenture) delivered to the Trustee not less than 60 days prior to such scheduled mandatory sinking fund redemption date, direct that any or all of the following amounts be credited against the principal amount of Series 2024A Bonds scheduled for redemption on such date: (a) the principal amount of Series 2024A Bonds maturing on August 1, 2053, delivered by the Corporation to the Trustee for cancellation and not previously claimed as a credit; (b) the principal amount of Series 2024A Bonds maturing on August 1, 2053, previously redeemed (other than pursuant to this provision) and not previously claimed as a credit; and (c) the principal amount of Series 2024A Bonds maturing on August 1, 2053, which have been otherwise deemed “fully paid” and not previously claimed as credit.

FUTURE DEBT SERVICE

At this time, the Corporation has no current plans to issue additional bonds in Fiscal Year 2024. From time to time, other Member Institutions issue bonds for new construction projects payable from sources of revenue similar to the revenues paying the debt service on the Series 2024 Bonds. The University of Mississippi and other fellow member institutions have projects that are in the planning phase; however, no projects that require bond financing have come before the Board for approval at this time.

BOOK-ENTRY ONLY SYSTEM

The information provided under this caption has been provided by DTC. No representation is made by the Corporation, the Underwriters or the Trustee as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Series 2024 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct

Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024 Bond documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct

Participants to whose accounts Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and principal and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2024 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Trustee, or Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Corporation or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to Corporation or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor bonds depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

THE CORPORATION, THE TRUSTEE AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SERIES 2024 BONDS; (ii) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2024 BONDS; OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2024 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE CORPORATION, THE TRUSTEE NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE SERIES 2024 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE SERIES 2024 BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO

RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2024 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

So long as Cede & Co. is the registered holder of the Series 2024 Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Series 2024 Bonds mean Cede & Co. and not the Beneficial Owners of the Series 2024 Bonds.

SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

Under the Indenture, the Corporation has pledged all of its right, title and interest in and to the Lease as security for the payment of principal of, premium, if any, and interest on the Series 2024 Bonds. Under the Lease, the Board covenants to pay rental payments equal to the debt service on the Series 2024 Bonds utilizing Designated Revenues. The Board covenants in the Lease that it shall take all such actions as may be necessary to include all rental payments and other amounts due under the terms of the Lease in the annual budget of the University and to provide for periodic appropriations for all such payments from Designated Revenues. See "THE LEASE – Covenant to Appropriate Designated Revenues; Limitation on Source of Board Payments" herein. Such rental payments include repayment of the amounts used by the Corporation to fund the Project and refunded the Refunded Bonds.

NOTHING IN THE LEASE OR THE INDENTURE CREATES A LIEN ON DESIGNATED REVENUES OR OTHER REVENUES RECEIVED BY THE CORPORATION OR PROHIBITS THE USE OR PLEDGE OF SUCH DESIGNATED REVENUES OR OTHER REVENUES TO PAY OTHER EXISTING OR FUTURE OBLIGATIONS OF THE BOARD OR THE UNIVERSITY. THE USE OF DESIGNATED REVENUES OR OTHER REVENUES TO PAY RENTAL PAYMENTS UNDER THE LEASE SHALL HAVE EQUAL PRIORITY WITH OTHER CLAIMS AGAINST THE EXPENDITURE OF DESIGNATED REVENUES OR OTHER REVENUES OF THE BOARD.

The Board has from time to time, authorized and is expected in the future to authorize other educational building corporations to issue bonds for the benefit of other Member Institutions. See Table "MEMBER INSTITUTIONS OUTSTANDING OBLIGATIONS" in Appendix A attached hereto. At this time, the Board has no current plans to authorize the Corporation to issue additional bonds. The Board covenants in the Lease that if Designated Revenues are at any time insufficient to satisfy the Board's obligations under the Lease, the Board will provide amounts from any other legally available source and will then allocate the same to cure said insufficiency. See "THE LEASE – Covenant to Appropriate Designated Revenues; Limitation on Source of Board Payments" and See Table "MEMBER INSTITUTIONS OUTSTANDING OBLIGATIONS" in Appendix A attached hereto for a list of such other bonds issued by educational building corporations authorized by the Board and which were outstanding as of February 27, 2024.

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The following table provides information concerning Designated Revenues available to the Board (excluding UMMC):

Designated Revenues[1] and Fund Balance[2]

Year ending June 30	2019	2020	2021	2022	2023
Tuition & Fees (net)[3]	$620,658,969	$620,923,011	$613,221,706	$638,637,295	$644,384,339
Sales & Services	66,708,030	57,514,245	57,399,481	78,926,608	83,868,049
Auxiliary Enterprises (net)	296,965,608	272,846,066	298,444,150	307,701,350	333,966,266
Other[4]	53,384,691	52,735,117	55,455,591	64,907,297	58,085,791
Sub-Total	$1,037,717,298	$1,004,018,439	$1,024,520,928	$1,090,172,550	$1,120,304,445
State Appropriations[5]	$461,013,005	$477,248,168	$465,521,243	$485,292,014	$564,979,454
Unrestricted Net Assets Fund Balance[6]	$0[7]	$0[7]	$0[7]	$0[7]	$0[7]
Total	**$1,498,730,303**	**$1,481,266,607**	**$1,490,042,171**	**$1,575,464,564**	**$1,685,283,899**

DESIGNATED REVENUES MAY BE NEGATIVELY IMPACTED IN THE FUTURE BY CERTAIN FACTORS WHICH MAY AFFECT STUDENT ENROLLMENT, SUCH AS POTENTIAL DECLINES OF K-12 STUDENT ENROLLMENT IN THE STATE OR OTHER COMPETITIVE PRESSURES, AS WELL AS UNCERTAINTY SURROUNDING FUTURE BUDGETED APPROPRIATIONS BY THE STATE. OTHER FACTORS MAY INCREASE BUDGETARY PRESSURES ON THE UNIVERSITY AND THE OTHER MEMBER INSTITUTIONS, SUCH AS INFLATION AND INCREASED COSTS ASSOCIATED WITH THE STATE'S PUBLIC EMPLOYEES' RETIREMENT SYSTEM. THERE CAN BE NO ASSURANCE THAT DESIGNATED REVENUES WILL BE MAINTAINED AT CURRENT LEVELS IN FUTURE YEARS.

[1] Designated Revenues means all unrestricted revenues of the Board which include without limitation, tuition, fees and auxiliary enterprises net of scholarship allowances, sales and services, other operating revenue, State appropriations and unrestricted net asset balances as defined in the Lease.
[2] The numbers in this Table include the Member Institutions (but exclude the University of Mississippi Medical Center and the Board's executive office which have separate sources of revenues including State appropriations).
[3] Net of scholarship allowances in the form of reduced tuitions.
[4] Includes federal appropriations; other operating revenues; and interest earned on loans to students.
[5] For further information regarding the State Appropriations, see pg. 14 of "APPENDIX C - STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING FINANCIAL STATEMENTS – JUNE 30, 2023."
[6] Fund balance represented are Unrestricted Funds.
[7] The Unrestricted Net Assets Fund Balance was $(616,469,699) for FY 2019, $(572,666,659) for FY 2020, $(447,531,102) for FY 2021, $(345,796,497) for FY 2022, and $(344,025,203) for FY 2023, and therefore did not contribute to total Designated Revenues since 2015. The decline in the Unrestricted Net Assets Fund Balance since 2015 is a result of the implementation of the requirements of GASB-68 and GASB-75.
Source of Information: IHL System Reports (Table Provided by IHL)

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In addition to the revenues noted in the table above, UMMC has additional sources of revenue for the rental payments securing its EBC debt, which consists primarily of additional state appropriations and self-generated operating revenue.

UMMC Designated Revenues[1] and Fund Balance[2]

Year ending June 30	2019	2020	2021	2022	2023
Tuition & Fees (net)[3]	$32,162,142	$35,101,701	$37,126,132	$38,662,744	$41,743,651
Sales & Services	-	768,097	1,251,696	1,208,422	1,114,778
Auxiliary Enterprises (net)	2,992,523	2,800,760	2,497,951	2,585,224	2,303,351
Patient and Other Operating Revenues[4]	1,215,424,331	1,257,339,908	1,259,966,810	1,366,084,487	1,493,849,774
Sub-Total	$1,250,578,996	$ 1,296,010,466	$1,300,842,589	$1,408,540,877	$1,539,011,554
State Appropriations[5]	$158,489,701	172,614,750	$167,469,574	$170,192,799	$186,924,508
Unrestricted Net Assets Fund Balance[6]	$0[7]	$0[7]	$0[7]	$0[7]	$0[7]
Total	**$1,409,068,697**	**$1,468,625,216**	**$1,468,312,163**	**$1,578,733,676**	**$1,725,936,062**

DESIGNATED REVENUES MAY BE NEGATIVELY IMPACTED IN THE FUTURE BY CERTAIN FACTORS WHICH MAY AFFECT STUDENT ENROLLMENT, SUCH AS POTENTIAL DECLINES OF K-12 STUDENT ENROLLMENT IN THE STATE OR OTHER COMPETITIVE PRESSURES, AS WELL AS UNCERTAINTY SURROUNDING FUTURE BUDGETED APPROPRIATIONS BY THE STATE. OTHER FACTORS MAY INCREASE BUDGETARY PRESSURES ON UMMC AND THE OTHER MEMBER INSTITUTIONS, SUCH AS INFLATION AND INCREASED COSTS ASSOCIATED WITH THE STATE'S PUBLIC EMPLOYEES' RETIREMENT SYSTEM. THERE CAN BE NO ASSURANCE THAT DESIGNATED REVENUES WILL BE MAINTAINED AT CURRENT LEVELS IN FUTURE YEARS.

[1] Designated Revenues means all unrestricted revenues of the Board which include without limitation, tuition, fees and auxiliary enterprises net of scholarship allowances, sales and services, other operating revenue, State appropriations and unrestricted net asset balances as defined in the Lease.
[2] The numbers in this Table only include the University of Mississippi Medical Center.
[3] Net of scholarship allowances in the form of reduced tuitions.
[4] Includes patient revenues; other operating revenues; and interest earned on loans to students.
[5] The State appropriations for the Medical Center for FY 2023, FY 2022, and FY 2021 were $186,924,508, $170,192,799 and $167,469,574, respectively.
[6] Fund balance represented are Unrestricted Funds.
[7] The Unrestricted Net Assets Fund Balance $(851,840,759) for FY 2019, ($963,735,264) for FY 2020, $(946,111,132) for FY 2021, $(894,831,078) for FY 2022, and $(944,871,167) for FY 2023, and therefore did not contribute to total Designated Revenues for FY 2019, FY 2020, FY 2021, FY 2022, and FY 2023. The decline in the Unrestricted Net Assets Fund Balance for FY 2019, FY 2020, FY 2021, FY 2022, and FY 2023 is a result of the implementation of the requirements of GASB-68.
Source of Information: IHL System Reports (Table Provided by IHL)

All appropriations from the State Legislature made for the use of the Member Institutions, including the Board, are received by the Board with the power and authority in the Board to allocate and distribute such funds among the Member Institutions under its control in the way and manner and in such amounts as will further an efficient and economical administration of the Member Institutions. Each Member Institution is responsible for collecting and investing the tuition, fees, and other revenues generated by each such Member Institution, and budgeting such amounts along with the allocation received from the Board from State legislative appropriations, for the expenses of the institution for each fiscal year. Each Member Institution's budget and any budget amendments are subject to approval by the Board.

For the State's fiscal year 2023, total State appropriations for the IHL System equals approximately $856 million. See "APPENDIX A – ADDITIONAL INFORMATION ABOUT THE IHL SYSTEM AND THE UNIVERSITY." This State legislative appropriation amount does not include bond project funds.

THE GROUND LEASE

The Board, pursuant to the authority of the Act, is authorized and empowered to enter into lease agreements with nonprofit educational building corporations for the lease of land and facilities to said nonprofit corporations for the purpose of renovating, improving, repairing, equipping and constructing public buildings to be leased to and made available to the Board.

Under the terms of the Ground Lease, the Corporation has leased from the Board and the University the Project Site for a period commencing on the Closing Date, and ceasing upon the payment of the Series 2024 Bonds at maturity, upon acceleration or otherwise, in accordance with the provisions of the Indenture, or upon the defeasance of the lien of the Indenture, as such is described therein, whichever shall occur first. Upon the termination of the Ground Lease, all rights of the Corporation, or any other person or entity holding through the Corporation, in and to the Project Site shall cease, and the Corporation shall cause the Trustee to release from the lien of the Indenture any interest which it may have in the Project Site. As long as the lien of the Indenture remains uncancelled of record, the Ground Lease shall continue in full force and effect and no merge of title among the Ground Lease, the Lease and other documents shall occur.

THE LEASE

The following is a summary of certain provisions of the Lease. This summary does not purport to be comprehensive or definitive. All references herein to the Lease are qualified in their entirety by reference to such document, a copy of which may be obtained upon written request from the Corporation. See “APPENDIX B - DEFINED TERMS AND SUMMARY OF LEASE AND INDENTURE” for a summary of additional provisions of the Lease.

Lease of the Project and Project Site

Under the provisions of the Lease, the Corporation leases and lets to the Board and the Board leases and lets from the Corporation, subject to the conditions contained in the Lease, (a) the Project Site, subject to the provisions of the Ground Lease, as the same may be revised, amended and supplemented and (b) the Project. It is not intended that there shall be any merger of title or estates by the leasing of the Project Site and the Project to the Board.

Disbursements from the Project Fund

The Corporation authorizes and directs in the Indenture that the Trustee apply the moneys in the Accounts within the Project Fund for the following purposes only:

(a) From the Series 2024A Construction Account all capital expenditures relating to the Project, provided that reimbursements of advances and payments made prior to the delivery of the Series 2024 Bonds shall be made from the Series 2024A Construction Account only to the extent permitted by Section 1.150-2 of the United States Treasury Regulations, as the same may be amended, supplemented or superseded.

(b) From the Series 2024A Costs of Issuance Account, payment of the Costs of Issuance of the Series 2024A Bonds.

(c) From the Series 2024B Costs of Issuance Account, payment of the Costs of Issuance of the Series 2024B Bonds.

Pursuant to the provisions of the Indenture, payments from the amounts on deposit in the Accounts within the Project Fund for the purposes referenced under this subheading shall be made only with the written approval of an Authorized Board Representative, which approval shall not be unreasonably withheld, and upon the presentation to the Trustee of a requisition signed by an Authorized Corporation Representative, specifying the amount to be disbursed, the Account from which the disbursement shall be made, and the name and address of the payee. In the Lease, the Corporation agrees to comply with provisions of all certificates executed in connection with the issuance of the Series 2024 Bonds (including but not limited to the "Federal Tax Certificate" of the Corporation) in designating payments to be made from Accounts within the Project Fund.

Upon the filing with the Trustee of a certificate executed on behalf of the Board by an Authorized Board Representative and on behalf of the Corporation by an Authorized Corporation Representative, certifying that the Project has been completed to the satisfaction of the Board and Corporation, respectively, the amounts necessary to pay any unpaid costs referenced above and under this subheading shall be set aside for such purpose, and the remainder, if any, in the Accounts within the Project Fund shall be deposited in the Bond Fund by the Trustee and applied to the payment of the Series 2024 Bonds as provided in the Indenture.

The Board and the Corporation agree in the Lease to cooperate in furnishing to the Trustee any documents referred to above that are required to effect payments out of the Project Fund and agree to cause such orders to be directed to the Trustee as may be necessary to effect payments out of the Accounts within the Project Fund in accordance with the terms of the Lease. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to payments and shall not extend beyond the moneys in the Accounts within the Project Fund available for payment under the terms of the Indenture. The Board further agrees in the Lease to cooperate with the Corporation in order that the Corporation may comply fully with the requirements of the Indenture.

Amount and Timing of Rental Payments

The Board covenants and agrees in the Lease that it shall pay for the account of the Corporation, as rental payments for the Project Site and the Project, the following amounts:

(a) Not less than three (3) Business Days prior to the date on which principal, premium, if any, and interest payments are due pursuant to the provisions of the Indenture with respect to the Series 2024 Bonds, a sum which, together with any funds in the Bond Fund on such date, and, with respect to interest payments, in the Series 2024A Capitalized Interest Fund on such date, will equal to the amount of such principal, premium, if any, and interest then due on the Series 2024 Bonds. Rental payments under this paragraph shall be paid by the Board directly to the Trustee for the account of the Corporation.

(b) Upon receipt of an invoice therefor, the Board shall pay to the applicable party, all taxes of whatever nature, if any, that may be imposed upon the Project Site, the Project, the Corporation, the Board, their property, operations or income, whether by federal, state or local government, and including every governmental charge (including any special assessments for public improvements at or near the Project Site) whether for services rendered or not, which the Corporation or the Board is required or may be required by law to pay with respect to the Project Site and the Project.

(c) Upon being presented with evidence of payment by the Corporation or the Trustee, the Board shall pay to the Corporation or the Trustee amounts sufficient to reimburse the Corporation or the Trustee for all amounts and expenses if and when paid by the Corporation or the Trustee for and on behalf of the Board as may be required or allowed under the Lease (other than payments made from amounts on deposit in the Project Fund).

(d) The Board shall pay as supplemental rent all governmental impositions, expenses, liabilities, obligations and other payments of whatever nature which the Board has agreed to pay or assume under the provisions of the Lease. The supplemental rent payable under this paragraph (d) shall be payable within twenty (20) days after receipt of a statement therefor from the Trustee or other payee and such payment shall be made directly to the Trustee or such payee, as applicable.

(e) The Board shall timely pay any amounts required to be paid as rebate to the United States of America as provided in the Federal Tax Certificate.

Covenant to Appropriate Designated Revenues; Limitation on Source of Board Payments

The Board covenants in the Lease that it shall take all such actions as may be necessary to include all rental payments and other amounts due under the terms of the Lease in the annual budget of the University and to provide for periodic appropriations for all such payments from Designated Revenues. The Board further covenants and agrees in the Lease that at all times when appropriation legislation is prepared by it for consideration in each successive session of the Mississippi Legislature, it will cause to be included in all such appropriation legislation proposed and submitted by it for the University sufficient amounts (over and above all other requirements of the University) to ensure that there are amounts available to satisfy all rental payments and other amounts due under the terms of the Lease so as to provide that the aggregate of each such appropriation will provide funds sufficient for all payments in respect of the Series 2024 Bonds as required by the Indenture. If, at any time, the budget for the University does not include amounts sufficient to satisfy all rental payments and other amounts due under the terms of the Lease in its fiscal year budget, which budget is subject to annual review and approval by the Board, the Board covenants in the Lease that it shall include in such budget sufficient amounts (over and above all other requirements of the University) to ensure that there are amounts available to satisfy all rental payments and other amounts due under the Lease so as to provide that each budget of the University will provide for sufficient funds for payments in respect of the Series 2024 Bonds as required by the Indenture. The Board further covenants in the Lease that if Designated Revenues are at any time insufficient to satisfy the Board's obligations under the Lease, the Board will provide amounts from any other legally available source and will then allocate the same to cure said insufficiency.

Notwithstanding the foregoing, it is the intent of the Board that all amounts to be paid by the Board under any section of the Lease, except the section which addresses prepayment of rental payments, shall be paid solely from Designated Revenues. The Board, however, shall not be restricted from making any payment for which it is obligated to make under the Lease from any other legally available revenue source.

The Series 2024 Bonds are solely and exclusively the obligation of the Corporation, but recourse against the Corporation may not be had except as provided in the Lease and the Indenture and, except as provided in the Lease or in the Indenture, may not be had against any asset held by the Corporation. The Series 2024 Bonds are neither an obligation nor a debt of the Board, the University or the State and do not constitute a pledge of the full faith or credit of the Board, the University or the State. Further, the Series 2024 Bonds do not constitute a debt of the University. Nothing in the Lease (a) creates a lien of any kind or character whatsoever upon any specific funds, income or revenues (including, but not limited to, Designated Revenues) now existing or hereafter held, collected, received, anticipated by or available to the Board or (b) limits or prevents the ability of the Board to use or pledge Designated Revenues for the incurrence of debt so long as the Board has made a prior finding that sufficient Designated Revenues exist for the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds.

Prior Leases and Ground Leases

The Leases dated as of October 1, 2013, and April 1, 2014, entered into in connection with the issuance of the Refunded Bonds and the Ground Leases dated as of October 1, 2013, and April 1, 2014, entered into in connection with the issuance of the Refunded Bonds shall remain in effect with respect to any bonds of the same series as the Refunded Bonds not refunded with the proceeds of the Series 2024 Bonds until terminated in accordance with their respective terms.

Obligation of Board Unconditional Under the Lease; Corporation Must Cooperate in Legal Actions

The obligations of the Board to make the rental payments required in the Lease and to perform and observe the other agreements on its part contained in the Lease shall be absolute and unconditional, regardless of the continued existence of the Project in a physical condition satisfactory to the Board, and regardless of any finding that the Ground Lease is invalid or unenforceable for any reason. Until such time as the principal of, premium, if any, and interest on the Series 2024 Bonds shall have been fully paid or provided for as provided in the Indenture, the Board (a) shall not diminish, suspend or discontinue any payments provided for in the Lease, (b) shall perform and observe all of its other agreements contained in the Lease and (c) shall not terminate the Lease for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, condemnation, destruction of or damage to the Project, frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Corporation to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Lease, or the invalidity or unenforceability of the Ground Lease. Nothing contained under this subheading or in the Lease shall be construed to release the Board from the performance of any of the agreements on its part contained in the Lease; and pursuant to the Lease, in the event the Corporation shall fail to perform any such agreement on its part, the Board may institute such action against the Corporation as the Board may deem necessary to compel performance or recover its damages for nonperformance so long as such action shall not do violence to the agreements on the part of the Board contained in the two (2) preceding sentences. The Board may, however, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the Board deems reasonably necessary in order to secure or protect its rights of possession, occupancy and use under the Lease, and in such event the Corporation agrees in the Lease to cooperate fully with the Board and to take all action necessary to effect the substitution of the Board for the Corporation in any such action or proceeding if the Board shall so request.

Board's Right to Possession

At all times during the term of the Lease, the Board shall have the full right of possession of the Project Site and the Project, subject only to Permitted Encumbrances, the right of access by the Corporation and its agents for the inspection from time to time of the Project Site and the Project and the provisions of the Lease regarding available remedies upon an Event of Default thereunder; provided, however, at the end of the term of the Lease, the Project Site and the Project shall become the sole property of the Board and title to the same shall vest in the State, and the same shall be free and clear of the terms and provisions of the Lease.

THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, a copy of which may be obtained upon written request from the Corporation. See "APPENDIX B - DEFINED TERMS AND SUMMARY OF LEASE AND INDENTURE" for a summary of further provisions of the Indenture.

Assignment and Pledge

Under the Indenture, the Corporation grants, warrants, assigns and pledges unto the Trustee, and unto its successors in trust, and to its assigns forever, all of the Corporation's estate, right, title and interest in, to and under any and all of the following described rights and interests (the "Trust Estate"):

(a) All right, title and interest of the Corporation, in, to and under the Ground Lease and the Lease, as either may from time to time have been or be amended and supplemented, including, but not limited to, the immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, insurance proceeds, moneys and security payable or receivable under the Ground Lease or the Lease or pursuant to any of the provisions thereof (except sums payable as supplemental rent pursuant to the Lease and sums payable directly to any person other than the Corporation or the Trustee thereunder); the Corporation, however, to remain liable to observe and perform all of the conditions and covenants in the Lease provided to be observed and performed by it.

(b) All rents, income, revenues, issues and profits derived by the Corporation from the Project and the present and continuing right to make claim for, collect, receive and receipt for any or all such rents, income, revenues, issues and profits arising therefrom or in connection therewith, except for amounts payable as rebate to the United States of America as required by the Federal Tax Certificate.

(c) All property rights which are, by the express provisions of the Indenture required to be subject to the lien thereof and any additional property rights that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien thereof, by the Corporation or by anyone on its behalf, and the Trustee is authorized by the Indenture to receive the same at any time as additional security thereunder.

(d) All money and investments held or required to be deposited in each of the funds established under the Indenture.

(e) All rents, income, revenues, issues and profits derived by the Corporation from the Trust Estate pursuant to (a) through (d) above.

Establishment of Funds

The following special funds are established with the Trustee under the Indenture:

(a) The Bond Fund, which shall be used only for the payment of principal of, premium, if any, and interest on the Bonds, so long as any of the Bonds remain Outstanding. Amounts received by the Trustee for payment of interest and payments of principal, whether at maturity or upon redemption, and payments of premium, if any, on the Bonds, shall be deposited into the Bond Fund.

(b) The Project Fund, which shall be used to pay costs of the Series 2024A Project, Costs of Issuance of the Series 2024A Bonds, and Costs of Issuance of the Series 2024B Bonds, all as provided in the Lease. The Indenture creates and establishes in the Project Fund (i) a "Series 2024A Costs of Issuance Account," (ii) a "Series 2024B Costs of Issuance Account," and (iii) a "Series 2024A Construction Account."

(c) The Rebate Fund shall be maintained with the Trustee and used to make all rebate payments in regard to the Series 2024 Bonds owed to the United States of America under the Code as more fully set forth in the Federal Tax Certificate.

(d) The Series 2024A Capitalized Interest Fund, which shall be used only for the payment of interest coming due on the Series 2024A Bonds.

Each of said funds shall be held as a special trust account separate and apart from all other funds and accounts of the Corporation or the Board.

Application of Bond Proceeds

Series 2024A Bonds. Upon the delivery of the Series 2024A Bonds, (i) $5,174,980.56 of the proceeds thereof, which represents capitalized interest, shall be deposited in the Series 2024A Capitalized Interest Fund; (ii) $400,113.29 of the proceeds thereof shall be deposited in the Series 2024A Costs of Issuance Account within the Project Fund and used to pay the Costs of Issuance of the Series 2024A Bonds; (iii) $7,070,184.18 of the proceeds thereof shall be transferred to the Series 2024A Escrow Agent for deposit into the escrow fund established by the Series 2024A Escrow Agreement and applied to the refunding of the Series 2013 Refunded Bonds as specified in the Series 2024A Escrow Agreement; and (iv) $76,000,000.00 of the proceeds thereof shall be deposited into the Series 2024A Construction Account within the Project Fund and used to pay the costs of the Series 2024A Project. Any funds remaining in the Series 2024A Costs of Issuance Account thirty (30) days after the Closing Date of the Series 2024A Bonds shall be transferred to the Series 2024A Construction Account.

