The W™

2025 FINANCIAL REPORT

Mississippi University for Women

Founded 1884 Coeducational since 1982

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Financial Report

Fiscal Year Ended June 30, 2025

MISSISSIPPI UNIVERSITY FOR WOMEN
STATEMENTS OF NET POSITION

		2025	2024
Assets and Deferred Outflows			
Current assets:			
Cash and cash equivalents	$	6,860,459	5,400,293
Short term investments			
Accounts receivables, net		4,573,800	5,277,522
Student notes receivables, net		2,004	1,462
Inventories			
Prepaid expenses		654,304	284,079
Other current assets			
Total current assets		12,090,567	10,963,356
Noncurrent assets:			
Restricted cash and cash equivalents		1,124,024	322,818
Restricted investments			
Endowment investments		3,984,147	4,052,827
Other long term investments		7,332,460	9,966,120
Student notes receivable, net		23,046	16,817
Beneficial interest in irrevocable trust			
Capital assets, net		131,524,004	126,649,291
Other noncurrent assets			
Total noncurrent assets		143,987,681	141,007,873
Total assets		156,078,248	151,971,229
Deferred outflows of resources		11,067,355	14,729,336
Total assets and deferred outflows of resources		167,145,603	166,700,565
Current liabilities:			
Accounts payable and accrued liabilities		3,189,101	2,946,664
Unearned revenues		1,692,431	1,313,524
Accrued leave liabilities - current portion		55,608	52,532
Long-term liabilities - current portion		136,963	255,835
Other current liabilities		378,835	336,917
Total current liabilities		5,452,938	4,905,472
Noncurrent liabilities:			
Accrued leave liabilities		1,334,582	1,260,766
Deposits refundable			
Long-term liabilities		272,211	273,184
Net pension liability		59,340,596	58,315,739
Net OPEB liability		1,826,171	1,851,477
Other noncurrent liabilities		238,048	249,466
Total noncurrent liabilities		63,011,608	61,950,632
Total liabilities		68,464,546	66,856,104
Deferred inflows of resources		795,727	667,530
Total liabilities and deferred inflows of resources		69,260,273	67,523,634
Net Position:			
Net investment in capital assets		131,109,681	126,115,369
Restricted for:			
Nonexpendable:			
Scholarships and fellowships		915,274	872,481
Research			
Other purposes		286,659	286,659
Expendable:			
Scholarships and fellowships		680,016	472,039
Research			
Capital projects		2,222,363	2,180,422
Debt service			
Loans		42,009	44,024
Other purposes			
Unrestricted		(37,370,672)	(30,794,063)
Total net position	$	97,885,330	99,176,931

MISSISSIPPI UNIVERSITY FOR WOMEN
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

		2025	2024
Operating revenues:			
Tuition and fees:	$	19,050,611	18,194,769
Less scholarship allowances		(14,858,386)	(6,074,273)
Less bad debt expense		(249,105)	(232,070)
Net tuition and fees		3,943,120	11,888,426
Federal appropriations			-
Federal grants and contracts		398,280	114,336
State grants and contracts		9,140,143	7,237,070
Nongovernmental grants and contracts		3,639,578	3,527,482
Sales and services of educational departments		1,243,446	1,299,453
Auxiliary enterprises:			
Student housing		2,010,803	2,348,843
Food services		1,813,288	1,772,562
Bookstore		80,680	79,940
Athletics		-	-
Other auxiliary revenues		154,007	201,077
Less auxiliary enterprise scholarship allowances		0	(1,394,880)
Interest earned on loans to students			
Patient care revenues, net			
Other operating revenues, net		118,444	96,374
Total operating revenues		22,541,789	27,170,683
Operating expenses:			
Salaries and wages		25,463,278	24,000,952
Fringe benefits		13,530,584	12,885,777
Travel		1,128,393	1,249,448
Contractual services		8,002,415	7,091,517
Utilities		3,573,235	3,346,184
Scholarships and fellowships		0	6,023,576
Commodities		3,843,824	3,368,985
Depreciation and amortization		3,085,322	2,822,879
Other operating expenses			
Total operating expenses		58,627,051	60,789,318
Operating loss		(36,085,262)	(33,618,635)
Nonoperating revenues (expenses):			
State appropriations		20,008,679	18,488,214
Gifts and grants		6,754,537	5,498,580
Investment income, net of investment expense		502,418	496,056
Interest expense on capital asset-related debt		(23,656)	(25,263)
Other nonoperating revenues		208,683	660,038
Other nonoperating expenses		(302,465)	(1,171,623)
Total nonoperating revenues (expenses), net		27,148,196	23,946,002
Loss before other revenues, expenses, gains and losses		(8,937,066)	(9,672,633)
Other revenues, expenses, gains and losses:			
Capital grants and gifts			-
State appropriations restricted for capital purposes		7,890,518	3,074,794
Additions to permanent endowments		194,405	196,450
Other additions		-	-
Other deletions		(439,458)	(673,410)
Change in net position		(1,291,601)	(7,074,799)
Net position, beginning of the year		99,176,931	106,251,730
Net position, end of the year	$	97,885,330	99,176,931

