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**State of Mississippi Institutions  
of Higher Learning**

**Financial Statements with  
Additional Information and Reports  
Required by OMB Circular A-133**

**For the Years Ended June 30, 2009 and 2008**

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# State of Mississippi Institutions of Higher Learning

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# Financial Audit Report

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL  
STATEMENTS AND SUPPLEMENTAL INFORMATION**

Board of Trustees  
State of Mississippi Institutions of Higher Learning  
3825 Ridgewood Road  
Jackson, MS 39211-6463

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the State of Mississippi Institutions of Higher Learning (the IHL System), a component unit of the State of Mississippi, as of and for the years ended June 30, 2009 and 2008, which collectively comprise the IHL System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the IHL System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We did not audit the financial statements and schedules of:

the University of Mississippi Medical Center Educational Building Corporation, a component unit of the University of Mississippi Medical Center, which statements reflect total assets of \$140,851,186 and \$146,044,827 as of June 30, 2009 and 2008, respectively, and total revenues of \$4,885,343 and \$8,138,750 for the respective years then ended;

the University of Mississippi Educational Building Corporation, a component unit of the University of Mississippi, which statements reflect total assets of \$152,002,987 and \$90,779,659 as of June 30, 2009 and 2008, respectively, and total revenues of \$5,562,430 and \$4,105,399 for the respective years then ended;

the University of Mississippi Medical Center Tort Claims Fund, which statements reflect total assets of \$28,250,872 and \$31,048,556 as of June 30, 2009 and 2008, respectively, and total revenues of \$1,488,134 and \$3,641,580 for the respective years then ended;

the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, which statements reflect total assets of \$11,423,030 and \$9,407,000 as of June 30, 2009 and 2008, respectively, and total revenues of \$7,640,196 and \$7,706,338 for the respective years then ended;

the State Institutions of Higher Learning Tort Liability Fund, which statements reflect total assets of \$10,182,667 and \$9,666,607 as of June 30, 2009 and 2008, respectively, and total revenues of \$3,125,478 and \$3,288,039 for the respective years then ended; and

the discretely presented component units consisting of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation and the University of Southern Mississippi Foundation, which represent 100% of the assets and revenues of the discretely presented component units.

Those financial statements and schedules were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned entities, is based on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements and schedules of the blended and discretely presented component units audited by other auditors, as described above, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the IHL System, as of June 30, 2009 and 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2009, on our consideration of the IHL System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 9 through 24 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our 2009 audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the IHL System's 2009 basic financial statements. The accompanying individual university financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented as supplemental information for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133 and is not a required part of

the basic financial statements. This supplemental information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, is fairly stated in all material respects in relation to the 2009 basic financial statements taken as a whole.

*Carr, Riggs & Ingram, LLC*

Ridgeland, Mississippi  
December 15, 2009

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## **Management's Discussion and Analysis**

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# State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis  
June 30, 2009 and 2008

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## Introduction

The following discussion and analysis provides an overview of the financial position and activities of the Mississippi Institutions of Higher Learning (the "IHL System") for the year ended June 30, 2009. As comparison data, the financial position and activities from the prior fiscal period have also been included (year ended June 30, 2008). The report consists of a series of financial statements prepared in accordance with Governmental Accounting Standards Board Statement Nos. 34 and 35, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The IHL System reports as a special purpose government engaged solely in business-type activities. The discussion below has been prepared by management and should be read in conjunction with the financial statements and the notes thereto which follow this section.

The State of Mississippi Institutions of Higher Learning System office was created in 1943 for the purpose of overseeing and directing Mississippi's eight public universities, as well as the University of Mississippi Medical Center, various off-campus centers and multiple research institutes located throughout Mississippi. These campuses serve a student population of approximately 71,000 and employ approximately 25,000 individuals, including about 5,200 faculty members.

Each of the public universities has established its own educational building corporation (EBC) in accordance with Section 37-101-61 of the Mississippi Code Annotated of 1972. The main purpose of these corporations is for the acquisition of land or buildings, and the construction and equipping of new facilities for the various universities. In accordance with Governmental Accounting Standards Board Statements No.'s 14 and 39, the EBC's are deemed component units of the IHL System and are included as blended component units in their general-purpose financial statements.

In addition to the EBC's, the IHL System had three additional component units that were deemed significant. These three units consisted of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation and the University of Southern Mississippi Foundation. Their audited financial statements are discretely presented behind the IHL System's financial statements.

# State of Mississippi Institutions of Higher Learning

## Management's Discussion and Analysis June 30, 2009 and 2008

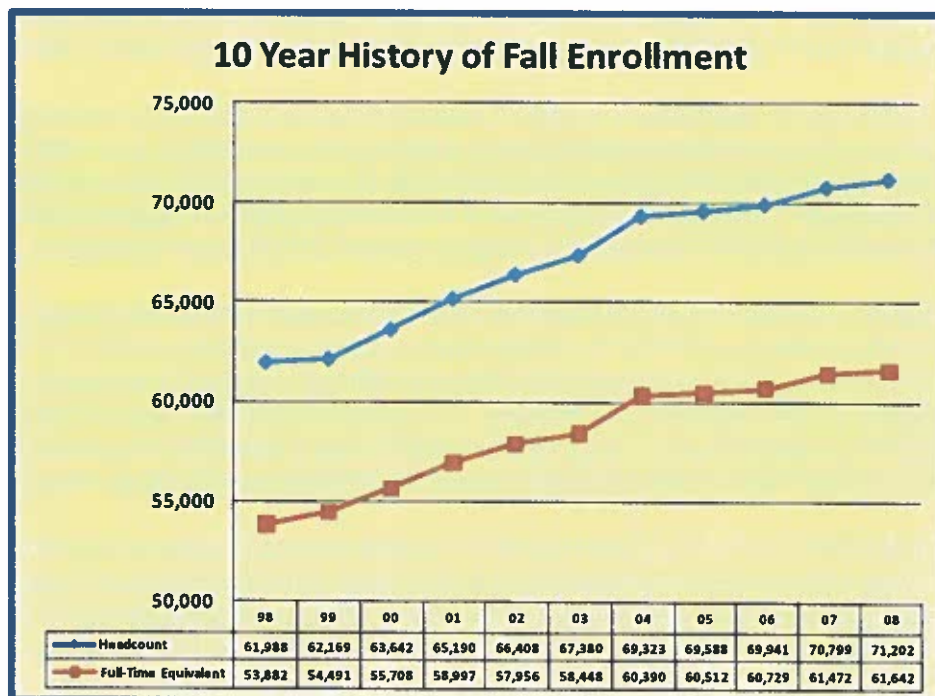
The following is a list of abbreviations used throughout this financial report for the member universities of the IHL System:

▪ ASU	--	Alcorn State University
▪ DSU	--	Delta State University
▪ JSU	--	Jackson State University
▪ MSU	--	Mississippi State University
▪ MUW	--	Mississippi University for Women
▪ MVSU	--	Mississippi Valley State University
▪ UM	--	University of Mississippi
▪ USM	--	University of Southern Mississippi
▪ UMMC	--	University of Mississippi Medical Center
▪ IHL Executive Office	--	Institutions of Higher Learning – Executive Office
▪ MCVS	--	Off-campus entity
▪ IHL SYSTEM	--	(Summary of all of the above)

### Financial Highlights

The financial position of the IHL System has shown steady growth over the last several years. Net assets have increased by \$313.7 million (assets minus liabilities) since June 30, 2007. The reason for this improvement was an increase in capital assets, net of related debt, and unrestricted net assets. Many of the institutions have recently undergone, or are in the process of major building projects, especially in the student housing environment.

Despite tuition rate increases most years, enrollment has continued to increase for the IHL System since 1998. IHL management believes that this increase is indicative of the strong demand for a quality educational product at a very reasonable price.





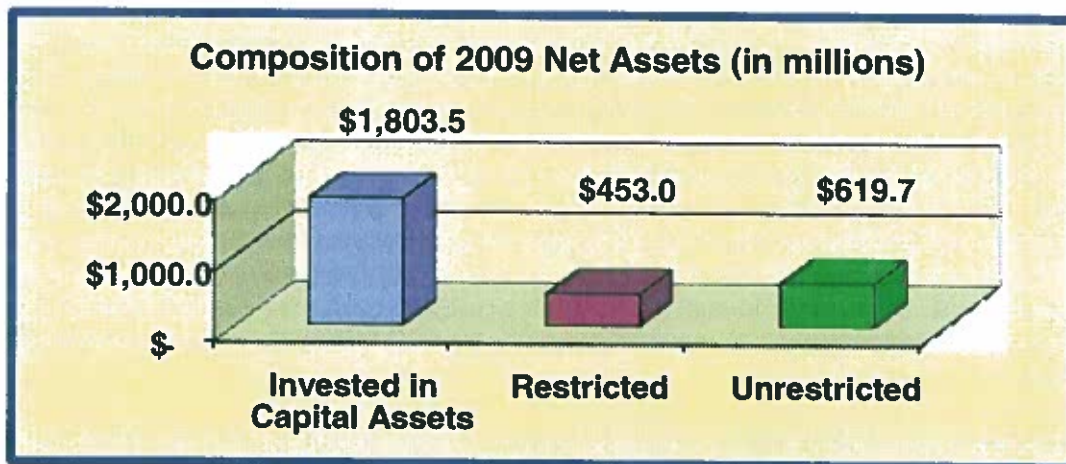
# State of Mississippi Institutions of Higher Learning

## Management's Discussion and Analysis June 30, 2009 and 2008

Other revenue sources such as federal, state and private grants and contracts have remained stable at some institutions but increased at most. The IHL System's efforts to create self-generated funds, control costs, and eliminate expenditures on some non-core essential activities allowed the institutions to generate sufficient resources to meet and sometimes even exceed budgeted goals.

GASB guidance requires that state appropriation revenues be classified as non-operating on the Statement of Revenues, Expenses and Changes in Net Assets (SRECNA). Because of this treatment, the IHL System will always show a net operating loss at year-end on the SRECNA. This net operating loss approximated \$866.3 million and \$844.7 million for the years ended June 30, 2009 and 2008, respectively. Total operating revenues increased 7.4% in 2009 and 5.5% in 2008, while operating expenses for 2009 and 2008 increased 5.7% and 5.4%, respectively. The accumulated impact of non-operating and other revenues and expenses of the IHL System resulted in a net gain of \$994.7 million in 2009 and \$1,024.5 million in 2008. Overall, the IHL System's net assets increased by \$128.4 million for fiscal year 2009 compared to \$179.8 million in 2008 before the effect of prior period adjustments.

Net assets, which represent the residual interest in the IHL System's assets after liabilities are deducted, increased by \$128.4 million (4.7%) from the prior fiscal year to \$2.9 billion. This compares to an increase of \$185.3 million (7.2%) in 2008 when compared to 2007. Shown below is a chart illustrating the composition of the IHL System's net assets as of June 30, 2009.



Unrestricted net assets as of June 30, 2009 are reflected at \$619.7 million. The major components of this total are the University of Mississippi Medical Center with \$239.6 million, the University of Mississippi with \$152.0 million, Mississippi State University with \$116.5 million, and the University of Southern Mississippi with \$68.9 million for a total of \$577.0 million. As of June 30, 2008, unrestricted net assets were \$579.3 million.

# State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis  
June 30, 2009 and 2008

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## Overview of the Financial Statements

The IHL System's financial report consists of three sections- Management's Discussion and Analysis, the basic financial statements including notes to the financial statements, and finally the financial statements of the discrete component units. The IHL System's basic financial statements consist of the **Statement of Net Assets**, the **Statement of Revenues, Expenses, and Changes in Net Assets**, and the **Statement of Cash Flows**.

## Basic Financial Statements

The basic financial statements present information for the IHL System as a whole. **The Statement of Net Assets** presents the financial position of the IHL System at the end of the fiscal year and includes all assets and liabilities for all institutions within the IHL System. The difference between total assets and total liabilities is one measure of the IHL System's financial health or position. The change in net assets is a useful indicator of whether the financial condition of the IHL System is improving or deteriorating. Over time, increases or decreases in the IHL System's net assets provides a useful trend in assessing whether its financial health is improving.

The **Statement of Revenues, Expenses and Changes in Net Assets** presents the operating results of the IHL System, as well as non-operating revenues and expenses. In general terms, operating revenues are received for providing goods and services to the various customers and constituencies of the IHL System. Operating expenses are those incurred to acquire or produce the goods and services provided in return for the operating revenues. Non-operating revenues are those received for which goods and services are not provided as an exchange transaction. For example, state appropriation revenues are classified as non-operating because the State Legislature provides them, without the Legislature receiving commensurate goods or services in return. Due to this classification treatment of such a large portion of the IHL System's total revenues, the IHL System's financial statements typically depict an overall operating loss. Other typical non-operating revenue sources include gifts, grants and appropriations restricted for capital purposes.

The **Statement of Cash Flows** provides another perspective on the IHL System's results of operations. This statement provides detailed information about the cash sources and uses of the IHL System. Additional details concerning this statement are explained later in this report.

Other non-financial factors such as enrollment trends and the condition of the physical plant are also useful in evaluating the overall financial health of the IHL System.

## Statement of Net Assets

Net assets are divided into three major categories:

- **Invested in capital assets, net of debt** – represents the IHL System's equity in property, plant and equipment which it owns.

# State of Mississippi Institutions of Higher Learning

## Management's Discussion and Analysis June 30, 2009 and 2008

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- **Restricted net assets** – represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements.
  - **Unrestricted net assets** – represent those assets that are available to the IHL System for any lawful purpose.

From the data presented, readers of the Statement of Net Assets are able to determine the following:

- the assets available to continue the operations of the IHL System
- the liabilities of the IHL System which include the amount owed vendors and lending institutions, and
- the net assets that are available for future expenditure by the IHL System

At June 30, 2009 current assets totaled \$855.7 million and consisted primarily of cash and cash equivalents, short-term investments and net receivables. Current assets increased 9.1% (\$71.2 million) from June 30, 2008. Since June 30, 2007 current assets have increased over 26% (\$177.8 million). Cash, cash equivalents, and short-term investments constituted approximately 59% and 52% of current assets as of June 30, 2009 and 2008, respectively, while receivables constituted approximately 35% of current assets for both years. Approximately 52% and 53% of these net receivables are amounts due from gifts, contracts and grants and the State for appropriations as of June 30, 2009 and 2008, respectively, and approximately 29% (2009) and 19% (2008) related to patient care receivables from UMMC.

At June 30, 2009, current liabilities totaled \$283.4 million and consist primarily of accounts payable and accrued liabilities, and deferred revenues. Deferred revenues include advance receipts for athletic ticket sales, summer tuition, fees, and student housing. Current liabilities increased 4.4% (\$11.9 million) from June 30, 2008. Since June 30, 2007 current liabilities have increased over 29% (\$63.8 million). A large portion of this increase has been experienced by UMMC, where medical payments to third-party payers increased approximately \$31.8 million since June 30, 2007.

At June 30, 2009 and 2008, non-current assets totaled \$3.2 billion and \$3.0 billion, respectively, and include depreciable capital assets of \$2.5 billion (2009) and \$2.3 billion (2008). Other non-current assets include cash and investments that are restricted externally by endowment arrangements or specific grant and contract arrangements and approximated \$555.2 million at June 30, 2009 and \$523.3 million at June 30, 2008. One other significant non-current asset of the IHL System was student note receivables which equaled \$111.0 million at June 30, 2009 and \$109.3 million at June 30, 2008. In comparison to the prior year-end, non-current assets increased 6.2% (\$185.6 million). Since June 30, 2007, non-current assets have actually increased 11.3% (\$320.6 million). The majority of this increase has been seen in the accumulation of capital assets, \$332.6 million. Specifically, the IHL System's inventory of buildings increased in pre-depreciation value by 18.5% or a total of \$341.7 million since June 30, 2007. Additional details about the IHL System's capital asset growth can be seen in the Capital Asset and Debt Administration section of this report.

# State of Mississippi Institutions of Higher Learning

## Management's Discussion and Analysis June 30, 2009 and 2008

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Non-current liabilities are those liabilities due and payable more than twelve months from year-end (June 30<sup>th</sup>). Non-current liabilities equaled \$862.9 million at June 30, 2009 and \$746.4 million at June 30, 2008. These liabilities have increased 16.3% (or \$120.8 million) since June 30, 2007. The largest component of this increase arose from new issuances of capital debt principal from revenue bonds and notes payable, as well as capital lease obligations with contractual maturities greater than one year. In total these capital debt obligations equaled \$696.7 million as of June 30, 2009, of which \$39.8 million is payable during the next 12 months. This compares to capital debt obligations at June 30, 2008 of \$593.2 million, including current maturities of \$39.2 million. Additional details about the IHL System's capital debt can be seen in the Capital Asset and Debt Administration section of this report. Other non-current liabilities of significance include estimated amounts for accrued compensated absences that will not be paid within the next fiscal year (\$83.4 million at June 30, 2009 and \$75.3 million at June 30, 2008), the non-current portion of unpaid claim liabilities relative to its self-insured programs, and government advance refundable obligations relative to the federal government's Perkins loan program in the event of termination.

Restricted non-expendable net assets equaled \$106.9 million and \$108.9 million at June 30, 2009 and 2008, respectively, and consisted of endowment and similar type funds, which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained intact and invested for the purpose of producing income that may either be expended or added to principal. The values of these net assets have increased approximately \$3.1 million or less than 3% since June 30, 2007.