Series 2024B Bonds. Upon the delivery of the Series 2024B Bonds, (i) $53,151,528.13 of the proceeds thereof shall be transferred to the Series 2024B Escrow Agent for deposit into the escrow fund established by the Series 2024B Escrow Agreement and applied to the refunding of all or a portion of the Series 2014A Refunded Bonds as specified in the Series 2024B Escrow Agreement; and (ii) $130,902.76 of the proceeds thereof shall be deposited into the Series 2024B Costs of Issuance Account within the Project Fund and used to pay the Costs of Issuance of the Series 2024B Bonds. Any funds remaining in the Series 2024B Costs of Issuance Account thirty (30) days after the Closing Date of the Series 2024B Bonds shall be transferred to the Bond Fund.

Upon the delivery of any Additional Bonds, the proceeds thereof shall be deposited as provided in the Supplemental Indenture authorizing the execution and delivery thereof.

Application of Rental Payments

(a) All rental payments paid by the Board under the Lease shall be paid to the Trustee for deposit in the Bond Fund and therein held and applied by the Trustee for the payment of principal of, premium, if any, and interest on the Series 2024 Bonds (and all Additional Bonds, if any) without priority or distinction from time to time as the same become due. All rental payments paid by the Board under the Lease shall be paid directly to the Corporation or the Trustee, as applicable. All supplemental rental payments paid by the Board under the Lease shall be paid to the Trustee or to such other person as provided in the Lease.

(b) The Trustee shall cause Advance Rentals paid by the Board pursuant to the Lease to be deposited (1) into the Bond Fund in the event of a current refunding of any Outstanding Bonds not requiring the establishment of a defeasance escrow, and (2) into an escrow fund to be established with the Trustee or other approved financial institution as provided in the Indenture in the event of an advance refunding (or a current refunding requiring the establishment of a defeasance escrow) of any Outstanding Bonds.

(c) The Trustee shall deposit rental payment amounts required to be rebated to the United States into the Rebate Fund.

Application of Moneys in the Bond Fund

The Trustee shall, without further instruction, apply moneys in the Bond Fund, including but not limited to moneys transferred to the Bond Fund from the Project Fund upon completion of the Project, to the payment of currently maturing interest on the Series 2024 Bonds and of principal thereof and premium, if any, when due at maturity or earlier redemption.

Application of Moneys in the Project Fund

Moneys in the Project Fund shall be held and paid out by the Trustee in accordance with the provisions of the Indenture and the Lease.

Application of Moneys in the Series 2024A Capitalized Interest Fund

Moneys in the Series 2024A Capitalized Interest Fund shall be used to pay interest due or coming due on the Series 2024A Bonds; provided that, if moneys in the Series 2024A Capitalized Interest Fund are not sufficient to pay the full amount of such interest then, in such event, the Trustee shall use funds on deposit in the Bond Fund.

Application of Moneys in the Rebate Fund

Moneys in the Rebate Fund shall be used to make any rebate payments required to be made to the United States of America under the Code. The Rebate Fund shall be held for the sole benefit of the United States of America and is not pledged under the Indenture. Moneys required to be paid to the United States of America shall be deposited in the Rebate Fund by the Corporation as additional rent under the Lease as required thereby and by the Indenture.

Payment of Principal, Premium, If Any, and Interest

The Corporation covenants in the Indenture that it will promptly pay the principal of, premium, if any, and interest on every Series 2024 Bond issued under the provisions of the Indenture at the places, on the dates and in the manner provided therein and in said Series 2024 Bonds. The principal of, premium, if any, and interest are payable only from amounts on deposit in the Bond Fund arising principally from rental payments accruing to the Corporation under the Lease, which payments are pledged by the Indenture to the payment of principal of, premium, if any, and interest on the Series 2024 Bonds. The Corporation will not, directly or indirectly, extend or assent to the extension of the time for the payment of any claim for principal, premium, if any, and interest on any of the Series 2024 Bonds.

Covenant as to Adequacy of Payments

The Corporation covenants in the Indenture, subject to the investment provisions of the Indenture, that the rental payments for the Project in each year will, in the aggregate, produce amounts which will be sufficient (a) to pay all expenses of the Corporation during such year and (b) to make all payments which the Trustee is obligated to set aside in the Bond Fund.

FORWARD DELIVERY OF THE SERIES 2024B BONDS

Forward Delivery – Series 2024B Bonds

Pursuant to a contract of purchase (the "Series 2024B Bond Purchase Agreement") between the Underwriters and the Corporation, the Underwriters are agreeing, subject to the satisfaction of the terms and conditions of the Series 2024B Bond Purchase Agreement, to purchase the Series 2024B Bonds from the Corporation for delivery on or about May 7, 2024 (the "Settlement Date").

A closing (the "Preliminary Closing") will be held with respect to the Series 2024B Bonds on or about February 27, 2024 (the "Preliminary Closing Date"). At such time, the conditions for issuance and delayed delivery of the Series 2024B Bonds and payment therefor by the Underwriters are expected to be met, except for the confirmation of certain facts and the delivery of certain documents, certificates and opinions, including the approving opinion of Jones Walker LLP, as bond counsel ("Bond Counsel"), dated the Settlement Date in substantially the form set forth in "APPENDIX D - FORM OF OPINIONS OF BOND COUNSEL - Series 2024B Bonds," which are to be provided on the Settlement Date (and receipt of which are conditions to the issuance of the Series 2024B Bonds). See "FORWARD DELIVERY OF THE SERIES 2024B BONDS – Settlement Conditions" below. There will be no delivery of the Series 2024B Bonds or any payment therefor on the Preliminary Closing Date.

Changes or proposed changes in federal or Mississippi state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Settlement Date or the failure of the Board, the University, or the Corporation to provide closing documents of the type customarily required in connection with the issuance of municipal bonds, satisfactory to Bond Counsel, could prevent Bond Counsel from rendering its approving opinion with respect to the Series 2024B Bonds.

Although all necessary Board and Corporation action constituting conditions precedent to the issuance of the Series 2024B Bonds is expected to have occurred as of the Preliminary Closing Date, the issuance of the opinion of Bond Counsel on the Settlement Date is also dependent, among other things, upon the receipt by Bond Counsel on the Settlement Date of certificates of the Board and the Corporation to the effect that the proceedings of the Board and the Corporation with respect to the issuance of the Series 2024B Bonds have not been amended or repealed by subsequent adverse executive, legislative or administrative action. The amendment or repeal of any of the proceedings of the Board or the Corporation with respect to the issuance of the Series 2024B Bonds by subsequent executive, legislative or administrative action may prevent the issuance and delivery of the Series 2024B Bonds.

During the period of time between the date of the Series 2024B Bond Purchase Agreement and the issuance and delivery of the Series 2024B Bonds (the "Delayed Delivery Period"), certain information contained in this Official Statement may change in a material respect. The Corporation has agreed to supplement this Official Statement, to the extent necessary to assure its accuracy as of the Settlement Date, and to provide such supplement (the "Supplement to Official Statement") to prospective purchasers of the Series 2024B Bonds not more than 25 days nor less than five days prior to the Settlement Date. The Corporation anticipates that the Official Statement will be updated by virtue of cross references to filings made under the Electronic Municipal Market Access portal ("EMMA") of the Municipal Securities Rulemaking Board and by virtue of a supplement prior to the issuance of the Series 2024B Bonds. In addition, during the Delayed Delivery Period, the Corporation is required to provide notice of certain events under its continuing disclosure certificates. See "CONTINUING DISCLOSURE" herein.

Purchasers of Series 2024B Bonds will be required to execute a Delayed Delivery Agreement in the form attached hereto as APPENDIX F.

Settlement Conditions – Series 2024B Bonds

The issuance of the Series 2024B Bonds and the obligation of the Underwriters under the Series 2024B Bond Purchase Agreement to purchase, accept delivery of, and pay for the Series 2024B Bonds on the Settlement Date are conditioned upon the performance by the Board and the Corporation of their respective obligations thereunder, including, without limitation, the delivery of an opinion dated the Settlement Date of Bond Counsel, substantially in the form set forth as "APPENDIX D - FORM OF OPINION OF BOND COUNSEL – Series 2024B Bonds" attached hereto, and the delivery of the Supplement to Official Statement.

The purchaser may terminate its obligation to purchase the Purchased Bonds in the event that between the date of the Delayed Delivery Agreement and the Settlement Date, (i) one of the following events shall have occurred after the date of this Delayed Delivery Agreement and (ii) the purchaser has notified the Representative in writing as provided herein:

(i) Bond Counsel does not deliver an opinion, dated the Settlement Date, in the form and to the effect set forth in Appendix D to the Official Statement;

(ii) any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Official Statement or any updated Official Statement related to the Series 2024B Bonds provided to the Underwriters at least 10 days prior to the Settlement Date (the "Updated Official Statement") or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(iii) the market for the Series 2024B Bonds or the market prices of the Series 2024B Bonds or the ability of the Representative to enforce contracts for the sale of the Series 2024B Bonds has been materially and adversely affected, in the professional judgment of the Representative, by:

(1) an amendment to the Constitution of the United States or the State has been passed or legislation has been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States has been amended or legislation has been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United

States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation has been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation has been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision has been rendered by a court of the United States or of the State or the Tax Court of the United States, or a ruling has been made or a regulation or temporary regulation has been proposed or made or any other release or announcement has been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation on revenues or other income of the general character to be derived by the Corporation or on interest received on obligations of the general character of the Series 2024B Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Corporation, its property or income, its securities (including the Series 2024B Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation; or

(2) the declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) the declaration of a general banking moratorium by federal, New York or State authorities; or

(4) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services; or

(5) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) the general suspension of trading on any national securities exchange; or

(iv) legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter has been made or issued to the effect that the Series 2024B Bonds, other securities of the Corporation or obligations of the general character of the Series 2024B Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act; or

(v) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Series 2024B Bonds, or the issuance, offering or sale of the Series 2024B Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) a stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Series 2024B Bonds, or the execution and delivery of the Indenture and the Forward Delivery Agreement, as contemplated hereby or by the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) any litigation is instituted or pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Series 2024B Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Indenture or the Forward Delivery Agreement or the existence or powers of the Corporation with respect to its obligations under the Indenture and the Forward Delivery Agreement.

General Forward Delivery Risks – Series 2024B Bonds

During the Delayed Delivery Period, certain information contained in this Official Statement could change in a material respect. Except as described under "FORWARD DELIVERY OF THE SERIES 2024B BONDS – Settlement Conditions," above, any changes in such information will not permit the Underwriters to terminate the Series 2024B Bond Purchase Agreement or release the purchasers from their obligation to purchase the Series 2024B Bonds. Purchasers of the Series 2024B Bonds will be subject to the risk of material changes in the information provided prior to the Settlement Date from that provided in this Official Statement and other risks (including changes in the financial condition and business operations of the Corporation or Board prior to the Settlement Date), some of which are described below, and none of which will constitute grounds for purchasers to refuse to accept delivery of and pay for the Series 2024B Bonds unless the Underwriters determine that such material changes give rise to their right to termination under the Series 2024B Bond Purchase Agreement, as described under "FORWARD DELIVERY OF THE SERIES 2024B BONDS – Settlement Conditions" above.

Secondary Market Risk – Series 2024B Bonds

The Underwriters are not obligated to make a secondary market in the Series 2024B Bonds, and no assurance can be given that a secondary market will exist for the Series 2024B Bonds during the Delayed Delivery Period. Prospective purchasers of the Series 2024B Bonds should assume that sales of the Series 2024B Bonds will not be liquid through the Delayed Delivery Period.

Market Value Risk – Series 2024B Bonds

The market value of the Series 2024B Bonds as of the Settlement Date may be affected by a variety of factors including, without limitation, general market conditions, the financial condition and business operations of the Board, the University, and the Corporation, and federal income tax and other laws. The market value of the Series 2024B Bonds on the Settlement Date therefor could be greater or less than the agreed purchase price therefor by the initial purchasers thereof, and the difference could be substantial. None of the Board, the University, the Corporation, or the Underwriters make any representation as to the market price of the Series 2024B Bonds as of the Settlement Date. Pursuant to the Series 2024B Bond Purchase Agreement, the Underwriters are obligated to purchase the Series 2024B Bonds from the Corporation, without regard to any fluctuation in the market value of the Series 2024B Bonds that may occur after the date of this Official Statement or after the Preliminary Closing Date.

Other Investment Considerations – Series 2024B Bonds

Events which may occur prior to the Settlement Date may have significant consequences to persons who have agreed to purchase the Series 2024B Bonds on the Settlement Date. Several factors may adversely affect the market value of the Series 2024B Bonds including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in the federal income tax laws affecting the relative benefits of owning tax-exempt securities versus other types of investments, such as fully taxable obligations, or any adverse development with respect to the Board's or University's results of operations, financial condition or prospects. In addition, although the delivery of the opinion of Bond Counsel substantially in the form set forth as "APPENDIX D - FORM OF OPINION OF BOND COUNSEL – Series 2024B Bonds," which is a condition to the issuance and delivery of the Series 2024B Bonds, is subject to a number of conditions to be fulfilled at the time of such delivery as described above, changes or proposed changes in federal income tax laws or regulations or interpretations thereof could affect the market value of tax-exempt securities generally, including, without limitation, the Series 2024B Bonds, without preventing the delivery of the Series 2024B Bonds on the Settlement Date.

Tax Treatment Risk – Series 2024B Bonds

Subject to the additional conditions of settlement described under "FORWARD DELIVERY OF THE SERIES 2024B BONDS – Settlement Conditions" above, the Series 2024B Bond Purchase Agreement obligates the Corporation to deliver and the Underwriters to purchase the Series 2024B Bonds if the Corporation delivers an opinion of Bond Counsel with respect to the Series 2024B Bonds substantially in the form set forth in APPENDIX D hereto. During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, delivered or promulgated, or existing law, including regulations adopted pursuant thereto, may be interrupted in a manner that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions, the promulgation of new regulations or rulings or reinterpretations or existing law might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2024B Bonds for purposes of federal income taxation, the Corporation may still be able to satisfy the requirements for the delivery of the Series 2024B Bonds and Bond Counsel may still be able to deliver its required opinion. In such event, the purchasers would be required to accept delivery of the Series 2024B Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

By placing an order with the Underwriters for the purchase of the Series 2024B Bonds, each purchaser acknowledges and agrees that the Series 2024B Bonds are sold on a "forward" basis, and that the purchaser is obligated to accept delivery of and pay for the Series 2024B Bonds on the Settlement Date subject to the ability of the Underwriters to terminate their obligation to purchase the Series 2024B Bonds under certain circumstances as provided in the Series 2024B Bond Purchase Agreement. The Underwriters can waive such ability to terminate their obligation to purchase the Series 2024B Bonds in their sole discretion.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and decisions, as presently interpreted and construed, and based on the assumptions described below, and subject to the exceptions, conditions and limitations described below, (i) interest on the Series 2024 Bonds earned by the respective owners thereof is excludable from gross income for federal income tax purposes pursuant to the Code, and (ii) interest on the Series 2024 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

Although Bond Counsel has rendered its opinion that interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Series 2024 Bonds may otherwise affect the federal income tax liability of the recipient's particular tax status of other items of income or deduction. Bond Counsel expresses no opinion on the date of issuance of the Series 2024 Bonds regarding any such consequences. Purchasers of the Series 2024 Bonds, particularly purchasers that are corporations (including subchapter S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions or certain recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Series 2024 Bonds

In the opinion of Bond Counsel, interest on the Series 2024 Bonds earned by the owners thereof is exempt from the State of Mississippi income taxes, except for estate or gift taxes and taxes on transfers.

Bond Counsel will not address or opine with respect to any other federal, state or local tax consequences arising with respect to the Series 2024 Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2024 Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Certain Ongoing Federal Tax Requirements and Covenants

The Code includes certain restrictions, conditions and requirements, compliance with which subsequent to issuance of the Series 2024 Bonds is necessary in order that interest on the Series 2024 Bonds be (and continue to be) excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. In rendering its opinion, Bond Counsel will assume continuous compliance with all provisions of the Code, compliance with which subsequent to the date of issuance of the Series 2024 Bonds is necessary in order that interest on the Series 2024 Bonds be and continue to be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. In the Lease and the Indenture, the Corporation, and, in some instances, the Board have covenanted to comply with each such requirement, and failure of the Corporation or the Board to comply with such requirements may cause interest on the Series 2024 Bonds to be includable in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2024 Bonds.

Original Issue Discount Bonds

The initial public offering price of Series 2024A Bonds maturing August 1, 2049 (the "Discounted Bond") is less than the principal amount of such Series 2024A Bond payable at maturity. The difference between the Issue Price, as defined below, of each Discounted Bond and the amount payable at maturity is original issue discount. The Issue Price for each Series 2024 Bond's maturity is the first price at which a substantial amount of such Series 2024 Bond maturity is sold to the public.

Under Section 1288 of the Code of 1986 original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Discounted Bond during any accrual period generally equals (i) the issue price of such Discounted Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discounted Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discounted Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in such Discounted Bond. Purchasers of any Series 2024 Bond at an original issue discount should consult their tax advisor's regarding the determination and treatment of original issue discount for federal income tax purposes, and with respect to state and local tax consequences of owning such Discounted Bond.

Original Issue Premium Bonds

The (i) Series 2024A Bonds maturing August 1, 2026 through and including August 1, 2044, and on August 1, 2053, and on August 1, 2028 at 4.00% (CUSIP: 605699RZ2), and on August 1, 2033 at 4.00% (CUSIP: 605699SU2), and (ii) Series 2024B Bonds maturing August 1, 2025 through and including August 1, 2043 (collectively, the "Premium Bonds") have an Issue Price that is greater than the amounts payable at maturity of such Premium Bonds. An amount equal to the excess of the Issue Price of a Series 2024 Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the Premium Bond's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

Purchasers of any Series 2024 Bond at a premium, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to tax consequences of owing such Premium Bond, including, but not limited to the federal, state and local tax consequences of owning such Premium Bond.

Future Federal Legislation

From time to time, there are legislative proposals introduced and regulatory actions proposed or announced at the federal or state level that, if enacted, could alter or amend directly or indirectly relevant federal and state tax matters, including, without limitation, those mentioned hereinabove or could adversely affect the market value of the Series 2024 Bonds. It cannot be predicted whether or when or in what form any such legislative or regulatory proposal might be enacted or implemented or whether if enacted or implemented it would apply to tax exempt obligations issued prior to enactment or implementation. In addition, from time to time litigation is threatened or commenced which, if concluded in a particular manner, could adversely affect relevant tax matters or the market value of the Series 2024 Bonds. It cannot be predicted how any particular litigation or judicial action will be resolved or whether the Series 2024 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2024 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2024 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed legislation, regulatory initiatives or litigation.

RATINGS

Moody's Investors Service, Inc. has assigned a long-term rating of "Aa2" (stable outlook) to the Series 2024 Bonds based on certain information regarding the Board provided to such rating agency by the Board and the Corporation. Such rating reflects the views of only such rating agency and is not a recommendation to buy, sell or hold the Series 2024 Bonds.

Fitch Ratings, Inc. ("Fitch") has assigned a long-term rating of "AA" (stable outlook) to the Series 2024 Bonds based on certain information regarding the Board provided to such rating agency by the Board and the Corporation. Such rating reflects the views of only such rating agency and is not a recommendation to buy, sell or hold the Series 2024 Bonds.

Generally a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2024 Bonds.

CONTINUING DISCLOSURE

The Board will enter into a continuing disclosure agreement with the Trustee (the "Continuing Disclosure Agreement") at the time of the closing for the Series 2024 Bonds. The Continuing Disclosure Agreement will be executed for the benefit of the beneficial owners of the Series 2024 Bonds. The Continuing Disclosure Agreement will provide that so long as the Series 2024 Bonds remain outstanding, the Board will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access ("EMMA") system: (i) annually, audited financial statements; (ii) annually, certain financial information and operating data; and (iii) notice of the occurrence of certain listed events; all as specified in the Continuing Disclosure Agreement. The form of the Continuing Disclosure Agreement is attached hereto as Appendix E. Failure to comply with the Continuing Disclosure Agreement is not an Event of Default under the Lease; however, failure to comply may adversely affect the transferability, liquidity or market price of the Series 2024 Bonds in the secondary market in the future.

The Board hired an independent agent on March 20, 2015, to assist with compliance with its obligations under its continuing disclosure undertakings, including the Continuing Disclosure Agreement. The Board also has a policy on the issuance of bonds which incorporates provisions designed to assist it in ongoing compliance with the Securities and Exchange Commission Rule 15c2-12(b)(5)(i) (the "Rule") under the Securities Exchange Act of 1934, as amended.

The Board has prior series of bonds outstanding that are subject to continuing disclosure requirements and that require the Board to provide its audited financial statements and certain financial information and operating data. During the past five years, the Board was in compliance, in all material respects, with its undertakings under its continuing disclosure undertakings entered into under the Rule.

UNDERWRITING

The Series 2024A Bonds are being purchased for reoffering by the Underwriters, as shown on the cover hereof, at a purchase price of $88,645,278.03 (which is equal to the par amount of the Series 2024A Bonds of $82,650,000.00, plus net original issue premium of $6,421,522.50, less an Underwriters' discount of $426,244.47). The Bond Purchase Agreement pursuant to which the Underwriters expect to purchase the Series 2024A Bonds provides that the Underwriters purchase all the Series 2024A Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2024A Bonds is subject to various conditions stated in such Bond Purchase Agreement.

The Series 2024B Bonds are being purchased for reoffering by the Underwriters, as shown on the cover hereof, at a purchase price of $53,282,430.89 (which is equal to the par amount of the Series 2024B Bonds of $48,325,000.00, plus net original issue premium of $5,178,658.05, less an Underwriters' discount of $221,227.16). The Bond Purchase Agreement pursuant to which the Underwriters expect to purchase the Series 2024B Bonds provides that the Underwriters purchase all the Series 2024B Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2024B Bonds is subject to various conditions stated in such Bond Purchase Agreement.

Wells Fargo Bank, National Association, as representative of the Underwriters, may offer and sell the Series 2024 Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriters.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, one of the underwriters of the Series 2024 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2024 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2024 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2024 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter, on behalf of the Corporation, relating to (a) computation of forecasted receipts of principal and interest on the escrow securities and the forecasted payments of principal and interest to redeem the Refunded Bonds, and (b) computation of the yields on the Series 2024A Bonds, the Series 2024B Bonds, and the escrow securities was examined by Causey Demgen & Moore P.C., certified public accountants (the "Verification Agent"). Such computations were based solely on assumptions and information supplied by the Underwriters, on behalf of the Corporation. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

FINANCIAL ADVISOR

Hilltop Securities, Inc., Dallas, Texas (the "Financial Advisor"), is employed by the Corporation as an independent registered municipal advisor in connection with the issuance of the Series 2024 Bonds and, in such capacity, has responsibility primarily for providing the Corporation with information on interest rates, reoffering prices and underwriting fees on similar financings being sold under current market conditions. The Financial Advisor has not independently verified any of the data contained herein. Accordingly, no assurance is made by the Financial Advisor as to the accuracy or completeness of any information herein. No person is permitted to rely upon the participation of the Financial Advisor as an implicit or explicit expression of opinion as to such completeness and accuracy.

VALIDATION

The Series 2024 Bonds shall be submitted to validation before the Chancery Court of Oktibbeha County, Mississippi, as provided by Sections 31-13-1 *et seq*., Mississippi Code of 1972, as amended.

LEGAL MATTERS

All legal matters in connection with the authorization and issuance of the Series 2024 Bonds are subject to the final approval of the legality thereof by Jones Walker LLP, Jackson, Mississippi, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2024 Bonds. Certain legal matters will be passed upon for the Corporation by its counsel, Joan Lucas, Esq., Mississippi State, Mississippi, for the Underwriters by Butler Snow LLP, Ridgeland, Mississippi and for the Board by the Attorney General of the State. No representation is made to the Registered Owners of the Series 2024 Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in this Official Statement.

LITIGATION

There is no litigation of any nature now pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2024 Bonds, or in any way contesting or affecting the validity of the Series 2024 Bonds or any proceedings and authority under which they are to be issued. There is no litigation pending which in any manner questions the right of the Corporation and the Board to secure the Series 2024 Bonds in the manner provided in the Indenture.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee and the owners of the Bonds upon an “event of default” under the Lease and the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under the Lease and the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with delivery of the Bonds and the Lease will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

OFFICIAL STATEMENT CERTIFICATE

At the time of the delivery of the Series 2024 Bonds, the Underwriters will receive a certificate signed on behalf of the Corporation by an Authorized Corporation Representative acting solely in such person’s official capacity, substantially to the effect that to the best of his/her knowledge and belief, as of the date of the delivery of the Series 2024 Bonds to the purchaser, this Official Statement, excluding the Appendices, as then supplemented or amended, does not contain an untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein in the light of the circumstances under which they were made, not misleading.

ADDITIONAL MATTERS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2024 Bonds, the security for the payment of the Series 2024 Bonds and the rights and obligations of the Registered Owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of the Corporation’s knowledge, information in this Official Statement does not include any untrue statement of material fact nor does the information omit the statement of any material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading.

Neither any advertisement of the Series 2024 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2024 Bonds. So far as any statements are made in this Official Statement involving estimates, projections or matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. No representation is made that any of the statements will be realized.

References herein to the Act, and all other legislative acts referred to herein are only summaries, excerpts or brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof. Additional information and original source materials may be examined by contacting the Mississippi State University Educational Building Corporation, Mississippi State University, 538 McArthur Hall, Mississippi State, Mississippi 39762, telephone (662) 325-7074.

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The execution of this Official Statement has been authorized by the Board of Directors of the Corporation.