MISSISSIPPI UNIVERSITY FOR WOMEN
STATEMENT OF CASH FLOWS

		2025	2024
Operating activities:			
Tuition and fees	$	4,048,033	11,109,444
Grants and contracts		13,178,001	11,467,823
Sales and services of educational departments		1,229,904	1,299,453
Payments to suppliers		(13,508,264)	(11,632,411)
Payments to employees for salaries and benefits		(33,693,019)	(31,775,008)
Payments for utilities		(3,679,540)	(3,346,184)
Payments for scholarships and fellowships		-	(6,023,576)
Loans Issued to students		-	
Collection of loans from students		374,260	153,664
Federal loan program receipts		9,099,895	9,142,029
Federal loan program disbursements		(9,099,895)	(9,142,029)
Auxiliary enterprise charges:			
Student housing		2,010,803	1,553,883
Food services		1,813,288	1,172,642
Bookstore		80,680	79,940
Athletics		-	
Other auxiliary enterprises		154,007	201,077
Patient care services			
Interest earned on loans to students			
Other receipts		118,444	50,809
Other payments			
Net cash used by operating activities		(27,873,403)	(25,688,444)
Noncapital financing activities:			
State appropriations		21,151,294	17,716,793
Gifts and grants for other than capital purposes		6,090,540	6,870,478
Private gifts for endowment purposes		-	
Other sources		8,293,606	3,886,225
Other uses		(741,923)	(1,845,033)
Net cash provided by noncapital financing activities		34,793,517	26,628,463
Capital and related financing activities:			
Proceeds from capital debt			
Cash paid for capital assets		(3,209,004)	(40,720)
Capital appropriations received		(5,432,685)	(3,434,720)
Capital grants and contracts received			
Proceeds from sales of capital assets			
Principal paid on capital debt and leases		12,219	(354,196)
Interest paid on capital debt and leases		(23,656)	
Other sources		669,435	408,085
Other uses		-	-
Net cash used by capital and related financing activities		(7,983,691)	(3,421,551)
Investing activities:			
Proceeds from sales and maturities of investments		7,616,795	800,000
Interest received on investments		911,780	277,339
Purchases of investments		(5,203,626)	(1,170,088)
Net cash used by investing activities		3,324,949	(92,749)
Net change in cash and cash equivalents		2,261,372	(2,574,281)
Cash and cash equivalents - beginning of year		5,723,111	8,297,392
Cash and cash equivalents - end of year	$	7,984,483	5,723,111

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING AC

Operating Loss	$	(36,085,262)	(33,618,635)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:			
Depreciation and amortization expense		3,085,322	2,822,879
Self-insured claims expense			
Provision for uncollectible receivables			
Other			
Changes in Assets and Liabilities:			
(Increase) Decrease in Assets:			
Receivables, Net		98,142	(77,884)
Inventories			
Prepaid Expenses		(370,225)	(90,254)
Loans to Students			
Deferred outflow of resources		3,661,981	(5,826,999)
Other Assets		-	-
Increase (Decrease) in Liabilities:			
Accounts Payables and Accrued Liabilities		242,437	88,383
Unearned Revenue		378,907	(89,731)
Deposits Refundable			
Accrued Leave Liability		76,892	164,154
Net pension liability		1,024,857	10,694,705
Net OPEB liability		(25,306)	259,111
Deferred inflow of resources		128,197	(179,250)
Other Liabilities		(89,345)	165,077
Total Adjustments		8,211,859	7,930,191
Net cash used in operating activities	$	(27,873,403)	(25,688,444)
Reconciliation of cash and cash equivalents:			
Current assets - cash and cash equivalents	$	6,860,459	5,400,293
Noncurrent assets - restricted cash and cash equivalents		1,124,024	322,818
Cash and cash equivalents, end of year	$	7,984,483	5,723,111

ENTER NON-CASH TRANSACTIONS BELOW:

Gifts and contirbutions of capital assets	—	—
Net unrealized gain (loss) on investements	(409,362)	218,717
Right-to-use assets acquired under lease obligations	4,698	226,387
Assets acquired under subscription-based information technology arrangements	193,626	127,809
State of MS - Contribution to PERS on behalf of IHL	251,371	—

Note 1

Summary of Significant Accounting Policies

Nature of Operations

Mississippi University for Women (MUW) is a Carnegie Master's S public university that provides high-quality undergraduate and graduate education for women and men in a variety of liberal arts and professional programs, while maintaining its historic commitment to academic and leadership development for women. MUW emphasizes a personalized learning environment in all of its educational programs, which are offered through the College of Arts and Sciences, College of Business and Professional Studies, College of Education and Human Science, and College of Nursing and Speech Language Pathology. MUW delivers selected programs and courses through distance education formats to provide educational opportunities throughout Mississippi and the United States, while addressing the unique educational and public service needs of northeast Mississippi and adjoining counties in northwest Alabama. MUW supports research, scholarship, and creativity to enhance faculty development and student learning and to advance knowledge in the disciplines offered by the university.

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.

Basis of Accounting

The financial statements 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 University follows the "business-type activities" reporting requirements of GASB Statement No. 34 which provides a comprehensive presentation of the University's financial activities.

The financial statements of the University have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when reduced to a legal or contractual obligation to pay. All significant intra-institutional transactions 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.

New Accounting Standards

During fiscal year 2025, the IHL System adopted GASB Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The IHL System adopted the requirements of the guidance effective July 1, 2024, and has applied the provisions of this standard to the beginning of the period of adoption.

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

Recently Issued Accounting Standards

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

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

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

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

Compensated Absences/Accrued Leave

Twelve-month employees earn annual personal leave at a rate of 12 hours per month for one month to three years of service; 14 hours per month for three to eight years of service; 16 hours per month for eight to fifteen years of service; and 18 hours per month for fifteen years of service and above. There is no requirement that annual leave be taken, and there is no maximum accumulation. At termination, these employees are paid for up to 240 hours of accumulated leave. Twelve-month employees also earn annual major medical leave at a rate of 8 hours per month for one month to three years of service; 7 hours per month for three to eight years of service; 6 hours per month for eight to fifteen years of service; and 5 hours per month for fifteen years of service and above.

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

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

Scholarship Discounts and Allowances

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

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

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 also include the determination of the allowances for uncollectible accounts and notes receivable. As a result, there is at least a reasonable possibility that recorded estimates associated with these assets could change by a material amount in the near term.

The University'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 University's financial statements.

In connection with the preparation of the financial statements, management evaluated subsequent events through the date the financial statements were available to be issued.

Cash Equivalents

For purposes of the statement of cash flows, the university considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Short-Term Investments

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

Accounts Receivable, Net

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

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.

Prepaid Expenses

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

Restricted Cash and Cash Equivalents

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

Endowment Investments

Endowment investments 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.

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 for which there are no quoted market prices are valued at net asset value as a practical expedient in determining fair value.