# State of Mississippi Institutions of Higher Learning

## Management's Discussion and Analysis June 30, 2009 and 2008

A summarized listing of the IHL System's assets, liabilities and net assets for the past three fiscal year ends is shown below.

	As of			Changes Between Years	
	June 30, 2007	June 30, 2008	June 30, 2009	2007 to 2008	2008 to 2009
<b>Assets</b>					
Current assets	\$ 677,907,937	\$ 784,576,242	\$ 855,725,714	15.7%	9.1%
Capital assets, net	2,164,689,010	2,346,535,978	2,497,240,707	8.4%	6.4%
Other net assets	681,560,513	634,662,911	669,588,239	-6.9%	5.5%
<b>Total assets</b>	<b>3,524,157,460</b>	<b>3,765,775,131</b>	<b>4,022,554,660</b>	<b>6.9%</b>	<b>6.8%</b>
<b>Liabilities</b>					
Current liabilities	219,585,811	271,578,358	283,426,628	23.7%	4.4%
Non-current liabilities	742,100,293	746,418,850	862,937,254	0.6%	15.6%
<b>Total liabilities</b>	<b>961,686,104</b>	<b>1,017,997,208</b>	<b>1,146,363,882</b>	<b>5.9%</b>	<b>12.6%</b>
<b>Net Assets</b>					
Invested in capital assets, net of debt	1,603,201,893	1,759,506,600	1,803,489,983	9.7%	2.5%
Restricted - nonexpendable	103,785,399	108,861,514	106,871,262	4.9%	-1.8%
Restricted - expendable	359,041,200	300,112,226	346,084,923	-16.4%	15.3%
Unrestricted	496,442,864	579,297,583	619,744,610	16.7%	7.0%
<b>Total net assets</b>	<b>\$ 2,562,471,356</b>	<b>\$ 2,747,777,923</b>	<b>\$ 2,876,190,778</b>	<b>7.2%</b>	<b>4.7%</b>

## Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets (SRECNA) displays information on how the IHL System's assets changed as a result of current year operations. This statement presents the IHL System's revenues received and expenses incurred, as well as any other gains or losses for the fiscal year. Operating revenues and expenses have been revised to give effect for certain eliminations relating to inter-campus transactions among the IHL System institutions.

The IHL System's consolidated SRECNA for the year ended June 30, 2009 indicates a net operating loss of \$866.3 million and compares to a net operating loss of \$844.7 million in 2008. The fiscal year 2009 loss represents an increase in the net operating loss from the prior year by \$21.6 million. Since June 30, 2007, the IHL System's net operating loss has increased 12.9% (or \$99.1 million). What this two year loss increase means is that operating expenses have been growing at a faster rate (11.5%) than have operating revenues (10.7%). Net operating loss does not include the

# State of Mississippi Institutions of Higher Learning

## Management's Discussion and Analysis June 30, 2009 and 2008

effects of non-operating items such as state appropriations revenues, certain gift revenues, or net investment earnings. A summary of the IHL System's SRECNA for the last three fiscal years is shown below.

	For the Years Ended			Changes Between Years	
	June 30, 2007	June 30, 2008	June 30, 2009	2007 to 2008	2008 to 2009
Operating revenues	\$ 1,550,106,554	\$ 1,598,226,525	\$ 1,716,514,359	3.1%	7.4%
Operating expenses	2,317,295,818	2,442,925,288	2,582,796,084	5.4%	5.7%
Operating income (loss)	(767,189,264)	(844,698,763)	(866,281,725)	10.1%	2.6%
Non-operating revenues (expenses)	853,121,384	908,492,202	852,763,749	6.5%	-6.1%
Income (loss) before other revenues, expenses, gains or losses	85,932,120	63,793,439	(13,517,976)	-25.8%	-121.2%
Other revenues, expenses, gains or losses	133,458,312	115,999,202	141,930,831	-13.1%	22.4%
Increase in net assets	219,390,432	179,792,641	128,412,855	-18.0%	-28.6%
Net assets at beginning of the year - restated	2,343,080,924	2,567,985,282	2,747,777,923	9.6%	7.0%
Net assets at the end of the year	\$ 2,562,471,356	\$ 2,747,777,923	\$ 2,876,190,778	7.2%	4.7%

# State of Mississippi Institutions of Higher Learning

## Management's Discussion and Analysis June 30, 2009 and 2008

### Operating Revenues

Operating revenues for the IHL System totaled \$1.7 billion for fiscal year 2009 compared to \$1.6 billion in 2008. Operating revenues increased 7.4% (or \$118.3 million) during 2009, and an additional 3.1% (or 48.2 million) during 2008. Major components of operating revenues are UMMC patient care revenues (35% in 2009 and 33% in 2008), grants and contracts revenue (29% in 2009 and 30% in 2008), net tuition and fees (21% in 2009 and 20% in 2008), and sales and service revenues from auxiliary activities (9% in 2009 and 10% in 2008). The following table summarizes the IHL System's operating revenues for the past three fiscal years.

	For the Years Ended			Changes Between Years	
	June 30, 2007	June 30, 2008	June 30, 2009	2007 to 2008	2008 to 2009
Tuition and Fees (net)	\$ 300,084,842	\$ 324,558,260	\$ 355,813,578	8.2%	9.6%
Grants and contracts	529,688,752	473,876,115	495,371,300	-10.5%	4.5%
Federal Appropriations	14,166,595	15,235,366	14,762,103	7.5%	-3.1%
Sales and Services of educational departments	48,249,402	50,435,806	47,257,293	4.5%	-6.3%
Auxiliary Enterprises (net)	149,003,518	157,688,663	157,195,204	5.8%	-0.3%
Patient Care revenues	463,933,432	531,192,186	599,612,765	14.5%	12.9%
Other	44,980,013	45,240,129	46,502,116	6.0%	2.8%
<b>Total Operating revenues</b>	<b>\$ 1,550,106,554</b>	<b>\$ 1,598,226,525</b>	<b>\$ 1,716,514,359</b>	<b>3.1%</b>	<b>7.4%</b>

Net tuition and fee revenues increased 9.6% (or \$31.3 million) in fiscal year 2009. Mississippi residents saw their in-state tuition rates increase an average of 3.7% in FY 2009, while non-residents paid a 9.0% average higher tuition rate versus the prior year. This accounted for the majority of the tuition revenue increase. Similar rate increases in FY 2008 yielded an additional 8.2% (or 24.5 million) in tuition revenue.

The IHL System grants and contracts revenues increased 4.5% (or \$21.5 million) during FY 2009. This was an encouraging bounce back from the previous year decrease of 10.5% which was primarily caused by the discontinuance of the Special Leveraging Educational Assistance Program (SLEAP - Hurricane Katrina) federal aid program. Over the course of FY 2006 and FY 2007, the IHL System received approximately \$90 million towards the administration of this disaster aid relief program. These funds were discontinued after 2007.

The University of Mississippi Medical Center's net patient care revenues increased 12.9% (or \$68.4 million) in FY 2009. In fact, patient care revenues have experienced significant increases during the last three years. Since 2007, patient revenues have increased 29.3% (or \$135.7 million). Large volume increases in patient admissions, as well as general service price hikes and a recently implemented revenue cycle project have all contributed significantly in this overall revenue rise.

# State of Mississippi Institutions of Higher Learning

Management's Discussion and Analysis  
June 30, 2009 and 2008

## Operating Expenses

Operating expenses for the IHL System totaled \$2.6 billion for fiscal year 2009 compared to \$2.4 billion in 2008. Operating expenses increased 5.7% (or \$139.9 million) during 2009, and an additional 5.4% (or \$125.6 million) during 2008. Personnel costs represented 58% (2009) and 57% (2008) of all operating expenses and were the largest component. Other major components for both fiscal 2009 and 2008 were contractual service expenses (18%), commodities (10%), and scholarships and fellowship expenses (5%). The following table summarizes the IHL System's operating expenses (by major object category) for the past three fiscal years.

By Major Object Category	For the Years Ended			Changes Between Years	
	June 30, 2007	June 30, 2008	June 30, 2009	2007 to 2008	2008 to 2009
	Salaries and wages	\$ 1,006,872,216	\$ 1,091,776,007	\$ 1,162,961,844	8.4%
Fringe benefits	272,960,209	305,152,746	322,469,156	11.8%	5.7%
Travel	42,949,694	46,314,254	45,546,636	7.8%	-1.7%
Contractual services	452,788,278	436,926,690	456,543,617	-3.5%	4.5%
Utilities	61,251,067	67,493,528	73,181,756	10.2%	8.4%
Scholarships and fellowships	145,090,826	125,121,663	134,638,181	-13.8%	7.6%
Commodities	237,119,747	265,298,795	265,788,199	11.9%	0.2%
Depreciation	92,264,119	99,791,287	109,528,387	8.2%	9.8%
Other	5,999,662	5,050,318	12,138,308	-15.8%	140.3%
<b>Total Operating expenses</b>	<b>\$ 2,317,295,818</b>	<b>\$ 2,442,925,288</b>	<b>\$ 2,582,796,084</b>	<b>5.4%</b>	<b>5.7%</b>

IHL personnel costs (salaries, wages and fringe benefits) increased 6.3% (or \$88.5 million) during FY 2009. Much of this increase was experienced at UMMC (\$50.8 million) where many new clinical and technical positions on the hospital side of operations were employed. This goes hand-in-hand with the hospitals obligation to properly care for the additional patient volume that was realized during the last three years. A three year analysis of IHL System personnel costs will also show that these costs increased 16.1% (or \$205.6 million) since 2007. Included in that was a 5% merit increase for most IHL employees during 2008. Salary increases in 2009 were generally limited to market adjustments.

The IHL System utilities expense increased 8.4% and 10.2% during 2009 and 2008, respectively, due to ever increasing rates for campus electricity, gas and water and as a result of growth in the physical plant infrastructure. The increased fuel and delivery costs in 2008 affected the prices paid by institutions for their many types of office and general supplies. This is reflected in the \$29.9 million increase in the IHL System's commodities expense during 2008. For 2009 commodities expense was comparable to 2008.

Scholarships and fellowships expense increased 7.6% (or \$9.5 million) in FY 2009. The increase was primarily the result of the tuition rate increases imposed by IHL System institutions during the year. Most of this increase was financed through the campus's institutionally sourced financial aid



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programs. During 2008 scholarships and fellowships expenses reflected a \$20.0 million decrease when compared to 2007 which principally resulted from the discontinuance of the federal SLEAP (Hurricane Katrina Aid) program that ended in 2007. This particular program provided financial aid benefits for affected students throughout the IHL System which resulted in a \$43.0 million decrease in student aid. After considering this impact, scholarship and fellowship expense actually increased approximately \$23 million during 2008.

Depreciation expense for the IHL System increased 9.8% during FY 2009, while also increasing an additional 8.2% in 2008. This was a direct result in the IHL System's continuing investment in capital assets, including facilities, infrastructure and machinery and equipment. More information about the growth of these assets can be seen in the Capital Assets and Debt Administration section of this report.

As an alternative presentation model, the IHL System's last three fiscal years worth of operating expenses are shown below by major function category. Functional classifications are the traditional categories that universities have used. They represent the type of programs and services that the universities provide. For example, funds utilized to compensate a classroom professor or provide classroom materials would be classified as instruction.

<b>Operating Expenses</b>					
By Function	For the Years Ended			Changes Between Years	
	June 30, 2007	June 30, 2008	June 30, 2009	2007 to 2008	2008 to 2009
Instruction	\$ 507,529,876	\$ 546,956,440	\$ 564,371,754	7.8%	3.2%
Research	311,389,546	331,813,167	333,629,057	6.6%	0.5%
Public service	133,675,962	152,388,258	174,670,061	14.0%	14.6%
Academic support	113,057,687	127,246,899	132,690,413	12.6%	4.3%
Student services	63,504,418	66,748,981	67,584,677	5.1%	1.3%
Institutional support	230,120,691	216,369,208	202,970,115	-6.0%	-6.2%
Operations & Maintenance of Plant	145,780,837	157,863,858	157,076,379	8.3%	-0.5%
Student aid	193,624,849	137,108,770	139,884,071	-29.2%	2.0%
Auxiliary enterprises	154,637,244	162,083,151	174,916,490	4.8%	7.9%
Depreciation	75,599,349	95,213,387	102,856,799	25.9%	8.0%
Hospital	447,078,823	492,792,720	578,967,246	10.2%	17.5%
Other	1,774,922	4,253,607	2,207,358	139.7%	-48.1%
Eliminations	(60,478,386)	(47,913,158)	(49,028,336)	-20.8%	2.3%
<b>Total Operating expenses</b>	<b>\$ 2,317,295,818</b>	<b>\$ 2,442,925,288</b>	<b>\$ 2,582,796,084</b>	<b>5.4%</b>	<b>5.7%</b>

Funding the Instruction function continues to be the one of the IHL System's highest priorities (22%). In fact, the IHL System expended an additional 3.2% (or \$17.4 million) in the area of classroom instruction during 2009. A visible effort to expand Instructional costs can be seen to have been successful as the IHL System has expended an additional \$56.8 million in this area alone since 2007 (an 11% increase). Public Service expenditures increased 14.6% (\$22.3 million) during 2009,

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with an additional 14.0% (\$21.7 million) growth during 2008. Institutional Research (external and internal) continues to grow as can be seen above. Approximately \$22.2 million in additional research funding has been poured into the IHL System since FY 2007. Institutional support costs typically present the functions of the executive management department, general administration and logistical support services, computing, public relations and development. These costs continued to decrease in FY 2009, down 6.2% (or \$13.4 million). Since FY 2007, Institutional Support costs have decreased 11.6% (or \$26.6 million). Auxiliary enterprise costs include all expenditures associated with departments that primarily exist to furnish goods or services to students, faculty, or staff and that charge a fee directly related to, although not necessarily equal to, the cost of the goods and services. Auxiliary departments are required to be essentially self-supporting activities. Examples are (1) Student housing, (2) Food Services, (3) Bookstores, and (4) Intercollegiate Athletics. These auxiliary expenditures increased 7.9% (or \$12.8 million) in fiscal year 2009 and compares to an increase of 4.8% (or \$7.4 million) during 2008. By and large the greatest percentage variance amongst the different expenditure functions was realized in the Hospital function. These costs were incurred by UMMC during the course of their treatment of patients. Hospital costs rose 17.5% in FY 2009. This large increase is not a one-year anomaly. Since 2007, Hospital expenses have risen 29.5% (or \$131.9 million). Increased patient volumes, as well as medical procedure rate adjustments were the main drivers for these increases.

From FY 2007 through FY 2009, the IHL System identified millions of dollars in inter-campus transactions among the institutions that required elimination for financial statement presentation purposes. Examples of such transactions would be student financial aid funds administered by the IHL Executive Office that were directed to the campuses, as well as grant agreements between one or more IHL System institutions in which one campus served as a primary recipient and the other campus would act as a sub-recipient to that same grant agreement. The elimination entries were mostly channeled through the scholarships and fellowships line-item as presented by major object code category.

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## Management's Discussion and Analysis June 30, 2009 and 2008

### Capital Asset and Debt Administration

At June 30, 2009, the IHL System had almost \$2.5 billion invested in a broad range of capital assets. These assets are comprised of land, buildings and improvements (infrastructure), equipment and library books. They are stated net of accumulated depreciation. The following table summarizes the IHL System's Capital Assets for the most recent three year-end periods.

	As of			Changes Between Years	
	June 30, 2007	June 30, 2008	June 30, 2009	2007 to 2008	2008 to 2009
Capital assets not being depreciated	\$ 428,062,912	\$ 441,528,247	\$ 445,456,058	3.1%	0.9%
Depreciable capital assets:					
Improvements other than buildings	187,879,399	205,157,717	238,161,724	9.2%	16.1%
Buildings	1,841,101,865	2,030,614,868	2,182,796,569	10.3%	7.5%
Equipment	497,883,743	519,297,833	541,631,366	4.3%	4.3%
Library books	284,626,803	300,049,479	314,257,831	5.4%	4.7%
Total depreciable capital assets	2,811,491,810	3,055,119,897	3,276,847,490	8.7%	7.3%
Total cost of capital assets	3,239,554,722	3,496,648,144	3,722,303,548	7.9%	6.5%
Less accumulated depreciation	(1,074,865,712)	(1,150,112,166)	(1,225,062,841)	7.0%	6.5%
<b>Capital assets, net</b>	<b>\$ 2,164,689,010</b>	<b>\$ 2,346,535,978</b>	<b>\$ 2,497,240,707</b>	<b>8.4%</b>	<b>6.4%</b>

Non-depreciable capital assets totaled \$445.5 million at June 30, 2009 and \$441.5 million at June 30, 2008. These assets principally consisted of land and construction in progress.

The IHL System experienced strong growth in two capital asset areas, Buildings and Improvements other than Buildings (i.e., Infrastructure). These assets increased 7.5% and 16.1% respectively during FY 2009. Since FY 2007, the IHL institutions gross value of its Building facilities has increased \$341.7 million, while campus infrastructure values have grown \$50.3 million. Each IHL institution recorded sizable capital asset additions during FY 2009. Some of the more significant additions are listed below.