MISSISSIPPI STATE UNIVERSITY
EDUCATIONAL BUILDING CORPORATION

/s/ David Shaw
President

SCHEDULE I

REFUNDED BONDS

Series 2013 Refunded Bonds

Maturity Date	Principal Amount	Rate	Call Price	Call Date
8/1/2028	$2,140,000	4.000%	100.000	5/24/2024
8/1/2029	2,230,000	4.000%	100.000	5/24/2024
8/1/2033	2,700,000	4.375%	100.000	5/24/2024

Series 2014A Refunded Bonds

Maturity Date	Principal Amount	Rate	Call Price	Call Date
8/1/2025	$ 4,825,000	5.000%	100.000	8/1/2024
8/1/2026	4,200,000	5.000%	100.000	8/1/2024
8/1/2027	4,425,000	3.375%	100.000	8/1/2024
8/1/2028	4,620,000	5.000%	100.000	8/1/2024
8/1/2029	3,815,000	5.000%	100.000	8/1/2024
8/1/2030	2,805,000	5.000%	100.000	8/1/2024
8/1/2031	2,935,000	3.750%	100.000	8/1/2024
8/1/2032	3,040,000	3.750%	100.000	8/1/2024
8/1/2033	3,165,000	4.000%	100.000	8/1/2024
8/1/2034	3,295,000	4.000%	100.000	8/1/2024
8/1/2035	3,425,000	4.000%	100.000	8/1/2024
8/1/2036	1,240,000(1)	4.000%	100.000	8/1/2024
8/1/2037	1,290,000(1)	4.000%	100.000	8/1/2024
8/1/2038	1,340,000(1)	4.000%	100.000	8/1/2024
8/1/2039	1,395,000(1)	4.000%	100.000	8/1/2024
8/1/2040	1,450,000(1)	4.000%	100.000	8/1/2024
8/1/2041	1,510,000(1)	4.000%	100.000	8/1/2024
8/1/2042	1,580,000(2)	5.000%	100.000	8/1/2024
8/1/2043	1,660,000(2)	5.000%	100.000	8/1/2024

(1) Term maturing on August 1, 2041.
(2) Term maturing on August 1, 2043.

APPENDIX A

ADDITIONAL INFORMATION ABOUT THE IHL SYSTEM AND THE UNIVERSITY

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THE BOARD

The Board first assumed its duties in 1944 and consists of twelve members, one from each of the seven congressional districts as existed in 1944, one from each of the State Supreme Court Districts and two from the state-at-large appointed by the Governor of the State with the approval of the Senate. Each member of the Board serves a term of nine (9) years. The Board presently consists of the following members:

Board Members	Term Expires May
Dr. Alfred E. McNair, Jr., President	2024
Mr. Bruce Martin, Vice President	2027
Mr. Tom Duff	2024
Ms. Ormella Cummings, Ph.D.	2030
Dr. Steven Cunningham	2027
Ms. Teresa Hubbard	2030
Ms. Jeanne Carter Luckey	2027
Mr. Chip Morgan	2024
Mr. Powell "Gee" Ogletree, Jr.	2027
Mr. Hal Parker	2030
Mr. Gregory Rader	2030
Dr. J. Walt Starr	2024

The Board appoints a Commissioner of Higher Education who is responsible for administering the policies and decisions of the Board. The Commissioner is Dr. Alfred Rankins, Jr. The Board is also staffed with professionals with expertise in the areas of academic programs, fiscal matters and student financial aid, who are under the direction of the Commissioner.

Appropriations from the State Legislature made for education and general support for the use of the eight institutions, including the Board, are received by the Board as a lump sum with the power and authority in the Board to allocate and distribute such funds among the Member Institutions under its control in the way and manner and in such amounts as will further an efficient and economical administration of the institutions. Additional appropriations from the Legislature are made for the support and maintenance of specific programs within the eight Member Institutions.

In addition, a separate State legislative appropriation is made annually by the Legislature for the University of Mississippi Medical Center ("UMMC"). Each Member Institution, including UMMC, is responsible for collecting and investing the tuition, fees, patient care, research and other revenues generated by each such Member Institution, and budgeting such amounts along with the allocation received from the Board from State legislative appropriations, for the expenses of the Member Institution for each fiscal year. Each Member Institution's budget and any budget amendments are subject to approval by the Board.

For Fall 2023, student enrollment for the Member Institutions was 77,074 (unduplicated), representing a 1.7% increase since Fall 2022. During academic calendar year 2022 the Member Institutions had an 80.9% retention rate and 19,861 degrees were awarded by the Member Institutions. For Fall 2022, approximately 20,600 people were employed full time by the Member Institutions.

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The following charts provide appropriations information for the Member Institutions.

MEMBER INSTITUTIONS - Appropriations by Category

	FY 2021	FY 2022	FY 21 – FY 22 Change	Percent
Campus	$ 386,075,752	$ 372,975,662	$ (13,100,090)	-3.39%
Ayers[(1)]	7,533,983	9,309,762	1,775,779	23.57%
UMMC	167,469,574	175,134,698	7,665,124	4.58%
Agriculture	82,155,225	84,358,420	2,203,195	2.68%
Subsidiary	40,171,316	35,775,777	(4,395,539)	-10.94%
Financial Aid	42,085,128	49,107,957	7,022,829	16.69%
Capital Funds	-	-	-	0.00%
Total	$ 725,490,978	$ 726,662,276	$ 1,171,298	0.16%

	FY 2022	FY 2023	FY 22 – FY 23 Change	Percent
Campus	$ 372,975,662	$ 587,945,759	$ 214,970,097	57.64%
Ayers[(1)]	9,309,762	1,615,903	(7,693,859)	-82.64%
UMMC	175,134,698	245,606,038	70,471,340	40.24%
Agriculture	84,358,420	89,154,391	4,795,971	5.69%
Subsidiary	35,775,777	43,408,286	7,632,509	21.33%
Financial Aid	49,107,957	53,631,667	4,523,710	9.21%
Capital Funds	-	-	-	--
Total	$ 726,662,276	1,021,362,044	$ 294,699,768	40.56%

	FY 2023	FY 2024	FY 23 – FY 24 Change	Percent
Campus	$ 587,945,759	$ 774,512,785	$ 186,567,026	31.73%
Ayers[(1)]	1,615,903	2,886,269	1,270,366	78.62%
UMMC[(2)]	245,606,038	261,084,767	15,478,729	6.30%
Agriculture	89,154,391	92,048,582	2,894,191	3.24%
Subsidiary	43,408,286	38,592,410	(4,815,876)	-11.09%
Financial Aid	53,631,667	71,572,256	17,940,589	33.45%
Capital Funds	-	-	-	-
Total	$ 1,021,362,044	$ 1,240,697,069	$ 219,335,025	21.47%

[(1)] In 2002 a Settlement Agreement was entered into in connection with *Jake Ayers, Jr. et al and United States of America v. Ronnie Musgrove, Governor, State of Mississippi, et al*, Civil Action No. 4:75CV9-B-D, US District Court for the Northern District of Mississippi. The Settlement Agreement provided approximately $417 million in funding over a 20-year period for certain programs, facilities and other resources at Jackson State University, Alcorn State University and Mississippi Valley State University. *Ayers* funding is expected to end after FY 2022; however, the Board may have some unspent funds and/or interest that is earned on an endowment created by the settlement to be allocated in future years.
[(2)] Excludes Coronavirus State Recovery Funds of $25,000,000 appropriated in FY2023, USM Ocean Enterprise funds of $2,501,320 appropriated in FY2024 and MSU Research and Technology Corporation Cyber Center funds of $2,000,000 appropriated in FY2024.

Source: IHL Budgets

MEMBER INSTITUTIONS - Appropriations by University
Fiscal Year 2024

	FY 2024
Alcorn State University	$57,767,237
Delta State University	41,741,737
Jackson State University	69,834,320
Mississippi State University	279,808,448
Mississippi University for Women	37,022,149
Mississippi Valley State University	30,257,489
University of Mississippi	169,788,082
University of Mississippi Medical Center	317,971,267
University of Southern Mississippi	150,702,213
System Administration	86,902,540
Total	$ 1,241,795,482

Source: IHL Budgets

The following charts provide select financial information for the Member Institutions.

IHL SYSTEM – FINANCIAL INFORMATION
(Initial Budget – In Millions)

	Operating Budget			**State Appropriations**			**Annual Payroll[2]**		
	22-23	21-22	20-21	22-23	21-22	20-21	22-23	21-22	20-21
Alcorn State University	$125.0	$109.7	$110.1	$39.9	$29.1	$28.6	$42.6	$40.8	$41.1
Delta State University	$84.0	$70.5	$74.3	$32.5	$21.4	$21.9	$38.6	$36.0	$35.2
Jackson State University	$205.1	$201.0	$185.6	$63.3	$44.6	$44.8	$87.5	$84.2	$80.1
Mississippi State University	$1,224.1	$1,139.9	$1,046.9	$239.1	$181.0	$182.6	$415.9	$394.2	$380.3
Mississippi University for Women	$65.9	$57.9	$57.1	$23.4	$16.2	$16.6	$30.4	$27.2	$26.2
Mississippi Valley State University	$82.3	$59.9	$59.9	$30.3	$16.3	$15.7	$25.4	$24.3	$24.0
University of Mississippi	$924.7	$829.4	$801.1	$139.9	$95.6	$99.9	$337.8	$306.8	$297.2
University of Mississippi Medical Center	$1,953.1	$1,899.3	$1,804.6	$260.6	$175.1	$167.5	$1,011.6	$981.7	$974.0
University of Southern Mississippi	$479.6	$430.2	$420.2	$122.3	$90.0	$91.4	$191.5	$182.9	$175.5
Executive Office[1]	$109.2	$85.6	$84.7	$69.9	$57.4	$56.6	$8.5	$9.1	$9.0
SYSTEM	$5,253.2	$4,883.6	$4,644.6	$1,021.4	$726.7	$725.5	$2,189.7	$2,087.2	$2,042.6

[1] Includes Ayers Endowment Fund, Ayers Summer Development Program, Delta Revitalization, Geospatial Licenses and Space Efficiency, Student Aid and Volunteer Commission.
[2] Includes all campus budgets, agricultural budgets, auxiliaries and subsidiaries.

Source: IHL Budgets

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IHL SYSTEM – Statement of Revenues, Expenditures & Change in Net Assets[1]

	2022	2023	% Change
Operating Revenues	$ 3,044,979,771	$ 3,218,887,338	5.7%
Operating Expenses	(3,847,088,067)	(4,225,681,463)	9.8
Operating Income (Loss)	(802,108,296)	(1,006,794,125)	25.5
Non-Operating Revenues	937,246,927	1,021,384,917	9.0
Income (Loss) Before Other Revenues	135,138,631	14,590,792	(89.2)
Other Revenues	114,506,471	78,129,587	(31.8)
Change in Net Assets	249,645,102	$ 92,720,379	(62.9)

[1] See management's discussion on page 10 of "STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING FINANCIAL STATEMENTS - JUNE 30, 2023" in "APPENDIX C."

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The following chart sets forth the annual cost of education for Member Institutions for 2022 - 2023.

2022-23 ANNUAL COST OF EDUCATION						
Member Institution	In-State Tuition	Average Room(2)	Average Board	Total In-State Tuition & Other Costs	Out-of-State Tuition Surcharge	Total Out-of-State Tuition & Other Costs
Alcorn State University	$8,549	$6,508	$3,747	$18,804	$0	$18,804
Delta State University	$8,605	$4,625	$2,843	$16,073	$0	$16,073
Jackson State University	$8,445	$6,020	$4,401	$18,866	$1,000	$19,866
Mississippi State University	$9,398	$6,960	$4,003	$20,361	$16,046	$36,407
Mississippi University for Women	$7,866	$4,712	$3,500	$16,078	$0	$16,078
Mississippi Valley State University	$7,394	$4,549	$3,793	$15,736	$0	$15,736
University of Mississippi(1)	$9,232	$6,039	$4,131	$19,402	$17,220	$36,622
University of Southern Mississippi	$9,340	$5,967	$4,143	$19,450	$2,000	$21,450

(1) Excludes UMMC.
(2) Double occupancy.

Source: IHL Website (mississippi.edu).

The following charts provide historical enrollment data for the Member Institutions.

MEMBER INSTITUTIONS – HEADCOUNT ENROLLMENT(1)

Member Institution(2)	Fall 2023	Fall 2022	Fall 2021	Fall 2020	Fall 2019
Alcorn State University	2,894	2,933	3,074	3,230	3,523
Delta State University	2,781	2,623	2,789	3,091	3,829
Jackson State University	6,854	7,154	7,220	7,231	7,509
Mississippi State University	22,894	22,908	23,450	23,273	22,419
Mississippi University for Women	2,370	2,509	2,627	2,896	3,011
Mississippi Valley State University	2,196	1,879	2,064	2,090	2,153
University of Mississippi(3)	25,193	23,449	22,358	22,413	22,950
University of Southern Mississippi	15,877	16,336	17,130	19,097	16,823
IHL System Total	81,059	79,791	80,712	83,321	82,217

(1) Enrollment figures represent census taken on November 1 of 2019, 2020, 2021, 2022, and 2023. Enrollment figures include duplicated counts of students who are concurrently enrolled at more than one campus.
(2) Includes all campuses of each Member Institution.
(3) Includes UMMC.

Source: IHL website (mississippi.edu)

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MEMBER INSTITUTIONS – FULL TIME EQUIVALENT ENROLLMENT [1]

Member Institution[2]	Fall 2022	Fall 2021	Fall 2020	Fall 2019	Fall 2018
Alcorn State University					
Undergraduate	2,249	2,331.4	2,574.4	2,998.8	3,121.0
Graduate	300.3	314.3	294.8	271.2	287.3
Total	2,549.3	2,645.7	2,869.2	3,270.0	3,408.3
Delta State University					
Undergraduate	1,574.2	1,660.3	1,915.6	2,352.9	2,382.9
Graduate	355.3	377.8	365.3	341.0	367.6
Total	1,929.5	2,038.1	2,280.9	2,693.9	2,750.5
Jackson State University					
Undergraduate	4,577.1	4,348.8	4,426.6	4,610.9	5,240.4
Graduate	1,183.4	1,339.2	1,358.5	1,023.6	1,124.5
Total	5,760.5	5,688.0	5,785.1	5,634.5	6,364.9
Mississippi State University					
Undergraduate	17,423.6	17,593.1	17,913.7	17,993.4	17,719.3
Graduate	3,014.7	3,003.3	2,837.9	2,483.4	2,507.6
Total	20,438.3	20,596.4	20,751.6	20,476.8	20,226.9
Mississippi University for Women					
Undergraduate	1,719.5	1,786.4	2,067.4	2,209.6	2,165.0
Graduate	172.2	208.2	197.2	163.1	146.2
Total	1,891.7	1,994.6	2,264.6	2,372.7	2,311.2
Mississippi Valley State University					
Undergraduate	1,243.8	1,313.8	1,414.8	1,558.8	1,659.4
Graduate	142.6	204.2	198.2	184.1	213.5
Total	1,386.4	1,518.0	1,613.0	1,742.9	1,872.9
University of Mississippi[3]					
Undergraduate	16,628.1	15,448.9	15,524.8	16,459.4	17,239.2
Graduate	4,922.8	4,977.4	4810.3	4514.7	4551.7
Total	21,550.9	20,426.3	20,335.1	20,974.1	21,790.9
University of Southern Mississippi					
Undergraduate	9,550.2	9,972.2	10,676.8	10,653.0	10,925.7
Graduate	2,042.8	2,188.7	2,009.7	1,637.4	1,653.5
Total	11,593	12,160.9	12,686.5	12,290.4	12,579.2
All Member Institutions					
Undergraduate	54,965.5	54,454.9	56,514.1	58,836.8	60,452.9
Graduate	12,134.1	12,613.1	12,071.9	10,618.5	10,851.9
Total	67,099.6	67,068.0	68,586.0	69,445.3	71,304.8

[1] Full-Time Equivalent enrollment figures are calculated by finding the sum of the total number of undergraduate hours attempted divided by 15 and the total number of graduate hours divided by 12.
[2] Includes all campuses of each Member Institution.
[3] Includes UMMC.

Source: IHL website (mississippi.edu)

THE UNIVERSITY

Mississippi State University of Agriculture and Applied Science's main campus is located immediately adjacent to the City of Starkville, Mississippi, and is a major factor in that municipality's growth and development. The University is a comprehensive, doctoral degree-granting institution with a nationally and internationally diverse student body. It is accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to award baccalaureate, masters, specialist, and doctoral degrees. The University was established by the Mississippi Legislature in 1878 as a Land Grant Institution and is comprised of eight academic colleges and schools. In Fall 2023, the institution enrolled 22,657 students in 32 degree programs across 13 majors. The University encompasses 27,682 acres across the state and just over 11 million square feet of space in 649 buildings and structures as the state's largest university. Approximately 5,000 people are employed full time by the University.

DEBT SERVICE REQUIREMENTS – THE CORPORATION

The following table sets forth for each fiscal year the amount required each year for debt service on the Series 2024 Bonds, as well as other outstanding bonds of the Corporation secured by revenues similar to the revenues securing the Series 2024 Bonds. The principal maturities of the Series 2024 Bonds will be payable on August 1, and interest will be payable on August 1, 2024, and semiannually thereafter on February 1 and August 1 of each year.

Fiscal Year Ending	Current Bond Debt Service for the Corporation	Series 2024A Bonds Principal	Series 2024A Bonds Interest	Series 2024A Capitalized Interest	Series 2024B Bonds Principal	Series 2024B Bonds Interest	Total Series 2024 Bonds Debt Service	Total Bond Debt Service for the Corporation
6/30/2024	$ 5,664,824	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,664,824
6/30/2025	19,978,634	-	3,624,086	3,362,731	-	1,771,917	2,033,272	22,011,906
6/30/2026	15,271,635	-	3,906,200	1,812,250	4,550,000	2,302,500	8,946,450	24,218,085
6/30/2027	14,564,282	1,300,000	3,873,700	-	3,915,000	2,090,875	11,179,575	25,743,857
6/30/2028	15,398,259	1,365,000	3,807,075	-	4,160,000	1,889,000	11,221,075	26,619,334
6/30/2029	12,886,182	3,395,000	3,697,875	-	4,380,000	1,675,500	13,148,375	26,034,557
6/30/2030	12,893,642	3,560,000	3,533,800	-	3,560,000	1,477,000	12,130,800	25,024,442
6/30/2031	15,152,659	1,590,000	3,405,050	-	2,540,000	1,324,500	8,859,550	24,012,209
6/30/2032	15,156,562	1,670,000	3,323,550	-	2,675,000	1,194,125	8,862,675	24,019,237
6/30/2033	15,166,599	1,755,000	3,237,925	-	2,805,000	1,057,125	8,855,050	24,021,649
6/30/2034	12,511,960	4,365,000	3,097,525	-	2,950,000	913,250	11,325,775	23,837,735
6/30/2035	15,275,888	1,940,000	2,952,500	-	3,105,000	761,875	8,759,375	24,035,263
6/30/2036	15,275,166	2,040,000	2,853,000	-	3,260,000	602,750	8,755,750	24,030,916
6/30/2037	15,286,926	2,145,000	2,748,375	-	1,090,000	494,000	6,477,375	21,764,301
6/30/2038	15,272,502	2,255,000	2,638,375	-	1,145,000	438,125	6,476,500	21,749,002
6/30/2039	15,283,407	2,370,000	2,522,750	-	1,200,000	379,500	6,472,250	21,755,657
6/30/2040	13,492,776	2,490,000	2,401,250	-	1,265,000	317,875	6,474,125	19,966,901
6/30/2041	13,486,341	2,620,000	2,273,500	-	1,325,000	253,125	6,471,625	19,957,966
6/30/2042	13,489,455	2,755,000	2,139,125	-	1,395,000	185,125	6,474,250	19,963,705
6/30/2043	10,717,674	2,895,000	1,997,875	-	1,465,000	113,625	6,471,500	17,189,174
6/30/2044	10,720,902	3,045,000	1,849,375	-	1,540,000	38,500	6,472,875	17,193,777
6/30/2045	5,177,100	3,200,000	1,693,250	-	-	-	4,893,250	10,070,350
6/30/2046	1,836,000	3,345,000	1,546,350	-	-	-	4,891,350	6,727,350
6/30/2047	-	3,485,000	1,409,750	-	-	-	4,894,750	4,894,750
6/30/2048	-	3,625,000	1,267,550	-	-	-	4,892,550	4,892,550
6/30/2049	-	3,770,000	1,119,650	-	-	-	4,889,650	4,889,650
6/30/2050	-	3,925,000	965,750	-	-	-	4,890,750	4,890,750
6/30/2051	-	4,110,000	784,500	-	-	-	4,894,500	4,894,500
6/30/2052	-	4,320,000	573,750	-	-	-	4,893,750	4,893,750
6/30/2053	-	4,540,000	352,250	-	-	-	4,892,250	4,892,250
6/30/2054	-	4,775,000	119,375	-	-	-	4,894,375	4,894,375
TOTAL	$299,959,374	$82,650,000	$69,715,086	$5,174,981	$48,325,000	$19,280,292	$214,795,397	$514,754,771

[1] As of February 27, 2024. Includes bond issues as listed on "Member Institutions Outstanding Bond Issues - Mississippi State University EBC Bonds." Excludes Refunded Bonds debt service. See "MISSISSIPPI STATE UNIVERSITY EBC OUTSTANDING REVENUE BONDS" below for a detailed listing of the Corporation's currently outstanding bond issues and other obligations.

DEBT SERVICE REQUIREMENTS – MEMBER INSTITUTIONS

The following table sets forth for each fiscal year the amount required each year for debt service on the Series 2024 Bonds, as well as other outstanding bonds of the Member Institutions of the Board and The University of Mississippi Medical Center. Member Institutions of the Board, for which bonds have been issued under the Act, in addition to the University, include the University of Mississippi, the University of Southern Mississippi, Jackson State University, Delta State University, Alcorn State University, Mississippi University for Women, and Mississippi Valley State University. The principal maturities of the Series 2024 Bonds will be payable on August 1, and interest will be payable August 1, 2024, and semiannually thereafter on February 1 and August 1 of each year.

Fiscal Year Ending	Current Bond Net Debt Service for Member Institutions[(1)(2)]	Current Obligations Debt Service for Member Institutions[(1)]	Current Bond Net Debt Service for UMMC	Series 2024A Bonds Principal	Series 2024A Bonds Interest	Series 2024A Capitalized Interest	Series 2024B Bonds Principal	Series 2024B Bonds Interest	Total Series 2024 Bonds Debt Service	Total Bond Net Debt Service and Other Obligations for Member Institutions
6/30/2024	$25,118,274	$5,779,188	$13,410,276	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,307,737
6/30/2025	67,653,964	9,590,546	24,715,886	-	3,624,086	3,362,731	-	1,771,917	2,033,272	103,993,668
6/30/2026	63,235,108	5,523,892	26,796,889	-	3,906,200	1,812,250	4,550,000	2,302,500	8,946,450	104,502,338
6/30/2027	63,575,279	2,842,751	26,835,926	1,300,000	3,873,700	-	3,915,000	2,090,875	11,179,575	104,433,531
6/30/2028	64,277,470	2,723,890	26,863,774	1,365,000	3,807,075	-	4,160,000	1,889,000	11,221,075	105,086,209
6/30/2029	61,611,838	1,941,590	26,938,522	3,395,000	3,697,875	-	4,380,000	1,675,500	13,148,375	103,640,325
6/30/2030	62,084,039	1,956,845	26,978,558	3,560,000	3,533,800	-	3,560,000	1,477,000	12,130,800	103,150,242
6/30/2031	60,859,118	1,965,595	27,030,451	1,590,000	3,405,050	-	2,540,000	1,324,500	8,859,550	98,714,714
6/30/2032	61,275,675	1,967,988	27,094,575	1,670,000	3,323,550	-	2,675,000	1,194,125	8,862,675	99,200,912
6/30/2033	57,926,076	1,643,188	27,500,614	1,755,000	3,237,925	-	2,805,000	1,057,125	8,855,050	95,924,928
6/30/2034	54,351,941	1,646,258	27,600,954	4,365,000	3,097,525	-	2,950,000	913,250	11,325,775	94,924,928
6/30/2035	52,417,133	-	29,039,392	1,940,000	2,952,500	-	3,105,000	761,875	8,759,375	90,215,900
6/30/2036	45,490,687	-	28,380,814	2,040,000	2,853,000	-	3,260,000	602,750	8,755,750	82,627,251
6/30/2037	37,123,840	-	28,386,035	2,145,000	2,748,375	-	1,090,000	494,000	6,477,375	71,987,250
6/30/2038	32,621,026	-	28,617,297	2,255,000	2,638,375	-	1,145,000	438,125	6,476,500	67,714,823
6/30/2039	32,780,165	-	28,620,619	2,370,000	2,522,750	-	1,200,000	379,500	6,472,250	67,873,033
6/30/2040	30,128,743	-	28,621,627	2,490,000	2,401,250	-	1,265,000	317,875	6,474,125	65,224,495
6/30/2041	24,806,156	-	28,624,633	2,620,000	2,273,500	-	1,325,000	253,125	6,471,625	59,902,414
6/30/2042	24,932,518	-	23,458,700	2,755,000	2,139,125	-	1,395,000	185,125	6,474,250	54,865,468
6/30/2043	22,285,353	-	23,458,950	2,895,000	1,997,875	-	1,465,000	113,625	6,471,500	52,215,803
6/30/2044	17,622,837	-	23,459,550	3,045,000	1,849,375	-	1,540,000	38,500	6,472,875	47,555,262
6/30/2045	12,077,175	-	23,457,950	3,200,000	1,693,250	-	-	-	4,893,250	40,428,375
6/30/2046	8,177,150	-	23,460,500	3,345,000	1,546,350	-	-	-	4,891,350	36,529,000
6/30/2047	4,493,650	-	23,460,400	3,485,000	1,409,750	-	-	-	4,894,750	32,848,800
6/30/2048	4,492,900	-	6,826,000	3,625,000	1,267,550	-	-	-	4,892,550	16,211,450
6/30/2049	4,492,825	-	6,825,200	3,770,000	1,119,650	-	-	-	4,889,650	16,207,675
6/30/2050	4,493,850	-	6,825,800	3,925,000	965,750	-	-	-	4,890,750	16,210,400
6/30/2051	4,492,113	-	6,822,400	4,110,000	784,500	-	-	-	4,894,500	16,209,013
6/30/2052	4,492,275	-	6,824,800	4,320,000	573,750	-	-	-	4,893,750	16,210,825
6/30/2053	4,493,888	-	6,822,400	4,540,000	352,250	-	-	-	4,892,250	16,208,538
6/30/2054	-	-	-	4,775,000	119,375	-	-	-	4,894,375	4,894,375
TOTAL	$1,013,883,065	$37,581,729	$663,759,492	$82,650,000	$69,715,086	$5,174,981	$48,325,000	$19,280,292	$214,795,397	$1,930,019,682

(1) As of February 27, 2024. The total current bond net debt service (net of capitalized interest) of Member Institutions and MCEBC. See Table "MEMBER INSTITUTIONS OUTSTANDING OBLIGATIONS" herein for a detailed listing of the Member Institutions' current outstanding bond issues.
(2) Excludes Refunded Bonds debt service.