Investment Valuation

GASB Statement No. 72 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 university 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;
- 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.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or, if donated, at fair market value at the date of donation. For movable property, the University's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life greater than one year. 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. See Note 5 for additional details concerning useful lives, salvage values, and capitalization thresholds. Expenditures for construction in progress are capitalized as incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose. Certain maintenance and replacement reserves have been established to fund costs relating to residences and other auxiliary activity facilities.

Collections

On occasion, institutions may obtain collections of art or historical treasures (usually as private donations to the Institution). These collections are usually held for public exhibition, education or research. The institutions are not required to capitalize these collections and in practice generally do not capitalize their value in the financial presentation.

Deferred Inflows and Outflows of Resources

Deferred inflows of resources are an acquisition of net assets by the University that is applicable to a future reporting period and include pension and OPEB related deferred inflows.

Deferred outflows of resources are consumption of net assets by the University that are applicable to a future reporting period and include pension and OPEB related deferred outflows.

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 university'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.

Accounts Payable and Accrued Liabilities

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

Compensated Absences/Accrued Leave

Twelve-month employees earn annual personal leave at a rate of 12 hours per month for zero 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 15 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.

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.

Non-current Liabilities

Non-current liabilities include: (1) capital lease obligations; (2) estimated amounts of proportionate share of net pension and OPEB liabilities; (3) estimated amounts for accrued compensated absences 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.

Classification of Revenues and Expenses

The University 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 (4) other operating revenue. 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.

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, faculty and staff housing and food services. The general public may be served incidentally by auxiliary enterprises.

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.

Net Position

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

Net investment in capital assets reflect the university'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 is 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 university 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 University'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 Board of Trustees policy and state statute authorize the University 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 university is governed by State statute (Section 27-105-33, MS Code Ann. 1972) and the Uniform Management of Institutional Funds Act of 1998.

Investments

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 University had no investments exposed to custodial credit risk at June 30, 2024 and 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 Mississippi Code Annotated (1972). Under this program, the University's 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 27-105-33, 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, 2025 and 2024 is as follows:

		2025	2024
Cash	$	6,860,459	5,400,293
Restricted cash and cash equivalents		1,124,024	322,818
U.S. Treasury securities		73,543	1,909,062
U.S. government agency securities		10,986,607	11,903,429
Municipal bonds		99,857	49,856
Miscellaneous		156,600	156,600
Total Cash and Investments	$	**19,301,090**	**19,742,058**

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, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total
Investment strategy:				
Fixed income:				
U.S. Treasury securities	$ 73,543	$ -	$ -	$ 73,543
Fixed income mutual funds				-
U.S. Government agency securities	-	10,986,607	-	10,986,607
Municipal bonds		99,857		99,857
Total fixed income	73,543	11,086,464	-	11,160,007
Investments measured at NAV as a practical expedient:				
Other miscellanous investments				156,600
Total investments measured at NAV				156,600
Total investments measured at fair value				$ 11,316,607

	2024			
	Level 1	Level 2	Level 3	Total
Investment strategy:				
Fixed income:				
U.S. Treasury securities	1,909,062	—	—	1,909,062
U.S. government securities	$ —	11,903,429	—	11,903,429
Municipal bonds	—	49,856	—	49,856
Total fixed income investments	$ 1,909,062	11,953,285	—	13,862,347
Investments measured at NAV as a practical expedient:				
Other miscellanous investments				156,600
Total investments measured at NAV				156,600
Total investments measured at fair value				$ 14,018,947

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 university had no investments exposed to custodial credit risk at June 30, 2025 and 2024

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 University does not presently have a formal policy that addresses interest rate risk.

As of June 30, 2025, and 2024, the University had the following investments subject to interest rate risk:

		2025				
		Years to maturity				
Investment Type		Fair value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Obligations	$	73,543	73,543			
U.S. Government Agency Obligations		10,986,607	1,036,771	7,941,626	1,519,117	489,093
Municipal obligations		99,857	99,857			
Total	$	11,160,007	1,210,171	7,941,626	1,519,117	489,093

		2024				
		Years to maturity				
Investment Type		value	than 1	1 - 5	6 - 10	More than 10
U.S. Treasury Obligations	$	1,909,062	1,225,000	684,062	-	-
U.S. Government Agency Obligations		11,903,429	3,628,349	4,989,597	2,888,509	396,973
Municipal obligations		49,856	49,856	-	-	-
Fixed income mutual funds		-	-	-	-	-
Total	$	13,862,347	4,903,205	5,673,659	2,888,509	396,973

Credit Risk

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

As of June 30, 2025, and 2024, the University had the following investments recorded at fair value subject to credit risk:

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

		2025	2024
AA	$	99,856	98,538
AA+		9,827,720	12,194,202
Not rated or unavailable		1,232,431	1,569,607
Total	$	11,160,007	13,862,347

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 University does not presently have a formal policy that addresses concentration of credit risk.

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

	2025			2024		
Issuer		**Fair value**	**Percentage**		**Fair value**	**Percentage**
Federal Home Loan Bank notes	$	6,457,774	57.87%	$	7,529,968	54.32%
Federal National Mortgage Association		972,118	8.71%		1,218,146	8.79%
Federal Home Loan Mortgage Corporation		259,560	2.33%		198,607	1.43%
Federal Farm Credit Bank notes		2,846,314	25.50%		2,506,710	18.08%
State of Mississippi Obligations		99,857	0.89%		98,538	0.71%
US Treasury securities		73,543	0.66%		1,909,062	13.77%
Government National Mortgage Association		450,841	4.04%		351,460	2.54%
Municipal Bonds			0.00%		49,856	0.36%
	$	11,160,007	100.00%	$	13,862,347	100.00%

Note 3

Accounts Receivable, net

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

	2025	2024
Student tuition	6,684,438	6,413,648
Auxiliary enterprises and other operating activities	3,948	72,751
Federal, state, and private grants and contracts	1,152,401	488,405
State Appropriations	841,041	1,982,523
Accrued Interest	65,175	185,366
Other	117,392	114,043
Total Accounts receivable	8,864,395	9,256,736
Less allowance for doubtful accounts	(4,290,595)	(3,979,214)
Net Accounts receivable	4,573,800	5,277,522