- DSU finished renovations to Kethley Hall and the Delta Music Institute
- JSU continued renovations to their Student Center and School of Engineering facility
- MSU completed numerous facility renovation projects, including the Colvard Student Union and the Rothenburg Opera Building
- MUW finished renovations to its Fine Arts Hall

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- MVSU finished construction on two new residence halls and continued construction of a new Science and Technology facility
- UM finished renovations on its baseball stadium, while also finishing construction of the Inn at Ole Miss and numerous renovation projects on existing academic facilities
- USM continued construction on numerous construction projects, including an expansion of M.M. Roberts Stadium, the Trent Lott Center for Economic Development, the 4<sup>th</sup> Street Housing Complex, and the Polymer Building
- UMMC continued construction on the Guyton Building expansion, as well as the inclusion of several existing facilities at the newly owned Farmer's Market property

Please refer to the June 30, 2008 and June 30, 2007 audited financial statements for a description of significant additions during those fiscal years.

At June 30, 2009, the IHL System had \$696.7 in bonded debt, notes payable and capital lease obligations. This represented a 17.4% (or \$103.5 million) increase over the prior year-end. The following table summarizes the IHL System's long-term debt for the most recent three year-end periods.

	As of			Changes Between Years	
	June 30, 2007	June 30, 2008	June 30, 2009	2007 to 2008	2008 to 2009
Bonds Payable	\$ 565,181,030	\$ 555,915,540	\$ 667,866,841	-1.6%	20.1%
Notes Payable	3,678,102	6,185,380	5,902,637	68.2%	-4.6%
Capital Lease Obligations	27,310,137	31,109,799	22,922,268	13.9%	-26.3%
<b>Total debt</b>	<b>\$ 596,169,269</b>	<b>\$ 593,210,719</b>	<b>\$ 696,691,746</b>	<b>-0.5%</b>	<b>17.4%</b>

Bonded debt increased 20.1% (or \$112.0 million) during FY 2009. This increase was a result of several new bond issuances made by IHL institutions during the year. New issuances made during 2009 included \$29.2 million at MSU, \$49.7 million at UM and \$49.9 million at USM. These issuances were primarily used to fund new construction on these campuses.

As of June 30, 2008, bonded debt decreased approximately \$9.3 million when compared to the prior year. This decrease was a result of normal debt service payments made by the institutions during the prior year, with no significant new debt issuances introduced.

## Statement of Cash Flows

The final statement presented by the IHL System is the Statement of Cash Flows. This statement presents detailed information about the cash activities of the institution during the year. The statement is divided into five parts. The first part entitled "Cash Flows Activities from Operating" shows the net cash used by the operating activities of the IHL System. The second section is entitled "Cash Flows Activities from Non-capital Financing". The primary source of these activities includes State Appropriations. The third section, entitled "Cash Flows Activities from Capital and Related Financing" shows cash flows from the acquisition and construction of capital and related

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## Management's Discussion and Analysis June 30, 2009 and 2008

items. The fourth section is entitled "Cash Flows Activities from Investing". This section reflects cash flows from investing activities and shows purchases, proceeds, and interest received from investing activities. The final section contains a reconciliation of net cash provided (used) to the operating income (loss) reflected on the SRECNA. A condensed Statement of Cash Flows is presented below.

	For the Years Ended			Changes Between Years	
	June 30, 2007	June 30, 2008	June 30, 2009	2007 to 2008	2008 to 2009
<b>Statement of Cash Flows</b>					
Cash flows activities from:					
Operating	\$ (629,414,944)	\$ (720,472,154)	\$ (694,734,810)	14.5%	-3.6%
Non-capital financing	746,508,580	909,527,330	882,230,303	21.8%	-3.0%
Capital and related financing	(122,194,735)	(171,740,121)	(51,631,511)	40.5%	-69.9%
Investing	13,388,293	113,599,553	(32,473,870)	748.5%	-128.6%
<b>Net increase (decrease) in cash and cash equivalents</b>					
	8,287,194	130,914,608	103,390,112	1479.7%	-21.0%
Cash and cash equivalents -					
Beginning of Year	284,081,374	288,911,031	419,825,639	1.7%	45.3%
Cash and cash equivalents -					
End of Year	\$ 292,368,568	\$ 419,825,639	\$ 523,215,751	43.6%	24.6%
Cash and cash equivalents classified as:					
Current assets	\$ 165,628,453	\$ 298,676,728	\$ 342,514,748	80.3%	14.7%
Non-current assets	126,740,115	121,148,911	180,701,003	-4.4%	49.2%
<b>Total cash and cash equivalents</b>					
	\$ 292,368,568	\$ 419,825,639	\$ 523,215,751	43.6%	24.6%

Major sources of funds included in operating activities for FY 2009, were student tuition and fees (\$349.2 million), grants and contracts (\$492.2 million), patient care services (\$659.8 million), and auxiliary enterprises (\$166.4 million). Major uses of funds included in operating activities were payments for employees' salaries and benefits (\$1.48 billion), and to suppliers (\$768.6 million).

Major sources of funds included in the non-capital financing activities for FY 2009 include state appropriations (\$745.3 million) and gifts and grants received for purposes other than capital endeavors (\$124.4 million).

Major sources of funds included in the capital and related financing activities section for FY 2009 include proceeds from capital debt issuances (\$257.7 million), and grants and contract funding designated for capital projects (\$64.6 million). Major uses of funds in this section include direct cash

# State of Mississippi Institutions of Higher Learning

## Management's Discussion and Analysis June 30, 2009 and 2008

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payments made for capital assets (\$185.7 million), and principal and interest payments made to retire capital debt (\$185.9 million).

In addition, in FY 2009 capital assets were impacted by non-cash activities including state appropriations and donations (\$54.2 million) and donations of capital assets (\$10.3 million).

### **Economic Outlook**

The overall financial position of the IHL System remains strong. The IHL System continues to successfully respond to significant challenges to its academic programs, stemming from the State's and nations current economic downturn. State support is expected to continue declining through FY 2012. State appropriated revenues comprise approximately 30% of the IHL System's total revenues. At the time of this writing, the FY 2010 state appropriated revenues have already been reduced 5% due to a government mandated mid-year budget cut. These declines will be compounded by the expiration of federal stimulus funding after FY 2011. Even, given the continuation of this economic environment, the IHL System maintains high credit ratings from Moody's (Aa3) and Standard & Poor's (AA-). Achieving and maintaining these high credit ratings provides the IHL System a higher degree of flexibility in securing capital funds on the most competitive terms. This flexibility, along with ongoing efforts toward revenue diversification and cost containment, will enable the IHL System to provide the necessary resources to support a level of excellence in service to students, patients, the research community, the State and the nation.

As a labor-intensive organization, the IHL System faces competitive pressures related to attracting and retaining faculty and staff. Moreover, consistent with the national landscape, the cost of the IHL System's health benefits for its employees has increased dramatically over the past several years, with the increasing costs of medical care and prescription drugs of particular concern. The IHL System has in the past and will continue to take proactive steps to respond to these challenges of rising costs.

While it is not possible at this time to predict the ultimate results, management believes that the IHL System's financial condition will remain relatively strong and stable into FY 2010 and beyond. Management at each institution has a proven track record of successfully adapting to this present economic environment while continuing to search for new opportunities to compliment state support. The IHL System's goal, as always, is to deliver extraordinary services to their customers and constituents while maintaining financial integrity.

## **Basic Financial Statements**

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# State of Mississippi Institutions of Higher Learning

## Statements of Net Assets

As of June 30,	2009	2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 342,514,748	\$ 298,676,728
Short-term investments	163,888,934	105,722,484
Accounts receivable, net	292,772,341	262,498,708
Student notes receivable, net	11,485,369	10,216,021
Inventories	22,113,901	20,821,910
Prepaid expenses	12,047,803	7,973,026
Other current assets	10,902,618	78,667,365
Total current assets	855,725,714	784,576,242
Noncurrent assets:		
Restricted cash and cash equivalents	180,701,003	121,148,911
Restricted short-term investments	11,443,294	8,965,197
Endowment investments	157,961,394	179,379,213
Other long-term investments	205,048,500	213,804,913
Student notes receivable, net	110,986,535	109,333,751
Capital assets, net	2,497,240,707	2,346,535,978
Other noncurrent assets	3,447,513	2,030,926
Total noncurrent assets	3,166,828,946	2,981,198,889
Total assets	\$ 4,022,554,660	\$ 3,765,775,131
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 154,597,040	\$ 143,917,252
Deferred revenues	43,662,109	51,584,166
Accrued leave liabilities - current portion	8,271,349	8,248,177
Long-term liabilities - current portion	39,801,345	39,195,161
Other current liabilities	37,094,785	28,633,602
Total current liabilities	283,426,628	271,578,358
Noncurrent liabilities:		
Deposits refundable	1,181,648	2,355,429
Accrued leave liabilities	83,381,941	75,287,665
Long-term liabilities	667,352,033	563,641,157
Other long-term liabilities	111,021,632	105,134,599
Total noncurrent liabilities	862,937,254	746,418,850
Total liabilities	1,146,363,882	1,017,997,208
Commitments and contingencies (Notes 3, 9, 11, 12, 15, 16, 17, 18 and 19)		
<b>Net Assets</b>		
Invested in capital assets, net of related debt	1,803,489,983	1,759,506,600
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	14,907,094	25,071,353
Research	3,831,015	5,030,332
Other purposes	88,133,153	78,759,829
Expendable:		
Scholarships and fellowships	49,474,781	51,182,222
Research	59,343,117	45,410,814
Capital projects	143,756,444	73,072,078
Debt service	10,383,709	7,421,059
Loans	37,987,133	33,165,479
Other purposes	45,139,739	89,860,574
Unrestricted	619,744,610	579,297,583
Total net assets	2,876,190,778	2,747,777,923
Total liabilities and net assets	\$ 4,022,554,660	\$ 3,765,775,131

See accompanying notes to financial statements.

# Mississippi State University Foundation, Inc.

## Statements of Financial Position

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,370,160	\$ 3,243,092
Restricted cash	2,032,354	-
Accrued interest, other receivables and prepaid assets	568,524	657,654
Receivable from Mississippi State University	2,982	13,750
Receivable from MSU Alumni Foundation	12,933	19,110
Receivable from MSU Alumni Association	131,424	120,953
Notes receivable	366,117	443,482
Pledges receivable, net	19,562,300	17,030,437
Investments	204,400,418	239,074,917
Present value of amounts due from externally managed trusts	26,986,042	25,936,835
Unamortized bond issuance costs	-	44,400
Land, buildings and equipment	12,540,166	13,306,918
<b>Total assets</b>	<b>\$ 268,973,420</b>	<b>\$ 299,891,548</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,516,714	\$ 2,771,447
Obligation under capital leases	3,175,353	3,510,099
Liabilities under split interest agreement	3,784,736	5,251,595
Long-term debt	267,941	4,192,590
<b>Total liabilities</b>	<b>11,744,744</b>	<b>15,725,731</b>
<b>Net Assets</b>		
Unrestricted	(3,839,125)	21,464,897
Temporarily restricted	32,564,787	45,474,916
Permanently restricted	228,503,014	217,226,004
<b>Total net assets</b>	<b>257,228,676</b>	<b>284,165,817</b>
Commitments (Notes 2 and 9)		
<b>Total liabilities and net assets</b>	<b>\$ 268,973,420</b>	<b>\$ 299,891,548</b>

See accompanying notes to financial statements.

# The University of Mississippi Foundation

## Statements of Financial Position

<i>As of June 30,</i>	2009	2008
<b>Assets</b>		
Cash and cash equivalents	\$ 3,671,027	\$ 8,778,262
Pledges receivable, less allowance for doubtful pledges of \$1,771,452 in 2009 and \$7,481,928 in 2008	22,273,648	22,882,931
Investments	250,547,579	291,801,578
Beneficial interests in remainder trusts	3,730,226	3,417,765
Other assets	1,642,405	1,530,963
Property and equipment, net	2,087,430	2,944,631
<b>Total assets</b>	<b>\$ 283,952,315</b>	<b>\$ 331,356,130</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Funds held in trust for others	\$ 15,686,378	\$ 16,282,368
Liabilities under remainder trusts	4,352,873	5,978,882
Other liabilities	2,858,813	5,265,766
<b>Total liabilities</b>	<b>22,898,064</b>	<b>27,527,016</b>
<b>Net Assets</b>		
Unrestricted	(2,231,842)	6,192,311
Temporarily restricted	123,853,162	167,793,676
Permanently restricted	139,432,931	129,843,127
<b>Total net assets</b>	<b>261,054,251</b>	<b>303,829,114</b>
<b>Total liabilities and net assets</b>	<b>\$ 283,952,315</b>	<b>\$ 331,356,130</b>

See accompanying notes to financial statements.

# The University of Southern Mississippi Foundation

## Statements of Financial Position

<i>As of June 30,</i>	2009	2008
<b>Assets</b>		
Cash and cash equivalents	\$ 21,013,665	\$ 14,913,974
Accrued interest	199,026	209,235
Prepaid assets and other receivables	243,125	143,908
Advances to The University of Southern Mississippi	360,275	-
Pledges receivable, net	6,298,395	8,066,885
Investments	42,511,749	54,440,772
Present value of amounts due from externally managed trusts	1,575,976	1,936,266
Lease receivable	1,532,351	-
Furniture and equipment, net	446,540	22,511
<b>Total assets</b>	<b>\$ 74,181,102</b>	<b>\$ 79,733,551</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 464,686	\$ 605,915
Note payable	1,474,503	-
Amounts due to brokers	48,391	46,506
Gift annuities payable	410,186	421,606
Liability for amounts held for others	7,877	35,111
<b>Total liabilities</b>	<b>2,405,643</b>	<b>1,109,138</b>
<b>Net Assets</b>		
Unrestricted	1,274,079	4,046,749
Temporarily restricted	24,999,373	29,612,790
Permanently restricted	45,502,007	44,964,874
<b>Total net assets</b>	<b>71,775,459</b>	<b>78,624,413</b>
Commitments (Note 10)		
<b>Total liabilities and net assets</b>	<b>\$ 74,181,102</b>	<b>\$ 79,733,551</b>

See accompanying notes to financial statements.

# State of Mississippi Institutions of Higher Learning

## Statements of Revenues, Expenses and Changes in Net Assets

<i>For the years ended June 30,</i>	<b>2009</b>	<b>2008</b>
<b>Operating Revenues</b>		
Tuition and fees	\$ 471,728,502	\$ 435,543,347
Less: Scholarship allowances	(112,734,581)	(107,463,805)
Less: Bad debt expense	(3,180,343)	(3,521,282)
Net tuition and fees	355,813,578	324,558,260
Federal appropriations	14,762,103	15,235,366
Federal grants and contracts	381,365,983	362,746,340
State grants and contracts	44,974,205	41,639,417
Nongovernmental grants and contracts	69,031,112	69,490,358
Sales and services of educational departments	47,257,293	50,435,806
Auxiliary enterprises:		
Student housing	60,507,738	58,092,793
Food services	19,421,159	18,196,737
Bookstore	6,780,999	7,463,489
Athletics	62,798,294	59,031,450
Other auxiliary revenues	27,942,224	28,774,740
Less: Auxiliary enterprise scholarship allowances	(20,255,210)	(13,870,546)
Interest earned on loans to students	855,598	839,805
Patient care revenues, net	599,612,765	531,192,186
Other operating revenues, net	45,646,518	44,400,324
<b>Total operating revenues</b>	<b>1,716,514,359</b>	<b>1,598,226,525</b>
<b>Operating Expenses</b>		
Salaries and wages	1,162,961,844	1,091,776,007
Fringe benefits	322,469,156	305,152,746
Travel	45,546,636	46,314,254
Contractual services	456,543,617	436,926,690
Utilities	73,181,756	67,493,528
Scholarships and fellowships	134,638,181	125,121,663
Commodities	265,788,199	265,298,795
Depreciation	109,528,387	99,791,287
Other operating expenses	12,138,308	5,050,318
<b>Total operating expenses</b>	<b>2,582,796,084</b>	<b>2,442,925,288</b>
<b>Operating loss</b>	<b>(866,281,725)</b>	<b>(844,698,763)</b>
<b>Nonoperating Revenues (Expenses)</b>		
State appropriations	750,566,703	780,714,661
Gifts and grants	142,985,933	150,504,492
Investment income (loss)	(6,246,108)	22,244,318
Interest expense on capital asset-related debt	(30,363,843)	(28,592,768)
Other nonoperating revenues	5,099,661	3,936,167
Other nonoperating expenses	(9,278,597)	(20,314,668)
<b>Total net nonoperating revenues (expenses)</b>	<b>852,763,749</b>	<b>908,492,202</b>
Income (loss) before other revenues, expenses, gains and losses	(13,517,976)	63,793,439
<b>Other Revenues, Expenses, Gains and Losses</b>		
Capital grants and gifts	67,404,224	40,466,586
State appropriations restricted for capital purposes	70,213,557	78,486,002
Additions to permanent endowments	4,855,942	1,790,169
Other additions	6,266,776	648,772
Other deletions	(6,809,668)	(5,392,327)
<b>Change in net assets</b>	<b>128,412,855</b>	<b>179,792,641</b>
Net assets - beginning of year, as originally reported	2,747,777,923	2,562,471,356
Prior period adjustments	-	5,513,926
<b>Net assets - beginning of year, as restated</b>	<b>2,747,777,923</b>	<b>2,567,985,282</b>
<b>Net assets - end of year</b>	<b>\$ 2,876,190,778</b>	<b>\$ 2,747,777,923</b>

See accompanying notes to financial statements.