MEMBER INSTITUTIONS OUTSTANDING OBLIGATIONS

NAME OF ISSUE	OUTSTANDING PRINCIPAL BALANCE AS OF FEB. 27, 2024*
Alcorn State University EBC Revenue Refunding Bonds, Series 2016	$ 38,245,000
Delta State University EBC Revenue Refunding Bonds, Series 2016	10,265,000
Jackson State University EBC Revenue Bonds, Series 2015A	7,645,000
Jackson State University EBC Taxable Revenue Refunding Bonds, Series 2017A	26,355,000
Jackson State University EBC Revenue Refunding Bonds, Taxable (Convertible to Tax-Exempt) Series 2021A	42,380,000
Jackson State University EBC Revenue Refunding Bonds, Taxable Series 2021B	6,295,000
Mississippi State University EBC Revenue Bonds, Series 2013	-
Mississippi State University EBC Revenue Bonds, Series 2014A	4,590,000
Mississippi State University EBC Revenue Bonds, Taxable Series 2014B	14,185,000
Mississippi State University EBC Revenue Bonds, Series 2015	46,985,000
Mississippi State University EBC Revenue Refunding Bonds, Series 2017	46,945,000
Mississippi State University EBC Revenue Refunding Bonds, Series 2017A	87,930,000
Mississippi State University EBC Revenue Refunding Bonds, Series 2024A	82,650,000
Mississippi State University EBC Revenue Refunding Bonds, Series 2024B	48,325,000
Mississippi State University EBC Extendible Commercial Paper Program (1)	-
Mississippi Valley University EBC Revenue Refunding Bonds, Series 2015	14,715,000
University of Mississippi EBC Revenue Bonds, Series 2015A	13,480,000
University of Mississippi EBC Revenue Bonds, Taxable Series 2015B	4,580,000
University of Mississippi EBC Revenue Bonds, Series 2015C	26,415,000
University of Mississippi EBC Revenue Bonds, Taxable Series 2015D	11,875,000
University of Mississippi EBC Revenue Refunding Bonds, Series 2016A	18,665,000
University of Mississippi EBC Revenue Refunding Bonds, Series 2017	29,705,000
University of Mississippi EBC Revenue Refunding Bonds, Series 2019A	61,690,000
University of Mississippi EBC Revenue Bonds, Series 2022	71,650,000
University of Southern Mississippi EBC Revenue Bonds, Series 2013	6,050,000
University of Southern Mississippi EBC Revenue Refunding Bonds, Series 2015A	29,045,000
University of Southern Mississippi EBC Revenue Refunding Bonds, Taxable Series 2015B	2,625,000
University of Southern Mississippi EBC Revenue Refunding Bonds, Series 2016	51,580,000
University of Southern Mississippi EBC Revenue Refunding Bonds, Series 2017	42,550,000
TOTAL IHL without UMMC	$847,420,000
University of Mississippi Medical Center EBC Revenue Bonds, Series 2017A	137,390,000
University of Mississippi Medical Center EBC Revenue Refunding Bonds, Taxable Series 2017B	860,000
University of Mississippi Medical Center EBC Revenue Refunding Bonds, Series 2019	22,005,000
University of Mississippi Medical Center EBC Taxable Revenue Bonds, Series 2020B	151,300,000
University of Mississippi Medical Center EBC Revenue Bonds, Series 2023	82,500,000
University of Mississippi Medical Center EBC Taxable Revenue Bonds, Series 2023B	27,500,000
TOTAL UMMC	$421,555,000
TOTAL IHL and UMMC	$1,268,975,000
Jackson State University Privately Placed Lease Revenue Certificates of Participation, Series 2014A	135,663
University of Mississippi 2016 Land Purchase Hancock Taxable Bank Note (2)	2,611,068
University of Mississippi Indoor Tennis Facility 2018 Renasant Taxable Bank Note (3)	3,752,337
Mississippi Hospital Equipment and Facilities Authority Revenue Refunding Bond, Series 2019A	16,125,000
Mississippi Hospital Equipment and Facilities Authority Revenue Taxable Refunding Bond, Series 2019B	1,960,000
University of Mississippi Medical Center Notes Payable	7,573,944
University of Mississippi Medical Center Series 2020A Sublease	1,730,000
University of Mississippi Medical Center Series 2020B Sublease	535,000
TOTAL MEMBER INSTITUTIONS OTHER OBLIGATIONS	$34,423,012
TOTAL IHL, UMMC, Member Institutions Other Obligations	**$1,303,398,012**

Source: Board of Trustees of State Institutions of Higher Learning of the State of Mississippi

(1) Under current Board authorization, up to $50 million of Commercial Paper Notes may be issued by the Corporation. As of the date hereof, no Commercial Paper Notes are outstanding.

(2) UMEBC purchased approximately 12.02 acres of land located adjacent to the Oxford campus of The University of Mississippi on May 27, 2016.

(3) Renasant Bank loaned the Foundation funds for the construction of a new indoor tennis facility. The University of Mississippi has covenants to include all lease payments in their annual budget and provide for such payments from unrestricted revenues.

* Excludes bonds to be refunded by the proceeds of the Corporation's Series 2024 Bonds.

University and Board revenues are being used to make rental payments on leases securing the following revenue bonds of the Corporation and University:

MISSISSIPPI STATE UNIVERSITY EBC OUTSTANDING REVENUE BONDS

Series	Original Principal Amount	Outstanding Principal Balance as of Feb. 27, 2024*	Final Maturity (Aug. 1)
Mississippi State University EBC Revenue Bonds, Series 2014A	$89,810,000	$4,590,000	2024
Mississippi State University EBC Revenue Bonds, Taxable Series 2014B	23,435,000	14,185,000	2043
Mississippi State University EBC Revenue Bonds, Series 2015	56,010,000	46,985,000	2044
Mississippi State University EBC Revenue Refunding Bonds, Series 2017	63,270,000	46,945,000	2045
Mississippi State University EBC Revenue Refunding Bonds, Series 2017A	92,075,000	87,930,000	2043
Mississippi State University EBC Revenue Refunding Bonds, Series 2024A	82,650,000	82,650,000	2053
Mississippi State University EBC Revenue Refunding Bonds, Series 2024B	48,325,000	48,325,000	2043
	$385,070,000	$331,610,000	

* Excludes the (i) Refunded Series 2013 Bonds to be redeemed by a portion of the proceeds of the Series 2024A Bonds on May 24, 2024, and (ii) Refunded Series 2014A Bonds to be redeemed by a portion of the proceeds of the Series 2024B Bonds on August 1, 2024.

APPENDIX B

DEFINED TERMS AND SUMMARY OF LEASE AND INDENTURE

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DEFINED TERMS

In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless the context or use otherwise requires. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words "Bond" and "person" shall include the plural as well as the singular number unless the context shall otherwise indicate.

2013 Lease:

"2013 Lease" means the Lease Agreement dated as of October 1, 2013, entered into in connection with the issuance of the Series 2013 Bonds.

2013 Project:

"2013 Project" means capital expenditures in connection with the expansion of Davis Wade Stadium and constructing, furnishing and equipping a classroom building with parking financed by the Series 2013 Bonds.

2013 Project Site:

"2013 Project Site" means the sites on the campus of the University on which the 2013 Project is located as set forth in Exhibit A to the 2013 Lease.

2014 Lease:

"2014 Lease" means the Lease Agreement dated as of April 1, 2014, entered into in connection with the issuance of the Series 2014A Bonds.

2014 Project:

"2014 Project" means capital expenditures in connection with the projects described on Exhibit B to the 2014 Lease.

2014 Project Site:

"2014 Project Site" means the sites on the campus of the University on which the 2014 Project is located as set forth in Exhibit A to the 2014 Lease.

Accounts:

"Accounts" means the Series 2024A Costs of Issuance Account, the Series 2024B Costs of Issuance Account and the Series 2024A Construction Account.

Act

"Act" means Sections 37-101-61 through 37-101-71, Mississippi Code of 1972, as amended.

Additional Bonds:

"Additional Bonds" means Bonds, in addition to the Series 2024 Bonds, issued by the Corporation pursuant to the terms and conditions of the Indenture.

Advance Rentals:

"Advance Rentals" mean payments of rent under the Lease in the form of moneys or Qualified Permitted Investments in any amount sufficient, in combination with amounts then on deposit in the Bond Fund available to pay principal of, premium, if any, and interest on the Series 2024 Bonds, to satisfy all principal, premium, if any, and interest due on the Series 2024 Bonds and to pay all fees and expenses of the Trustee and other reasonable costs incident to the defeasance of the lien of the Indenture.

Authorized Board Representative:

"Authorized Board Representative" means the Vice President of Budget and Planning of the University and the Vice President of Development of the University, or such other persons as may be hereafter designated to act on behalf of the Board by written certificate furnished to the Trustee and the Corporation containing the specimen signature of such person and signed by the Board's President. Such a certificate may designate one or more alternates.

Authorized Corporation Representative:

"Authorized Corporation Representative" means the President, the Secretary or the Treasurer of the Corporation, or such other person as may be hereafter designated to act on behalf of the Corporation by written certificate furnished to the Trustee and the Board containing the specimen signature of such person and signed by the Corporation's President. Such a certificate may designate one or more alternates.

Board:

"Board" means the Board of Trustees of State Institutions of Higher Learning of the State of Mississippi.

Board of Directors:

"Board of Directors" means the governing body of the Corporation.

Bond Counsel:

"Bond Counsel" means, with respect to the original issuance of the Series 2024 Bonds, Jones Walker LLP, Jackson, Mississippi, and thereafter such other firm of nationally recognized attorneys appointed by the Corporation, which is experienced in issuing opinions with respect to tax-exempt bonds under the exemptions provided in the Code.

Bond Fund:

"Bond Fund" means the Bond Fund established pursuant to the Indenture.

Bond Proceeds:

"Bond Proceeds" mean the proceeds received by the Trustee (on behalf of the Corporation) from the sale and issuance of the Series 2024 Bonds.

Bond Register:

"Bond Register" means the registration records of the Corporation kept by the Trustee to evidence the registration and transfer of the Bonds.

Bonds:

"Bonds" mean the Series 2024 Bonds and any Additional Bonds issued pursuant to the Indenture.

Business Day:

"Business Day" means any day, other than a Saturday or Sunday, on which the Trustee or the New York Stock Exchange is not required or authorized by law to remain closed.

Certified Resolution:

"Certified Resolution" with reference to the Corporation, means a copy of a resolution certified by the Secretary of the Corporation to have been duly passed and adopted by the Board of Directors of the Corporation at a meeting duly called and convened, and, with reference to the Board, means a copy of a resolution certified by its Executive Secretary as having been duly passed and adopted by the Board at a meeting duly called and convened.

Closing Date:

"Closing Date" means the date or dates of issuance and delivery of the Series 2024 Bonds.

Code:

"Code" means the Internal Revenue Code of 1986, as amended, and regulations and rulings published thereunder.

Continuing Disclosure Agreement:

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Agreement between the Board and the Trustee dated as of February 1, 2024, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Corporation:

"Corporation" means the Mississippi State University Educational Building Corporation, a Mississippi non-profit corporation, its successors and assigns.

Costs of Issuance:

"Costs of Issuance" means items of expense payable or reimbursable directly or indirectly by the Corporation and related to the authorization, sale and issuance of the Series 2024 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2024 Bonds, bond or reserve fund insurance premiums, credit enhancements or liquidity facility fees, and other costs, charges and fees in connection with the foregoing.

Designated Revenues:

"Designated Revenues" means all unrestricted revenues of the Board which include without limitation, tuition, and auxiliary enterprises net of scholarship allowances, sales and services, other operating revenues (including those of the University), State appropriations and unrestricted net asset balances.

DTC:

"DTC" means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depositories appointed pursuant to the Indenture.

Event of Default:

"Event of Default" means one or more of those events designated as "Events of Default" in the Indenture or the Lease, as applicable.

Federal Tax Certificate

"Federal Tax Certificate" means the Federal Tax Certificate or Certificates of the Corporation and the Board, respectively, setting forth certain representations and covenants relating to the tax-exempt status of the Series 2024 Bonds.

Fitch:

"Fitch" means Fitch Ratings Ltd. and its successors and assigns.

Ground Lease:

"Ground Lease" means the Ground Lease dated as of February 1, 2024, by and among the Board and the University, as lessor, and the Corporation, as lessee, in connection with the issuance of the Series 2024 Bonds, as the same may be supplemented or amended.

Indenture:

"Indenture" means the Trust Indenture dated as of February 1, 2024, by and between the Corporation and the Trustee, pursuant to which the Series 2024 Bonds are issued, as the same may be supplemented or amended.

Lease:

"Lease" means the Lease Agreement dated as of February 1, 2024, by and between the Corporation, as lessor, and the Board, as lessee, in connection with the issuance of the Series 2024 Bonds, as the same may be supplemented or amended.

Moody's:

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation with the approval of the Board.

Opinion of Bond Counsel:

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

Opinion of Counsel:

"Opinion of Counsel" means a written opinion of counsel (who may be counsel for the Board or the Corporation) selected by the Board or the Corporation.

Outstanding:

"Outstanding," when applied to the Series 2024 Bonds, Additional Bonds or any other obligation, means all obligations of the class concerned which shall have been authenticated, issued and delivered with the exception of (a) obligations in lieu of which other obligations have been issued under agreement to replace lost, destroyed or mutilated obligations, and (b) obligations which have been redeemed or discharged under the provisions of the Indenture.

Paying Agent:

"Paying Agent" means the Trustee in its capacity as paying agent for the Series 2024 Bonds.

Permitted Investments:

"Permitted Investments" mean, to the extent permitted by State law:

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:

U.S. treasury obligations
All direct or fully guaranteed obligations
Farmers Home Administration
General Services Administration
Guaranteed Title XI financing
Government National Mortgage Association (GNMA)
State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

(3) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

Export-Import Bank
Rural Economic Community Development Administration
U.S. Maritime Administration
Small Business Administration

U.S. Department of Housing & Urban Development (PHAs)
Federal Housing Administration
Federal Financing Bank

(4) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
Obligations of the Resolution Funding Corporation (REFCORP)
Senior debt obligations of the Federal Home Loan Bank System

(5) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(6) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(7) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including those offered by the Trustee and its affiliates;

(8) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(9) Municipal Obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P.

(10) Any other investments in which institutional funds are authorized to be invested under the policies and bylaws of the Board.

The value of the above investments shall be determined as follows:

(a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers;

(b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest thereon; and

(c) As to any investment not specified above: the value thereof established by prior agreement among the Corporation and the Trustee.

Person or person:

"Person" or "person" means, as the case may be, any individual, sole proprietorship, corporation, limited liability company, partnership (including, without limitation, general and limited partnership), joint venture, association, joint stock company, trust, unincorporated organization or government, any agency or political subdivision thereof or public corporation.

Project:

"Project" means the projects financed by the Series 2024 Bonds, as set forth in Exhibit B to the Lease, the 2013 Project refinanced by the Series 2024A Bonds and the 2014 Project refinanced by the Series 2024B Bonds.

Project Fund:

"Project Fund" means the Project Fund established pursuant to Section 4.01(b) of the Indenture.

Project Site:

"Project Site" means the sites on the campus of the University on which the Project is located as set forth in Exhibit A to the Lease, which includes the 2013 Project Site and the 2014 Project Site.

Qualified Permitted Investments:

"Qualified Permitted Investments" mean obligations described in paragraph (1) or (2) of the definition of Permitted Investments.

Rebate Fund:

"Rebate Fund" means the Rebate Fund established pursuant to the Indenture.

Record Date:

"Record Date" means, as to interest payments, the 15th day of the months preceding the dates set for payment of interest on the Series 2024 Bonds and, as to payments of principal, the 15th day of the month preceding the maturity date thereof.

Record Date Registered Owner:

"Record Date Registered Owner" means the Registered Owner as of the Record Date.

Refunded Bonds:

"Refunded Bonds" means the Series 2013 Refunded Bonds and the Series 2014A Refunded Bonds.

Registered Owner:

"Registered Owner" means the person in whose name any Series 2024 Bond shall be registered in the Bond Register maintained under the Indenture and the executors, administrators and other legal representatives authorized in writing to act on behalf of such person.

Representative:

"Representative" means Wells Fargo Bank, National Association, acting for and on behalf of itself and the Underwriters.

Series 2013 Bonds:

"Series 2013 Bonds" means the Mississippi State University Educational Building Corporation Revenue Bonds, Series 2013 (Refunding and Improvements Project), dated and issued October 11, 2013.

Series 2013 Refunded Bonds:

"Series 2013 Refunded Bonds" means the Series 2013 Bonds set forth on the Schedule of Refunded Bonds attached to the Indenture to be refunded with the proceeds of the Series 2024A Bonds.

Series 2014A Bonds:

"Series 2014A Bonds" means the Mississippi State University Educational Building Corporation Revenue Bonds, Series 2014A (New Facilities and Refinancing Project), dated and issued May 6, 2014.

Series 2014A Refunded Bonds:

"Series 2014A Refunded Bonds" means the Series 2014A Bonds set forth on the Schedule of Refunded Bonds attached to the Indenture to be refunded with the proceeds of the Series 2024B Bonds.

Series 2024 Bonds:

"Series 2024 Bonds" means, together, the Series 2024A Bonds and the Series 2024B Bonds.

Series 2024A Bonds:

"Series 2024A Bonds" means the $82,650,000 aggregate principal amount of Mississippi State University Educational Building Corporation Revenue and Refunding Bonds, Series 2024A (New Residence Hall and Facilities Refinancing), authorized to be issued by the Corporation pursuant to terms and conditions of the Indenture.

Series 2024A Capitalized Interest Fund:

"Series 2024A Capitalized Interest Fund" means the Series 2024A Capitalized Interest Fund created pursuant to the Indenture.

Series 2024A Construction Account:

"Series 2024A Construction Account" means the Series 2024A Construction Account established pursuant to Section 4.01(b) of the Indenture.

Series 2024A Costs of Issuance Account:

"Series 2024A Costs of Issuance Account" means the Series 2024A Costs of Issuance Account established pursuant to Section 4.01(b) of the Indenture.

Series 2024A Escrow Agent:

"Series 2024A Escrow Agent" means Regions Bank in its capacity as escrow agent under the Series 2024A Escrow Agreement.

Series 2024A Escrow Agreement:

"Series 2024A Escrow Agreement" means the Escrow Agreement between the Corporation and the Series 2024A Escrow Agent, providing for the refunding of the Series 2013 Refunded Bonds.

Series 2024B Bonds:

"Series 2024B Bonds" means the $48,325,000 aggregate principal amount of Mississippi State University Educational Building Corporation Refunding Bonds, Series 2024B (Forward Delivery), authorized to be issued by the Corporation pursuant to the terms and conditions of the Indenture.

Series 2024B Costs of Issuance Account:

"Series 2024B Costs of Issuance Account" means the Series 2024B Costs of Issuance Account established pursuant to Section 4.01(b) of the Indenture.

Series 2024B Escrow Agent:

"Series 2024B Escrow Agent" means Hancock Bank in its capacity as escrow agent under the Series 2024B Escrow Agreement.

Series 2024B Escrow Agreement:

"Series 2024B Escrow Agreement" means the Escrow Agreement between the Corporation and the Series 2024B Escrow Agent, providing for the refunding of the Series 2014A Refunded Bonds.

S&P:

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation with the approval of the Board.

State:

"State" means the State of Mississippi.

Supplemental Indenture:

"Supplemental Indenture" means any indenture which supplements or amends the Indenture in accordance with the provisions of Article XI of the Indenture.

Trustee:

"Trustee" means Regions Bank as trustee under the Indenture, or its duly appointed successor. All references to Trustee shall mean Regions Bank.

Trust Estate:

"Trust Estate" means the rights and interest granted by the granting clauses of the Indenture.

Underwriters:

"Underwriters" means Wells Fargo Bank, National Association, acting for and on behalf of itself, Raymond James & Associates, Inc. and Stephens Inc., as the original purchaser of the Series 2024 Bonds.

University:

"University" means Mississippi State University of Agriculture and Applied Science.

Written Direction:

"Written Direction," with reference to the Corporation, means a direction in writing signed by an Authorized Corporation Representative, and with reference to the Board, means a direction in writing signed by the Board's President or an Authorized Board Representative, which, in either case, may be transmitted to the Trustee by electronic means.

Written Request:

"Written Request," with reference to the Corporation, means a request in writing signed by an Authorized Corporation Representative, and, with reference to the Board, means a request in writing signed by the Board's President or an Authorized Board Representative.

Yield:

"Yield" means yield computed in accordance with Subsection 148(h) of the Code or any regulations promulgated by the Internal Revenue Service under Section 148 of the Code.

SUMMARY OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Corporation and the Trustee. Capitalized terms used in this summary but not defined herein shall have the meaning ascribed to such terms in the Indenture and in this Appendix B.

Places and Forms of Payment. The principal of, premium, if any, and interest on the Series 2024 Bonds shall be payable in lawful money of the United States of America. The principal of, premium, if any, and interest on Additional Bonds shall be payable in lawful money of the United States of America as provided for the payment of principal of, premium, if any, and interest on the Series 2024 Bonds or at such other place or places as may be prescribed in the proceedings or Supplemental Indenture authorizing the issuance thereof.

Payment of principal and premium, if any, on the Series 2024 Bonds shall be paid by check or draft, upon presentation and surrender of the Series 2024 Bonds at the designated corporate trust office of the

Trustee or such other address as designated by the Trustee, to the Record Date Registered Owners thereof whose names shall appear in the Bond Register maintained by the Trustee.

Payment of each installment of interest on the Series 2024 Bonds shall be made to the Record Date Registered Owners thereof whose names shall appear in the Bond Register maintained by the Trustee. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Series 2024 Bonds subsequent to the Record Date and prior to the due date of such interest installment.

Interest on the Series 2024 Bonds shall be paid by check or draft mailed to Registered Owners at the addresses appearing in the Bond Register maintained by the Trustee or in such other manner as may be agreed upon by such Registered Owners and the Trustee; provided, however, at the option of a Registered Owner of at least $1,000,000 in aggregate principal amount of Series 2024 Bonds, such payment may be accomplished by wire transfer. Any such address may be changed by written notice from the Registered Owner to the Trustee by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Trustee, such notice to be received by the Trustee not later than the 15th day of the calendar month preceding the applicable interest payment due to be effective as of such date. Interest will be calculated on the per annum basis of a 360 day year consisting of twelve, thirty-day months.

Authentication. Only such Bonds as shall be authenticated by the endorsement thereon of a certificate substantially in the form prescribed in the Indenture, executed by the Trustee by one of its authorized officers, shall be secured by the Indenture or shall be entitled to any benefit thereunder, and every such certificate of the Trustee upon any Bond purporting to be secured hereby shall be conclusive evidence that the Bond so certified has been duly issued under the Indenture, and that the Registered Owner is entitled to the benefit of the trust thereby created. It shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds secured under the Indenture.

Execution. All Bonds issued under the Indenture shall be executed in the name of the Corporation by the President and attested by its Secretary or Treasurer. Either or both of said signatures may be by facsimile. The seal of the Corporation may be affixed manually or by a facsimile reproduction thereof. In case any officer of the Corporation who shall have signed or sealed any Bond shall cease to be such officer before the Bond so signed or sealed shall have been actually certified by the Trustee or delivered or issued, such Bond may be authenticated, delivered and issued with the same effect as though the person who had signed such Bond had not ceased to be an officer of the Corporation.

Registration and Transfer of Bonds. Records for the registration and transfer of the Bonds as provided in the Indenture shall be kept in the Bond Register by the Trustee, which is the registrar of the Bonds. At reasonable times and under reasonable regulations established by the Trustee, the list of Registered Owners of the Bonds may be inspected and copied by the Board and/or the Corporation. Upon surrender for transfer of any Bond to the Trustee, the Corporation shall execute and the Trustee shall authenticate and deliver to the transferee or transferees a new Bond or Bonds of the same series and interest rate for a like aggregate principal amount. Certificates, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the Corporation to meet the reasonable transfer and reissuance need of the Bonds, shall be printed and delivered to the Trustee in a generally accepted format and held by the Trustee until needed for transfer or reissuance, whereupon the Trustee shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee of the Bonds. The Trustee is authorized upon the approval of the Corporation to have printed at the expense of the Corporation from time to time as necessary additional certificates bearing the manual or facsimile seal of the Corporation and the manual or facsimile signatures of the persons who were the officials of the Corporation as of the date of original issue of the Bonds. The execution by the Corporation of any Bond in the denomination of $5,000 or any integral multiple thereof shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate, register and deliver such Bond. No charge shall be made to any Registered Owner for the privilege of registration, but any Registered

Owner requesting any such registration shall pay any tax or other governmental charge required to be paid with respect thereto. The Trustee shall not be required to transfer any Bond during the period between the 15th day of the month preceding any interest or principal and interest payment date and any such date or transfer any Bonds selected for redemption in whole or in part. Prior to any transfer of the Bonds that is outside of the Book-Entry Only system (including, but not limited to, the initial transfer outside of the Book-Entry Only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Persons Treated as Owners. Except as provided in the next paragraph, the person in whose name any Bond shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

In the event the purchaser of the Bonds shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the Corporation, one Bond registered in the name of said purchaser may be issued in the full amount for each maturity. Ownership of the Bonds shall be in said purchaser until the initial Registered Owner has made timely payment and, upon request by the purchaser within a reasonable time of the initial delivery of the Bonds, the Trustee shall re-register any such Bond in the Bond Register in the name of the Registered Owner to be designated by said purchaser in the event timely payment has not been made by the initial Registered Owner.

Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be stolen, destroyed or lost, the Corporation shall execute and the Trustee shall authenticate, if not then prohibited by law, and deliver a new Bond of like series, date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, as the case may be, upon the Registered Owner's paying the reasonable expenses and charges of the Corporation and the Trustee in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the Corporation or Trustee evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the Corporation or Trustee with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote. In the event any Bond shall have matured, instead of issuing a duplicate Bond, the Corporation may direct the Trustee in writing to pay the same without surrender thereof.

Funds to be Invested as Directed by the Corporation. All moneys in any of the funds established pursuant to the Indenture, all moneys to be used to reconstruct any of the Project which are received by the Trustee as insurance proceeds due to loss or damage to the Project or any portion thereof or as condemnation proceeds, and all other insurance proceeds received and retained by the Trustee shall be invested and reinvested in Permitted Investments as directed by Written Directions of the Corporation as provided in the Indenture, and any interest, profit or loss on such investments shall be credited or charged to the fund of which such investment was made. Investments may be made through the Trustee's investment department.

Duration and Amount of Investment. Moneys in the Bond Fund and the Project Fund shall be invested in Permitted Investments in accordance with Written Directions of the Corporation. Any investment of moneys in the Bond Fund and the Project Fund must be made in accordance with the terms and provisions of the Federal Tax Certificate.

Whenever any moneys in any of the funds established by the Trustee pursuant to the Indenture (except for the Rebate Fund) are invested under the provisions of the Indenture and are needed to prevent default in the payment of principal of, premium, if any, and interest on the Bonds or any of them, the Trustee shall liquidate such investments at such times and in such manner as the Trustee shall deem best and shall, without further instructions, cause the proceeds thereof to be applied to the payment of such principal of, premium, if any, and interest. Otherwise, such investments shall be liquidated only upon the maturity thereof.

The Trustee shall not be liable or responsible for any loss resulting from any investment under the provisions of the Indenture made by it in good faith in accordance therewith.

Additional Bonds. Except when an Event of Default is existing under the Indenture, the Corporation and the Board may from time to time agree upon and approve the issuance and delivery of Additional Bonds for the following purposes: (a) refunding the Series 2024 Bonds or any other series of Bonds; (b) providing funds to pay the cost of additional improvements to the Project and/or the Project Site, as well as the payment of all expenses incidental thereto; (c) in the event all or a portion of the Project shall be destroyed or damaged by disaster to such an extent that it can no longer serve its intended purpose, restoring said portion to reasonable condition to enable its continued service for such intended purpose; and (d) paying all reasonable expenses incidental to the issuance of such Additional Bonds. All Additional Bonds shall be of the same rank as the Series 2024 Bonds and shall be payable from the Bond Fund on a parity with the Series 2024 Bonds, but shall bear such date or dates, bear such interest rate or rates, have such maturity dates and be issued at such prices as shall be approved in writing by the Corporation and the Board.

Upon the execution and delivery in each instance of appropriate supplements to the Indenture and to the Lease, the Corporation shall execute and deliver to the Trustee, and the Trustee shall authenticate, such Additional Bonds and deliver them to the purchaser as may be directed by the Corporation, but only as provided in the Indenture. Prior to the delivery by the Trustee of any of such Additional Bonds the following items shall be filed with the Trustee:

(a) A Certified Resolution of the Board authorizing the execution of a supplemental Lease meeting the requirements of the next succeeding paragraph and an amendment to the Ground Lease, if necessary.

(b) An executed counterpart of a supplemental Lease pursuant to which the amounts of the rental payments, and, if necessary, the duration of the term of the Lease shall be increased, so as to assure that the additional rental payments will adequately provide for the retirement of the Additional Bonds by making available sufficient money for the payment when due of principal, premium, if any, and interest thereon. Any such supplemental Lease shall make only those changes in the Lease as may be required to reflect the improvements, if any, to be made to the Project and the increased rental payments necessary to meet the requirements above set out.

(c) An executed amendment to the Ground Lease, if any additional real estate or interest therein or extension of the term of the Ground Lease is necessary for the construction, acquisition, operation, maintenance and use of the Project as improved with the proceeds of said Additional Bonds.

(d) A Certified Resolution or Resolutions of the Corporation authorizing the execution and delivery of a supplemental Lease, an amendment to the Ground Lease, if necessary, a Supplemental Indenture and the issuance of such Additional Bonds.

(e) A fully executed Supplemental Indenture which shall supplement and amend the Indenture to specifically include such Additional Bonds within the meaning of "Bonds" as defined in the Indenture and shall provide for the terms and details of said Additional Bonds. Said Supplemental Indenture (1) must provide that the proceeds of the Additional Bonds are to be used solely for refunding Outstanding Bonds or for one or more of the purposes set out in the Indenture, and for the payment of capitalized interest and reserves and other expenses incidental thereto and to the issuance of such Additional Bonds, with any surplus being applied only to the retirement of Bonds or deposits in funds referred to in the Indenture or in the Supplemental Indenture pursuant to which such Additional Bonds are issued; and (2) must provide that said Additional Bonds shall fall due each year on the date on which principal matures, and bear interest payable semiannually on February 1 and August 1 of each year (except that the first interest payment date may be at any time within one year from the delivery of such Additional Bonds).

(f) A request and authorization to the Trustee on behalf of the Corporation and signed by the President or Secretary of the Corporation to authenticate and deliver such Additional Bonds to the purchaser therein identified upon payment to the Trustee, but for the account of the Corporation, of a sum specified in such request and authorization plus accrued interest, if any, thereon to the date of delivery. Such proceeds shall be paid over to the Trustee and deposited to the credit of the appropriate funds established pursuant to a Supplemental Indenture in such respective amounts as shall be specified in the Supplemental Indenture authorizing such Additional Bonds.

(g) A Written Request of the Board to the Corporation and the Trustee in the form of a copy, duly certified by the Secretary of the Board, of the resolution adopted by the Board approving the issuance of such Additional Bonds on its behalf.

(h) An original executed counterpart of an approving Opinion of Bond Counsel with respect to the validity of the Additional Bonds and opining that the issuance and sale of the Additional Bonds will not result in rendering interest on any of the Bonds subject to federal or State income taxation, as applicable.

Financial Statements. The Trustee covenants and agrees in the Indenture to keep proper statements of record and account in which complete and correct entries shall be made of all transactions relating to the Project, including records showing the receipts, disbursements, allocation and application of the rental payments and revenues accruing to and funds comprising the trusts created by the Indenture, and also including the amounts thereof forwarded to the Corporation or paid to the Trustee. Such statements shall be available for inspection by the Registered Owner of any of the Bonds at reasonable hours, under reasonable conditions and at their expense. Not more than twelve (12) months after the close of each fiscal year of the Corporation, the Trustee agrees to furnish to the Registered Owner of any of the Bonds who may so request in writing at the expense of the requesting Registered Owner, copies of financial statements covering receipts, disbursements, allocation and application of such rentals and revenues or funds for such fiscal year. Such financial statements shall be retained by the Trustee so long as any Bonds are Outstanding. The Corporation covenants in the Indenture that it will promptly furnish the Trustee with such additional information as is deemed necessary by the Trustee to carry out the provisions of the Indenture. The Corporation shall continually require the Board to furnish to the Trustee copies of the annual audit of the University or the Board in accordance with the Lease. The Trustee shall make such audits available for inspection by the Registered Owner of any of the Bonds at the office of the Trustee and shall send the same to any such Registered Owner at the expense of the requesting Registered Owner upon receipt of a written request thereof. The Trustee shall have no duty to review or analyze any such audits or financial statements delivered to it or to verify the accuracy thereof and shall hold such audits and financial statements solely as a repository for the benefit of the Registered Owner of the Bonds; the Trustee shall not be deemed to have notice of any information contained therein or default or Event of Default which may be disclosed therein in any manner.

Ownership. The Corporation covenants in the Indenture that it is the owner and lawfully possessed of the Trust Estate; that the Ground Lease and the Lease are at the date of the execution and delivery of the Indenture valid subsisting demises in accordance with the terms therein set forth of the property which such documents purport to demise; that the Ground Lease and the Lease were lawfully made; that the covenants contained in the Ground Lease and the Lease on the part of the Corporation are valid and binding and that the Indenture is executed in conformity therewith; that the Corporation has good right, full power and lawful authority to assign and to transfer in trust and pledge the Trust Estate in the manner and form provided in the Indenture; and that the Corporation forever will cooperate with the Board to defend the title to the Project and every part thereof to the Trustee and its respective successors and assigns, for the benefit of the Registered Owners of the Bonds against the claims of all persons whomsoever.

Changes to or Cancellation of Ground Lease or Lease, Etc. The Corporation further covenants in the Indenture that, unless it receives an Opinion of Counsel that such alterations or modifications will not result in any impairment of the Trust Estate or of the security given or intended to be given under the Indenture for the payment of the Bonds, it will not alter, modify or cancel, or agree to consent to alter, modify or cancel, the Ground Lease or the Lease; but the Corporation may consent to alterations or modifications thereof, provided, there is delivered to the Board and the Trustee an Opinion of Counsel that such alterations or modifications will not result in any impairment of the Trust Estate or of the security given by the Indenture or intended to be given for the payment of the Bonds.

In the Indenture, the Corporation and the Trustee acknowledge and agree that following the execution and delivery of the Indenture, the Corporation may desire to supplement the definition of Project and Project Site therein and in the Lease, as well as Exhibit A to the Lease and the Ground Lease, for the limited purpose of expanding items constituting the Project and expanding real property descriptions of the Project Site in Exhibit A to the Lease and the Ground Lease. In such event, notwithstanding any other provision of the Indenture, the Lease and the Ground Lease may be so supplemented provided that such supplemental documents may be executed and delivered by the parties thereto, as appropriate, without formal adoption and approval by the Board, but with the giving of notice of such supplementation to the Board and the Trustee.

The Corporation may, without the consent of or notice to Registered Owners of the Bonds, consent to any amendment, change or modification of the Ground Lease or the Lease as may be required (a) by the provisions of such leases or the Indenture, (b) in connection with the issuance of Additional Bonds, (c) for the purpose of curing any ambiguity or formal defect or omission, (d) in connection with additional real property which is to become part of the Project, or (e) in connection with any other change therein which based on an Opinion of Counsel is not to the prejudice of the Trustee or the Registered Owners of the Bonds. If any such amendment, change or modification does not come within the purview of (a), (b), (c), (d) or (e) of the preceding sentence or the preceding paragraph, prior written consent shall be obtained from the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding. No amendment, change or modification of the Lease shall be made which would (a) permit the Project or any portion thereof to be used in any manner which would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code and the regulations promulgated pursuant thereto nor (b) amend or repeal provisions of the Lease limiting the assignment of the Board's interest in the Lease, except upon receipt by the Trustee and the Corporation of an Opinion of Bond Counsel to the effect that such amendment or repeal would not result in causing interest on the Bonds or any of them to be subject to federal or State income taxation nor (c) reduce the amount or delay the time of rental payments under the Lease. Prior to consenting to any amendment, change or modification of the Ground Lease or the Lease there shall be delivered to the Trustee an Opinion of Counsel, upon which the Trustee shall conclusively rely, to the effect that such amendment, change or modification is authorized or permitted pursuant to the terms of the Indenture.

The Corporation and the Trustee shall agree to any amendment to the Lease recommended by an Opinion of Bond Counsel, filed with the Trustee, to restrict further the agreements referred to in paragraph (e) of the definition of "Permitted Encumbrances" in the Lease in order to prevent said paragraph from permitting any agreement which would cause interest on the Bonds to be subject to federal or State income taxation.

The Corporation covenants in the Indenture that it will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Ground Lease and the Lease to be kept, performed and complied with by it.

The Corporation further covenants in the Indenture that it will not do or permit anything to be done, or omit or refrain from doing anything in any case where any such act done, or permitted to be done, or any such omission of or refraining from action would or might be a basis for declaring a forfeiture of the Ground Lease or the Lease; that upon request of the Trustee, the Corporation will promptly deposit with the Trustee (to be held by the Trustee until title and rights of the Trustee under the Indenture shall be released and reconveyed) any and all documentary evidence received by it showing compliance with the provisions of the Ground Lease and the Lease to be performed by it; that the Corporation, immediately upon its receiving or giving any notice, communication or other document in any way relating to or affecting the Ground Lease or the Lease, which may or can in any manner affect the estate of the Corporation in or under the Ground Lease or the Lease, or affect any portion of the Trust Estate, will deliver the same or a copy thereof, to the Trustee; that the Corporation will cause the Board to pay or cause to be paid all taxes, assessments and other charges, if any, that may be levied, assessed or charged upon the Trust Estate, or any part thereof, promptly as and when the same shall become due and payable; that the Corporation will, upon request of the Trustee, from time to time keep the Trustee advised of such payments, and deliver such evidence thereof as the Trustee may reasonably require; that the Corporation will not suffer the Project Site, the Project, the Trust Estate, or any part of any of them to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor; nor do or permit to be done anything that might otherwise weaken, diminish or impair the security intended to be given by or under the Indenture, nor suffer any portion of the Trust Estate or the Project to be sold under any mechanic's lien or other proceedings.

The Corporation covenants in the Indenture that it will not sell lease, convey, mortgage, encumber or otherwise dispose of any part of the Project or the income or revenue derived from the sale, lease or other disposition thereof or of its rights under the Lease and the Ground Lease except as specifically permitted therein and in the Indenture.

Repairs; Free From Liens; Bylaws; Etc. The Corporation covenants and agrees in the Indenture as follows:

(a) To cause the Project to be maintained in good working condition and to be kept in good repair and not to commit or allow any waste with respect to the Project or the Trust Estate.

(b) To comply with and abide by every statute, order, rule or regulation now in force or hereafter enacted by any competent governmental agency or authority with respect to or affecting the operation of the properties and activities of the Corporation.

(c) To cause the Board to keep the Project, the Trust Estate and all parts thereof free from judgments, mechanic's and materialmen's liens, claims, demands and encumbrances of whatsoever nature or character, to the end that the priority of the lien of the Indenture may at all times be maintained and preserved, and free from any claim or liability, which might hamper the Corporation or the Board in conducting their activities or operating the Project, and the Trustee at its option and election (after first giving the Corporation ten (10) days' written notice to comply therewith and failure of the Corporation to so comply within said period) may defend against any and all actions or proceedings in which the validity of the Indenture or its priority is or might be questioned, or pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that in defending against such actions or proceedings or in paying or compromising such claim or demands, the Trustee shall not in any event be deemed to have waived or released the Corporation from liability for or on account of any of its covenants and warranties contained in the Indenture, or from its liabilities under the Indenture to defend the validity and priority of the Indenture and the lien thereof and to perform such covenants and warranties.

(d) To comply with the terms, covenants and provisions, express or implied, of all contracts and agreements affecting or involving the Project Site, the Project, the Trust Estate or the activities of the Corporation.

(e) Whenever and so often as requested so to do by the Trustee or the Registered Owners of a majority in principal amount of the then Outstanding Bonds, promptly to execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly to do or cause to be done all such other and further things as may be necessary or reasonably required in order to vest further and more fully in the Trustee and the Registered Owners of the Bonds all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by the Indenture.

(f) Upon the request of the Trustee or the Registered Owners of a majority in principal amount of the Bonds, to cause the Board to take promptly such action from time to time as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Project, the Trust Estate or any part thereof, whether now existing or hereafter arising, and to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and, to the extent permitted by applicable law, to indemnify and save the Trustee and every such Registered Owner of a Bond harmless from all loss, cost, damage and expense, including attorneys' fees, costs and expenses which they or either of them may incur by reason of any such defect, cloud, suit, action or proceedings.

(g) To the extent permitted by applicable law, to cause the Board to defend against every suit, action or proceeding at any time brought against the Trustee or any Registered Owner of a Bond upon any claim arising out of the receipts, applications or disbursements of any of the income or proceeds from the Project or the Trust Estate or involving the Trustee or the rights of such Registered Owner of a Bond under the Indenture, and to the extent permitted by applicable law, to indemnify and save harmless the Trustee and any Registered Owner of a Bond against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such proceeds; provided, however, that the Trustee or such Registered Owner of a Bond at its or their election may appear in and defend any such suit, action or proceedings, notwithstanding any contrary provisions of the Indenture, and this covenant shall continue and remain in full force and effect, even though all indebtedness, liabilities, obligations and other sums secured by the Indenture may have been fully paid and satisfied, and the Indenture may have been released and the lien thereof discharged or the sooner resignation or removal of the Trustee.

(h) To at all times maintain the Corporation's right to carry on its business, and to duly procure all renewals and extensions thereof and to diligently maintain, preserve and renew all the rights, powers, privileges and franchises now owned or hereafter acquired and to maintain its existence as a nonprofit corporation in good standing organized and existing under the laws of the State.

(i) To not permit its interest in the Ground Lease or the Lease to be assigned except as assigned to the Trustee as security for the Bonds issued under the Indenture and the performance of all obligations imposed upon the Corporation under the Indenture.

(j) To not permit any amendment to its Articles of Incorporation or its Bylaws without the consent of the Board. Prior to any such amendment to the Corporation's Articles of Incorporation or Bylaws approved by the Board, there shall be furnished to the Trustee an Opinion of Bond Counsel which shows that such amendment will not permit the Corporation to engage in any business other than that for which it was created, or result in any income to the Corporation, or any interest on any of the Bonds being made subject to federal or State income taxation. However, if the Trustee and the Corporation shall receive an Opinion of Counsel to the effect that an amendment to the Corporation's Articles of Incorporation or Bylaws is necessary or desirable to prevent the income of the Corporation or the interest on any of the Bonds from being subject to federal or State income taxation, the Corporation shall immediately proceed to make such amendment to its Articles of Incorporation or Bylaws, and the consent of the Board shall not be required.

(k) To not engage in any activities other than those permitted by the Articles of Incorporation and the Bylaws of the Corporation.

Merger, Consolidation or Sale of Assets. The Corporation covenants in the Indenture that it will not be or become a party to any merger or consolidation and will not sell, lease or otherwise dispose of all or substantially all of its properties or assets to any other corporation or other entity, except by the Lease or upon compliance with the terms of the Lease and the Indenture, so long as any of the Bonds are Outstanding under the Indenture; provided, however, that the Corporation may consolidate or merge with another nonprofit corporation formed solely for the purpose of financing or constructing improvements for the Board under arrangements similar to those pertaining to the Corporation under the Indenture and under the Lease if the Trustee each expressly authorizes such merger in writing. The Trustee shall authorize any such merger or consolidation in writing if it receives a Written Request of the Board and the Corporation to do so and an Opinion of Counsel to the effect that such merger or consolidation would not adversely affect the security of the Bonds, or is not anticipated to result in violation of any section or provision of the Indenture.

No Action Affecting Tax-Exempt Status of Series 2024 Bonds. The Corporation covenants in the Indenture that it will not take any action or refrain from taking any action, which might result in the income of the Corporation becoming taxable to it or in the interest on the Series 2024 Bonds becoming taxable to the owner thereof under the federal income tax laws or the laws of the State. The Corporation covenants in the Indenture that it will not permit the Project or any portion thereof to be used in any manner which would cause the Series 2024 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code and the regulations promulgated pursuant thereto. The Corporation and the Board covenant in the Indenture to comply with the provisions of the Federal Tax Certificate. The Corporation agrees in the Indenture to establish with the Trustee a Rebate Fund, which shall not be a trust fund under the Indenture, and the terms of and provisions governing which shall be as set forth in the Federal Tax Certificate; provided that said compliance shall not be required if the Corporation or the Board delivers to the Trustee an Opinion of Bond Counsel to the effect that compliance is not required to preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2024 Bonds. In the event of any conflict between the provisions of the Federal Tax Certificate and the provisions of the Indenture, the provisions of the Federal Tax Certificate shall govern. The Indenture provides that this covenant shall survive the payment in full or the defeasance of all Outstanding Series 2024 Bonds.

Condemnation. In the event that title to, or the temporary use of, the Project Site or Project shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Corporation and the Trustee will cause the net proceeds, after payment of expenses incurred in the collection of the award received by them or either of them from any award made in such eminent domain proceedings, to be paid to and held by the Trustee in a separate trust account, to be applied in one of the following ways as shall be directed in writing by the Board:

(a) the restoration of any affected portion of the Project to substantially the same condition as such existed prior to the exercise of the said power of eminent domain; or

(b) the repair of existing facilities and the acquisition, by construction or otherwise, by the Board of other improvements suitable for the Board's operations on or adjacent to the affected Project Site (which improvements shall be deemed a part of the Project and available for use and occupancy by the Board without the payment of any money other than as provided in the Lease to the same extent as if such eminent domain proceedings had not occurred); provided, that such improvements shall be acquired by the Board subject to no liens or encumbrances other than Permitted Encumbrances and shall be located on real property owned by the Board and leased under the Ground Lease.

The Corporation shall cooperate fully with the Board in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the Board to litigate any such proceeding in the name and on behalf of the Corporation. In no event will the Corporation voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Board.

Events of Default. The following shall be Events of Default under the Indenture:

(a) default in the due and punctual payment of the principal of, and premium, if any, of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or otherwise;

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) default by the Corporation in the performance or observance of any other of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, and such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Corporation by the Trustee, or to the Corporation and the Trustee by the Registered Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding;

(d) attachment or taking into custody under any court process of the Trust Estate (including any rental payments due from the Board to the Corporation under the terms of the Lease); or

(e) an Event of Default by the Board under the Lease.

Remedies. The Trustee, in case of the occurrence of an Event of Default specified in the Indenture, may and, upon the written request of the Registered Owners of a majority in principal amount of the Bonds then Outstanding and upon being first indemnified, shall, to the extent then permitted by law, exercise any or all of the following remedies:

(a) The Trustee, personally or by its agents or attorneys, may exercise any and all of the rights granted to it by the granting clauses of the Indenture, including particularly the collection of the rental payments under the Lease and all rentals due from the Board or any other lessee of any of the Project to the Corporation and may upon application to any court of competent jurisdiction secure the appointment of a receiver to collect and apply such rentals, and may pay or cause to be paid all reasonable charges, including taxes and assessments levied thereon and operating and maintenance expenses and all disbursements and liabilities of the Trustee under the Indenture and apply the net proceeds arising from the exercise of such rights as follows:

(1) to the payment of all amounts owed as rebate to the United States of America;

(2) to the compensation of the Trustee, its agents, attorneys and counsel, and of all proper expenses, liabilities and advances incurred or made under the Indenture by the Trustee or by any Registered Owner of the Bonds, and of all taxes, assessments or liens superior to the lien of the Indenture;

(3) to the payment of the whole amount then owing or unpaid upon the Bonds for principal and interest, together, if and to the extent permitted by law, with interest at the respective rates borne by the Bonds on overdue principal and interest; and in case such proceeds shall be insufficient to pay the whole amount so due and unpaid on the Bonds, then to the payment of such principal and interest, without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, in proportion to the aggregate of such principal and accrued and unpaid interest; and

(4) to the payment of the surplus, if any, to the Board, its successors and assigns, or to whomever may be lawfully entitled to receive the same.

(b) The Trustee may proceed to protect and enforce its rights and the rights of the Registered Owners of the Bonds under the Indenture and the rights of the Corporation under the Ground Lease and under the Lease whether the Ground Lease or the Lease is then in default or not, by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained in the Indenture or in the Lease, or in aid of the execution of any power granted in the Indenture or in the Lease, or in its own name and as trustee of an express trust to recover judgment for the amount of the principal of or interest on any of the Bonds if the same shall have become due, whether in accordance with the terms thereof or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel may deem most effectual to protect and enforce any of the rights or interests under the Bonds and the Indenture, or either of them. All rights of action under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relative thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, and any recovery of judgment shall be for the ratable benefit of the Registered Owners of the Bonds subject to the provisions of the Indenture.

(c) The Trustee is appointed by the Indenture, and the successive respective Registered Owners of the Bonds acquiring ownership of the same, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney-in-fact of the respective Registered Owners of the Bonds, with authority to make or file in the respective names of the Registered Owners of the Bonds or on behalf of all Registered Owners of the Bonds as a class, any proof of debt, amendment to proof of debt, petition or other document; to receive payment of all sums becoming distributable on account thereof; to execute any other papers and documents and to do and perform any and all acts and things for and on behalf of Registered Owners of the Bonds as a class, as may be necessary or advisable, in the opinion of the Trustee, in order to have the respective claims of the Registered Owners of the Bonds against the Corporation allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings to which the Corporation shall be a party. The Trustee shall have full power of substitution and delegation in respect of any such powers.

(d) The Trustee may, and shall, upon written request of the owners of not less than a majority of the aggregate principal amount of the Bonds outstanding, by written notice to the Corporation, declare the principal of the Series 2024 Bonds to be immediately due and payable, whereupon that portion of the principal of the Series 2024 Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or in the Series 2024 Bonds to the contrary notwithstanding.

Delay or Waiver by Trustee or Registered Owners of the Bonds. No delay or omission of the Trustee or of any Registered Owner of any of the Bonds to exercise any right or power arising from any default on the part of the Corporation shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Trustee or any Registered Owner of the Bonds of any such default, whether such waiver be full or partial shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom, except as may be otherwise provided in the Indenture. No remedy under the Indenture is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given under the Indenture or otherwise existing.

Rights and Remedies of Registered Owners of the Bonds. No Registered Owner of any of the Bonds shall have any right to institute or prosecute any suit or proceedings at law or in equity for the appointment of a receiver of the Corporation for the enforcement of any of the provisions of the Indenture or of any remedies thereunder in respect to the Project unless the Trustee, after written request and indemnification by the Registered Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have neglected for 60 days to take such action; provided, however, that the right of any Registered Owner of any Bond to receive payment of the principal thereof, premium, if any, and interest thereon, or any one of them, on or after the respective due dates expressed therein or to institute suit for the enforcement of any such payment shall not be impaired or affected without the consent of such Registered Owner.