Note 4

Student Notes Receivable, net

Notes receivable from students are payable in installments over a period of up to ten years, commencing twelve months from the date of separation from the institution or the date that the enrollment status of the student drops below half-time. The following is a schedule of interest rates and unpaid balances for the different types of notes receivable held by the University at June 30, 2025 and 2024:

	Interest Rates	Current Portion	Non-Current Portion	June 30, 2025	June 30, 2024
Perkins student loans	3% to 9%	2,004	49,464	51,468	82,680
Other Federal loans	3% to 9%		1,365	1,365	1,365
Total loans receivable		2,004	50,829	52,833	84,045
Less allowance for doubtful accounts			(27,783)	(27,783)	(65,766)
Net loans receivable		2,004	23,046	25,050	18,279

Note 5
Capital Assets

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

	Balance July 1, 2024	Additions	Transfers	Reductions	Balance June 30, 2025
Nondepreciable Capital Assets:					
Land	2,412,104				2,412,104
Construction in progress	34,061,951	7,969,181	(36,948,372)		5,082,760
Livestock	-				-
Total nondepreciable capital assets	36,474,055	7,969,181	(36,948,372)	-	7,494,864
Depreciable capital assets:					
Buildings	133,441,472		34,321,070	2,031,944	165,730,598
Improvements other than buildings	12,231,775		2,627,302		14,859,077
Equipment	5,782,234	461,965		243,654	6,000,545
Library books	3,081,945				3,081,945
Right-to-use leased land	-				-
Right-to-use leased buildings	-				-
Right-to-use leased equipment	320,100	4,698		-	324,798
Right-to-use subscription assets	800,287	193,626		210,543	783,370
Total depreciable/amortizable assets	155,657,813	660,289	36,948,372	2,486,141	190,780,333
Total capital assets	192,131,868	8,629,470	-	2,486,141	198,275,197
Less accumulated depreciation for:					
Buildings	52,301,516	2,379,654		1,606,163	53,075,007
Improvements other than buildings	4,977,934	372,723			5,350,657
Equipment	4,743,921	246,813		235,929	4,754,805
Library books	2,954,719				2,954,719
Less accumulated amortization for:					
Right-to-use lease assets	66,528	65,520			132,048
Right-to-use subscription assets	437,959	256,540		210,542	483,957
Total accumulated depreciation and amortization	65,482,577	3,321,250	-	2,052,634	66,751,193
Net capital assets	126,649,291	5,308,220	-	433,507	131,524,004

	Balance June 30, 2023	Additions	Deletions/ transfers	Balance June 30, 2024
Nondepreciable Capital Assets:				
Land	2,428,606		16,502	2,412,104
Construction in progress	34,091,276	3,434,720	3,464,045	34,061,951
Total nondepreciable capital assets	36,519,882	3,434,720	3,480,547	36,474,055
Depreciable capital assets:				
Buildings	133,495,940		54,468	133,441,472
Improvements other than buildings	8,767,733	3,464,042		12,231,775
Equipment	5,939,964	40,740	198,470	5,782,234
Library books	3,081,945			3,081,945
Right-to-use leased equipment	208,532	226,387	114,819	320,100
Right-to-use subscription assets	696,358	127,809	23,880	800,287
Total depreciable assets	152,190,472	3,858,978	391,637	155,657,813
Total capital assets	188,710,354	7,293,698	3,872,184	192,131,868
Less accumulated depreciation for:				
Buildings	49,930,619	2,414,471	43,574	52,301,516
Improvements other than buildings	4,732,226	245,708		4,977,934
Equipment	4,685,040	234,253	175,372	4,743,921
Library books	2,954,719			2,954,719
Less accumulated amortization for:				
Right-to-use leased assets	131,845	49,502	114,819	66,528
Right-to-use subscription assets	225,286	236,590	23,917	437,959
Total accumulated depreciation	62,659,735	3,180,524	357,682	65,482,577
Net capital assets	126,050,619	4,113,174	3,514,502	126,649,291

Depreciation is computed on a straight-line basis except for library books, which is computed using a composite method. The following useful lives, salvage values and capitalization thresholds are used to compute depreciation:

Capital assets	Estimated useful life	Salvage value	Capitalization threshold
Buildings	40 Years	0 - 20 %	$ 50,000
Improvements other than buildings	20 Years	0 - 20	25,000
Equipment, vehicles, and right to use Leased equipment	3-15 Years	0 - 10	50,000
Library books	10 Years	—	—

Note 6

Deferred Outflows of Resources and Deferred Inflows of Resources

The classifications of deferred outflows of resources and deferred inflows of resources at June 30, 2025 and 2024 are as follow:

	2025			
		Deferred Outflows of Resources		Deferred Inflows of Resources
Pension related (see note 14)	$	10,423,225	$	291,227
OPEB related (see note 15)		644,130		504,500
Totals	$	11,067,355	$	795,727

	2024			
		Deferred Outflows of Resources		Deferred Inflows of Resources
Pension related (see note 14)	$	14,031,301	$	
OPEB related (see note 15)		698,035		667,530
Totals	$	14,729,336	$	667,530

Note 7

Accounts Payable and Accrued Liabilities

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

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

		2025	2024
Payable to vendors and contractors	$	841,558	1,055,139
Accrued salaries, wages and employee withholdings		2,351,665	1,917,443
Other		(4,122)	(25,918)
Total	$	3,189,101	2,946,664

Note 8

Unearned Revenues

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

	2025	2024
Tuition and fees	$ 1,573,472	$ 1,199,096
Contracts and grants	118,959	114,428
Total	$ 1,692,431	$ 1,313,524

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

Note 9

Long-Term Liabilities

Long-term liabilities consist of capital lease obligations and certain other liabilities that are expected to be liquidated at least one year from June 30, 2025 and 2024. The various leases cover a period not to exceed five years. Other long-term liabilities consist of accrued leave liabilities, net pension liability, net OPEB liability, and other liabilities (government advance refundables).