# Mississippi State University Foundation, Inc.

## Statements of Activities

<i>For the year ended June 30, 2009</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues and support</b>				
Contributions	\$ 4,675,367	\$ 12,387,527	\$ 11,073,098	\$ 28,135,992
Net investment (loss) income	(24,242,720)	(7,203,227)	(332,523)	(31,778,470)
Change in value of split interest agreements	-	(164,376)	392,000	227,624
Other	2,562,793	-	-	2,562,793
Change in restrictions by donor	455,046	(599,481)	144,435	-
Net assets released from restrictions	17,330,572	(17,330,572)	-	-
<b>Total revenues and support</b>	<b>781,058</b>	<b>(12,910,129)</b>	<b>11,277,010</b>	<b>(852,061)</b>
<b>Expenditures</b>				
Program services:				
Contributions and support for Mississippi State University	17,875,592	-	-	17,875,592
Contributions and support for Bulldog Club	2,387,142	-	-	2,387,142
Contributions and support for Bulldog Foundation	21,375	-	-	21,375
Contributions and support for Mississippi State University Alumni Association	566,877	-	-	566,877
<b>Total program services</b>	<b>20,850,986</b>	<b>-</b>	<b>-</b>	<b>20,850,986</b>
Supporting services:				
General and administrative	2,453,821	-	-	2,453,821
Fund raising	2,780,273	-	-	2,780,273
<b>Total supporting services</b>	<b>5,234,094</b>	<b>-</b>	<b>-</b>	<b>5,234,094</b>
<b>Total expenditures</b>	<b>26,085,080</b>	<b>-</b>	<b>-</b>	<b>26,085,080</b>
(Decrease) increase in net assets	(25,304,022)	(12,910,129)	11,277,010	(26,937,141)
<b>Net assets at beginning of year</b>	<b>21,464,897</b>	<b>45,474,916</b>	<b>217,226,004</b>	<b>284,165,817</b>
<b>Net assets at end of year</b>	<b>\$ (3,839,125)</b>	<b>\$ 32,564,787</b>	<b>\$ 228,503,014</b>	<b>\$ 257,228,676</b>

See accompanying notes to financial statements.

# Mississippi State University Foundation, Inc.

## Statements of Activities

<i>For the year ended June 30, 2008</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues and support</b>				
Contributions	\$ 4,825,052	\$ 4,453,413	\$ 10,770,210	\$ 20,048,675
Net investment (loss) income	(84,851)	(6,711,718)	209,912	(6,586,657)
Change in value of split interest agreements	-	98,598	3,367,490	3,466,088
Other	2,307,506	(736,608)	1,010,372	2,581,270
Change in restrictions by donor	41,617	1,125,550	(1,167,167)	-
Net assets released from restrictions	21,128,054	(21,128,054)	-	-
Total revenues and support	28,217,378	(22,898,819)	14,190,817	19,509,376
<b>Expenditures</b>				
Program services:				
Contributions and support for Mississippi State University	23,995,804	-	-	23,995,804
Contributions and support for Bulldog Club	630,066	-	-	630,066
Contributions and support for Bulldog Foundation	332,500	-	-	332,500
Contributions and support for Mississippi State University Alumni Association	580,485	-	-	580,485
Total program services	25,538,855	-	-	25,538,855
Supporting services:				
General and administrative	3,007,196	-	-	3,007,196
Fund raising	2,904,953	-	-	2,904,953
Total supporting services	5,912,149	-	-	5,912,149
Total expenditures	31,451,004	-	-	31,451,004
(Decrease) increase in net assets	(3,233,626)	(22,898,819)	14,190,817	(11,941,628)
Net assets at beginning of year	24,698,523	68,373,735	203,035,187	296,107,445
Net assets at end of year	\$ 21,464,897	\$ 45,474,916	\$ 217,226,004	\$ 284,165,817

See accompanying notes to financial statements.

# The University of Mississippi Foundation

## Statements of Activities

<i>For the year ended June 30, 2009</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, gains and other support</b>				
Contributions, gifts and bequests		\$ 20,400,351	\$ 8,316,897	\$ 28,717,248
Dividend and interest income	\$ 1,029,492	8,636,791	-	9,666,283
Net unrealized and realized losses on investments	(9,785,640)	(35,708,466)	-	(45,494,106)
Change in value of split interest agreements	-	312,461	580,077	892,538
Other income	1,685,620	1,942,597	8,588	3,636,805
<b>Total revenues, gains, and other support</b>	<b>(7,070,528)</b>	<b>(4,416,266)</b>	<b>8,905,562</b>	<b>(2,581,232)</b>
Net assets released from restrictions redesignated by donor	38,840,006	(39,524,248)	684,242	-
<b>Expenses</b>				
Support for University activities	37,484,939	-	-	37,484,939
General and administrative expenses	1,708,053	-	-	1,708,053
Fundraising expenses	1,000,639	-	-	1,000,639
<b>Total expenses</b>	<b>40,193,631</b>	<b>-</b>	<b>-</b>	<b>40,193,631</b>
Changes in net assets	(8,424,153)	(43,940,514)	9,589,804	(42,774,863)
Net assets at beginning of year	6,192,311	167,793,676	129,843,127	303,829,114
Net assets at end of year	\$ (2,231,842)	\$ 123,853,162	\$ 139,432,931	\$ 261,054,251

See accompanying notes to financial statements.



# The University of Mississippi Foundation

## Statements of Activities

<i>For the year ended June 30, 2008</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, gains and other support</b>				
Contributions, gifts and bequests		\$ 27,793,553	\$ 2,443,112	\$ 30,236,665
Dividend and interest income	\$ 1,538,908	11,814,635	-	13,353,543
Net unrealized and realized losses on investments	(1,108,907)	(28,297,412)	-	(29,406,319)
Change in value of split interest agreements	-	206,364	(359,375)	(153,011)
Other income	1,830,495	1,669,125	5,839	3,505,459
<b>Total revenues gains, and other support</b>	<b>2,260,496</b>	<b>13,186,265</b>	<b>2,089,576</b>	<b>17,536,337</b>
Net assets released from restrictions redesignated by donor	27,053,747	(27,416,374)	362,627	-
<b>Expenses</b>				
Support for University activities	29,222,192	-	-	29,222,192
General and administrative expenses	1,691,055	-	-	1,691,055
Fundraising expenses	1,415,417	-	-	1,415,417
<b>Total expenses</b>	<b>32,328,664</b>	<b>-</b>	<b>-</b>	<b>32,328,664</b>
Changes in net assets	(3,014,421)	(14,230,109)	2,452,203	(14,792,327)
Net assets at beginning of year	9,206,732	182,023,785	127,390,924	318,621,441
Net assets at end of year	\$ 6,192,311	\$ 167,793,676	\$ 129,843,127	\$ 303,829,114

See accompanying notes to financial statements.

# The University of Southern Mississippi Foundation

## Statements of Activities

<i>For the year ended June 30, 2009</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, gains and other support</b>				
Contributions	\$ 1,757,415	\$ 9,453,383	\$ 1,168,478	\$ 12,379,276
Net investment income (loss)	283,173	(8,530,358)	(364,284)	(8,611,469)
Change in value of split interest agreements	-	20,807	(416,039)	(395,232)
Other	(26,272)	188,825	88,993	251,546
Change in restriction by donor	4,278	(64,263)	59,985	-
Net assets released from restrictions	5,681,811	(5,681,811)	-	-
<b>Total revenues, gains and other support</b>	<b>7,700,405</b>	<b>(4,613,417)</b>	<b>537,133</b>	<b>3,624,121</b>
<b>Expenditures</b>				
<b>Program services:</b>				
Contributions and support for The University of Southern Mississippi	8,133,099	-	-	8,133,099
<b>Total program services</b>	<b>8,133,099</b>	<b>-</b>	<b>-</b>	<b>8,133,099</b>
<b>Supporting services:</b>				
General and administrative	1,379,616	-	-	1,379,616
Fund raising	960,360	-	-	960,360
<b>Total supporting services</b>	<b>2,339,976</b>	<b>-</b>	<b>-</b>	<b>2,339,976</b>
<b>Total expenditures</b>	<b>10,473,075</b>	<b>-</b>	<b>-</b>	<b>10,473,075</b>
Increase in net assets	(2,772,670)	(4,613,417)	537,133	(6,848,954)
Net assets at beginning of year	4,046,749	29,612,790	44,964,874	78,624,413
<b>Net assets at end of year</b>	<b>\$ 1,274,079</b>	<b>\$ 24,999,373</b>	<b>\$ 45,502,007</b>	<b>\$ 71,775,459</b>

See accompanying notes to financial statements.

# The University of Southern Mississippi Foundation

## Statements of Activities

<i>For the year ended June 30, 2008</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues, gains and other support</b>				
Contributions	\$ 1,628,718	\$ 2,629,581	\$ 1,414,632	\$ 5,672,931
Net investment income (loss)	882,050	(1,780,469)	68,675	(829,744)
Change in value of split interest agreements	-	37,645	(119,589)	(81,944)
Other	11,810	97,410	56,856	166,076
Change in restriction by donor	(130,036)	(1,158,031)	1,288,067	-
Net assets released from restrictions	5,058,914	(5,058,914)	-	-
<b>Total revenues, gains and other support</b>	<b>7,451,456</b>	<b>(5,232,778)</b>	<b>2,708,641</b>	<b>4,927,319</b>
<b>Expenditures</b>				
<b>Program services:</b>				
Contributions and support for The University of Southern Mississippi	5,458,560	-	-	5,458,560
<b>Total program services</b>	<b>5,458,560</b>	<b>-</b>	<b>-</b>	<b>5,458,560</b>
<b>Supporting services:</b>				
General and administrative	1,367,694	-	-	1,367,694
Fund raising	765,605	-	-	765,605
<b>Total supporting services</b>	<b>2,133,299</b>	<b>-</b>	<b>-</b>	<b>2,133,299</b>
<b>Total expenditures</b>	<b>7,591,859</b>	<b>-</b>	<b>-</b>	<b>7,591,859</b>
Increase in net assets	(140,403)	(5,232,778)	2,708,641	(2,664,540)
Net assets at beginning of year	4,187,152	34,845,568	42,256,233	81,288,953
<b>Net assets at end of year</b>	<b>\$ 4,046,749</b>	<b>\$ 29,612,790</b>	<b>\$ 44,964,874</b>	<b>\$ 78,624,413</b>

See accompanying notes to financial statements.

# State of Mississippi Institutions of Higher Learning

## Statements of Cash Flows

<i>For the years ended June 30,</i>	<b>2009</b>	<b>2008</b>
<b>Operating Activities</b>		
Tuition and fees	\$ 349,158,384	\$ 327,332,995
Grants and contracts	492,185,220	484,956,864
Sales and services of educational departments	49,509,193	52,875,025
Payments to suppliers	(768,643,676)	(735,352,930)
Payments to employees for salaries and benefits	(1,477,579,368)	(1,382,953,592)
Payments for utilities	(74,970,736)	(66,560,824)
Payment for scholarships and fellowships	(133,406,858)	(117,036,340)
Loans issued to students and employees	(22,307,863)	(25,711,448)
Collections of loans to students and employees	11,462,245	12,519,513
Auxiliary enterprise charges:		
Student housing	57,275,941	56,043,816
Food services	20,582,957	15,712,677
Bookstore	6,587,294	7,282,232
Athletics	59,910,311	56,501,932
Other auxiliary enterprises	22,070,512	23,358,478
Patient care services	659,836,440	518,775,824
Interest earned on loans to students	1,060,627	878,486
Other receipts	64,642,759	44,677,034
Other payments	(12,108,192)	6,228,104
Net cash used by operating activities	<b>(694,734,810)</b>	<b>(720,472,154)</b>
<b>Noncapital Financing Activities</b>		
State appropriations	745,263,631	779,255,005
Gifts and grants for other than capital purposes	124,366,622	128,667,333
Private gifts for endowment purposes	4,819,180	1,732,064
Federal loan program receipts	404,222,080	343,176,715
Federal loan program disbursements	(404,271,041)	(343,679,962)
Other sources	10,569,387	6,044,623
Other uses	(2,739,556)	(5,668,448)
Net cash provided by noncapital financing activities	<b>882,230,303</b>	<b>909,527,330</b>
<b>Capital and Related Financing Activities</b>		
Proceeds from capital debt	257,696,812	87,670,642
Cash paid for capital assets	(185,684,860)	(190,443,098)
Capital appropriations received	1,185,274	8,437,233
Capital grants and contracts received	64,570,643	47,614,161
Proceeds from sales of capital assets	262,590	2,047,725
Principal paid on capital debt and leases	(155,369,840)	(101,463,681)
Interest paid on capital debt and leases	(30,481,334)	(28,161,614)
Other sources	1,938,075	8,507,254
Other uses	(5,748,871)	(5,948,743)
Net cash used by capital and related financing activities	<b>(51,631,511)</b>	<b>(171,740,121)</b>
<b>Investing Activities</b>		
Proceeds from sales and maturities of investments	389,506,013	414,764,467
Interest received on investments	18,520,123	34,664,443
Purchases of investments	(440,500,006)	(335,829,357)
Net cash provided (used) by investing activities	<b>(32,473,870)</b>	<b>113,599,553</b>
Net increase in cash and cash equivalents	103,390,112	130,914,608
Cash and cash equivalents - beginning of year	419,825,639	288,911,031
Cash and cash equivalents - end of the year	<b>\$ 523,215,751</b>	<b>\$ 419,825,639</b>

See accompanying notes to financial statements.

# State of Mississippi Institutions of Higher Learning

## Statements of Cash Flows

<i>For the years ended June 30,</i>	<b>2009</b>	<b>2008</b>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (866,281,725)	\$ (844,698,763)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	109,528,386	99,791,287
Self-insured claims expense	15,693,000	9,568,000
Bad debt expense	298,537,117	269,754,753
Other	7,997,220	890,044
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Receivables, net	(318,617,260)	(259,123,319)
Inventories	(1,291,992)	907,867
Prepaid expenses	(3,945,200)	68,814
Other assets	68,309,389	(32,848,688)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	3,389,675	19,394,115
Deferred revenue	(986,520)	3,531,924
Deposits refundable	(1,133,206)	1,016,446
Accrued leave liability	4,807,333	2,860,658
Loans to students and employees	(5,810,006)	(5,296,673)
Other liabilities	(4,931,021)	13,711,381
Total adjustments	171,546,915	124,226,609
Net cash used in operating activities	\$ (694,734,810)	\$ (720,472,154)
<b>Reconciliation of Cash and Cash Equivalents:</b>		
Current assets - cash and cash equivalents	\$ 342,514,748	\$ 298,676,728
Non-current assets - restricted cash and cash equivalents	180,701,003	121,148,911
Cash and cash equivalents - end of year	\$ 523,215,751	\$ 419,825,639
<b>Non-cash Capital Related Financing and Investing Activities:</b>		
Assets acquired through capital lease obligations	\$ 1,600,691	\$ 12,301,359
Capital assets appropriated by the State of Mississippi	\$ 54,173,110	\$ 77,543,397
Donations of capital assets	\$ 10,349,365	\$ 14,247,043

See accompanying notes to financial statements.

# Mississippi State University Foundation, Inc.

## Statements of Cash Flows

<i>For the years ended June 30,</i>	2009	2008
<b>Operating Activities</b>		
Decrease in net assets	\$ (26,937,141)	\$ (11,941,628)
Adjustments to reconcile decrease in net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	800,654	1,242,233
Loss on early redemption of bonds	63,600	-
Realized and unrealized losses on investments, net	38,861,557	14,142,434
Change in value of internally managed split interest agreements	(499,457)	413,224
Fair value of donated assets	(1,584,128)	(5,335,727)
Change in accrued interest, other receivables and prepaid assets	89,130	309,441
Change in pledges receivable, net	(2,531,863)	5,960,229
Change in externally managed trusts	(1,049,207)	8,813,188
Change in accounts payable and accrued liabilities	(287,087)	(546,314)
Change in receivable from Mississippi State University	10,768	(13,750)
Change in receivable from MSU Alumni Foundation	6,177	(46)
Change in receivables from MSU Alumni Association	(10,471)	(88,886)
Permanently restricted investment dividends and interest	(4,219)	(13,769)
Permanently restricted contributions	(11,128,623)	(12,853,706)
Net cash provided by (used in) operating activities	(4,200,310)	86,923
<b>Investing Activities</b>		
Purchases of land, buildings, and equipment	(33,902)	(52,220)
Purchases of investments	(15,225,227)	(39,859,951)
Proceeds from sales and maturities of investments	12,131,248	29,622,637
Payments on notes receivable	77,365	96,433
Net cash used in investing activities	(3,050,516)	(10,193,101)
<b>Financing Activities</b>		
Principal payments of long-term debt	(3,943,849)	(663,405)
Permanently restricted investment dividends and interest	4,219	13,769
Permanently restricted contributions	11,128,623	12,853,706
New liabilities under split interest agreements	132,809	514,816
Payments to split interest agreement beneficiaries	(609,162)	(734,537)
Principal payments on capital lease obligations	(334,746)	(297,823)
Net cash provided by financing activities	6,377,894	11,686,526
Net increase (decrease) in cash	(872,932)	1,580,348
Cash at beginning of year	3,243,092	1,662,744
Cash at end of year	\$ 2,370,160	\$ 3,243,092

**Supplemental disclosure of cash flow information:**

Cash paid during the year for interest	\$ 26,993	\$ 240,257
Capital lease obligation for equipment	\$ -	\$ 3,606,672

See accompanying notes to financial statements.