Obligation to Pay Principal, Premium, If Any, and Interest Not Affected. Nothing in any provision of the Indenture or in the Bonds shall affect or impair the obligation of the Corporation, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on the Bonds to the respective Registered Owners of the Bonds at their respective dates of maturity or earlier redemption, but solely from the sources provided in the Indenture and at the places in such Bonds expressed.

Supplemental Indentures Not Requiring Consent of Registered Owners of the Bonds. With the consent of the Board expressed by resolution, the Corporation and the Trustee from time to time and at any time, and subject to the conditions and restrictions contained in the Indenture, may enter into a Supplemental Indenture or Supplemental Indentures, which Supplemental Indenture or Supplemental Indentures thereafter shall form a part of the Indenture, for any one or more of all of the following purposes:

(a) to add to the covenants and agreements of the Corporation contained in the Indenture, other covenants and agreements thereafter to be observed (including additional security thereto) or to surrender any right or power reserved to or conferred upon the Corporation in the Indenture;

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Corporation may deem necessary or desirable and not inconsistent with the Indenture and which shall not adversely affect the interests of the Registered Owners of the Bonds;

(c) to modify, amend or supplement the Indenture or any Supplemental Indenture in such manner as to permit the qualification of the Indenture and of any indenture supplemental to the Indenture under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or any state Blue Sky law and, if they so determine, to add to the Indenture, or any Supplemental Indenture, any other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute or any state Blue Sky law;

(d) to provide for the issuance of Additional Bonds pursuant to the provisions of the Indenture; and

(e) to comply with the provisions of the Indenture when money and Qualified Permitted Investments sufficient to provide for the retirement of the Bonds shall have been deposited with the Trustee or other financial institution as provided in the Indenture.

Any Supplemental Indenture authorized by the provisions of the Indenture may be executed by the Corporation and the Trustee without the consent of or notice to the Registered Owners of any of the Bonds at the time Outstanding, notwithstanding any of the provisions of the Indenture which address Supplemental Indentures requiring consent of Registered Owners of the Bonds, but the Trustee shall not be obligated to enter into such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

Supplemental Indentures Requiring Consent of Registered Owners of the Bonds. With the consent of the Board expressed by resolution, and the consent (evidenced as provided in the Indenture) of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Corporation and the Trustee may from time to time and at any time enter into a Supplemental Indenture or Supplemental Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any Supplemental Indenture; provided, however, that no such Supplemental Indenture shall, without the consent of the Registered Owner of each Bond so affected (a) extend the maturity of any Bond or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce the amount of premium owed thereon, or reduce the amount or extend the due date of any principal installment established for mandatory redemption, or (b) reduce the aforesaid percentage of Registered Owners of Bonds required to approve any such Supplemental Indenture, or (c) permit the creation of any lien on the Project or deprive the Registered Owners of the Bonds (except as aforesaid) of the lien created by the Indenture upon the Trust Estate. Upon receipt by the Trustee of a Certified Resolution of the Corporation authorizing the execution of any such Supplemental Indenture, and upon the filing with the Trustee of evidence of the requisite consent of Registered Owners of the Bonds, as aforesaid, the Trustee shall join with the Corporation in the execution of such Supplemental Indenture unless such Supplemental Indenture affects the Trustee's own rights, duties or immunities under the Indenture or otherwise, in which case the Trustee may in its discretion, but without obligation, enter into such Supplemental Indenture.

It shall not be necessary for the consent of Registered Owners of the Bonds under the provisions of this subheading to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Corporation and the Trustee of any Supplemental Indenture pursuant to the provisions under this subheading, notice of the substance of such Supplemental Indenture, setting forth the general terms thereof, shall be given by registered or certified mail to each Registered Owner of Bonds then Outstanding. Any failure of the Corporation to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

Supplemental Indenture to Modify the Indenture. Upon the execution of any Supplemental Indenture pursuant to the provisions of the Indenture, the Indenture shall be modified and amended in accordance therewith and the respective rights, duties and obligations of the Corporation, the Trustee and all Registered Owners of Bonds Outstanding thereunder shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Discharge of Lien. If the Corporation shall pay or cause to be paid to the Registered Owners of the Bonds the principal of, premium, if any, and interest to become due with respect thereto at the times and in the manner stipulated therein and in the Indenture, or if provision satisfactory to the Trustee is made by the Corporation or the Board for such payment under the Lease, and if the Corporation shall keep, perform and observe all and singular the covenants and promises in the Bonds and in the Indenture expressed as to be kept, performed and observed by it or on its part and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions of the Indenture, then the Indenture and the estate and invested rights granted by the Indenture shall cease, determine and be void, and thereupon the Trustee shall, at the written direction of the Corporation, cancel and discharge the lien of the Indenture, and execute and deliver to the Corporation such instruments in writing as shall be requisite to satisfy the lien of the Indenture, and reconvey to the Corporation the estate conveyed by the Indenture, and assign and deliver to the Corporation any property at the time subject to the lien of the Indenture which may then be in its possession except cash held by the Trustee for the payment of interest and premium, if any, on any retirement of the Bonds.

Bonds for the payment or redemption of which sufficient moneys shall have been deposited with the Trustee or other qualified financial institution as provided in the Indenture (whether upon or prior to the maturity or the redemption date of such Bonds) in trust with irrevocable instructions to apply such funds to such payment or redemption shall be deemed to be paid within the meaning of the Indenture; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving thereof.

Without limiting the generality of the foregoing, provision for the payment of Bonds shall be deemed to have been made upon the delivery to the Trustee or other qualified financial institution as provided in the Indenture in trust with irrevocable instructions to apply the same or the proceeds thereof to such payment of (a) cash in an amount sufficient to make all payments specified above, or (b) Qualified Permitted Investments, maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which, premium, if any, and the interest thereon, when due, is or will be, in the aggregate, sufficient to make all such payments, or (c) any combination of cash and Qualified Permitted Investments.

Notwithstanding anything to the contrary in the Indenture, any amount deposited with the Trustee or other qualified financial institution as provided in the Indenture pursuant to the provisions under this subheading shall not be invested at a Yield in excess of the Yield on the Series 2024 Bonds unless there is first delivered to the Trustee an Opinion of Bond Counsel to the effect that all or a portion of the amount deposited with the Trustee or other qualified financial institution as provided in the Indenture pursuant to the provisions under this subheading may be invested at a Yield in excess of the Yield on the Series 2024 Bonds without adversely affecting the tax-exempt status of interest on the Series 2024 Bonds, and only such amount as will, in the opinion of such Bond Counsel, not so affect the tax-exempt status of interest on the Series 2024 Bonds, may be invested at a Yield in excess of the Yield on the Series 2024 Bonds.

In the event of an advance refunding of Bonds, the Corporation shall cause to be delivered a verification report of an independent nationally recognized certified public accountant and an opinion of Bond Counsel to the effect that the payment of the Bonds has been provided for in the manner set forth in the Indenture and that all obligations of the Corporation with respect to the Bonds have been discharged and satisfied. If a forward supply contract is employed in connection with the advance refunding, (a) such verification report shall expressly state the adequacy of the escrow to accomplish the advance refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (b) any applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

SUMMARY OF THE LEASE

The following is a brief summary of certain provisions of the Lease. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Lease, copies of which are on file with the Corporation and the Trustee. Capitalized terms used in this summary but not defined herein shall have the meaning ascribed to such terms in the Lease and in this Appendix B.

In the Lease there is expressly reserved to the Board the right, and the Board is authorized and permitted, at any time it may choose, to prepay its rental payment obligations under the Lease, and the Corporation agrees in the Lease that it shall cause such payments to be paid to the Trustee or other qualified financial institution as provided in the Indenture and applied to the payment of the Series 2024 Bonds as provided in the Indenture provided such prepayments comply with the Indenture and the Code.

Maintenance and Utilities and Operation by Others. All maintenance and repair of the Project and utilities therefor shall be the responsibility of the Board, including electric power, gas, light, water and all other public utility services.

Subject to compliance with the Code and receiving an opinion of Bond Counsel, the Lease provides that Board may lease to others, or may arrange for the operation by others of, the Project or any part or parts thereof to the extent permitted in the Lease and may in any such lease or other arrangement require the lessee or operator to perform all or some maintenance and repair, but no such lease or other arrangement shall have the effect of relieving the Board from such responsibility under the terms of the Lease except to the extent that such maintenance and repair is in fact performed by the lessee or lessees or other operator.

Investments. In order to achieve the maximum economy with respect to the Project, the Corporation agrees in the Lease that it will, at all times practicable, cause moneys held by or for it to remain invested to the extent practicable, in investments which are lawful investments for moneys of the Corporation in accordance with and limited to the provisions regarding the investment of funds.

Interest on the Series 2024 Bonds to Remain Tax-Exempt. The Board and the Corporation recognize that the initial purchasers and the Registered Owners of the Series 2024 Bonds will have accepted the Series 2024 Bonds in reliance on the fact, and paid therefor a price reflecting, the understanding that interest on the Series 2024 Bonds is not included in gross income of the holders thereof for purposes of federal and State income taxation. Therefore, the parties agree in the Lease that neither will do anything which would in any way cause (a) the interest on the Series 2024 Bonds to be included in gross income of the holders thereof for purposes of federal and (b) the interest on the Series 2024 Bonds to be included in gross income of the holders thereof for purposes of State income taxation. The Board shall not let or sublet the Project or any portion thereof in any manner which would cause the Series 2024 Bonds to be private activity bonds (as such term is used in the Code). No more than 10% of the Project will be "used" (within the meaning of Section 141 of the Code) directly or indirectly, in a "trade or business" (within the meaning of Section 141 of the Code, and including any activity carried on by any person other than a natural person) carried on by any Person other than a "governmental unit" (within the meaning of Section 141 of the Code, and specifically excluding the United States of America or any agency or instrumentality thereof); the Project will not be "used" for any "private business use" (within the meaning of Section 141 of the Code) which is not related to the "government use" (within the meaning of Section 141 of the Code) of the Project; and no party (other than a "governmental unit") which shall use all or any part of the Project shall make any payments to the Corporation or the Board which are in any way related to the Project if the aggregate of all such payments from all such parties (other than "governmental units") shall in any year equal or exceed 10% of principal of or interest on the Series 2024 Bonds payable during such year, unless the Corporation or the Board shall have received an Opinion of Bond Counsel to the effect that receipt of such payments will not adversely affect the exclusion of interest on the Series 2024 Bonds from gross income for federal income tax purposes. The Board will not create any debt service fund, sinking fund or other similar fund that will be reasonably expected to be used to pay principal of or interest on the Series 2024 Bonds or payments pursuant to the Lease, and no funds or accounts of the Board will be pledged to secure the payment of principal of or interest on the Series 2024 Bonds or payments pursuant to the Lease. The Board further covenants and agrees in the Lease that, notwithstanding any provision of the Lease or the rights of the Board thereunder, the Board will not take or permit to be taken on its behalf any action which would impair the exclusion of interest on the Series 2024 Bonds from gross income for federal income tax purposes, and it will take such reasonable action as may be necessary to continue such exclusion.

Arbitrage. The Corporation and the Board each represent, warrant, covenant and agree in the Lease that:

(a) They will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Series 2024 Bonds, including amounts treated as proceeds, if any, which will cause the Series 2024 Bonds to be classified as arbitrage bonds within the meaning of Section 148 of the Code, and any regulations thereunder as such may be applicable to the Series 2024 Bonds, at the time of such action, investment or use.

(b) (1) They shall take all actions necessary in order to comply with the requirements of paragraphs (2) and (3) of Subsection 148(f) in order that the Series 2024 Bonds shall not be treated as arbitrage bonds pursuant to paragraph (1) of Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States of America in accordance with and within the time limits prescribed in Subsection 148(f) and the Subsection 148(f) Regulations, the making of any and all calculations, computations and filings required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations.

(2) In order to effectuate the foregoing covenants, (A) prior to delivery of the Series 2024 Bonds, they shall have received written instructions from Bond Counsel with respect to specific actions which will, under Subsection 148(f) and such regulations as may have been promulgated prior to delivery of the Series 2024 Bonds, assure compliance with such covenants; and (B) they shall comply with such instructions until they shall have received from Bond Counsel written advice that continued compliance with such instructions is not necessary in order to avoid adversely affecting the tax-exempt status of the interest on the Series 2024 Bonds or alternative written instructions with respect to certain actions which will assure compliance with the covenants set forth above, in which event they shall thereafter comply with all such alternative instructions.

(c) They shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Series 2024 Bonds to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder.

(d) They shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Series 2024 Bonds in a manner or for a price which would cause the Series 2024 Bonds to be or become arbitrage bonds, within the meaning of Section 148 of the Code and all regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "fair market value."

(e) The President of the Board and/or the President, Vice President, and Secretary of the Corporation are authorized in the Lease to execute a Federal Tax Certificate in connection with the sale and delivery of the Series 2024 Bonds, setting forth the reasonable expectations with respect to the investment and use of proceeds of the Series 2024 Bonds and also setting forth certain covenants, stipulations and certifications with respect to the investment and expenditures of the proceeds of the Series 2024 Bonds, and the Board and the Corporation shall comply with all certifications, stipulations and covenants set forth in such certificate. In addition, such officials are authorized to make such elections as are necessary or appropriate under the Code or the Subsection 148(f) Regulations.

(f) There are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States of America, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Board or the Corporation, which (1) were or are to be sold at substantially the same time as the Series 2024 Bonds, (2) were or are to be issued pursuant to the same plan of financing as the financing plan for the Series 2024 Bonds, and (3) are payable directly or indirectly by the Board or the Corporation or from substantially the same source from which the Series 2024 Bonds are payable. There are no additional facts or circumstances which may further evidence that the Series 2024 Bonds are part of any other issue of obligations.

(g) No payment of principal of or interest on the Series 2024 Bonds is or will be guaranteed (in whole or in part, directly or indirectly) by the United States of America, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States of America. None of the proceeds of the Series 2024 Bonds will be: (1) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States of America or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United

States of America; or (2) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation (other than: (A) the investment of the proceeds of the Series 2024 Bonds for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Series 2024 Bonds are being issued; (B) investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); (C) investments of a reserve which meets the requirements of Subsection 148(d) of the Code; (D) investments in bonds issued by the United States Treasury; or (E) other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code).

(h) Notwithstanding any provision of the Lease or the rights of the Board or the Corporation thereunder, they will not take or permit to be taken on their behalf any action which would impair the exclusion of interest on the Series 2024 Bonds from gross income of the holders thereof for federal income tax purposes, and they will take such reasonable action as may be necessary to continue such exclusion, including, without limitation, the preparation and filing of any statements required to be filed by them in order to maintain such exclusion.

Changes in the Project. So long as the Board is not in default under the Lease, the Corporation shall not make any changes or alterations in or additions to the Project except for the limited purposes described in the following paragraph or with the written consent of the Board and upon such terms as may then be agreed. The Board may make or permit others to make improvements or modifications to any of the Project as it determines best serve the interests of the Board. The cost of any alterations, addition or improvement shall be promptly paid or discharged such so that such Project shall at all times be free of liens for labor and materials supplied thereto. All alterations, additions and improvements to the Project shall be and become a part of the Project Site.

The parties to the Lease acknowledge and agree therein that following the execution and delivery of the Lease, the Corporation may desire to supplement the definition of Project and Project Site, as well as legal description of the Project Site contained in the Lease for the limited purpose of expanding items constituting the Project and expanding real property descriptions of the Project Site. In such event, the Lease may be so supplemented provided that such Supplemental Lease may be executed and delivered by the parties to the Lease without formal approval and adoption by the Board, but with the giving of notice of such supplementation to the Board and the Trustee.

Taxes. It is understood and agreed in the Lease that all taxes and assessments of any type or nature charged to the Corporation, the Board or affecting the Project and the Project Site or the respective interests in or estates therein, or affecting the amount available to the Corporation from payments received under the Lease for the retirement of the Series 2024 Bonds (including charges or encumbrances assessed or levied by any governmental agency, district or corporation having power to levy assessments or taxes) shall upon receipt of invoices therefor be paid by the Board under the Lease as rental payments. Upon Written Request of the Board, the Corporation agrees to take whatever steps are necessary to contest the assessed valuation, the amount of an assessment or tax, or to recover any assessment or tax paid if the Board believes such assessed valuation or assessment of tax to be improper or invalid. The Board agrees to reimburse the Corporation for any and all costs incurred by the Corporation in relation thereto.

Eminent Domain. If all or any part of the Project and/or the Project Site shall be taken under the power of eminent domain, the Lease shall continue in full force and effect and shall not be terminated by virtue of such taking, and the parties waive the benefit of a law to the contrary. Any award made in eminent domain proceedings for taking or damaging the Project in whole or in part shall be deposited with the Trustee and applied as provided in the Indenture.

Events of Default by Board. The following shall be Events of Default by the Board under the Lease:

(a) the Board shall fail to make any of the rental payments corresponding to debt service on the Series 2024 Bonds when due; or

(b) the Board shall fail to make any other of the rental payments under the Lease for a period of 30 days after notice of such failure shall have been given in writing to the Board by the Corporation or by the Trustee; or

(c) the Board shall fail to perform any other covenant in the Lease for a period of 30 days after written notice specifying such default shall have been given to the Board by the Corporation, or the Trustee, provided that if such failure to perform is such that it can be remedied but cannot be remedied within such 30 day period, it shall not be deemed an Event of Default so long as the Board diligently tries to remedy the same; or

(d) the Board's interest in the Lease or any part thereof is assigned or transferred (except to a successor political subdivision), without the written consent of the Corporation, the Trustee, either voluntarily or by operation of law.

Remedies Upon Default by Board. Upon the occurrence of any Event of Default under the Lease, the Trustee shall have the right and the Corporation, if requested by the Trustee, shall have the right, without further demand or notice, to take any one or more of the following actions:

(a) to exercise any available remedies at law or in equity;

(b) to enter the Project Site during reasonable business hours (and in emergencies at all times), (1) to inspect the same, (2) for any purpose connected with the Corporation's rights or obligations under the Lease and (3) for all other lawful purposes; and

(c) to declare the payment of all amounts owed by the Board under the Lease to be immediately due and payable, including but not limited to the payment of all rental payments thereunder, without further action, anything in the Lease to the contrary notwithstanding.

The foregoing remedies of the Corporation are in addition to and nonexclusive of any other legal or equitable remedy available to the Corporation. The Corporation has assigned under the Indenture all of its rights and privileges under the Ground Lease and the Lease to the Trustee, and, whenever an Event of Default exists, the Trustee may exercise any or all of such rights or privileges as provided in the Indenture. The Board consents in the Lease to such assignment under the terms and provisions set forth in the Indenture.

Events of Default by Corporation. The following shall be Events of Default by the Corporation under the Lease:

(a) the Corporation shall fail to perform its obligations under the section of the Lease which involves receipt of prepayments of rent; or

(b) the Corporation shall fail to perform any of its obligations under the Lease for 30 days, or such additional time as is reasonably required to correct any such default, after having received notice by the Board properly specifying wherein the Corporation has failed to perform any such obligation.

No default by the Corporation under the Lease shall relieve the Board of its obligations to timely pay the rental payments and other amounts required to be paid by the Board under the Lease, so long as any Series 2024 Bonds remain Outstanding.

Remedies Upon Default by Corporation. The Board may exercise any remedy available at law or in equity to require the Corporation to remedy such default so long as such remedy does not interfere with or endanger the payment of the rental and the payment of all other amounts required by the Corporation to be made to the Trustee.

Interest of Board Not to be Assigned; Permitted Exceptions. Neither the Lease nor any interest of the Board in the Lease shall at any time after the date of the Lease, without (a) the prior written consent of the Trustee, and (b) receipt of an Opinion of Bond Counsel to the effect that such activities will not cause interest on the Series 2024 Bonds to become includable in gross income of the owners thereof for federal income tax purposes, be mortgaged, pledged, assigned, hypothecated or transferred by the Board by voluntary act or by operation of law or otherwise, whether or not such action constitutes an automatic Event of Default under the Lease, except for transfer to any successor agent or political subdivision of the State. The Board shall at all times remain liable for the performance of all of the covenants and conditions on its part to be performed, notwithstanding any assignment, transfer or subletting which may be made. Any sublease or assignment of the Lease by the Board shall include a provision that it shall terminate when the Lease terminates pursuant thereto.

Board May Grant Easements. The Board shall have the right under the Lease to grant easements which qualify as Permitted Encumbrances across, along, in, under or over any of the Project Site upon filing with the Corporation and the Bondholders a certificate executed by an Authorized Board Representative showing that the granting of such easement will not interfere with the use of the Project.

Amendments for S.E.C., Blue Sky and Other Limited Purposes. The Board and the Corporation agree in the Lease that if it shall ever become necessary to make any amendment to the Lease or to the Indenture in order to permit the qualification of the Indenture under the Trust Indenture Act of 1939 or the registration of the Series 2024 Bonds with the Securities and Exchange Commission or the sale of the Series 2024 Bonds in accordance with the Blue Sky laws of any state, the Board and the Corporation will agree to such amendments to both the Lease and the Indenture as may be necessary or advisable, in the opinion of independent counsel, to permit such qualification, registration or sale; provided that the Lease may not be altered, modified or amended without the prior written consent of the Trustee as provided in the Indenture.

Termination of Lease. In any event, and notwithstanding any other provisions of the Lease, and regardless of any act or failure to act on the part of any party to the Lease, or the failure of the Board to make any payment contemplated in the Lease, upon the discharge of the Series 2024 Bonds or the defeasance of the lien of the Indenture, whichever shall occur first, the Lease and the term granted thereby shall cease and expire and all rights to the Corporation, or any other person or entity, in and to the Project Site or the Project shall cease, and the Corporation shall cause the Trustee to release any interest which the Trustee may have in the Project Site or the Project, as applicable, from the lien of the Indenture and the same shall become the property of the Board, and title to the same shall vest in the State without further action or demand by the Board, pursuant to the Lease and Section 37-101-71, Mississippi Code of 1972, as amended. Such termination of the right of the Corporation in the Project Site and the Project shall not terminate the right of the Corporation to any rental payments under the Lease which shall remain unpaid.

No Representations or Warranties Regarding Project Site or the Project. The Corporation has not made an inspection of the Project Site or the Project, and the Corporation makes no warranty or representation in the Lease, express or implied or otherwise, with respect to the same or the location, use, description, design, merchantability, environmental condition, fitness for use for any particular purpose, condition or durability thereof, or as to the quality of the material or workmanship therein, or as to the title thereto or ownership thereof or otherwise, it being agreed that all risks incidental thereto are to be borne by the Board. In the event of any defect or deficiency of any nature in the Project Site or the Project, whether patent or latent, the Corporation shall have no responsibility or liability with respect thereto. The provisions under this subheading have been negotiated and are intended to be a complete exclusion and negation of any warranties by the Corporation, express or arising pursuant to the Uniform Commercial Code of the State or any other law now or hereafter in effect or otherwise.

Board to Perform Its Duties Under the Indenture. In the Lease, the Board agrees to perform all duties required of it under the Indenture, which it has reviewed and approved.

Net Lease. The Lease shall be deemed and construed to be a "net lease" and the Board agrees in the Lease that the payments provided for in the Lease shall be an absolute net return to the Corporation free and clear of any expenses or charges whatsoever, except as otherwise specifically provided in the Lease.

Completion of Payments. All payments to be made to the Trustee under the Lease will be deemed to have been completed upon receipt thereof by the Trustee. All other payments under the Lease will be deemed to have been completed upon receipt by the payee.

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APPENDIX C

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING
FINANCIAL STATEMENTS – JUNE 30, 2023

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STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Financial Statements

June 30, 2023

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STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

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STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the IHL System as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund. Those financial statements, which reflect approximately 0.7%, 0.9% and 0.2% of the assets, net position and revenues of the IHL System's business-type activities and 91.8%, 91.5% and 97.7% of assets, net assets and revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2023, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the IHL System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the IHL System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the IHL System's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the IHL System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the various schedules of Proportionate Share of Net Pension Liability, Proportionate Share of Contributions to PERS, Proportionate Share of Net OPEB Liability and Proportionate Share of Contributions to OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the IHL System's basic financial statements. The combining supplementary statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, based on our audit and the reports of other auditors, the combining supplementary statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the IHL System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the IHL System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IHL System's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
December 28, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

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Introduction

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

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

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

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

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

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

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

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

Financial Highlights

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

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

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

Overview of the Financial Statements

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

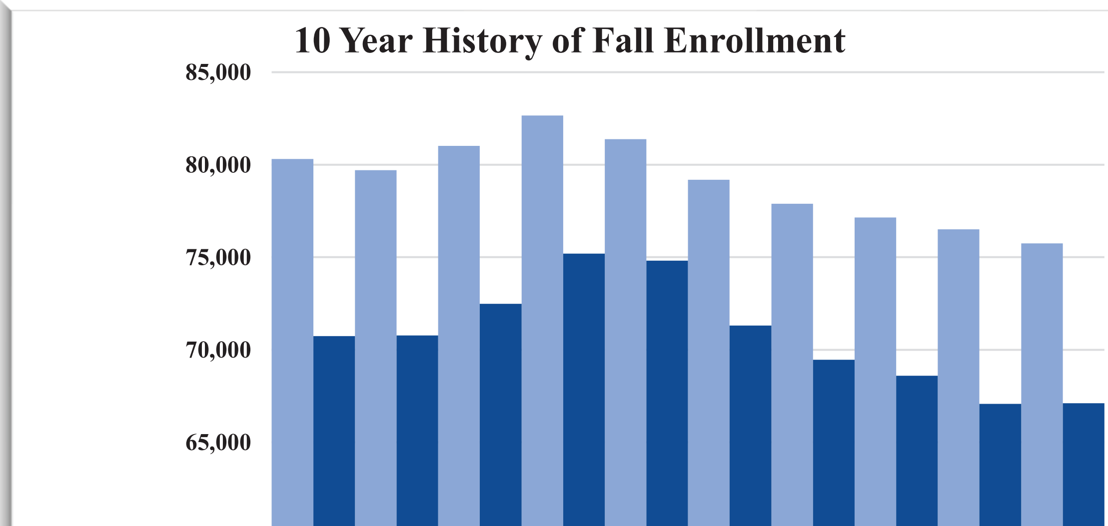
Financial Statements

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

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

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

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



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Headcount	80,300	79,704	81,024	82,654	81,378	79,193	77,894	77,154	76,510	75,739
Full-Time Equivalent	70,744	70,770	72,473	75,198	74,817	71,305	69,455	68,586	67,068	67,100

Statement of Net Position

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

Net position is classified into components as follows:

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

Summary of Net Position (Condensed)

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

At June 30, 2023 and 2022, current assets totaled $1.66 billion and $1.59 billion, respectively, and consisted primarily of cash and cash equivalents, short-term investments and net receivables. Current assets increased 4.4% (or $70.8 million) from June 30, 2022 to 2023. Cash and cash equivalents, and short-term investments constituted approximately 66% of current assets as of June 30, 2023, while net receivables constituted approximately 27.8% of current assets as of June 30, 2023. Approximately 46.1% of these net receivables are amounts due from gifts, contracts and grants, and the State of Mississippi for appropriations as of June 30, 2023, while 24.5% were related to patient care receivables from UMMC. The remaining receivables were primarily owed from students for tuition, room and board charges.