Information regarding original issue amounts, interest rates, and maturity dates for bonds, notes, and capital leases relative to the long-term liabilities as of June 30, 2025 and 2024 is listed in the following schedules:

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

The annual debt service requirement of the outstanding debt as of June 30, 2025 is as follows:

Fiscal Year	Lease Liability	SBITA Liability	Interest (lease liability)	Interest (SBITA)	Interest **TOTAL**	Total
2026	65,452	71,511	6,491	8,799	15,290	152,253
2027	65,930	77,368	4,006	5,821	9,827	153,125
2028	49,385	44,790	1,746	2,599	4,345	98,520
2029	16,692	18,046	139	767	906	35,644
2030 - 2034					-	-
2035 - 2039					-	-
2040 - 2044					-	-
2045 - 2049					-	-
2050 - 2054					-	-
Thereafter					-	-
Totals	$197,459	$211,715	$12,382	$17,986	$30,368	$439,542

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

* Net OPEB liability is recorded at the beginning of fiscal year 2018 in accordance with GASB Statement No. 75.

The annual debt service requirement of the outstanding debt as of June 30, 2024 is as follows:

Fiscal Year	Lease Liability	SBITA Liability	Interest (lease liability)	Interest (SBITA)	Interest TOTAL	Total
2025	$61,944	$193,891	$8,724	$9,649	18,373	274,208
2026	64,315	24,379	6,353	3,180	9,533	98,227
2027	64,744	26,456	3,917	2,205	6,122	97,322
2028	48,148	28,661	1,709	1,146	2,855	79,664
2029	16,481		138		138	16,619
2030 - 2034					-	-
2035 - 2039					-	-
2040 - 2044					-	-
2045 - 2049					-	-
2050 - 2054					-	-
Thereafter					-	-
Totals	$255,632	$273,387	$20,841	$16,180	$37,021	$566,040

Note 10

Operating Expenses by Natural and Functional Classifications

The University's operating expenses by functional classification were as follows for the years ended June 30, 2025 and 2024:

					2025					
Functional Classification		Salaries and wages	Fringe benefits	Travel	Contractual services	Utilities	Scholarships and fellowships	Commodities	Depreciation and Amortization expense	Total
Instruction	$	11,356,711	5,910,670	91,095	615,424			961,545		18,935,445
Research		31,091	11,758	27,919	39,844			294,663		405,275
Public Service		143,552	69,999	—	39,647			62,746		315,944
Academic Support		5,749,037	3,105,872	77,278	2,376,660			1,471,620		12,780,467
Student Services		2,305,464	1,341,498	836,582	1,000,228			346,772		5,830,544
Institutional Support		3,725,453	1,821,249	83,583	1,080,811			101,910		6,813,006
Operation of Plant		1,639,337	1,086,662	11,865	611,103	3,573,235		392,029		7,314,231
Student Aid								—		
Auxiliary Enterprises		512,633	182,876	71	2,238,698	—		212,539		3,146,817
Depreciation									3,085,322	3,085,322
Total Operating Expenses	$	25,463,278	13,530,584	1,128,393	8,002,415	3,573,235		3,843,824	3,085,322	58,627,051

					2024					
Functional Classification		Salaries and wages	Fringe benefits	Travel	Contractual services	Utilities	Scholarships and fellowships	Commodities	Depreciation expense	Total
Instruction	$	10,734,703	5,623,218	125,559	523,898	—	—	885,251	—	17,892,629
Research		44,047	22,224	15,265	46,526	—	—	63,737	—	191,799
Public Service		138,214	66,085	178	53,078	—	—	43,455	—	301,010
Academic Support		5,565,554	3,028,027	114,276	2,194,158	—	—	1,530,596	—	12,432,611
Student Services		2,209,479	1,213,533	906,239	968,664	—	—	359,739	—	5,657,654
Institutional Support		3,325,447	1,796,572	75,540	1,196,443	—	—	119,092	—	6,513,094
Operation of Plant		1,460,658	970,304	11,243	395,238	2,861,854	—	271,062	—	5,970,359
Student Aid		—	—	—	—	—	6,023,576	—	—	6,023,576
Auxiliary Enterprises		522,850	165,814	1,148	1,713,512	484,330	—	96,053	—	2,983,707
Depreciation		—	—	—	—	—	—	—	2,822,879	2,822,879
Total Operating Expenses	$	24,000,952	12,885,777	1,249,448	7,091,517	3,346,184	6,023,576	3,368,985	2,822,879	60,789,318

Note 11

Operating Leases

The University leases equipment for various terms under long-term, non-cancelable lease agreements. These leases Expire at various dates through 2029.

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

Year Ending June 30,		Principal	Interest	Total
2026		65,452	6,491	71,943.00
2027		65,930	4,006	69,936.00
2028		49,385	1,746	51,131.00
2029		16,692	139	16,831.00
2030 - 2034				
2035 - 2039				
2040 - 2044				
2045 - 2049				
2050 - 2054				
Thereafter				
Total minimum lease payments	$	197,459	12,382	209,841

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class:

Land	$	
Buildings		
Equipment, vehicles, other		324,798
Less: accumulated amortization		(132,048)
	$	192,750

Note 12
Subscription-Based Information Technology Arrangements (SBITAS)

The University has software subscriptions from external parties for various terms under long-term noncancelable arrangements. The subscriptions expire at various dates through 2029 and some provide for renewal options ranging from one to five years. Subscription payments are made monthly and annually ranging from $5,250-$56,879, with an estimated incremental borrowing rate of 3.25%. in accordance with GASB Statement No. 96, the University 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 terms in excess of one year as of June 30, 2025 are as follows:

Year Ending June 30,		Subscription obligations payable	Interest	Total
2026	$	71,511	8,799	80,310
2027		77,368	5,821	83,189
2028		44,790	2,599	47,389
2029		18,046	767	18,813
2030				-
2031 - 2035				-
2036 - 2040				-
2041 - 2045				-
2046 - 2050				-
2051 - 2055				-
Total remaining subscription commitments	$	211,715	17,986	229,701

Right-to-use assets acquired through outstanding subscription-based arrangements are shown below:

Subscription-based assets	$	783,370
Less: accumulated amortization		(483,957)
	$	299,413

Note 13

Construction Commitments and Financing

The University has contracted for various construction projects as of June 30, 2025 and 2024. Estimated costs to complete the various projects and the sources of anticipated funding are presented below:

		2025			
	Total Costs to Complete	Federal Sources	State Sources	Institutional Sources	Other Sources
Kincannon Bathroom Renovations	596,538			596,538	
Old Pohl Preplanning	212,983		212,983		
Hooper Air Handling Unit Replacements	816,712		816,712		
ARPA SB3062, L22 Stormwater	474,349	474,349			
ARPA SB3062, L22 Waste Collections & Conveying	55,453	55,453			
Hogarth Preplanning	288,600		288,600		
Comprehensive Roofing Project	1,835,766		1,835,766		
	4,280,401	529,802	3,154,060	596,538	-

	Total Costs to Complete	2024 Federal Sources	State Sources	Institutional Sources	Other Sources
Culinary Landscape & Irrigation System	112,492		112,492		
ARPA SB3062, L22 Waste Collections & Conveying	1,013,884	1,013,884			
ARPA SB3062, L22 Stormwater	1,283,772	1,283,772			
Repairs & Window Replacement IHL 204-137	1,389,750		1,389,750		
Hogarth Steam Kettle	440,840			440,840	
Comprehesive Roofing Project - Professional Services	42,877		42,877		
	4,283,615	2,297,656	1,545,119	440,840	-

Note 14

Donor Restricted Endowments

The net appreciation on investments of donor restricted endowments that is available for authorization for expenditure approximated $45,325 and $44,952 as of June 30, 2025 and 2024, respectively. This amount is included in the Statement of Net Position as endowment investments.

Note 15

EMPLOYEE BENEFITS – PENSION PLANS

The University 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 University are covered by one of the pension plans outlined above (collectively, the Plans). The Plans do not provide for measurements of assets and pension benefit obligations for individual entities. The measurement date of the Plans is June 30, 2024 for fiscal year 2025 and June 30, 2023 for fiscal year 2024.

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

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

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

Disclosures under GASB Statement No. 68

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

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 rates for the years ended June 30, 2025 and 2024 were 17.90% and 17.40%, respectively, for each year of annual payroll. Contributions from the University are recognized when legally due based on statutory requirements.

Employer Contributions

The University's contributions to PERS for the years ended June 30, 2025 and 2024 were $3.4 million and $3.0 million, respectively. The University'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 University's contributions used in the determination of its proportionate share of collective pension amount reported:

	Proportionate share of contributions	Allocation percentage of proportionate share of collective pension amount	Change in proportionate share of collective pension amount
PERS Defined Benefit:			
2025	$ 3,047,079	0.23%	0.00%
2024	2,990,571	0.23%	0.00%

Net Pension Liability

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

	Proportionate share of net pension liability	Proportion of net pension liability
PERS Defined Benefit:		
2025	$ 59,340,596	0.23%
2024	58,315,739	0.23%

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

Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over the average of the expected remaining service life of active and inactive members. For the years ended June 30, 2025 and 2024, the remaining service life was 3.54 years and 3.59 years, respectively. Differences between projected and actual earnings on pension plan investments are amortized over a closed period of 5 years. The first year of amortization is recognized as pension expense with the remaining years shown as a deferred outflow of resources. The deferred outflow of resources reported by an employer should include contributions made by the employer during its fiscal year that will be reflected in the net pension liability in the next measurement period.

The University's proportionate share of the collective pension expense for the years ended June 30, 2025 and 2024 is equal to the collective pension expense multiplied by the employer's allocation percentage, or $8.6 million and $7.9 million, respectively. Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense, they are labeled deferred inflows; if they will increase pension expense, they are labeled deferred outflows. 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
2025	$ 3,193,024	3,675,852	—	3,357,687	196,662	10,423,225	291,227	291,227
2024	$ 1,460,140	6,847,362	427,007	3,015,215	2,281,577	14,031,301	—	—

Contributions subsequent to the measurement date at 2025 of $3.4 million, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Contributions subsequent to the measurement date at 2024 of $3.0 million, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the current year.

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

Deferred outflows of resources, Year Ended June 30

2026	2027	2028	2029	Total
$ 2,845,711	4,654,029	47,893	(482,095)	7,065,538

Deferred inflows of resources, Year Ended June 30

2026	2027	2028	Total
$ 7,497	178,849	104,881	291,227

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations, and new estimates are made about the future. Mississippi state statute requires that an actuarial experience study be completed at least once in each five-year period. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four-year period ending June 30, 2022.

The following table provides a summary of the actuarial methods and assumptions used to determine the contribution rate reported for PERS for the years ended June 30, 2025 and 2024:

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

Mortality

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 and 2024 are summarized in the following table:

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

Discount Rate

For the years ended June 30, 2025 and 2024, the discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (17.90% and 17.40%, respectively) for the years ended June 30, 2025 and 2024. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following table presents the University's proportionate share of the net pension liability of the cost-sharing plan for 2025, calculated using the discount rate of 7.00%, as well as what the University's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Discount Rate Sensitivity		
1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
$ 76,914,049	59,340,597	44,958,056

The following table presents the University's proportionate share of the net pension liability of the cost-sharing plan for 2024, calculated using the discount rate of 7.00%, as well as what the University's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Discount Rate Sensitivity		
1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
$ 75,199,624	58,315,739	44,460,635

2. **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 University 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 University's contributions to the ORP for the years ended June 30, 2025 and 2024 were $987,432 and $946,230, respectively, which equaled its required contribution for the period.

Note 16

Postemployment Health Care and Life Insurance Benefits

Plan Description

In addition to providing pension benefits, the University provides other postemployment benefits (OPEB) such as health care and life insurance benefits to all eligible employees, dependents, and retirees. The State of Mississippi (State) administers The State and School Employees' Life and Health Insurance Plan (the Plan), a cost-sharing, multiple employer defined benefit OPEB Plan, for units of state government, political subdivisions, community colleges and school districts. Plan assets may be used to pay the benefits of the employees and retirees of any employer that participates in the Plan. The Plan was authorized by Section 25-15-3 et seq., Mississippi Code Ann. (1972).