# The University of Mississippi Foundation

## Statements of Cash Flows

<i>For the years ended June 30,</i>	<b>2009</b>	<b>2008</b>
<b>Operating Activities</b>		
Decrease in net assets	\$ (42,774,863)	\$ (14,792,327)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	159,466	205,929
Permanently restricted contributions	(8,316,897)	(1,378,649)
Contributions of real estate	-	(2,727,500)
Net realized and unrealized loss on investments	45,494,106	29,406,319
Changes in operating assets and liabilities:		
Other assets	(111,442)	43,910
Pledges receivable	1,828,335	(599,715)
Funds held for others	3,604,486	(3,326,239)
Beneficial interest in remainder trusts	(312,461)	(206,364)
Liabilities under remainder trust agreements	(402,030)	3,817,616
Other liabilities	(2,406,953)	(6,969,208)
Net cash provided by (used in) operating activities	<u>(3,238,253)</u>	<u>3,473,772</u>
<b>Investing Activities</b>		
Purchase of property and equipment	(43,543)	(220,667)
Proceeds from sale of property and equipment	741,278	-
Purchase of Foundation investments	(42,249,828)	(42,239,815)
Proceeds from sales and maturities of Foundation investments	32,855,543	38,532,273
Net cash used in investing activities	<u>(8,696,550)</u>	<u>(3,928,209)</u>
<b>Financing Activities</b>		
Permanently restricted contributions	7,097,845	5,598,760
Receipts under split interest agreements	200,000	1,000,000
Payments to beneficiaries under remainder trusts	(470,277)	(432,934)
Net cash provided by financing activities	<u>6,827,568</u>	<u>6,165,826</u>
Net (decrease) increase in cash and cash equivalents	(5,107,235)	5,711,389
Cash and cash equivalents at beginning of year	8,778,262	3,066,873
Cash and cash equivalents at end of year	<u>\$ 3,671,027</u>	<u>\$ 8,778,262</u>

See accompanying notes to financial statements.

# The University of Southern Mississippi Foundation

## Statements of Cash Flows

<i>For the years ended June 30,</i>	2009	2008
<b>Operating Activities</b>		
Decrease in net assets	\$ (6,848,954)	\$ (2,664,540)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization	9,459	10,358
Realized and unrealized losses on investments, net	9,704,179	2,063,253
Permanently restricted contributions	(1,125,529)	(1,015,549)
Permanently restricted dividends and interest	(23,808)	(42,070)
Change in externally managed trusts	360,290	3,059,274
Change in gift annuities and pooled income fund	124,132	46,820
Present value adjustments to annuities	41,335	49,769
Changes in operating assets and liabilities:		
Accrued interest	10,209	(2,967)
Prepaid assets and other receivables	(99,217)	(41,491)
Advances to University of Southern Mississippi	(360,275)	149,419
Pledges receivable, net	1,768,490	2,968,104
Accounts payable	(141,229)	209,164
Liability for amounts held for others	(27,234)	(39,470)
<b>Net cash provided by operating activities</b>	<b>3,391,848</b>	<b>4,750,074</b>
<b>Investing Activities</b>		
Purchase of furniture and equipment	(433,488)	(6,360)
Change in cash surrender value of life insurance	(144,613)	(347,164)
Purchase of investments	(17,020,827)	(34,574,176)
Change in amounts due to brokers	1,885	(149,394)
Proceeds from sales and maturities of investments	19,266,152	37,407,477
Purchase of assets to be leased	(1,585,165)	-
Principal payments received under leases	52,814	-
<b>Net cash provided by investing activities</b>	<b>136,758</b>	<b>2,330,383</b>
<b>Financing Activities</b>		
Proceeds from note payable	1,600,000	-
Principal payments on note payable	(125,497)	-
Permanently restricted contributions	1,125,529	1,015,549
Permanently restricted dividends and interest	23,808	42,070
Investments subject to annuity agreements	-	(17,619)
Annuity payments	(52,755)	(54,315)
<b>Net cash provided by financing activities</b>	<b>2,571,085</b>	<b>985,685</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,099,691</b>	<b>8,066,142</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>14,913,974</b>	<b>6,847,832</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 21,013,665</b>	<b>\$ 14,913,974</b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest	\$ 14,543	\$ -
Non-cash direct financing lease	\$ 1,585,165	\$ -

See accompanying notes to financial statements.



# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The Mississippi Constitution was amended in 1943 to create a Board of Trustees of State Institutions of Higher Learning (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.

The current twelve Board members were appointed by the Governor and approved by the Senate for twelve year terms as follows: one from each of the seven congressional districts, one from each of the three Supreme Court Districts, and two appointed from the state-at-large. The Mississippi Constitution was amended in 2003 to change the length of terms and appointment districts for Board members. New appointments will occur from the three current Supreme Court districts for terms of nine years. The amendment provides for these new appointments and tenures to be gradually implemented. Full implementation occurs in 2012.

Each of the eight universities and the University of Mississippi Medical Center has established its own educational building corporation (a nonprofit corporation incorporated in the State of Mississippi) in accordance with Section 37-101-61 of the Mississippi Code Annotated of 1972. The purpose of these corporations is for the acquisition, construction and equipping of facilities and land for the various universities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, these educational building corporations are deemed component units of the State of Mississippi Institutions of Higher Learning and are included as blended component units in the general purpose financial statements.

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

ASU	Alcorn State University
DSU	Delta State University
JSU	Jackson State University
MSU	Mississippi State University
MUW	Mississippi University for Women
MVSU	Mississippi Valley State University
UM	University of Mississippi
USM	University of Southern Mississippi
UMMC	University of Mississippi Medical Center
IHL Board Office	Institutions of Higher Learning - System Office
M CVS	Off-campus entity

The IHL System is considered a component unit of the State of Mississippi reporting entity.

The IHL System reports the following discretely presented component units:

#### **Mississippi State University Foundation, Inc.**

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

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **University of Mississippi Foundation**

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

#### **University of Southern Mississippi Foundation**

The University of Southern Mississippi Foundation is a not for profit entity formed to provide support to the University of Southern Mississippi and its students.

Although these universities do not control the timing or amount of receipts they receive from these foundations, the majority of the resources or income thereon that these foundations hold and invest are restricted to the activities of their respective universities by the donors.

The Mississippi State University Foundation, Inc., the University of Mississippi Foundation, and the University of Southern Mississippi Foundation each make distributions to their respective Universities for support. During the years ended June 30, 2009 and 2008, support distributions were as follows:

<i>For the years ended June 30,</i>	<b>2009</b>	<b>2008</b>
Mississippi State University Foundation, Inc.	\$ 17,875,592	\$ 23,995,804
University of Mississippi Foundation	\$ 37,484,939	\$ 29,222,192
University of Southern Mississippi Foundation	\$ 8,133,099	\$ 5,458,560

#### ***Nature of Operations***

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

#### ***Basis of Presentation***

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB, including Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - of Public Colleges and Universities*, issued in June and November, 1999, respectively.

#### ***Basis of Accounting***

The financial statements of the IHL System have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable effective statements of the GASB and all statements of the Financial Accounting Standards Board through November 30, 1989, using the economic measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant transactions among departments, campuses and auxiliary units of the IHL System have been eliminated.

#### ***Cash Equivalents***

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

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***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 expenditures during the reporting period. Actual results could differ from those estimates.

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

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

Included in other long-term liabilities are unpaid claim liabilities relating to the IHL System's self-insured workers' compensation fund, self-funded unemployment trust fund, its tort liability fund and the University of Mississippi Medical Center tort claims fund. The liabilities for these unpaid claims and loss adjustment expenses are determined using both evaluations of each claim and statistical analyses and represent the estimated ultimate net cost of all claims and expenses incurred through the end of the reporting period. The determinations of claims payable include estimates that are particularly susceptible to change in the near term. Management believes that liabilities established for these unpaid claims at June 30, 2009 and 2008 are adequate to cover the ultimate net cost of claims and contractual adjustments, but these liabilities are necessarily based upon estimates and, accordingly, the amount ultimately paid will be more or less than such estimates. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in operations currently.

In connection with the preparation of the financial statements of the IHL System, management evaluated subsequent events through December 15, 2009 which was the date the financial statements were available to be issued.

#### ***Short-term Investments***

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

#### ***Accounts Receivables, net***

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

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Student Notes Receivables, net***

Student notes receivables 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 assets as current assets. Those balances that are either in deferment status or expected to be paid back beyond the next fiscal year are presented as noncurrent assets on the statement of net assets.

#### ***Inventories***

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

#### ***Collections***

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

#### ***Prepaid Expenses***

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

#### ***Restricted Cash and Cash Equivalents and Restricted Short-term Investments***

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

#### ***Endowment Investments***

Endowment investments are generally subject to the restrictions of donor gift instruments. They include true endowment funds, which are funds received from a donor with the restriction that only the income is to be utilized; term endowment funds, which are funds for which the donor has stipulated that the principal may be expended after a stated period or on the occurrence of a certain event and quasi-endowment funds, which are funds established by the governing board to function like an endowment fund but may be totally expended at any time at the discretion of the governing board.

#### ***Other Long-term Investments***

The IHL System accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statements of revenues, expenses and changes in net assets.

#### ***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. Livestock for educational purposes is adjusted at year-end to reflect market price. 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

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expenditure categories. See Note 6 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, if material. Restricted cash and investments include certain maintenance and replacement reserves that have been established to fund costs relating to residences and other auxiliary activity facilities.

#### ***Accounts Payable and Accrued Liabilities***

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

#### ***Income Taxes***

Each member institution of the IHL System is considered an agency of the State and is treated as a governmental entity for tax purposes. As such, they are generally not subject to federal and state income taxes. However, these institutions do remain subject to income taxes on any income that is derived from a trade or business regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded because, in the opinion of management, there is no significant amount of taxes on such unrelated business income.

#### ***Deferred Revenues***

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

#### ***Deposits Refundable***

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

#### ***Noncurrent Liabilities***

Noncurrent liabilities include (1) principal amounts of revenue bonds payable, notes payable and capital lease obligations, (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and (3) other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

#### ***Government Advances Refundable***

The IHL System participates in the Federal Perkins Loan and Nursing Loan Programs, which are funded through a combination of Federal and institutional resources. The portion of these programs that has been funded with Federal funds is ultimately refundable to the U.S. Government upon the termination of IHL System's participation in the programs. The portion that would be refundable if the programs were terminated has been presented as other long-term liabilities and approximated \$65,398,000 and \$65,570,000 as of June 30, 2009 and 2008, respectively.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Compensated Absences***

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 15 years of service; and for 15 years of service and over, 18 hours per month are earned.

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 annual leave.

Nine-month employees earn major medical leave at a rate of 13 1/3 hours per month for one month to three years of service; 14 1/5 hours per month for three to eight years of service; 15 2/5 hours per month for eight to 15 years of service; and for 15 years of service and over, 16 hours per month are earned. There is no limit on the accumulation of sick leave. At retirement, these employees are paid for up to 240 hours of accumulated major medical leave.

#### ***Classification of Revenues and Expenditures***

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

Operating revenues and expenses have the characteristics of exchange transactions. These transactions can be defined as an exchange in which two or more entities both receive and sacrifice value, such as purchases and sales of goods or services. Examples of operating revenues include (1) student tuition and fees; (2) sales and services of auxiliary enterprises; (3) most federal, state and local grants and contracts; and (4) other operating revenues. Examples of operating expenses include (1) employee compensation, benefits, and related expense; (2) scholarships and fellowships, net of scholarship discounts and allowances; (3) utilities, supplies and other services; (4) professional fees; and (5) depreciation expenses related to certain capital assets.

Non-operating revenues has the characteristics of non-exchange transactions. Examples of non-operating revenues include state appropriations, gifts and contributions. Non-operating expenses are defined in GASB No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as state appropriations, investment income and interest on capital asset related debt and bond expenses. Included in non-operating gifts and grants are federally awarded student financial aid program revenues of approximately \$99,034,000 and \$87,491,000 for the years ended June 30, 2009 and 2008, respectively.

#### ***Auxiliary Enterprise Activities***

Auxiliary enterprises typically exist to furnish goods or services to students, faculty, or staff, and that charge a fee directly related to, although not necessarily equal to, the cost of the goods or services. One distinguishing characteristic of auxiliary enterprises is that they are managed as essentially self-supporting activities. Included in auxiliary enterprise revenues are fees and sales for residence halls, food services, bookstore activities and intercollegiate athletic programs. The general public may be served incidentally by auxiliary enterprises.

#### ***Patient Care Revenues***

Patient care revenues are reported at the estimated net realizable amounts from patients, third-party payers, and others for hospital and clinical services rendered by UMMC, including contractual allowances and estimated retroactive revenue adjustments due to future audits, reviews, and

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

investigations, as well as the provision for doubtful accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations. During 2009 and 2008, net patient service revenue decreased approximately \$20,183,000 and \$19,927,000, respectively, due to adjustments to previous estimates. The provision for doubtful accounts netted against revenue approximated \$293,239,000 in 2009 and \$268,501,000 in 2008.

#### *Medicare*

Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient skilled nursing services are paid at prospectively determined per diem rates that are based upon patients' acuity. Certain in-patient non-acute services and defined medical education costs are paid based on a cost reimbursement methodology. UMMC is reimbursed for certain services at tentative rates, with final settlement determined after submission of annual cost reports by UMMC and audits thereof by the Medicare intermediary. UMMC's Medicare cost reports have been audited and settled for all years through fiscal 2007. During 2008, UMMC received notification from the fiscal intermediary of the intent by Medicare to reopen cost reports filed for as far back as 2002 to adjust for overpayments made for outpatient renal dialysis services and as a result accrued an estimated liability of approximately \$8,229,000. In 2009, UMMC repaid the Medicare program approximately \$5,424,000 for adjustments to outpatient renal dialysis services for fiscal years 2003 through 2006. In addition, during 2009, UMMC received notification that the Medicare recovery audit contractor program, intended to identify and recover improper Medicare payments to healthcare providers, for the region that includes the State of Mississippi would begin soon. As a result and based upon a review of claims eligible for the review and experience of providers being audited in other regions, UMMC accrued a reserve of approximately \$9,160,000 for potential claim adjustments as of June 30, 2009.

#### *Medicaid*

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology for certain services and at prospectively determined rates for all other services. UMMC is reimbursed for cost reimbursable services at tentative rates based on annual cost reports submitted by UMMC with final settlement determined after audits thereof by the Medicare fiscal intermediary. During 2009 and 2008, UMMC accrued additional liabilities of approximately \$14,014,000 and \$12,000,000, respectively for potential claim adjustments as a result of notifications by Medicaid. These notifications centered around changes in the methodology used to reimburse outpatient services that would be applied retroactively back to 2005 and decreases in previously computed rates for inpatient services as a result of audited Medicare cost reports and changes in Medicaid covered days. In 2009, approximately \$10,289,000 was repaid to Medicaid relative to these claim adjustments.

Revenue from the Medicare and Medicaid programs, including supplement payments for Medicaid DSU and UPL, accounted for approximately 27% and 46%, respectively, of UMMC's net patient service revenues for the year ended June 30, 2009 and approximately 22% and 56%, respectively, for the year ended June 30, 2008.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

#### **Scholarship Discounts and Allowances**

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid, such as loans, funds provided to students as awarded by third parties and Federal Direct Lending, is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as scholarship allowances, which reduce revenues, or as operating expenses. 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 on a university basis 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 Assets**

Net assets are classified according to external donor restrictions or availability of assets for satisfaction of university obligations. Nonexpendable restricted net assets are gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net assets represent funds that have been gifted for specific purposes and institutional funds used for federal loan programs.

The unrestricted net assets of the IHL System include certain amounts which have been designated for financial resource utilization in future periods. Unrestricted net assets include designations as of June 30, 2009 and 2008, as follows:

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
Academic programs and research	\$ 9,980,187	\$ 16,536,585
Auxiliary operations, renewals and replacements	36,466,899	34,890,224
Capital projects	101,654,176	50,224,255
Debt services	8,597,972	1,879,852
Designated projects	79,050,428	66,562,750
Encumbrances	55,105,473	59,665,592
Quasi-endowments	14,935,110	17,761,411
Repairs and maintenance	8,374,569	8,232,890
Undesignated	305,579,796	323,544,024
	<b>\$ 619,744,610</b>	<b>\$ 579,297,583</b>

#### **Future Accounting Pronouncements**

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting of Intangible Assets*. The objective of this statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies in recognition, measurement, and



# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

amortization of intangible assets. This statement requires that all intangible assets not specifically excluded by its scope be classified as capital assets. This statement provides guidance on determining the useful life of an intangible asset or if the intangible asset should be considered to have an indefinite useful life, and therefore should not be amortized. GASB No. 51 is effective for the IHL System for the fiscal year beginning July 1, 2009.

In November 2007, the GASB issued GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This statement establishes consistent standards for the reporting of land and other real estate held as investments by requiring endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. GASB No. 52 is effective for the IHL System for the fiscal year beginning July 1, 2009 with any changes made to comply with this statement treated as an adjustment of prior periods.