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

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

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

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

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

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

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

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

Statement of Revenues, Expenses and Changes in Net Position

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

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

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

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

Operating Revenues

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

Operating Revenues

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

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

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

Operating Expenses

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

Operating Expenses

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

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

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

Operating Expenses

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

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

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

Capital Asset and Debt Administration

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

Capital Asset Summary

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

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

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

Long-Term Debt Summary

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

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

Designated Revenues

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

Designated Revenues[1] and Unrestricted Net Positions (excludes UMMC, Board Office, and MCVS)

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

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

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

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

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

Economic Outlook

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

The IHL System maintains high credit ratings from Moody's (Aa2), Fitch (AA) and Standard & Poor's (AA-). Achieving and maintaining these high credit ratings provide the IHL System higher degree of flexibility in securing capital funds on the most competitive terms. This flexibility, along with ongoing efforts toward revenue diversification and cost containment, will enable the IHL System to provide the necessary resources to support a level of excellence in service to students, patients, the research community, the State of Mississippi and the nation as a whole.

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

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

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

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

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BASIC FINANCIAL STATEMENTS

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

ASSETS AND DEFERRED OUTFLOWS	
CURRENT ASSETS	
Cash and cash equivalents	$ 679,420,417
Short term investments	419,249,145
Accounts receivable, net	463,146,924
Student notes receivable, net	13,813,069
Inventories	44,027,961
Prepaid expenses	35,858,542
Other current assets	8,650,538
Total current assets	1,664,166,596
NONCURRENT ASSETS	
Restricted cash and cash equivalents	158,581,930
Restricted short-term investments	43,663,791
Endowment investments	370,470,102
Other long-term investments	746,266,336
Student notes receivable, net	64,650,488
Beneficial interest in irrevocable trust	41,652,408
Capital assets, net	4,761,080,932
Other noncurrent assets	28,346,850
Total noncurrent assets	6,214,712,837
Total assets	7,878,879,433
DEFERRED OUTFLOWS OF RESOURCES	599,243,678
Total assets and deferred outflows of resources	$ 8,478,123,111
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	$ 292,709,552
Unearned revenues	151,881,374
Accrued leave liabilities - current portion	14,312,867
Long-term liabilities - current portion	105,260,650
Other current liabilities	76,742,642
Total current liabilities	640,907,085
NONCURRENT LIABILITIES	
Accrued leave liabilities	126,422,626
Deposits refundable	1,373,261
Long-term liabilities	1,405,153,460
Net pension liability	3,229,875,677
Net OPEB liability	90,089,029
Other noncurrent liabilities	28,279,453
Total noncurrent liabilities	4,881,193,506
Total liabilities	5,522,100,591
DEFERRED INFLOWS OF RESOURCES	181,518,420
Total liabilities and deferred inflows of resources	5,703,619,011
NET POSITION	
Net investment in capital assets	3,446,878,219
Restricted for	
Nonexpendable	
Scholarships and fellowships	30,067,293
Research	4,895,630
Other purposes	155,427,304
Expendable	
Scholarships and fellowships	49,782,825
Research	97,275,794
Capital projects	40,536,336
Debt service	23,037,177
Loans	61,062,143
Other purposes	162,273,200
Unrestricted	(1,296,731,821)
Total net position	$ 2,774,504,100

See accompanying notes to financial statements.

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

Statement of Financial Position

June 30, 2023

ASSETS		
Cash and cash equivalents	$	3,200,533
Restricted cash		6,340,757
Restricted short-term investments		4,105,021
Accrued interest, other rreceivables and prepaid assets		296,901
Receivable from MSU		1,125,520
Receivable from MSU Alumni Association		156,878
Pledges receivable, net		143,299,975
Investments		689,496,771
Present value of amounts due from externally managed trusts		56,102,682
Land, buildings, and equipment, net		25,507,114
Total assets	$	929,632,152
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	$	2,840,121
Agency payable		10,445,778
Liabilities under split interest agreements		8,179,931
Deferred revenue		1,995,496
Payable to Mississippi State University		358,348
Note payable		2,383,405
Total liabilities		26,203,079
NET ASSETS		
Without donor restrictions:		
Net assets attributable to the Foundation		73,848,874
Net assets attributable to noncontrolling interest		49,194,917
Total net assets without donor restrictions		123,043,791
With donor restrictions		780,385,282
Total net assets		903,429,073
Total liabilities and net assets	$	929,632,152

See accompanying notes to financial statements.

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

Statement of Financial Position

June 30, 2023

ASSETS	
Cash and cash equivalents	$ 7,201,219
Pledges receivable, net	77,341,370
Investments	657,110,451
Beneficial interest in remainder trust	10,306,177
Property and equipment, net	1,703,735
Other assets	1,572,427
Total assets	$ 755,235,379
LIABILITIES AND NET ASSETS	
LIABILITIES	
Funds held for others	$ 28,333,235
Liabilities under remainder trusts and gift annuities	4,076,806
Other liabilities	3,501,708
Total liabilities	35,911,749
NET ASSETS	
Without donor restrictions	20,391,402
With donor restrictions	698,932,228
Total net assets	719,323,630
Total liabilities and net assets	$ 755,235,379

See accompanying notes to financial statements.

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

Statement of Financial Position

June 30, 2023

ASSETS	
Cash and cash equivalents	$ 3,373,595
Accrued earnings	115,371
Prepaid assets and other receivables	687,108
Pledges receivable, net	3,503,864
Investments	142,958,995
Cash surrender value of life insurance	2,814,064
Amounts due from externally managed trusts	11,967,432
Property and equipment, net	85,476
Total assets	$ 165,505,905
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable and accrued expenses	$ 834,718
Gift annuities payable	55,605
Total liabilities	890,323
NET ASSETS	
Without donor restrictions	16,632,108
With donor restrictions	147,983,474
Total net assets	164,615,582
Total liabilities and net assets	$ 165,505,905

See accompanying notes to financial statements.

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

OPERATING REVENUES	
Tuition and fees	$ 1,058,830,917
Less scholarship allowances	(367,397,299)
Less bad debt expense	(5,305,628)
Net tuition and fees	686,127,990
Federal appropriations	16,065,608
Federal grants and contracts	419,081,396
State grants and contracts	42,042,613
Nongovernmental grants and contracts	92,797,617
Sales and services of educational departments	85,816,824
Auxiliary enterprises:	
Student housing	118,624,384
Food services	35,659,007
Bookstore	5,993,374
Athletics	174,523,010
Other auxiliary revenues	38,774,693
Less auxiliary enterprise scholarship allowances	(35,199,909)
Interest earned on loans to students	1,696,532
Patient care revenues, net	1,365,774,381
Other operating revenues, net	171,109,818
Total operating revenues	3,218,887,338
OPERATING EXPENSES	
Salaries and wages	1,832,509,450
Fringe benefits	620,724,480
Travel	60,886,146
Contractual services	705,279,482
Utilities	92,259,266
Scholarships and fellowships	198,441,231
Commodities	502,057,442
Depreciation and amortization	204,527,031
Other operating expenses	8,996,935
Total operating expenses	4,225,681,463
Operating loss	(1,006,794,125)
NONOPERATING REVENUES (EXPENSES)	
State appropriations	811,969,862
Gifts and grants	220,034,058
Investment income, net of investment expense	34,874,048
Interest expense on capital asset-related debt	(46,108,722)
Other nonoperating revenues	20,790,499
Other nonoperating expenses	(20,174,828)
Total nonoperating revenues, net	1,021,384,917
Income before other revenues, expenses, gains and losses	14,590,792
OTHER REVENUES, EXPENSES, GAINS AND LOSSES	
Capital grants and gifts	29,361,319
State appropriations restricted for capital purposes	43,314,625
Additions to permanent endowments	1,812,265
Other additions	7,790,443
Other deletions	(4,149,065)
CHANGE IN NET POSITION	92,720,379
Net position, beginning of the year	2,681,783,721
NET POSITION, END OF THE YEAR	$ 2,774,504,100

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

OPERATING ACTIVITIES	
Tuition and fees	$ 705,410,489
Grants and contracts	529,331,204
Sales and services of educational departments	86,147,600
Payments to suppliers	(1,279,240,529)
Payments to employees for salaries and benefits	(2,426,298,212)
Payments for utilities	(92,390,167)
Payments for scholarships and fellowships	(202,908,683)
Loans issued to students	(8,725,754)
Collection of loans from students	10,312,836
Federal loan program receipts	448,090,547
Federal loan program disbursements	(442,106,412)
Auxiliary enterprise charges:	
Student housing	99,742,479
Food services	31,857,784
Bookstore	5,526,408
Athletics	174,206,535
Other auxiliary enterprises	27,247,138
Patient care services	1,327,146,048
Interest earned on loans to students	1,535,892
Other receipts	176,415,395
Other payments	(20,305,870)
Net cash used in operating activities	(849,005,272)
NONCAPITAL FINANCING ACTIVITIES	
State appropriations	802,473,210
Gifts and grants for other than capital purposes	218,125,169
Private gifts for endowment purposes	1,717,683
Other sources	22,014,305
Other uses	1,764,585
Net cash provided by noncapital financing activities	1,046,094,952
CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from capital debt	186,736,047
Cash paid for capital assets	(252,034,171)
Capital appropriations received	10,766,661
Capital grants and contracts received	18,347,113
Proceeds from sales of capital assets	258,766
Principal paid on capital debt, leases and subscriptions	(91,601,404)
Interest paid on capital debt, leases and subscriptions	(45,489,459)
Other sources	3,736,932
Other uses	(4,853,249)
Net cash used in capital and related financing activities	(174,132,764)
INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	817,775,531
Interest received on investments	43,143,136
Purchases of investments	(902,460,270)
Net cash used in investing activities	(41,541,603)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(18,584,687)
Cash and cash equivalents, beginning of the year	856,587,034
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 838,002,347

(Continued)

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

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES

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

Note 1
Summary of Significant Accounting Policies

(a) Nature of Operations

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

(b) Reporting Entity

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

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

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

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

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

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

(i) Mississippi State University Foundation, Inc.

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

(ii) University of Mississippi Foundation

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

(iii) *University of Southern Mississippi Foundation*

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

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

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

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

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

(c) Basis of Accounting

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

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

(d) New Accounting Standards

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

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

(e) Recently Issued Accounting Standards

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

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

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

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

(f) Use of Estimates

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

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

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

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

(g) Cash Equivalents

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

(h) Short-Term Investments

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

(i) Accounts Receivable, Net

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

(j) Student Notes Receivable, Net

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

(k) Inventories

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

(l) Prepaid Expenses

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

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

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

(n) Endowment Investments

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

(o) Other Long-Term Investments

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

(p) Investment Valuation

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

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

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

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

(q) Capital Assets

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

(r) Impairment of Capital Assets

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

(s) Deferred Inflows and Outflows of Resources

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

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

(t) Net Pension and OPEB Liabilities

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

(u) Accounts Payable and Accrued Liabilities

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

(v) Compensated Absences/Accrued Leave

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

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

(w) Unearned Revenues

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

(x) Deposits Refundable

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

(y) Non-current Liabilities

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

(z) Government Advances Refundable

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

(aa) Income Taxes

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

(bb) Classification of Revenues and Expenses

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

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

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

(cc) Auxiliary Enterprise Activities

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

(dd) University Press of Mississippi

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

(ee) Patient Care Revenues, Net

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

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

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

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

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

(ff) Hospital Reimbursement

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

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

(gg) Scholarship Discounts and Allowances

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

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

(hh) Net Position

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

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

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

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

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

Note 2
Cash and Investments

Cash, Cash Equivalents and Short-Term Investments

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

Custodial Credit Risk – Deposits

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

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

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

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

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

Fair Value Measurement

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

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

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

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

(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.

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

Custodial Credit Risk

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

Interest Rate Risk

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

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

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

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.

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

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

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

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

Concentration of Credit Risk

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

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

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

Foreign Currency Risk

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

Note 3
Accounts Receivable, net

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

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

Note 4
Notes Receivable from Students

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

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

Note 5
Capital Assets

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

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

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

Capital assets	Useful lives
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, 2023 are as follows:

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

Note 7
Accounts Payable and Accrued Liabilities

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

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

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

Note 8
Unearned Revenues

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

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

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

Note 9
Material Blended Component Units of the IHL System

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

2023 Condensed Financial Information for Educational Building Corporations

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

Note 10
Long-Term Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 11
Operating Expenses by Natural and Functional Classifications

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

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

Note 12
Leases

(a) Lessee

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

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

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

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

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

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

(b) Lessor

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

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

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

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

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

Note 13
Subscription-Based Information Technology Arrangements (SBITAs)

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

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

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

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, 2023. Estimated costs to complete the various projects and the sources of anticipated funding are presented below:

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

Note 16
Donor Restricted Endowments

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

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

Note 17
Employee Benefits – Pension Plans

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

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

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

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

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

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

Disclosures under GASB Statement No. 68

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

(a) PERS Defined Benefit Plan

Plan Description

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

Membership and Benefits Provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0% of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0% compounded for each fiscal year thereafter.

Contributions

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

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

Employer Contributions

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

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

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

Net Pension Liability

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

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

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

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

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

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

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

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

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

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

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

Actuarial Methods and Assumptions

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

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

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

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

Mortality

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

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

Discount Rate

For the year ended June 30, 2023, the discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (17.40%) for the year ended June 30, 2023. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following table presents the IHL System's proportionate share of the net pension liability of the cost-sharing plan for 2023, calculated using the discount rate of 7.55%, as well as what the IHL System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

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

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

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

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

Note 18
Postemployment Health Care and Life Insurance Benefits

Plan Description

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

The 14-member board is comprised of the Chairman of the Workers' Compensation Commission; the State Personnel Director; the Commissioner of Insurance; the Commissioner of Higher Education; the State Superintendent of Public Education; the Executive Director of the Department of Finance and Administration; the Executive Director of the Mississippi Community College Board; the Executive Director of the Public Employees' Retirement System; two appointees of the Governor; the Chairman of the Senate Insurance Committee, or his or her designee; the Chairman of the House of Representatives Insurance Committee, or his or her designee; the Chairman of the Senate Appropriations Committee, or his or her designee; and the Chairman of the House of Representatives' Appropriations Committee, or his or her designee. The Board has a fiduciary responsibility to manage the funds of the Plan. The Plan maintains a budget approved by the Board.

Membership and Benefits Provided

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

Contributions

Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance will have the full cost of such insurance premium deducted monthly from his or her state retirement plan check or direct billed for the cost of the premium if the retirement check is insufficient to pay for the premium. If the Board determines actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determines actuarially to cover the full cost of insurance.

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

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

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

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

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

Disclosures under GASB Statement No. 75

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

Proportionate Share Allocation Methodology

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

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

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

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

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

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

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

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

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

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

Actuarial Methods and Assumptions

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

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

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

Mortality

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

Discount Rate

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

Long-term Expected Rate of Return

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

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

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

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

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

Non-cash Impact on Fringe Benefits Expense

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

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

Note 19
Self-Insured Workers' Compensation Fund

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

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

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

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

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

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

Note 20
Unemployment Trust Fund

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

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

Note 21
Tort Liability Fund and Other Contingencies

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

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

A professionally licensed actuarial firm was contracted to perform an actuarial analysis of the IHL Tort Fund as of June 30, 2023. Total assets and liabilities related to this activity approximated $15.2 million and $8.1 million at June 30, 2023, respectively, and $16.3 million and $9.1 million at June 30, 2022, respectively, and are included in the statement of net position.

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

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

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

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

Note 22
UMMC Tort Claims Fund

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

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

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

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

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

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

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

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

Note 23
Subsequent Event

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

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

(a) Nature of Organization

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

(b) Significant Accounting Policies

Basis of Accounting

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

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

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

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

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

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

Use of Estimates

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

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

Investments

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

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

Mississippi State Investment Pool

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

(c) Pledges Receivable, Net

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

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

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

(d) Investments

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

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

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

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

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

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

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

Fair Value Measurements

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

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

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

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

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

(1) The master fund’s terms allow for 5-day notice withdrawals at any month-end totaling up to 10% of its account balance at the fund’s previous fiscal yearend, (plus any capital contributions to the fund during the current year). In addition, the MSIP may make withdrawals from its capital account, of up to 100% of its Agility Global Equities, Agility Fixed Income, and Agility Real Asset holdings, as well as 25% of its Agility Absolute Return holdings, as of any fiscal quarter end, with at least one quarter’s prior written notice to the general partner. Further, approximately $86.4 million of MSIP’s investment in the Fund is considered illiquid at June 30, 2023, with up to a 10-year lockup period and 1-3 year extensions. Agility is a global fund that invests in a multitude of industries.

(2) These funds have initial 10-year terms or 12-year terms, unless extended or dissolved sooner in accordance with the limited partnership agreements. Future commitments to these funds approximate $6,610,000 at June 30, 2023. Private capital and real estate funds are generally made through limited partnerships. Under the terms of such agreements, the MSIP may be required to provide additional funding when capital or liquidity calls are made by fund managers. These partnerships have a limited existence, and they may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund’s strategy, or other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The MSUF cannot anticipate such changes because they generally arise from unforeseeable events, but should they occur they could reduce liquidity or originally anticipated investment returns. Accordingly, the timing and amount of future capital or liquidity calls in any particular future year are uncertain. The funds make direct and indirect investments in real estate and private capital in the United States.

(3) The MSIP invests in three natural resource investments at June 30, 2023, which have terms ending in 2026 and 2027. Investments with lockup periods are subject to one or more one to two-year extensions. Future commitments to these funds approximate $1,891,200 at June 30, 2023. The funds invest primarily in the oil and gas sector in North America.

(4) Generally, MSIP’s investments in absolute return strategies (or hedge funds) allow early redemption for specified fees. The terms and conditions upon which an investor may redeem an investment vary, usually with the majority requiring 60 days to 12 months notice after the initial lock up period, which may be from one to three years. At June 30, 2023, the MSUF had no absolute return strategy investments for which an otherwise redeemable investment was not redeemable.

(5) Bulldog Forest properties totaling approximately $28,800,108 at June 30, 2023, may be held in perpetuity or liquidated at the Foundation’s discretion. Other properties are for immediate sale.

(6) The Foundation currently has no plans to surrender these policies prior to maturity, but cash would be realized in a minimal amount of time if an insurance policy is canceled.

(7) The MSIP invests in direct real estate in 2023 through its ownership of all outstanding stock of West Side Funds, Inc. This corporation is the owner of three hotels located in Starkville, MS in close proximity to the MSU campus.

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

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

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

Balance, beginning of year	$ 54,819,357
Change in valuation	1,283,325
Balance, end of year	$ 56,102,682

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

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

(e) Net Assets Without Donor Restrictions

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

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

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

(f) Net Assets With Donor Restrictions

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

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

(g) Endowment Funds

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

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

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

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

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

(h) Funds with Deficiencies

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

Note 25
Significant Disclosures for the Discretely Presented Component Unit of the IHL System – University of Mississippi Foundation

(a) Nature of Organization

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

(b) Significant Accounting Policies

Basis of Accounting

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

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

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

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

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

Use of Estimates

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

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

Investments

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

(c) Pledges Receivable, Net

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

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

(d) Investments

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

Investment strategy:	
Fixed income:	
U.S. government securities	$ 16,115,756
Corporate bonds	37,731,221
Other fixed income securities	26,875,188
Total fixed income	80,722,165
Equities:	
Common stocks	36,412,732
International common stock funds	688,484
Mutual funds	88,120,146
Total equities	125,221,362
Real estate owned	7,880,416
Other short-term investments	34,434,420
Pooled investment funds, at NAV	408,852,088
Total investments	$ 657,110,451

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

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

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

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

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

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

(e) Net Assets With Donor Restrictions

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

Spendable:	
Academic and program support	$ 226,587,420
Scholarship support	78,918,048
Faculty support	39,114,683
Library support	26,874,359
Total	$ 371,494,510
Endowment:	
Academic and program support	$ 80,356,981
Scholarship support	147,320,595
Faculty support	85,205,548
Library support	14,554,594
Total	327,437,718
Total net assets with donor restrictions	$ 698,932,228

(f) Endowment Funds

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

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

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

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

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

(g) Funds with Deficiencies

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

Note 26
Significant Disclosures for the Discretely Presented Component Unit of the IHL System – University of Southern Mississippi Foundation

(a) Nature of Organization

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

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

(b) Significant Accounting Policies

Basis of Accounting

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

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

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

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

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

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

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

Use of Estimates

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

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

Investments

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

(c) Pledges Receivable, Net

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

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

(d) Investments

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

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

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

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

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, 2023:

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

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

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

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

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

(e) Net Assets with Donor Restrictions

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

Subject to expenditure for specified purpose:	
Student financial aid	$ 2,172,910
Academic divisions	2,922,143
Research	552,275
Operations and maintenance of plant	1,107,408
Library	128,382
Athletics	454,425
Faculty and staff support	53,316
Other restricted purposes	7,611,995
	15,002,854
Not subject to expenditure for specified purpose:	
Amounts due from externally managed trusts	80,015
Endowments:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor:	
Student financial aid	58,568,219
Academic divisions	5,308,070
Research	801,980
Operations and maintenance of plant	5,681,427
Library	3,084,769
Faculty and staff support	11,531,520
Other restricted purposes	5,955,931
Total	90,931,916
Subject to foundation endowment spending policy and appropriation:	
Student financial aid	15,880,899
Academic divisions	1,614,529
Research	102,153
Operations and maintenance of plant	986,184
Library	706,096
Faculty and staff support	3,044,406
Other restricted purposes	2,869,266
Total	25,203,533
Sub-Total endowments	116,135,449
Endowment not subject to spending policy or appropriations:	
Externally managed perpetual trust	3,456,130
Total endowments	119,591,579

Not subject to spending policy or appropriation -	
Restricted to endowment:	
Pledges and other receivables, net	2,507,996
Amounts due from externally managed trusts	8,431,287
Gift annuities	5,834
Cash surrender value of life insurance	2,195,944
Investments held at cost	167,965
Total	13,309,026
Total net assets with donor restrictions	$ 147,983,474

(f) Endowment Funds

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

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

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

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

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

(g) Funds with Deficiencies

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

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COMBINING SUPPLEMENTARY INFORMATION

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STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Net Position

June 30, 2023

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

(Continued)

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Net Position

June 30, 2023

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

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2023

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

(Continued)

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

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

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

See accompanying independent auditors' report.

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Cash Flows

Year ended June 30, 2023

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

(Continued)

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Cash Flows

Year ended June 30, 2023

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

(Continued)

STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

Combining Statement of Cash Flows

Year ended June 30, 2023

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

See accompanying independent auditors' report.

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REQUIRED SUPPLEMENTARY INFORMATION

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

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

(Continued)

State of Mississippi Institutions of Higher Learning

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net Pension Liability of the

Mississippi Public Employees' Retirement System

GASB 67 Paragraph 32(b)

June 30, 2023

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

(Continued)

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

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

See accompanying independent auditors' report.

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

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

(Continued)

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

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

(Continued)

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

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

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

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

(Continued)

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

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

(Continued)

State of Mississippi Institutions of Higher Learning

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net OPEB Liability of the

Mississippi State and School Employees' Life and Health Insurance Plan

GASB 74 Paragraph 36(a)

June 30, 2023

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

See accompanying independent auditors' report.

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

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

(Continued)

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

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

(Continued)

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

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

See accompanying independent auditors' report.

1. Net pension liability

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

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

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

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

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

Changes of assumptions:

2023

- There were no changes of assumptions.

2022

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77;
  - For females, 84% of the female rates up to age 72, 100% for ages above 76; and
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
  - For males, 134% of male rates at all ages;
  - For females, 121% of female rates at all ages; and
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
  - For males, 97% of male rates at all ages;
  - For females, 110% of female rates at all ages;
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%;
- The wage inflation assumption was reduced from 3.00% to 2.65%;
- The investment rate of return assumption was changed from 7.75% to 7.55%;
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll;
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely;
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%; and
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

2020
- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119;
  - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119; and
  - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
  - For males, 137% of male rates at all ages;
  - For females, 115% of female rates at all ages; and
  - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%;
- The wage inflation assumption was reduced from 3.25% to 3.00%;
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience; and
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2018
- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022;
- The wage inflation assumption was reduced from 3.75% to 3.25%;
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience; and
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2017
- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2016
- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2016;
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2016;
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience;
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience; and
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Change in benefit provisions:

2018 - 2023
- There were no changes in benefit provisions.

2017
- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

2. Net OPEB liability

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

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

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

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

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

Changes of assumptions:

2023
- The SEIR was changed from 2.13% for the prior measurement date to 3.37% to the current measurement date.

2022
- The SEIR was changed from 2.19% for the prior measurement date to 2.13% to the current measurement date.

2021
- The SEIR was changed from 3.50% for the prior measurement date to 2.19% to the current measurement date.

2020
- The SEIR was changed from 3.89% for the prior measurement date to 3.50% to the current measurement date.

2019
- The SEIR was changed from 3.56% for the prior measurement date to 3.89% to the current measurement date.