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

The 14-member board is comprised of the Chairman of the Workers' Compensation Commission; the State Personnel Director; the Commissioner of Insurance; the Commissioner of Higher Education; the State Superintendent of Public Education; the Executive Director of the Department of Finance and Administration; the Executive Director of the Mississippi Community College Board; the Executive Director of the Public Employees' Retirement System; two appointees of the Governor; the Chairman of the Senate Insurance Committee; the Chairman of the House of Representatives Insurance Committee; the Chairman of the Senate Appropriations Committee; and the Chairman of the House of Representatives Appropriations Committee. The Board has a fiduciary responsibility to manage the funds of the Plan. The Plan maintains a budget approved by the Board.

Benefits Provided and Contributions

Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance will have the full cost of such insurance premium deducted monthly from his state retirement plan check or direct billed for the cost of the premium if the retirement check is insufficient to pay for the premium. If the Board determines actuarially that the premium paid by the participating retirees adversely affects the overall cost of the OPEB Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determines actuarially to cover the full cost of insurance. The Board imposes a surcharge by charging Horizon retirees higher premiums than Legacy retirees.

Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the OPEB Plan. Because the trust assets represent only 5% of benefits paid during 2024, assets in the trust were not used to make benefit payments. Instead, the implicit rate subsidy OPEB benefits were paid by the participating employers.

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

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

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

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

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

Disclosures under GASB Statement No. 75

The disclosures that follow for fiscal years 2025 and 2024 include all disclosures for GASB Statement No. 75 using the latest valuation report available (June 30, 2024). For fiscal year 2025, the measurement date for the State and School Employees' Life and Health Insurance Plan is June 30, 2024. For fiscal year 2024, the measurement date for the Plan is June 30, 2023. The University is presenting net OPEB liability as of June 30, 2024 and 2023 for the fiscal years 2025 and 2024 financials, respectively.

Proportionate Share Allocation Methodology

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

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

At June 30, 2025 and 2024, the University reported a liability of $1.8 million and $1.9 million, respectively, for its proportionate share of the net OPEB liability (NOL). For fiscal year ending June 30, 2025, the NOL was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2025 and 2024, the University's proportion was 0.33% and 0.34%, respectively.

For the years ended June 30, 2025 and 2024, the University recognized OPEB expense of ($77,340) and ($130,968), respectively.

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	Contributions subsequent to the measurement date	Total deferred outflows of resources	Changes of assumptions	Differences between expected and actual experience	Changes in proportion and differences between employer OPEB benefit payments and proportionate share of OPEB benefit payments	Total deferred inflows of resources
2025	$ 377,252	72	71,997	106,073	88,736	644,130	139,405	323,586	41,509	504,500
2024	303,493	114	165,403	149,197	79,828	698,035	139,285	522,720	5,525	667,530

$88,736 reported as deferred outflows of resources related to OPEB resulting from the University contributions subsequent to the measurement date (presented above as the implicit rate subsidy) will be recognized as a reduction of the NOL in the year ending June 30, 2026.

$79,828 reported as deferred outflows of resources related to OPEB resulting from the University contributions subsequent to the measurement date (presented above as the implicit rate subsidy) is recognized as a reduction of the NOL in the current year.

Deferred outflows of resources and deferred inflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. Changes in employer proportion, an employer specific deferral, is amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. The average remaining service life determined as of the beginning of the June 30, 2023 and 2022 measurement periods were 8.43 years and 6.4 years, respectively. Employers are required to recognize pension expense based on their proportionate share of collective OPEB expense plus amortization of employer specific deferrals.

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

Deferred outflows (inflows) of resources year ending June 30							
	2026	2027	2028	2029	2030	Thereafter	Total
$	(40,171)	(21,323)	22,358	51,556	35,118	3,356	50,894

Actuarial Methods and Assumptions

The following table provides a summary of the actuarial methods and assumptions used to determine the discount rate reported for OPEB for the years ended June 30, 2025 and 2024:

	2025	2024
Valuation date	June 30, 2024	June 30, 2023
Measurement date	June 30, 2024	June 30, 2023
Actuarial assumptions:		
Cost method	Entry age normal	Entry age normal
Inflation rate	2.40 %	2.40 %
Long-term expected rate of return	4.50 %	4.50 %
Discount rate	3.94 %	3.66 %
Projected cash flows	N/A	N/A
Projected salary increases	2.65% - 17.90%	2.65% - 17.90%
Healthcare cost trend rates	6.00% decreasing to 4.50% by 2029	6.50% decreasing to 4.50% by 2029

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

Mortality

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

Discount Rate
The discount rates used to measure the total OPEB liability at June 30, 2025 and 2024 were based on an average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of June published at the end of each week by the Bond Buyer.

Long-term Expected Rate of Return
The long-term investment rate of return, net of OPEB plan investment expense, including inflation was 4.50%.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate
The following tables present the University's proportionate share of the NOL for 2025 and 2024, calculated using the discount rates of 3.94% and 3.66%, respectively, as well as what the University'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 (2.94%)	Current discount rate (3.94%)	1% Increase (4.94%)
Mississippi University for Women proportionate share of net OPEB liability			
2025	$ 1,990,780	$ 1,826,171	$ 1,682,521

	Discount Rate Sensitivity		
	1% Decrease (2.66%)	Current discount rate (3.66%)	1% Increase (4.66%)
Mississippi University for Women proportionate share of net OPEB liability			
2024	$2,028,008	$1,851,477	$1,698,424

Sensitivity of Net OPEB Liability to Changes in the Health Care Cost Trend Rates
The following table presents the NOL of the University, calculated using the health care cost trend rates, as well as what the University'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
Mississippi University for Women proportionate share of net OPEB liability			
2025	$ 1,705,744	$ 1,826,171	$ 1,960,429
2024	1,725,174	1,851,477	1,992,937

Note 17

Federal Direct Lending and Federal Family Education Loan (FFEL) Programs

The institution distributed $9,099,895 and $9,154,566 for the years ended June 30, 2025 and 2024, respectively, for student loans through the U.S. Department of Education lending programs. These distributions and their related funding sources are included as noncapital financing disbursements and receipts in the Statement of Cash Flows.