In June 2008, the GASB issued GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments and specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The new standard provides specific criteria that governments will use to determine whether a derivative instrument will result in an effective hedge. Changes in fair value for effective hedges that are achieved with derivative instruments will be recognized in the reporting period to which they relate. The changes in fair value of these hedging derivative instruments do not affect current investment revenue, but are instead reported as deferrals in the statement of net assets or the balance sheet. Derivative instruments that either do not meet the criteria for an effective hedge or are associated with investments that are already reported at fair value are classified as investment derivative instruments for financial reporting purposes. Changes in fair value of those derivative instruments are reported as part of investment revenue in the current reporting period. The requirements of GASB No. 53 are effective for the IHL System for the fiscal year beginning July 1, 2009.

In March 2009, the GASB issued GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. The requirements of GASB No. 54 are effective for the IHL System for the fiscal year beginning after June 15, 2010.

Management has not completed its evaluations to determine the effect, if any, the adoption of these future statements will have on the IHL System's financial condition or results of operations.

#### **Reclassifications**

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 method of presentation.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 2 – PRIOR PERIOD ADJUSTMENTS

For the year ended June 30, 2008, the IHL System recorded prior period adjustments which reduced net assets, as previously reported, by \$5,513,926. These prior period adjustments resulted from corrections of errors as follows:

Adjustments to capital assets	\$ 6,405,518
Other corrections	(891,592)
<b>Total</b>	<b>\$ 5,513,926</b>

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### NOTE 3 – CASH AND INVESTMENTS

#### Cash, Cash Equivalents and Short-term Investments

Investment policies as set forth by Board of Trustees policy and state statute authorize the universities to invest in demand deposits and interest-bearing time deposits such as savings accounts, certificates of deposit, money market funds, U.S. Treasury bills and notes, and repurchase agreements.

#### Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of the failure of a financial institution, the IHL System will not be able to recover deposits or collateral securities that are in the possession of an outside party. The IHL System does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages risk on behalf of the IHL System. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the IHL System.

The collateral for public entities' deposits in financial institutions is held under a program governed by Section 27-105-5 of the Mississippi Code Annotated (1972). Under this program, the IHL System'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 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 Depository Insurance Corporation.

#### Investments

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

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 3 – CASH AND INVESTMENTS (Continued)

The following table summarizes the fair values of the IHL System's investments as of June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Short-term investments - current assets	\$ 163,888,934	\$ 105,722,484
Noncurrent assets:		
Restricted short-term investments	11,443,294	8,965,197
Endowment investments	157,961,394	179,379,213
Other long-term investments	205,048,500	213,804,913
<b>Total</b>	<b>\$ 538,342,122</b>	<b>\$ 507,871,807</b>

The following table presents the fair value of investments by type at June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
U.S. Government agency obligations	\$ 179,730,566	\$ 202,442,680
U.S. Treasury obligations	11,632,429	1,096,439
Certificates of deposit	172,032,226	114,981,696
Corporate bonds and notes	742,547	708,598
Commercial mortgage backed securities	6,703,097	4,672,303
Collateralized mortgage obligations	20,741,363	11,629,042
Municipal bonds	11,674,207	2,969,559
Money market funds	501,391	2,534,057
Fixed income mutual funds	31,501,578	32,711,280
Asset backed securities	2,892,885	3,402,500
Domestic equity securities	35,183,021	48,474,690
International equity mutual funds	13,822,819	24,020,113
Land grant principle	1,340,068	1,340,068
Domestic equity mutual funds	28,361,379	36,610,752
Guaranteed investment contract	-	3,797,117
Equity hedge funds	10,474,331	11,301,749
Miscellaneous	11,008,215	5,179,164
<b>Total</b>	<b>\$ 538,342,122</b>	<b>\$ 507,871,807</b>

#### Custodial Credit Risk

Per GASB Statement No. 40, 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. The IHL System does not presently have a formal policy for custodial credit risk. 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. Investments of approximately \$20,583,000 and \$26,121,000 were exposed to custodial risk as of June 30, 2009 and June 30, 2008, respectively.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 3 – CASH AND INVESTMENTS (Continued)

#### Interest Rate Risk

Per GASB Statement No. 40, interest rate risk is defined as the risk a government may face should interest rate variances adversely affect the fair value of investments. The IHL System does not presently have a formal policy that addresses interest rate risk. As of June 30, 2009 and 2008, the IHL System had the following investments subject to interest rate risk:

*As of June 30, 2009*

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Government agency obligations	\$ 179,730,566	\$ 2,346,875	\$ 116,866,875	\$ 58,871,038	\$ 1,645,778
U.S. Treasury obligations	11,632,429	11,296,953	284,252	34,617	16,607
Corporate bonds and notes	742,547	-	129,250	588,246	25,051
Commercial mortgage backed securities	6,703,097	-	133,162	482,073	6,087,862
Collateralized mortgage obligations	20,741,363	5,066,518	3,268,079	-	12,406,766
Municipal bonds	11,674,207	270,183	11,404,024	-	-
Bond mutual funds	31,501,578	39,953	11,000,743	20,460,882	-
Asset backed securities	2,892,885	-	-	2,892,885	-
<b>Total</b>	<b>\$ 265,618,672</b>	<b>\$ 19,020,482</b>	<b>\$ 143,086,385</b>	<b>\$ 83,329,741</b>	<b>\$ 20,182,064</b>

*As of June 30, 2008*

U.S. Government agency obligations	\$ 202,442,680	\$ 30,700,939	\$ 96,419,257	\$ 72,515,747	\$ 2,806,737
Guaranteed investment contract	3,797,117	-	3,797,117	-	-
U.S. Treasury obligations	1,096,439	731,695	333,472	23,475	7,797
Corporate bonds and notes	708,598	5,678	143,008	526,824	33,088
Commercial mortgage backed securities	4,672,303	-	190,782	243,827	4,237,694
Collateralized mortgage obligations	11,629,042	-	2,899,738	-	8,729,304
Municipal bonds	2,969,559	1,058,835	1,409,244	501,480	-
Bond mutual funds	32,711,280	3,028,354	17,141,856	12,200,893	340,177
Asset backed securities	3,402,500	-	-	3,402,500	-
<b>Total</b>	<b>\$ 263,429,518</b>	<b>\$ 35,525,501</b>	<b>\$ 122,334,474</b>	<b>\$ 89,414,746</b>	<b>\$ 16,154,797</b>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 3 – CASH AND INVESTMENTS (Continued)

#### Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The IHL System does not presently have a formal policy that addresses credit risk. As of June 30, 2009 and 2008, the IHL System had the following exposure to investment credit risk:

As of June 30,	2009	2008
<u>Credit Rating</u>	<u>Fair Value</u>	<u>Fair Value</u>
AAA	\$ 167,671,579	\$176,372,651
Aaa	10,819,033	27,248,249
Aa1	6,337	10,112
Aa2	19,361	9,087
Aa3	1,576,105	851,176
AA	6,109,452	130,496
A1	15,473	4,036
A2	29,136	36,321
A3	17,541,587	264,145
A	4,441,801	201,142
Baa1	-	3,785
Baa2	4,058	6,936
BBB	10,447	10,272
Rating not available	57,374,303	58,281,110
Total	<b>\$ 265,618,672</b>	<b>\$ 263,429,518</b>

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

#### Concentration of Credit Risk

Per GASB Statement No. 40, concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The IHL System does not presently have a formal policy that addresses concentration of credit risk. The IHL System had the following investments that represent more than 5 percent of net investments as of June 30, 2009 and 2008:

As of June 30, 2009

<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage</u>
Federal Home Loan Bank notes	\$ 44,169,552	8.20%
Federal Home Loan Mortgage Corporation notes	39,671,356	7.37%
Federal National Mortgage Association notes	63,780,872	11.85%

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 3 – CASH AND INVESTMENTS (Continued)

As of June 30, 2008

<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage</u>
Federal Home Loan Bank notes	\$ 70,495,035	13.88%
Federal Home Loan Mortgage Corporation notes	59,146,517	11.65%
Federal National Mortgage Association notes	32,165,072	6.33%

#### Foreign Currency Risk

Per GASB Statement No. 40, the foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The IHL System does not presently have a formal policy that addresses foreign currency risk. The IHL System's exposure to foreign currency risk is limited to investments in global or pooled non-U.S. equity mutual funds which approximated \$13,823,000 and \$24,020,000 at June 30, 2009 and 2008, respectively.

### NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable of the IHL System consisted of the following as of June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Student tuition	\$ 63,530,472	\$ 60,231,897
Auxiliary enterprises and other operating activities	19,906,537	17,827,522
Contributions and gifts	20,654,515	15,239,690
Federal, state, and private grants and contracts	113,372,970	112,846,545
State appropriations	18,226,726	14,408,129
Accrued interest	3,090,343	3,386,772
Patient income	2,218,900,069	1,909,425,307
Other	11,185,350	8,881,229
Total account receivable	2,468,866,982	2,142,247,091
Less allowance for doubtful accounts	(2,176,094,641)	(1,879,748,383)
<b>Net accounts receivable</b>	<b>\$ 292,772,341</b>	<b>\$ 262,498,708</b>

As a component unit of the State of Mississippi, the IHL System is precluded by statute from discharging amounts owed. Accordingly, gross accounts receivables and the allowance for doubtful accounts include amounts considered to be 100% uncollectible and fully reserved in a prior year.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 5 – NOTES RECEIVABLE FROM STUDENTS

Notes receivable from students are payable in installments over a period of up to ten years, commencing three to twelve months from the date of separation from one of the IHL System's institutions. The following is a schedule of interest rates and unpaid balances for the different types of notes receivable held by the IHL System as of June 30, 2009 and 2008:

	Interest Rates	June 30, 2009	Current Portion	Non-current Portion
Perkins student loans	3% to 9%	\$ 77,190,125	\$ 7,871,457	\$ 69,318,668
Nursing student loans	3% to 9%	436,529	77,107	359,422
Other federal loans	3% to 9%	3,287,060	1,720,068	1,566,992
Institutional loans	0% to 9%	58,205,408	5,521,255	52,684,153
Medical student loans	3% to 9%	165,742	22,977	142,765
Dental student loans	3% to 9%	373,471	20,559	352,912
<b>Total notes receivable</b>		<b>139,658,335</b>	<b>15,233,423</b>	<b>124,424,912</b>
Less allowance for doubtful accounts		(17,186,431)	(3,748,054)	(13,438,377)
<b>Net notes receivable</b>		<b>\$ 122,471,904</b>	<b>\$ 11,485,369</b>	<b>\$ 110,986,535</b>

	Interest Rates	June 30, 2008	Current Portion	Non-current Portion
Perkins student loans	3% to 9%	\$ 74,172,090	\$ 7,595,644	\$ 66,576,446
Nursing student loans	3% to 9%	533,797	80,428	453,369
Other federal loans	3% to 9%	3,209,412	1,699,807	1,509,605
Institutional loans	0% to 9%	57,312,989	4,522,918	52,790,071
Medical student loans	3% to 9%	221,416	39,881	181,535
Dental student loans	3% to 9%	369,715	21,401	348,314
<b>Total notes receivable</b>		<b>135,819,419</b>	<b>13,960,079</b>	<b>121,859,340</b>
Less allowance for doubtful accounts		(16,269,647)	(3,744,058)	(12,525,589)
<b>Net notes receivable</b>		<b>\$ 119,549,772</b>	<b>\$ 10,216,021</b>	<b>\$ 109,333,751</b>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 6 – CAPITAL ASSETS

A summary of changes in capital assets of the IHL System for the years ended June 30, 2009 and 2008, are presented as follows:

*As of June 30, 2009*

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Nondepreciable capital assets</b>				
Land	\$ 58,019,988	\$ 1,622,647	\$ 560,000	\$ 59,082,635
Construction in progress	381,889,452	174,919,348	172,085,190	384,723,610
Livestock	1,618,807	130,334	99,328	1,649,813
<b>Total nondepreciable capital assets</b>	<b>441,528,247</b>	<b>176,672,329</b>	<b>172,744,518</b>	<b>445,456,058</b>
<b>Depreciable capital assets</b>				
Improvements other than buildings	205,157,717	33,004,007	-	238,161,724
Buildings	2,030,614,868	155,594,116	3,412,415	2,182,796,569
Equipment	519,297,833	53,242,943	30,909,410	541,631,366
Library books	300,049,479	14,596,883	388,531	314,257,831
<b>Total depreciable assets</b>	<b>3,055,119,897</b>	<b>256,437,949</b>	<b>34,710,356</b>	<b>3,276,847,490</b>
<b>Less accumulated depreciation</b>				
Improvements other than buildings	61,580,905	7,873,951	84,296	69,370,560
Buildings	505,351,080	40,332,695	2,918,993	542,764,782
Equipment	350,148,140	46,672,521	31,185,892	365,634,769
Library books	233,032,041	14,649,220	388,531	247,292,730
<b>Total accumulated depreciation</b>	<b>1,150,112,166</b>	<b>109,528,387</b>	<b>34,577,712</b>	<b>1,225,062,841</b>
<b>Total depreciable capital assets</b>	<b>1,905,007,731</b>	<b>146,909,562</b>	<b>132,644</b>	<b>2,051,784,649</b>
<b>Capital assets, net</b>	<b>\$ 2,346,535,978</b>	<b>\$ 323,581,891</b>	<b>\$ 172,877,162</b>	<b>\$ 2,497,240,707</b>



# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 6 – CAPITAL ASSETS (Continued)

As of June 30, 2008

	Beginning Balance	Additions	Deletions	Prior Period Adjustments	Ending Balance
<b>Nondepreciable capital assets</b>					
Land	\$ 51,444,157	\$ 6,576,630	\$ 799	\$ -	\$ 58,019,988
Construction in progress	374,902,734	199,339,233	192,662,749	310,234	381,889,452
Livestock	1,716,021	168,157	265,371	-	1,618,807
<b>Total nondepreciable capital assets</b>	<b>428,062,912</b>	<b>206,084,020</b>	<b>192,928,919</b>	<b>310,234</b>	<b>441,528,247</b>
<b>Depreciable capital assets</b>					
Improvements other than buildings	187,879,399	16,158,174	266,758	1,386,902	205,157,717
Buildings	1,841,101,865	197,907,419	9,224,733	830,317	2,030,614,868
Equipment	497,883,743	46,314,373	30,784,990	5,884,707	519,297,833
Library books	284,626,803	16,144,420	816,168	94,424	300,049,479
<b>Total depreciable assets</b>	<b>2,811,491,810</b>	<b>276,524,386</b>	<b>41,092,649</b>	<b>8,196,350</b>	<b>3,055,119,897</b>
<b>Less accumulated depreciation</b>					
Improvements other than buildings	54,562,085	7,195,581	176,761	-	61,580,905
Buildings	471,321,826	35,566,848	1,537,594	-	505,351,080
Equipment	329,795,946	42,711,847	24,192,366	1,832,713	350,148,140
Library books	219,185,855	14,556,079	978,246	268,353	233,032,041
<b>Total accumulated depreciation</b>	<b>1,074,865,712</b>	<b>100,030,355</b>	<b>26,884,967</b>	<b>2,101,066</b>	<b>1,150,112,166</b>
<b>Total depreciable capital assets</b>	<b>1,736,626,098</b>	<b>176,494,031</b>	<b>14,207,682</b>	<b>6,095,284</b>	<b>1,905,007,731</b>
<b>Capital assets, net</b>	<b>\$ 2,164,689,010</b>	<b>\$ 382,578,051</b>	<b>\$ 207,136,601</b>	<b>\$ 6,405,518</b>	<b>\$ 2,346,535,978</b>

As of June 30, 2009 and 2008, capital assets included assets under capital leases with an original cost of basis of approximately \$36,349,000 and \$42,914,000, respectively and accumulated depreciation of approximately \$9,944,000 and \$8,541,000, respectively.

Prior period adjustments in 2008 were recorded to correct prior year's errors in recording construction in progress, capital assets and accumulated depreciation.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 6 – CAPITAL ASSETS (Continued)

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

	Estimated Useful Lives	Salvage Value	Capitalization Threshold
Buildings	40 years	20%	\$ 50,000
Improvements other than buildings	20 years	20%	25,000
Equipment	3 - 15 years	1 -10%	5,000
Library books	10 years	0%	-

### NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following as of June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Payable to vendors and contractors	\$ 81,720,082	\$ 72,722,229
Accrued salaries, wages and employee withholdings	65,226,131	63,175,135
Accrued interest	2,675,442	2,027,592
Other	4,975,385	5,992,296
<b>Total</b>	<b>\$ 154,597,040</b>	<b>\$ 143,917,252</b>

### NOTE 8 – DEFERRED REVENUES

Deferred revenues consisted of the following as of June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Unearned summer school revenue	\$ 18,382,384	\$ 19,245,677
Unearned grants and contract revenue	5,348,478	13,816,413
Other, principally athletic activities	19,931,247	18,522,076
<b>Total</b>	<b>\$ 43,662,109</b>	<b>\$ 51,584,166</b>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### **NOTE 9 – LONG-TERM LIABILITIES**

Long-term liabilities of the IHL System consists of notes and bonds payable, capital lease obligations and certain other liabilities that are expected to be liquidated at least one year from June 30, 2009 and 2008, respectively. The various leases cover a period not to exceed five years. The IHL System has the option to prepay all outstanding obligations less any unearned interest to fully satisfy the obligation. There is also a fiscal funding addendum stating that if funds are not appropriated for periodic payment for any future fiscal period, the lessee will not be obligated to pay the remainder of the total payments due beyond the end of the current fiscal period.