Changes to benefit terms:

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

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

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

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REPORT ON INTERNAL CONTROL AND COMPLIANCE

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

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

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

The financial statements of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the University of Southern Mississippi Foundation, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
December 28, 2023

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APPENDIX D

FORM OF OPINIONS OF BOND COUNSEL

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FORM OF OPINION OF BOND COUNSEL
(SERIES 2024A BONDS)

[TO BE PLACED ON LETTERHEAD OF JONES WALKER LLP]

February 27, 2024

Board of Directors
Mississippi State University Educational Building Corporation
Mississippi State, Mississippi

Re: $82,650,000 Mississippi State University Educational Building Corporation Revenue and Refunding Bonds, Series 2024A (New Residence Hall and Facilities Refinancing)

Ladies and Gentlemen,

We have examined the Constitution and statutes of the State of Mississippi (the "State"), including particularly Section 37-101-61 *et seq*., of the Mississippi Code of 1972, as amended (the "Act"), and certified copies of the proceedings had by the Mississippi State University Educational Building Corporation (the "Corporation"), including the adoption of one or more resolutions on June 15, 2021, May 24, 2023, and September 18, 2023 (collectively, the "Resolution"), and other certifications and proceedings relative to the issuance and sale by the Corporation of its Revenue and Refunding Bonds, Series 2024A (New Residence Hall and Facilities Refinancing) (the "Series 2024A Bonds"). The Series 2024A Bonds mature in such amounts and at such times, bear interest and are subject to redemption as set forth in the Resolution and that certain Trust Indenture dated as of February 1, 2024 (the "Indenture"), between the Corporation and Regions Bank, as trustee (the "Trustee"). In connection with the issuance of the Series 2024A Bonds, the Project Site and the Project are being leased by the Corporation to the Board of Trustees of State Institutions of Higher Learning (the "Board") pursuant to that certain Lease Agreement dated as of February 1, 2024 (the "Lease"). Capitalized terms used herein and not otherwise defined shall have the meanings given in the Indenture.

As to questions of fact material to our opinion, we have relied upon such certified proceedings and other certifications of officers of the Corporation, the Board and Mississippi State University (the "University") furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Series 2024A Bonds have been issued under the authority of the Act and have been duly authorized, executed and delivered under the provisions of the Resolution and the Indenture.

2. The Series 2024A Bonds, assuming the due authentication thereof by the Trustee, are legal, valid and binding limited obligations of the Corporation secured by the Indenture in accordance with the terms thereof. The Series 2024A Bonds and the interest thereon are not obligations or debts of the Board, the State or the University, and do not constitute a pledge of the full faith and credit of the Board, the State or the University. The Series 2024A Bonds shall never constitute nor give rise to any pecuniary liability of the State or a charge against its general credit or taxing powers.

3. The Ground Lease dated as of February 1, 2024 (the "Ground Lease"), among the Board, the University and the Corporation has been duly authorized, executed and delivered by the Corporation

and constitutes a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms.

4. The Lease has been duly authorized, executed and delivered by the Corporation, and constitutes a valid and legally binding obligation of the Corporation, enforceable against the Corporation and the Board in accordance with its terms.

5. The Indenture has been duly authorized, executed and delivered by the Corporation and constitutes a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms.

6. Subject to the condition set forth in the immediately succeeding sentence, (a) interest on the Series 2024A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, (b) interest on the Series 2024A Bonds is not treated as a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code"), in calculating the federal alternative minimum tax imposed by Section 55 of the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the Corporation and the Board comply with all requirements of the Code, compliance with which subsequent to the issuance of the Series 2024A Bonds is necessary in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Corporation and the Board have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2024A Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2024A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2024A Bonds.

7. Interest on the Series 2024A Bonds is exempt from Mississippi income taxes.

In rendering this opinion, we express no opinion as to:

(a) the organization and existence of the Board or the University;

(b) the power and authority of the Board to enter into and perform its obligations under the Lease and the Ground Lease;

(c) the power and authority of the University to enter into and perform its obligations under the Ground Lease; and

(d) the title of the Corporation, the Board and the University to the Project and the Project Site, as such terms are defined in the Lease, or any provision which provides that the Corporation is to indemnify, hold harmless, waive claims against or pay unknown or contingent sums to any party or related entity may be unenforceable as a matter of law.

We have not undertaken to verify by independent investigation the facts contained in the certified proceedings and other certifications of officers of the Corporation, the Board or the University, and we express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement dated January 23, 2024, or of other offering material relating to the Series 2024A Bonds.

In rendering this opinion we have relied upon (1) the opinion of the Attorney General of the State, acting as counsel for the Board, dated the date hereof, as to the due authorization, execution, delivery and enforceability by the Board of the Lease and the Ground Lease, (2) the opinion of counsel for the Corporation, dated the date hereof, as to the due authorization, execution, delivery and enforceability by the Corporation of the Ground Lease, the Lease and the Indenture, and as to the authority of the Corporation to exercise the powers conferred by the Act with respect to the Project, and (3) the opinion of counsel for the University, dated the date hereof, as to the due authorization, execution, delivery and enforceability by the University of the Ground Lease.

It is to be understood that the rights of the owners of the Series 2024A Bonds and the enforceability thereof and the enforceability of the Indenture, the Lease and the Ground Lease may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereinafter enacted to the extent constitutionally applicable, and that their enforcement may be subject to the exercise of judicial discretion in appropriate cases in accordance with general principles of equity.

This opinion letter is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion letter as to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

JONES WALKER LLP

FORM OF OPINION OF BOND COUNSEL
(SERIES 2024B BONDS)

[TO BE PLACED ON LETTERHEAD OF JONES WALKER LLP]

May 7, 2024

Board of Directors
Mississippi State University Educational Building Corporation
Mississippi State, Mississippi

Re: $48,325,000 Mississippi State University Educational Building Corporation Refunding Bonds, Series 2024B (Forward Delivery)

Ladies and Gentlemen:

We have examined the Constitution and statutes of the State of Mississippi (the "State"), including particularly Section 37-101-61 *et seq*., of the Mississippi Code of 1972, as amended (the "Act"), and certified copies of the proceedings had by the Mississippi State University Educational Building Corporation (the "Corporation"), including the adoption of one or more resolutions on June 15, 2021, and September 18, 2023 (collectively, the "Resolution"), and other certifications and proceedings relative to the issuance and sale by the Corporation of its Refunding Bonds, Series 2024B (Forward Delivery) (the "Series 2024B Bonds"). The Series 2024B Bonds mature in such amounts and at such times, bear interest and are subject to redemption as set forth in the Resolution and that certain Trust Indenture dated as of February 1, 2024 (the "Indenture"), between the Corporation and Regions Bank, as trustee (the "Trustee"). In connection with the issuance of the Series 2024B Bonds, the Project Site and the Project are being leased by the Corporation to the Board of Trustees of State Institutions of Higher Learning (the "Board") pursuant to that certain Lease Agreement dated as of February 1, 2024 (the "Lease"). Capitalized terms used herein and not otherwise defined shall have the meanings given in the Indenture.

As to questions of fact material to our opinion, we have relied upon such certified proceedings and other certifications of officers of the Corporation, the Board and Mississippi State University (the "University") furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Series 2024B Bonds have been issued under the authority of the Act and have been duly authorized, executed and delivered under the provisions of the Resolution and the Indenture.

2. The Series 2024B Bonds, assuming the due authentication thereof by the Trustee, are legal, valid and binding limited obligations of the Corporation secured by the Indenture in accordance with the terms thereof. The Series 2024B Bonds and the interest thereon are not obligations or debts of the Board, the State or the University, and do not constitute a pledge of the full faith and credit of the Board, the State or the University. The Series 2024B Bonds shall never constitute nor give rise to any pecuniary liability of the State or a charge against its general credit or taxing powers.

3. The Ground Lease dated as of February 1, 2024 (the "Ground Lease"), among the Board, the University and the Corporation has been duly authorized, executed and delivered by the Corporation and constitutes a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms.

4. The Lease has been duly authorized, executed and delivered by the Corporation, and constitutes a valid and legally binding obligation of the Corporation, enforceable against the Corporation and the Board in accordance with its terms.

5. The Indenture has been duly authorized, executed and delivered by the Corporation and constitutes a valid and legally binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms.

6. Subject to the condition set forth in the immediately succeeding sentence, (a) interest on the Series 2024B Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, (b) interest on the Series 2024B Bonds is not treated as a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the "Code"), in calculating the federal alternative minimum tax imposed by Section 55 of the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the Corporation and the Board comply with all requirements of the Code, compliance with which subsequent to the issuance of the Series 2024B Bonds is necessary in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Corporation and the Board have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2024B Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2024B Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Series 2024B Bonds.

7. Interest on the Series 2024A Bonds is exempt from Mississippi income taxes.

In rendering this opinion, we express no opinion as to:

(a) the organization and existence of the Board or the University;

(b) the power and authority of the Board to enter into and perform its obligations under the Lease and the Ground Lease;

(c) the power and authority of the University to enter into and perform its obligations under the Ground Lease; and

(d) the title of the Corporation, the Board and the University to the Project and the Project Site, as such terms are defined in the Lease, or any provision which provides that the Corporation is to indemnify, hold harmless, waive claims against or pay unknown or contingent sums to any party or related entity may be unenforceable as a matter of law.

We have not undertaken to verify by independent investigation the facts contained in the certified proceedings and other certifications of officers of the Corporation, the Board or the University, and we express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement dated January 23, 2024, or of other offering material relating to the Series 2024B Bonds.

In rendering this opinion we have relied upon (1) the opinion of the Attorney General of the State, acting as counsel for the Board, dated the date hereof, as to the due authorization, execution, delivery and enforceability by the Board of the Lease and the Ground Lease, (2) the opinion of counsel for the Corporation, dated the date hereof, as to the due authorization, execution, delivery and enforceability by the Corporation of the Ground Lease, the Lease and the Indenture, and as to the authority of the Corporation to exercise the powers conferred by the Act with respect to the Project, and (3) the opinion of counsel for the University, dated the date hereof, as to the due authorization, execution, delivery and enforceability by the University of the Ground Lease.

It is to be understood that the rights of the owners of the Series 2024B Bonds and the enforceability thereof and the enforceability of the Indenture, the Lease and the Ground Lease may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereinafter enacted to the extent constitutionally applicable, and that their enforcement may be subject to the exercise of judicial discretion in appropriate cases in accordance with general principles of equity.

This opinion letter is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion letter as to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

JONES WALKER LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT
BY AND AMONG
REGIONS BANK AND THE BOARD OF TRUSTEES OF
STATE INSTITUTIONS OF HIGHER LEARNING

This Continuing Disclosure Agreement (this "Disclosure Agreement") is dated as of February 1, 2024, by and between Regions Bank (the "Trustee"), and the Board of Trustees of State Institutions of Higher Learning (the "Board"), acting on its behalf and as the state agency of the State of Mississippi (the "State") responsible for the operation and maintenance of Mississippi State University, in connection with the issuance of (i) $82,650,000 Revenue and Refunding Bonds, Series 2024A (New Residence Hall and Facilities Refinancing) (the "Series 2024A Bonds") and (ii) $48,325,000 Refunding Bonds, Series 2024B (Forward Delivery) (the "Series 2024B Bonds," and together with the Series 2024A Bonds, the "Series 2024 Bonds") by the Mississippi State University Educational Building Corporation (the "Corporation"). The Series 2024 Bonds are being issued pursuant to a Trust Indenture dated as of February 1, 2024, between the Corporation and the Trustee (the "Indenture"). All capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture.

The Board covenants and agree as follows:

SECTION 1. Purpose. This Disclosure Agreement is being executed and delivered by the Board and the Trustee for the benefit of the holders and Beneficial Owners of the Series 2024 Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed to them below. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the below defined Indenture.

"Accompanying Information" shall mean any identifying information or other information then required to accompany the applicable filing pursuant to the Rule.

"Annual Financial Information" shall mean updated financial and operating information relating to the Board, similar to the information set forth in the following sections of the Official Statement: TABLE "OUTSTANDING OBLIGATIONS OF THE CORPORATION AND THE UNIVERSITY" in <u>Appendix A</u> and "APPENDIX C – STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING FINANCIAL STATEMENTS – JUNE 30, 2023."

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2024 Bond (including persons holding Series 2024 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2024 Bond for federal income tax purposes.

"Bond Register" shall mean, when used with respect to the Series 2024 Bonds, the registration records maintained by the Trustee pursuant to the Indenture.

"Bondholder" or "holder of Bonds" or "owner of Bonds" or any similar term shall mean the Registered Owner of a Series 2024 Bond.

"EMMA" shall mean MSRB's Electronic Municipal Market Access system, currently located at www.emma.msrb.org.

"Independent Accountant" shall mean any firm of certified public accountants appointed by the Board, which is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants or the State Auditor.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement dated January 23, 2024, in connection with the Series 2024 Bonds.

"Participating Underwriters" shall mean Wells Fargo Bank, National Association, acting for and on behalf of itself, Raymond James & Associates, Inc. and Stephens Inc.

"Registered Owner" shall mean the person or persons in whose name any Series 2024 Bond is registered on the Bond Register.

"Required Electronic Format" shall mean the electronic format then prescribed by the SEC or the MSRB pursuant to the Rule.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under 15 U.S.C. §78a *et seq.*, as the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of Mississippi.

SECTION 3. General. Nothing in this Disclosure Agreement shall prevent the Board from disseminating any information in addition to that required by this Disclosure Agreement. If the Board disseminates any such additional information, the Board shall not have any obligation to update such information or include it in any further materials disseminated.

SECTION 4. Board Undertaking. The Board hereby agrees for the benefit of the Registered Owners and the Beneficial Owners of the Series 2024 Bonds to provide to EMMA, in a timely manner, notice of any Listed Events and to deliver, or cause to be delivered, together with any Accompanying Information:

(a) To EMMA no later than one (1) year after the end of each fiscal year of the Board:

(1) the Annual Financial Information relating to such fiscal year together with audited financial statements of the Board meeting the requirements of Section 6 below for such fiscal year if audited financial statements are then publicly available; provided, however, that if audited financial statements of the Board are not then publicly available, the Board shall deliver or cause to be delivered such audited financial statements, if any, to EMMA when they become publicly available; or

(2) in a timely manner, notice of the failure of the Board to provide the Annual Financial Information; and

(b) To EMMA in a timely manner, notice of any Listed Events pursuant to Section 5 below; and

(c) To EMMA, in a timely manner, notice of any event which, in the opinion of an authorized officer of the Board had, or will have, a material effect on the financial condition or operations of the Board; and

(d) The Annual Financial Information to be provided pursuant to Section 4(a)(1) may be reported in any format chosen by the Board; it is not required that the format reflected in this Official Statement be used in future years.

SECTION 5. Listed Events. (a) In addition to the provisions of Section 4 above, the Board shall give or cause to be given notice of the occurrence of any of the following Listed Events with respect to the Series 2024 Bonds, in a timely manner not in excess of ten (10) business days after the occurrence thereof. All sixteen (16) events mandated by the Rule are listed below; however, some may not apply to the Series 2024 Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on the credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modification to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the Board*.

(13) Consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of

* For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) The appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation[‡] of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation[‡] of the Board, any of which affect security holders, if material.

(16) The occurrence of a default, an event of acceleration, a termination event, a modification of terms, or other similar event under the terms of a financial obligation[†] of the Board, any of which reflect financial difficulties.

SECTION 6. Financial Statements. The annual financial statements required of the Board hereunder shall be prepared in accordance with generally accepted accounting principles in effect from time to time. Such financial statements shall be audited by an Independent Accountant.

SECTION 7. Remedies. This Disclosure Agreement is enforceable in accordance with its terms by any Bondholder either directly or as a third party beneficiary. Any Bondholder shall have the rights, for the equal benefit and protection of all Bondholders, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the Board and any of the officers, agents and employees of the Board, and to compel the Board or any such officers, agents, or employees to perform and carry out their duties under their respective undertakings; provided that such rights shall be limited to an action to compel specific enforcement of the obligations of the Board hereunder and shall not include any rights to monetary damages.

Failure of the Board to comply with this Disclosure Agreement shall not be considered an Event of Default under the Indenture; however, the Trustee may (and, at the request of any Participating Underwriter or the Registered Owners of at least 25% in aggregate principal amount of Outstanding Series 2024 Bonds and upon receipt of indemnity satisfactory to it, shall) or any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Section. For purposes of this paragraph, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2024 Bonds (including persons holding Series 2024 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2024 Bonds for federal income tax purposes.

Except as set forth in the preceding paragraph, the Trustee shall not be obligated or liable to any holder of the Series 2024 Bonds or other party with respect to any aspect of the implementation, operation or enforcement of any undertaking set forth herein.

SECTION 8. Amendments. This Disclosure Agreement may be amended, changed or modified pursuant to a written instrument signed by the Board and the Trustee, without the consent of any of the Bondholders, (a) to comply with the provisions of the Rule, (b) to cure any ambiguity, remedy any omission, or cure or correct any defect or inconsistent provision in the undertakings of the Board, or (c) if the Board

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[†] For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the County intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

makes a determination that any such amendment will not have a material adverse effect on the interest of the Bondholders; provided, that any such amendment, change or modification comply with the provisions of the Rule.

SECTION 9. Parties in Interest; Governing Law. This Disclosure Agreement is executed and delivered for the sole benefit of the holders of the Series 2024 Bonds, the Corporation, the Board and the Participating Underwriters and shall be governed by the laws of the State, without regard to conflict of law principles.

SECTION 10. Termination. The undertaking of the Board hereunder shall terminate on the earlier of (a) such date that the Rule, or the provisions thereof are no longer effective; or (b) the date upon which there are no outstanding Series 2024 Bonds.

SECTION 11. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Board and the Trustee each have caused this Disclosure Agreement to be executed by its respective officers, duly authorized, all as of the date first above written.

[The remainder of this page is intentionally left blank; signature page to follow.]

BOARD OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING

By:_____________________________________
President

ACCEPTED BY:

REGIONS BANK, as Trustee

By: ____

Title: ____

APPENDIX F

FORM OF DELAYED DELIVERY AGREEMENT

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FORM OF DELAYED DELIVERY AGREEMENT

Wells Fargo Bank, National Association,
as Representative of the Underwriters

______, 2024

$47,865,000*
MISSISSIPPI STATE UNIVERSITY
EDUCATIONAL BUILDING CORPORATION
Refunding Bonds, Series 2024B
(Forward Delivery)
(the "Bonds")

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase from Wells Fargo Bank, National Association (the "Representative"), acting for and on behalf of itself, Raymond James & Associates, Inc. and Stephens Inc. (collectively with the Representative, the "Underwriters"), when, as, and if issued and delivered to the Underwriters by the Mississippi State University Educational Building Corporation (the "Corporation"), and the Representative agrees to sell to the Purchaser:

Par Amount	Maturity Date	Interest Rate	CUSIP Number	Yield	Price
			605699__		

of the above-referenced Bonds (the "Purchased Bonds") offered by the Corporation under the Preliminary Official Statement dated January 12, 2024 (the "Preliminary Official Statement"), and the related Official Statement (the "Official Statement"), at the purchase price and with the interest rates, par amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Agreement (this "Delayed Delivery Agreement"). The Bonds are being purchased by the Underwriters pursuant to a Forward Delivery Purchase Agreement between the Corporation and the Underwriters (the "Forward Delivery Agreement"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Preliminary Official Statement.

The Purchaser hereby confirms that it has reviewed the Preliminary Official Statement (including without limitation the section entitled "FORWARD DELIVERY OF THE SERIES 2024B BONDS" therein), has considered the risks associated with purchasing the Purchased Bonds and is duly authorized to purchase the Purchased Bonds. The Purchaser further acknowledges and agrees that the Purchased Bonds are being sold on a "forward" or "delayed delivery" basis, and the Purchaser hereby purchases and agrees to accept delivery of such Purchased Bonds from the Underwriters on or about May 3, 2024* (the "Settlement Date").

* Preliminary, subject to change.

Payment for the Purchased Bonds shall be made to the Representative or upon its order on the Settlement Date upon delivery to the Purchaser of the Purchased Bonds through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriters be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the Corporation does not for any reason issue and deliver the Purchased Bonds.

Upon the Settlement Date, the obligation of the Purchaser to take delivery of the Purchased Bonds hereunder shall be unconditional. The Purchaser may terminate its obligation to purchase the Purchased Bonds in the event that between the date of this Delayed Delivery Agreement and the Settlement Date, one of the following events shall have occurred after the date of this Delayed Delivery Agreement and the Purchaser has notified the Representative in writing as provided herein:

(i) Bond Counsel does not deliver an opinion, dated the Settlement Date, in the form and to the effect set forth in Appendix D to the Preliminary Official Statement;

(ii) any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Official Statement or any updated Official Statement related to the Bonds provided to the Purchaser at least 10 days prior to the Settlement Date (the "Updated Official Statement") or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(iii) the market for the Bonds or the market prices of the Bonds or the ability of the Representative to enforce contracts for the sale of the Bonds has been materially and adversely affected, in the professional judgment of the Representative, by:

(1) an amendment to the Constitution of the United States or the State of Mississippi (the "State") has been passed or legislation has been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States has been amended or legislation has been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation has been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation has been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision has been rendered by a court of the United States

or of the State or the Tax Court of the United States, or a ruling has been made or a regulation or temporary regulation has been proposed or made or any other release or announcement has been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation on revenues or other income of the general character to be derived by the Corporation or on interest received on obligations of the general character of the Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the Corporation, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation; or

(2) the declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) the declaration of a general banking moratorium by federal, New York or State authorities; or

(4) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services; or

(5) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) the general suspension of trading on any national securities exchange; or

(iv) legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter has been made or issued to the effect that the Bonds, other securities of the Corporation or obligations of the general character of the Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act; or

(v) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) a stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, or the execution and delivery of the Indenture and the Forward Delivery Agreement, as contemplated hereby or by the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) any litigation is instituted or pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Indenture or the Forward Delivery Agreement or the existence or powers of the Corporation with respect to its obligations under the Indenture and the Forward Delivery Agreement.

The Purchaser acknowledges and agrees that the Bonds are being sold on a "forward" or "delayed delivery" basis for delivery on the Settlement Date and that the Purchaser is obligated to take up and pay for the Purchased Bonds on the Settlement Date unless the Underwriters terminate the Forward Delivery Agreement or the Purchaser terminates its obligation to purchase the Purchased Bonds as described herein. To effect a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of this Delayed Delivery Agreement to the Representative before the Settlement Date. The Purchaser understands and agrees that no termination of the obligation of the Purchaser may occur after Settlement Date. The Purchaser is not a third party beneficiary under the Forward Delivery Agreement and has no rights to enforce, or cause the Underwriters to enforce, any of the terms thereof. No assurances can be given that the ratings assigned to the Bonds on the Settlement Date will not be different from those initially assigned to the Bonds. Issuance of the Bonds and the Purchaser's obligation under this Delayed Delivery Agreement are not conditioned upon the assignment of any particular ratings for the Bonds or the maintenance of the initial ratings of the Bonds. The Purchaser acknowledges that it will not be able to withdraw its order except as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Bonds on the Settlement Date because of market or credit changes, including specifically, but not limited to (a) changes in the rating assigned to the Bonds between the date of this Delayed Delivery Agreement and the Settlement Date or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the Corporation or the Borrower from the date of this Delayed Delivery Agreement to the Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds in accordance with the terms hereof, even if the Purchaser decides to sell Purchased Bonds following the date hereof, unless the Purchaser sells Purchased Bonds to another institution with the prior written consent of the Representative and such institution provides a written acknowledgement of confirmation of purchase order and a Delayed Delivery Agreement in the same respective forms as that executed by Purchaser.

Settlement of the Purchased Bonds shall occur on a delivery versus payment basis. Payment shall be made in federal funds to an account or as otherwise designated by the

Representative and the Purchased Bonds shall be transferred to an account designated by the Purchaser.

The Purchaser agrees to: (1) with respect to any account or sub-account to which the Purchaser allocates Purchased Bonds, upon request, provide information to the Representative regarding the beneficial ownership of such account or sub-account by the end of the business day following such allocation (such information shall be reasonably satisfactory to the Representative and may include an IRS Form W-9, among other things); (2)(a) not allocate any Purchased Bonds acquired from the Underwriters to an account or sub-account that is kept in custody at the Representative or an affiliate of the Representative if such account or sub-account (together, "allocated account") is not an "exempt account" as defined in FINRA Rule 4210(a)(13) (a "4210 exempt account"); (b) upon request, provide information to the Representative sufficient to satisfy the Representative that an allocated account is a 4210 exempt account, and; (c) provide instructions to the Representative to reallocate any Purchased Bonds if the Purchaser is unable to provide by the end of the business day following a request from the Representative, the information requested pursuant to clause (2)(b) of this paragraph; and (3) not allocate any Purchased Bonds acquired from the Representative to an account or subaccount that is a hedge fund unless the hedge fund has an executed Master Securities Forward Transaction Agreement between Wells Fargo Securities, LLC and itself on file with Wells Fargo Securities, LLC. The Purchaser is allocating the Purchased Bonds to the accounts or sub-accounts identified in Exhibit I attached hereto.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Agreement, the Purchaser is not prohibited from purchasing the Purchased Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject.

This Delayed Delivery Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Representative is entering into the Forward Delivery Agreement with the Corporation to purchase the Purchased Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Agreement may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument under the laws of the State of New York.

It is understood that the acceptance by the Representative of any Delayed Delivery Agreement (including this one) is in the Representative's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Agreement is acceptable to the Representative, it is requested that the Representative sign the form of acceptance below and mail or deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Representative and the Purchaser when such counterpart is so mailed or delivered by the Representative.This Delayed Delivery Agreement does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Delayed Delivery Agreement shall be construed and administered under the laws of the State of New York.

[Remainder of page intentionanlly left blank; signatures to follow.]

____
Purchaser – Name of Legal Entity

____
Address of Legal Entity

____
Telephone Number of Legal Entity

By: _________________________________
(Authorized Signatory of Legal Entity)

Name: ______________________________

Title: _______________________________

Accepted:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
on behalf of Underwriters

By:______________________________
Name: ___________________________
Title: ____________________________

EXHIBIT I

The Purchaser is allocating the Purchased Bonds to the accounts, sub-accounts or entities specified below.

Name of Account/Sub-Account/Entity