Note 18

Foundations and Affiliated Parties

The various institutions comprising the State of Mississippi Institutions of Higher Learning are each affiliated with one or more foundations, which are independent corporations formed for the purpose of receiving funds for the sole benefit of the respective institutions. These foundations and affiliated parties are separately audited and have not been included in these financial statements.

Note 19

Contingencies

In the normal course of its activities, the University has been a party in various legal actions. Historically, the University has not experienced significant losses from such actions. After taking into consideration legal counsel's evaluation of pending actions, the University is of the opinion that the outcome thereof will not have a material effect on its financial statements.

The University also participates in certain federally sponsored programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement from the granting agency for expenditures disallowed under the terms of the grant. Management believes disallowances, if any, will not have a material adverse impact on the financial position of the University.

Note 20

Risk Management

Several types of risk are inherent in the operation of an institution of higher learning. There are several methods in which the institution can mitigate the risks. One of these methods is the pooling of resources among the institutions. The eight public Mississippi universities have pooled their resources to establish professional and general liability trust funds. Funds have been established for Workers' Compensation, Unemployment, and Tort Liability.

The Workers' Compensation program provides a mechanism for the University to fund and budget for the costs of providing worker compensation benefits to eligible employees. The program 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. Payments by the university to the Workers' Compensation Fund for the fiscal years ended June 30, 2025 and 2024 were $0 and $176,790, respectively.

The Unemployment Trust Fund operates in the same manner as the Workers' Compensation Fund. The fund does not pay benefits directly to former employees. The Fund reimburses the Mississippi Department of Employment Security (MDES) for benefits the MDES pays directly to former employees. Payments by the university to the Unemployment Trust Fund for the fiscal years ended June 30, 2025 and 2024 were $7,079 and $4,770, respectively.

The Tort Liability Fund was established in accordance with Section 11-46 of Mississippi State Law. The Mississippi Tort Claims Board authorized the IHL to establish a fund in order 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 liability limit of $500,000 per occurrence is currently permissible. During the year ended June 30, 2003, the IHL Board authorized the Tort Fund and subsequently acquired an educator's legal liability policy with a deductible of $1,000,000. The IHL Board designated $1,000,000 of IHL Tort Fund net assets towards any future payment of this deductible. The Tort claims pool also purchases a fleet automobile policy. University payments to the Tort Liability Fund for the fiscal years ended June 30, 2025 and 2024 were $22,722 and $0. The university's payments for the fleet automobile policy and a blanket public official bond for the fiscal years 2025 and 2024 were as follows:

		2025	2024
Fleet Automobile Policy	$	17,109	18,909
Blanket Public Official Bond		3,850	3,850

Mississippi University for Women

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of the Net Pension Liability

Mississippi Public Employees' Retirement System

June 30, 2025

	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	PERS fiduciary net position as a percentage of the total pension liability
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	33,515,641	15,077,023	222.30	70.44
2023	0.23	47,621,034	15,927,126	298.99	59.93
2024	0.23	58,315,739	17,187,190	339.30	55.70
2025	0.23	59,340,596	17,022,788	348.60	56.30

See accompanying independent auditors' report.

Mississippi University for Women
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Contributions
GASB 67 Paragraph 32(c)
6/30/2024

	Proportionate share of contributions	Required contributions	Contribution deficiency (excess)	Actual Covered-employee payroll	Contribution as a percentage of covered-employee payroll
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	17.4
2021	2,593,446	2,593,446		14,904,862	17.4
2022	2,742,395	2,742,395		15,760,891	17.4
2023	2,960,187	2,960,187		17,012,569	17.4
2024	3,015,215	3,015,215		17,328,822	17.4

See accompanying independent auditors' report

Mississippi University for Women

Required Supplementary Information (Unaudited)

Schedule of Proportionate Share of Employer Contributions

GASB 74 Paragraph 36(c)

6/30/2024

		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	$	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
2024		134,378	82,501	51,877	18,094,970	0.46

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

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

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

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

Changes of assumptions:

2024

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

2023

▪ There were no changes of assumptions.

2022

▪ The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
o For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77;
o For females, 84% of the female rates up to age 72, 100% for ages above 76; and
o 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:
o For males, 134% of male rates at all ages;
o For females, 121% of female rates at all ages; and
o 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:
o For males, 97% of male rates at all ages;
o For females, 110% of female rates at all ages;
o 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:
o For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119;
o For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119; and
o 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:
o For males, 137% of male rates at all ages;
o For females, 115% of female rates at all ages; and
o 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 - 2024
▪ There were no changes in benefit provisions.
2017
▪ Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

2. Net OPEB liability
(a) Schedule of Proportionate Share of the Net OPEB Liability
This schedule presents historical trend information about the University's proportionate share of the net OPEB liability for its employees who participate in the State and School Employees' Life and Health Insurance Plan. The net OPEB liability is measured as the total OPEB liability less the amount of the fiduciary net position of the plan. Trend information will be accumulated to display a ten-year presentation.
(b) Schedule of Proportionate Share of Employer Contributions to the State and School Employees' Life and Health Insurance Plan
The required contributions and percentage of those contributions actually made are presented in the schedule. Trend information will be accumulated to display a ten-year presentation.
(c) Changes of Assumptions and to Benefit Terms (OPEB plan)
Changes of assumptions:
2024
▪ The SEIR was changed from 3.37% for the prior measurement date to 3.66% to the current measurement date. Withdrawal rates, disability rates, service retirement rates and salary merit rates were adjusted to reflect actual experience more closely.
2023
▪ The SEIR was changed from 2.13% for the prior measurement date to 3.37% to the current measurement date.
2022
▪ The SEIR was changed from 2.19% for the prior measurement date to 2.13% to the current measurement date.
2021
▪ The SEIR was changed from 3.50% for the prior measurement date to 2.19% to the current measurement date.
2020
▪ The SEIR was changed from 3.89% for the prior measurement date to 3.50% to the current measurement date.
2019
▪ The SEIR was changed from 3.56% for the prior measurement date to 3.89% to the current measurement date.
Changes to benefit terms:
2024

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

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.