Information regarding original issue amounts, interest rates and maturity dates for bonds, notes and capital leases relative to the long-term liabilities for each of the universities within the IHL System as of June 30, 2009 and 2008, is listed in the following schedule.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2009				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<u>ALCORN STATE UNIVERSITY</u>								
Bonded debt								
1996 Nursing Dormitory Bonds	\$ 680,000	4.5 - 6.5%	2011	\$ 235,000	\$ -	\$ 110,000	\$ 125,000	\$ 60,000
1997 President's Home Bonds	950,000	6.55%	2009	1,193	-	-	1,193	1,193
Total bonded debt				236,193	-	110,000	126,193	61,193
Other long-term liabilities								
Accrued leave liabilities				3,599,201	87,058	-	3,686,259	1,806,267
Deposits refundable				929,433	-	286,832	642,601	-
Total other long-term liabilities				4,528,634	87,058	286,832	4,328,860	1,806,267
<b>Total</b>				<b>\$ 4,764,827</b>	<b>\$ 87,058</b>	<b>\$ 396,832</b>	<b>\$ 4,455,053</b>	<b>\$ 1,867,460</b>
Due within one year							<u>1,867,460</u>	
Total long-term liabilities								<u>\$ 2,587,593</u>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2009			Ending Balance	Deletions	Additions	Beginning Balance	Due Within One Year
				2011	2018	2023					
<b>DELTA STATE UNIVERSITY</b>											
Bonded debt											
Student Housing Bonds:											
1991 Series	\$ 2,259,631	5.00%	2011	-	\$ 63,320	-	\$ 163,129	-	\$ 226,449	\$ 60,001	
1998 Series	3,900,000	3.40 - 5.00%	2018	-	100,000	-	3,040,000	-	3,140,000	100,000	
2003 Series	2,475,000	3.00 - 4.25%	2023	-	100,000	-	2,085,000	-	2,185,000	105,000	
<b>Total bonded debt</b>				-	263,320	-	5,288,129	-	5,551,449	265,001	
Capital leases											
Various equipment				-	716,745	-	460,835	-	1,177,580	133,357	
Other long-term liabilities and notes payable											
Accrued leave liabilities				197,902	24,843	-	1,867,761	-	1,694,702	162,859	
Deposits refundable				1,586,364	1,635,632	-	99,915	-	149,183	19,983	
Notes payable - CIOS Foundation				-	9,826	-	9,826	-	9,826	-	
Other				-	820	-	1,808,367	-	1,809,187	-	
<b>Total other long-term liabilities and notes payable</b>				1,784,266	1,671,121	-	3,776,043	-	3,662,898	182,842	
<b>Total</b>				<b>\$ 1,784,266</b>	<b>\$ 2,651,186</b>	<b>\$ 9,525,007</b>	<b>\$ 581,200</b>	<b>\$ 10,391,927</b>	<b>\$ 9,525,007</b>	<b>\$ 581,200</b>	
Due within one year							581,200				
<b>Total long-term liabilities</b>							<b>\$ 8,943,807</b>				

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ending June 30, 2009				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<b>JACKSON STATE UNIVERSITY</b>								
Bonded debt								
McAllister / Whiteside Revenue Bonds	\$ 4,000,000	1.00% - 3.00%	2020	\$ 1,900,000	-	\$ 120,000	\$ 1,780,000	\$ 125,000
Student Life Center Revenue Bonds	12,000,000	3.00% - 5.13%	2013	577,226	-	120,557	456,669	135,556
Campus Facilities Bond 2004 A	40,065,000	variable	2034	126,321	-	-	126,321	-
Campus Facilities Bond 2006 A	12,000,000	3.50% - 4.25%	2031	12,000,000	-	335,000	11,665,000	350,000
Campus Facilities Bond 2004 B	24,875,000	5.00%	2034	24,664,674	-	663,234	24,001,440	600,000
Campus Facilities Bond 2007	48,165,000	5.00%	2034	53,544,677	-	571,588	52,973,089	581,737
Other borrowings	1,900,000	5.00%	2034	1,900,000	-	-	1,900,000	-
<b>Total bonded debt</b>				<b>92,812,898</b>	<b>1,900,000</b>	<b>1,810,379</b>	<b>92,902,519</b>	<b>1,792,293</b>
Other long-term liabilities and notes payable								
Accrued leave liabilities				3,265,588	1,118,170	-	4,383,758	315,631
Deposits refundable				32,444	-	5,796	26,648	-
Notes payable				1,206,314	-	77,132	1,129,182	79,463
Other				1,554,522	72,425	-	1,626,947	-
<b>Total other long-term liabilities and notes payable</b>				<b>6,058,868</b>	<b>1,190,595</b>	<b>82,928</b>	<b>7,166,535</b>	<b>395,094</b>
<b>Total</b>				<b>\$ 98,871,766</b>	<b>\$ 3,090,595</b>	<b>\$ 1,893,307</b>	<b>100,069,054</b>	<b>\$ 2,187,387</b>
Due within one year							<u>2,187,387</u>	
<b>Total long-term liabilities</b>								<u>\$ 97,881,667</u>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>MISSISSIPPI STATE UNIVERSITY</b>								
Bonded debt								
Dormitory System Revenue Bonds	\$ 2,250,000	3.00%	2020	\$ 1,035,000	\$ -	\$ 65,000	\$ 970,000	\$ 70,000
Student Apartment Bonds	2,038,000	3.00%	2021	1,030,000	-	60,000	970,000	60,000
EBC - Revenue Bonds	31,865,000	3.75% to 5.25%	2024	24,660,000	-	17,555,000	7,105,000	1,080,000
EBC - Revenue Bonds	16,920,000	4.00% to 5.50%	2026	12,535,000	-	835,000	11,700,000	875,000
EBC - Revenue Bonds	17,000,000	2.00% to 5.00%	2028	15,310,000	-	500,000	14,810,000	515,000
EBC - Revenue Bonds	28,790,000	2.00% to 5.00%	2030	26,015,000	-	1,560,000	24,455,000	1,335,000
EBC - Revenue Bonds	58,965,000	4.00% to 5.00%	2035	56,735,000	-	1,390,000	55,345,000	1,430,000
EBC - Revenue Bonds	6,110,000	4.50% to 4.75%	2028	6,110,000	-	190,000	5,920,000	195,000
EBC - Revenue Bonds	29,615,000	3.00% to 5.25%	2039	-	29,615,000	-	29,615,000	-
EBC - Revenue Bonds	17,105,000	3.00% to 5.25%	2024	-	17,105,000	-	17,105,000	-
<b>Total bonded debt</b>				<b>143,430,000</b>	<b>46,720,000</b>	<b>22,155,000</b>	<b>167,995,000</b>	<b>5,560,000</b>
Capital leases								
Various equipment				1,775,954	-	1,030,256	745,698	507,675
Other long-term liabilities								
Accrued leave liabilities				20,775,028	570,621	-	21,345,649	1,482,835
Deposits refundable				82,240	4,060	-	86,300	-
Other				15,363,492	-	21,005	15,342,487	-
<b>Total other long-term liabilities</b>				<b>36,220,760</b>	<b>574,681</b>	<b>21,005</b>	<b>36,774,436</b>	<b>1,482,835</b>
<b>Total</b>				<b>\$ 181,426,714</b>	<b>\$ 47,294,681</b>	<b>\$ 23,206,261</b>	<b>205,515,134</b>	<b>\$ 7,550,510</b>
Due within one year							7,550,510	
<b>Total long-term liabilities</b>							<b>\$ 197,964,624</b>	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Year Ended June 30, 2009				Due Within One Year
			Beginning Balance	Additions	Deletions	Ending Balance	
<u>MISSISSIPPI UNIVERSITY FOR WOMEN</u>							
Capital leases			\$ 716,315	\$ -	\$ 244,362	\$ 471,953	\$ 215,895
Various equipment							
Other long-term liabilities			983,303	44,415	4,282	1,023,436	43,291
Accrued leave liabilities			1,560,205	-	14,834	1,545,371	-
Other							
Total other long-term liabilities			2,543,508	44,415	19,116	2,568,807	43,291
Total			<u>\$ 3,259,823</u>	<u>\$ 44,415</u>	<u>\$ 263,478</u>	<u>\$ 3,040,760</u>	<u>\$ 259,186</u>
Due within one year						<u>259,186</u>	
Total long-term liabilities						<u>\$ 2,781,574</u>	



# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2009				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<u>MISSISSIPPI VALLEY STATE UNIVERSITY</u>								
Bonded debt								
EBC Bonds, 2007 Series	19,015,000	4.0% to 4.50%	2037	18,905,000	-	105,000	18,800,000	135,000
Total bonded debt				18,905,000	-	105,000	18,800,000	135,000
Other long-term liabilities								
Accrued leave liabilities				1,893,353	3,926	-	1,897,279	173,056
Deposits refundable				228,824	-	34,936	193,888	-
Total other long-term liabilities				2,122,177	3,926	34,936	2,091,167	173,056
Total				\$ 21,027,177	\$ 3,926	\$ 139,936	20,891,167	\$ 308,056
Due within one year							308,056	
Total long-term liabilities							\$ 20,583,111	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year ended June 30, 2009				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<b>UNIVERSITY OF MISSISSIPPI</b>								
<b>Bonded debt</b>								
<b>General Revenue Bonds</b>								
Series 1968 E	\$ 3,000,000	3.00%	2008	70,000	-	70,000	-	-
Series 1999	12,220,000	4.75% to 5.25%	2018	1,200,000	-	585,000	615,000	615,000
Series 2002	13,090,000	4.00% to 5.00%	2017	7,795,000	-	1,000,000	6,795,000	1,040,000
Series 2005	10,965,000	3.00% to 3.75%	2027	10,285,000	-	565,000	9,720,000	580,000
Series 2006A	17,985,000	4.00% to 5.00%	2025	16,655,000	-	605,000	16,050,000	635,000
Series 2006B-1	17,290,000	3.50% to 5.00%	2026	16,695,000	-	785,000	15,910,000	815,000
Series 2008A	29,785,000	3.00% to 5.00%	2034	-	29,785,000	-	29,785,000	705,000
Series 2009A	19,870,000	2.125% to 4.50%	2030	-	19,870,000	-	19,870,000	-
Series 2009B	24,164,000	3.00% to 5.00%	2021	-	24,165,000	-	24,165,000	1,685,000
<b>Variable Rate Demand Bonds</b>								
Series 2000A	34,700,000	5.00%	2020	26,825,000	-	26,825,000	-	-
Series 2006B-2	4,075,000	1.58%	2026	4,075,000	-	-	4,075,000	-
<b>Total bonded debt</b>				<b>83,600,000</b>	<b>73,820,000</b>	<b>30,435,000</b>	<b>126,985,000</b>	<b>6,075,000</b>
<b>Other long-term liabilities and notes payable</b>								
Accrued leave liabilities				11,359,126	1,529,131	975,531	11,912,726	964,000
Deposits refundable				105,305	2,350	-	107,655	-
Notes payable				1,883,123	-	129,259	1,753,864	251,778
Other				9,264,000	-	5,000	9,259,000	-
<b>Total other long-term liabilities and notes payable</b>				<b>22,611,554</b>	<b>1,531,481</b>	<b>1,109,790</b>	<b>23,033,245</b>	<b>1,215,778</b>
<b>Total</b>				<b>\$ 106,211,554</b>	<b>\$ 75,351,481</b>	<b>\$ 31,544,790</b>	<b>150,018,245</b>	<b>\$ 7,290,778</b>
Due within one year							7,290,778	
<b>Total long-term liabilities</b>							<b>\$ 142,727,467</b>	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original issue	Annual Interest Rate	Maturity	Year Ended June 30, 2009			Ending Balance	Deletions	Additions	\$	\$	Due Within One Year
				Beginning Balance	\$	\$						
<u>UNIVERSITY OF SOUTHERN MISSISSIPPI</u>												
Bonded debt												
Payne Center Bonds	\$ 5,117,877	4.75% to 6.00%	2015	2,790,000	\$ -	\$ 290,000	\$ 2,500,000	\$ 290,000	\$ -	\$ 2,500,000	\$ 305,000	
Technology Improvement Bonds	1,970,000	3.50% to 5.75%	2021	255,000	-	80,000	175,000	80,000	-	175,000	85,000	
University Improvements	3,040,000	3.50% to 5.50%	2021	395,000	-	125,000	270,000	125,000	-	270,000	130,000	
Student Life Center & International Educ. Center	17,285,000	3.00% to 5.38%	2022	3,030,000	-	715,000	2,315,000	715,000	-	2,315,000	740,000	
The Village	18,725,000	3.625% to 5.00%	2032	18,200,000	-	115,000	18,085,000	115,000	-	18,085,000	145,000	
EBC Refunding Bond	24,855,000	3.625% to 5.00%	2027	24,375,000	-	405,000	23,970,000	405,000	-	23,970,000	420,000	
Athletic Improvements	27,190,000	4.00% to 5.00%	2034	27,190,000	-	260,000	26,930,000	260,000	-	26,930,000	285,000	
Dorm Construction	49,900,000	2.75% to 5.38%	2037	-	49,900,000	-	49,900,000	-	-	49,900,000	-	
<b>Total bonded debt</b>				<b>76,235,000</b>	<b>49,900,000</b>	<b>1,990,000</b>	<b>124,145,000</b>	<b>1,990,000</b>	<b>49,900,000</b>	<b>124,145,000</b>	<b>2,110,000</b>	
Capital Leases												
Various equipment				745,314	1,585,165	293,606	2,036,873	293,606	-	2,036,873	357,353	
Other long-term liabilities and notes payable												
Accrued leave liabilities				9,310,414	597,189	-	9,907,603	-	-	9,907,603	1,100,000	
Deposits refundable				100,803	-	56,179	44,624	56,179	-	44,624	-	
Notes payable				3,086,117	-	66,526	3,019,591	66,526	-	3,019,591	121,563	
Other				28,447,100	-	103,851	28,343,249	103,851	-	28,343,249	-	
<b>Total other long-term liabilities and notes payable</b>				<b>40,944,434</b>	<b>597,189</b>	<b>226,556</b>	<b>41,315,067</b>	<b>226,556</b>	<b>597,189</b>	<b>41,315,067</b>	<b>1,221,563</b>	
<b>Total</b>				<b>\$ 117,924,748</b>	<b>\$ 52,082,354</b>	<b>\$ 2,510,162</b>	<b>167,496,940</b>	<b>\$ 2,510,162</b>	<b>\$ 52,082,354</b>	<b>167,496,940</b>	<b>\$ 3,688,916</b>	
Due within one year											3,688,916	
<b>Total long-term liabilities</b>											<b>\$ 163,808,024</b>	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2009			Due Within One Year
				Beginning Balance	Additions	Deletions	
<b>UNIVERSITY OF MISSISSIPPI MEDICAL CENTER</b>							
<b>Bonded debt</b>							
General Revenue Bonds							
Series 1993	\$ 60,000,000	3.88% to 5.90%	2009	\$ 3,585,000	-	\$ 1,745,000	\$ 1,840,000
Series 1998A	9,380,000	4.30% to 5.75%	2011	4,235,000	-	985,000	3,250,000
Series 1998B	41,075,000	3.85% to 5.50%	2023	40,430,000	-	90,000	40,340,000
Series 2002	4,500,000	3.40% to 5.00%	2012	2,040,000	-	475,000	1,565,000
Variable Rate Demand Bonds							
Series 2001	45,000,000	variable	2031	42,305,000	-	42,305,000	-
Series 2004	44,000,000	variable	2034	42,550,000	-	42,550,000	-
Series 2008A	43,125,000	3.20%	2031	-	43,125,000	390,000	42,735,000
Series 2008B	41,895,000	3.29%	2034	-	41,895,000	-	41,895,000
<b>Total bonded debt</b>				<b>135,145,000</b>	<b>85,020,000</b>	<b>88,540,000</b>	<b>131,625,000</b>
<b>Capital Leases</b>							
Various equipment				26,694,636	-	7,487,727	19,206,909
<b>Other long-term liabilities</b>							
Accrued leave liabilities				29,954,335	6,844,973	1,953,611	34,845,697
Deposits refundable				747,321	-	747,321	-
Other				33,158,567	2,626,608	1,325,315	34,459,860
<b>Total other long-term liabilities</b>				<b>63,860,223</b>	<b>9,471,581</b>	<b>4,026,247</b>	<b>69,305,557</b>
<b>Total</b>				<b>\$ 225,699,859</b>	<b>\$ 94,491,581</b>	<b>\$ 100,053,974</b>	<b>\$ 220,137,466</b>
<b>Due within one year</b>							<b>17,632,810</b>
<b>Total long-term liabilities</b>							<b>\$ 202,504,656</b>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Year Ended June 30, 2009					Due Within One Year
	Original Issue	Annual Interest Rate	Additions	Deletions	Ending Balance	
<u>IHL BOARD OFFICE</u>						
Other long-term liabilities					725,871	37,133
Accrued leave liabilities	647,282		78,589	-	29,078,000	6,663,649
Other	23,583,000		5,495,000	-		
<b>Total</b>	<b>\$ 24,230,282</b>		<b>\$ 5,573,589</b>	<b>-</b>	<b>\$ 29,803,871</b>	<b>\$ 6,700,782</b>
Due within one year					<u>6,700,782</u>	
<b>Total long-term liabilities</b>					<b>\$ 23,103,089</b>	
<u>MCVS</u>						
Other long-term liabilities					57,251	5,609
Accrued leave liabilities	53,511		3,740	-	-	
<b>Total</b>	<b>\$ 53,511</b>		<b>\$ 3,740</b>	<b>-</b>	<b>\$ 57,251</b>	<b>\$ 5,609</b>
Due within one year					<u>5,609</u>	
<b>Total long-term liabilities</b>					<b>\$ 51,642</b>	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2009			Ending Balance	Due Within One Year
				Beginning Balance	Additions	Deletions		
<u>STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING - COMBINED</u>								
Total bonded debt	\$ 555,915,540			\$ 257,360,000	\$ 145,408,699	\$ 667,866,841	\$ 20,878,487	
Total capital leases	31,109,799			1,585,165	9,772,696	22,922,268	8,008,422	
Other long-term liabilities and notes payable								
Accrued leave liabilities	83,535,843			11,075,715	2,958,267	91,653,291	8,271,349	
Deposits refundable	2,375,553			1,592,774	2,766,697	1,201,630	19,983	
Notes payable	6,185,380			-	282,743	5,902,637	452,804	
Other	114,740,073			8,194,033	1,470,825	121,463,281	10,441,649	
Total other long-term liabilities	206,836,849			20,862,522	7,478,532	220,220,839	19,185,785	
Total long-term liabilities	\$ 793,862,188			\$ 279,807,687	\$ 162,659,927	\$ 911,009,948	\$ 48,072,694	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2008			Due Within One Year
				Beginning Balance	Additions	Deletions	
<u>ALCORN STATE UNIVERSITY</u>							
Bonded debt							
1996 Nursing Dormitory Bonds	\$ 680,000	4.50 - 6.50%	2011	\$ 285,000	\$ -	\$ 50,000	\$ 50,000
1997 President's Home Bonds	950,000	6.55%	2009	1,193	-	1,193	1,193
Total bonded debt				286,193	-	50,000	51,193
Other long-term liabilities							
Accrued leave liabilities				1,611,322	1,987,879	-	3,599,201
Deposits refundable				559,625	369,808	-	929,433
Total other long-term liabilities				2,170,947	2,357,687	-	4,528,634
Total				<u>\$ 2,457,140</u>	<u>\$ 2,357,687</u>	<u>\$ 50,000</u>	<u>\$ 1,814,801</u>
Due within one year							<u>1,814,801</u>
Total long-term liabilities							<u>\$ 2,950,026</u>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2008				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<b>DELTA STATE UNIVERSITY</b>								
Bonded debt								
Student Housing Bonds:								
1991 Series	\$ 2,259,631	5.00%	2011	\$ 294,837	\$ -	\$ 68,388	\$ 226,449	\$ 63,320
1998 Series	3,900,000	3.40 - 5.00%	2018	3,240,000	-	100,000	3,140,000	100,000
2003 Series	2,475,000	3.00 - 4.25%	2023	2,285,000	-	100,000	2,185,000	100,000
Total bonded debt				5,819,837	-	268,388	5,551,449	263,320
Capital leases								
Various equipment				1,194,328	675,000	691,748	1,177,580	716,745
Other long-term liabilities and notes payable								
Accrued leave liabilities				1,569,818	140,456	15,572	1,694,702	160,949
Deposits refundable				213,056	1,811,263	1,875,136	149,183	20,125
Notes payable - CIOS Foundation				34,819	-	24,993	9,826	9,826
Other				-	1,870,312	61,125	1,809,187	-
Total other long-term liabilities and notes payable				1,817,693	3,822,031	1,976,826	3,662,898	190,900
<b>Total</b>				<b>\$ 8,831,858</b>	<b>\$ 4,497,031</b>	<b>\$ 2,936,962</b>	<b>10,391,927</b>	<b>\$ 1,170,965</b>
Due within one year							1,170,965	
Total long-term liabilities								<b>\$ 9,220,962</b>



# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2008				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<u>JACKSON STATE UNIVERSITY</u>								
Bonded debt								
McAllister / Whiteside Revenue Bonds	\$ 4,000,000	1.00% - 3.00%	2020	\$ 2,015,000	\$ -	\$ 115,000	\$ 1,900,000	\$ 120,000
Honors Dormitory Revenue Bonds	6,965,000	4.24% - 7.00%	2013	2,795,000	-	2,795,000	-	-
Student Life Center Revenue Bonds	12,000,000	3.00% - 5.13%	2027	10,520,000	-	9,942,774	577,226	120,556
Campus Facilities Bond 2004 A	40,065,000	variable	2034	38,935,000	-	38,808,679	126,321	-
Campus Facilities Bond 2004 B	25,925,000	variable	2034	24,875,000	-	24,875,000	-	-
Campus Facilities Bond 2006 A	12,000,000	3.50% - 4.25%	2031	12,000,000	-	-	12,000,000	335,000
Campus Facilities Bond 2004 B	24,875,000	5.00%	2034	-	24,664,674	-	24,664,674	663,234
Campus Facilities Bond 2007	48,165,000	5.00%	2034	-	53,544,677	-	53,544,677	543,503
<b>Total bonded debt</b>				<b>91,140,000</b>	<b>78,209,351</b>	<b>76,536,453</b>	<b>92,812,898</b>	<b>1,782,293</b>
Other long-term liabilities and notes payable								
Accrued leave liabilities	3,053,108			212,480	-	-	3,265,588	297,495
Deposits refundable	34,087			-	1,643	-	32,444	-
Notes payable	1,281,182			-	-	74,868	1,206,314	77,132
Other	1,528,688			25,834	-	-	1,554,522	-
<b>Total other long-term liabilities and notes payable</b>	<b>5,897,065</b>			<b>238,314</b>	<b>76,511</b>	<b>6,058,868</b>	<b>374,627</b>	
<b>Total</b>	<b>\$ 97,037,065</b>			<b>\$ 78,447,665</b>	<b>\$ 76,612,964</b>	<b>\$ 98,871,766</b>	<b>\$ 2,156,920</b>	
Due within one year							<u>2,156,920</u>	
Total long-term liabilities								<u>\$ 96,714,846</u>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2008				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<u>MISSISSIPPI STATE UNIVERSITY</u>								
Bonded debt								
Dormitory System Revenue Bonds	\$ 2,250,000	3.00%	2020	\$ 1,100,000	-	\$ 65,000	\$ 1,035,000	\$ 65,000
Student Apartment Bonds	2,038,000	3.00%	2021	1,090,000	-	60,000	1,030,000	60,000
EBC - Revenue Bonds	11,920,000	3.70% to 5.00%	2016	580,000	-	580,000	-	1,020,000
EBC - Revenue Bonds	31,865,000	3.75% to 5.25%	2024	25,640,000	-	980,000	24,660,000	1,020,000
EBC - Revenue Bonds	16,920,000	4.00% to 5.50%	2026	13,340,000	-	805,000	12,535,000	835,000
EBC - Revenue Bonds	17,000,000	2.00% to 5.00%	2028	15,800,000	-	490,000	15,310,000	500,000
EBC - Revenue Bonds	28,790,000	2.00% to 5.00%	2030	26,965,000	-	950,000	26,015,000	1,560,000
EBC - Revenue Bonds	58,965,000	4.00% to 5.00%	2035	58,070,000	-	1,335,000	56,735,000	1,390,000
EBC - Revenue Bonds	6,110,000	4.50% to 4.75%	2028	-	6,110,000	-	6,110,000	190,000
<b>Total bonded debt</b>				<b>142,585,000</b>	<b>6,110,000</b>	<b>5,265,000</b>	<b>143,430,000</b>	<b>5,620,000</b>
Capital leases				2,727,523	375,000	1,326,569	1,775,954	993,621
Various equipment								
Other long-term liabilities								
Accrued leave liabilities				19,168,662	1,606,366	-	20,775,028	1,382,939
Deposits refundable				85,490	-	3,250	82,240	-
Other				15,335,134	28,358	-	15,363,492	-
<b>Total other long-term liabilities</b>				<b>34,589,286</b>	<b>1,634,724</b>	<b>3,250</b>	<b>36,220,760</b>	<b>1,382,939</b>
<b>Total</b>				<b>\$ 179,901,809</b>	<b>\$ 8,119,724</b>	<b>\$ 6,594,819</b>	<b>181,426,714</b>	<b>\$ 7,996,560</b>
Due within one year							7,996,560	
<b>Total long-term liabilities</b>							<b>\$ 173,430,154</b>	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Year Ended June, 2008				Due Within One Year
			Beginning Balance	Additions	Deletions	Ending Balance	
<b>MISSISSIPPI UNIVERSITY FOR WOMEN</b>							
Capital leases							
Various equipment			\$ 837,445	\$ 121,847	\$ 242,977	\$ 716,315	\$ 244,362
Other long-term liabilities							
Accrued leave liabilities			984,561	-	1,258	983,303	41,632
Other			1,702,461	-	142,256	1,560,205	-
Total other long-term liabilities			2,687,022	-	143,514	2,543,508	41,632
Total			<u>\$ 3,524,467</u>	<u>\$ 121,847</u>	<u>\$ 386,491</u>	<u>\$ 3,259,823</u>	<u>\$ 285,994</u>
Due within one year						<u>285,994</u>	
Total long-term liabilities							<u>\$ 2,973,829</u>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2008				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<u>MISSISSIPPI VALLEY STATE UNIVERSITY</u>								
Bonded debt								
Housing Bonds - 1968A	\$ 300,000	3.00%	2008	\$ 20,000	-	\$ 20,000	-	\$ -
EBC Bonds, 2007 Series	19,015,000	4.0% to 4.50%	2037	19,015,000	-	110,000	18,905,000	105,000
<b>Total bonded debt</b>				<b>19,035,000</b>	<b>-</b>	<b>130,000</b>	<b>18,905,000</b>	<b>105,000</b>
Other long-term liabilities								
Accrued leave liabilities				2,292,052	-	398,699	1,893,353	176,031
Deposits refundable				204,541	35,307	11,024	228,824	-
Other				23,537	-	23,537	-	-
<b>Total other long-term liabilities</b>				<b>2,520,130</b>	<b>35,307</b>	<b>433,260</b>	<b>2,122,177</b>	<b>176,031</b>
<b>Total</b>				<b>\$ 21,555,130</b>	<b>\$ 35,307</b>	<b>\$ 563,260</b>	<b>21,027,177</b>	<b>\$ 281,031</b>
Due within one year							<u>281,031</u>	
<b>Total long-term liabilities</b>								<u>\$ 20,746,146</u>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Beginning Balance	Additions	Deletions	Ending Balance	Year Ended June 30, 2008	
								Due Within One Year	Due
<u>UNIVERSITY OF MISSISSIPPI</u>									
Bonded debt									
General Revenue Bonds									
Series 1968 E	\$ 3,000,000	3.00%	2008	\$ 195,000	\$ -	\$ 125,000	\$ 70,000	\$ -	\$ 70,000
Series 1997A	11,135,000	4.80% to 4.95%	2027	245,000	-	245,000	-	-	-
Series 1999	12,220,000	4.75% to 5.25%	2018	1,760,000	-	560,000	1,200,000	-	585,000
Series 2002	13,090,000	4.00% to 5.00%	2017	8,745,000	-	950,000	7,795,000	-	1,000,000
Series 2005	10,965,000	3.00% to 3.75%	2027	10,585,000	-	300,000	10,285,000	-	565,000
Series 2006A	17,985,000	4.00% to 5.00%	2025	17,240,000	-	585,000	16,655,000	-	605,000
Series 2006B-1	17,290,000	3.50% to 5.00%	2026	17,290,000	-	595,000	16,695,000	-	785,000
Variable Rate Demand Bonds									
Series 2000A	34,700,000	5.00%	2020	28,295,000	-	1,470,000	26,825,000	-	1,540,000
Series 2006B-2	4,075,000	1.58%	2026	4,075,000	-	-	4,075,000	-	-
Total bonded debt				88,430,000	-	4,830,000	83,600,000	-	5,150,000
Other long-term liabilities and notes payable									
Accrued leave liabilities				10,233,524	2,129,513	1,003,911	11,359,126	-	921,000
Deposits refundable				803,448	-	698,143	105,305	-	-
Notes payable				2,007,101	-	123,978	1,883,123	-	129,259
Other				9,174,400	89,600	-	9,264,000	-	-
Total other long-term liabilities and notes payable				22,218,473	2,219,113	1,826,032	22,611,554	-	1,050,259
Total				\$ 110,648,473	\$ 2,219,113	\$ 6,656,032	106,211,554	-	\$ 6,200,259
Due within one year							6,200,259		
Total long-term liabilities							\$ 100,011,295		

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2008				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<b>UNIVERSITY OF SOUTHERN MISSISSIPPI</b>								
Bonded debt								
Payne Center Bonds	\$ 5,117,877	4.75% to 6.00%	2015	\$ 3,070,000	\$ -	\$ 280,000	\$ 2,790,000	\$ 290,000
Dormitory Construction Bonds	13,120,000	4.75% to 6.00%	2027	325,000	-	325,000	-	-
Technology Improvement Bonds	1,970,000	3.50% to 5.75%	2021	335,000	-	80,000	255,000	80,000
University Improvements	3,040,000	3.50% to 5.50%	2021	515,000	-	120,000	395,000	125,000
Student Life Center & International Educ. Center	17,285,000	3.00% to 5.38%	2022	3,715,000	-	685,000	3,030,000	715,000
The Village	18,725,000	3.625% to 5.00%	2032	18,725,000	-	525,000	18,200,000	115,000
EBC Refunding Bond	24,855,000	3.625% to 5.00%	2027	24,435,000	-	60,000	24,375,000	405,000
Athletic Improvements	27,190,000	4.00% to 5.00%	2034	27,190,000	-	-	27,190,000	260,000
<b>Total bonded debt</b>				<b>78,310,000</b>	<b>-</b>	<b>2,075,000</b>	<b>76,235,000</b>	<b>1,990,000</b>
Capital Leases								
Various equipment				590,918	378,004	223,608	745,314	227,558
Other long-term liabilities and notes payable								
Accrued leave liabilities				8,765,275	545,139	-	9,310,414	1,100,000
Deposits refundable				167,107	-	66,304	100,803	-
Notes payable				355,000	3,160,000	428,883	3,086,117	66,526
Other				28,739,259	-	292,159	28,447,100	-
<b>Total other long-term liabilities and notes payable</b>				<b>38,026,641</b>	<b>3,705,139</b>	<b>787,346</b>	<b>40,944,434</b>	<b>1,166,526</b>
<b>Total</b>				<b>\$ 116,927,559</b>	<b>\$ 4,083,143</b>	<b>\$ 3,085,954</b>	<b>117,924,748</b>	<b>\$ 3,384,084</b>
Due within one year							3,384,084	
<b>Total long-term liabilities</b>							<b>\$ 114,540,664</b>	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Maturity	Year Ended June 30, 2008				Due Within One Year
				Beginning Balance	Additions	Deletions	Ending Balance	
<b>UNIVERSITY OF MISSISSIPPI MEDICAL CENTER</b>								
Bonded debt								
General Revenue Bonds								
Series 1993	\$ 60,000,000	3.88% to 5.90%	2009	\$ 5,235,000	-	\$ 1,650,000	\$ 3,585,000	\$ 1,745,000
Series 1998A	9,380,000	4.30% to 5.75%	2011	5,170,000	-	935,000	4,235,000	985,000
Series 1998B	41,075,000	3.85% to 5.50%	2023	40,515,000	-	85,000	40,430,000	90,000
Series 2002	4,500,000	3.40% to 5.00%	2012	2,495,000	-	455,000	2,040,000	475,000
Variable Rate Demand Bonds								
Series 2001	45,000,000	variable	2031	43,235,000	-	930,000	42,305,000	970,000
Series 2004	44,000,000	variable	2034	42,925,000	-	375,000	42,550,000	390,000
Total bonded debt				139,575,000	-	4,430,000	135,145,000	4,655,000
Capital Leases								
Various equipment				21,956,281	11,426,655	6,688,300	26,694,636	7,487,727
Other long-term liabilities								
Accrued leave liabilities				26,935,818	5,473,809	2,455,292	29,954,335	2,354,683
Deposits refundable				-	747,321	-	747,321	-
Other				33,375,730	214,281	431,444	33,158,567	3,838,000
Total other long-term liabilities				60,311,548	6,435,411	2,886,736	63,860,223	6,192,683
Total				\$ 221,842,829	\$ 17,862,066	\$ 14,005,036	225,699,859	\$ 18,335,410
Due within one year							18,335,410	
Total long-term liabilities								\$ 207,364,449

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Year Ended June 30, 2008					Due Within One Year
	Beginning Balance	Additions	Deletions	Ending Balance	Annual Interest Rate	
<u>IHL BOARD OFFICE</u>						
Capital leases	\$ 3,642	\$ -	\$ 3,642	\$ -		\$ -
Various equipment						
Other long-term liabilities	659,837	-	12,555	647,282		40,975
Accrued leave liabilities	23,074,000	509,000	-	23,583,000		5,767,474
Other						
Total other long-term liabilities	23,733,837	509,000	12,555	24,230,282		5,808,449
Total	\$ 23,737,479	\$ 509,000	\$ 16,197	\$ 24,230,282		\$ 5,808,449
Due within one year				5,808,449		
Total long-term liabilities				\$ 18,421,833		
<u>MCVS</u>						
Other long-term liabilities	-	\$ 53,529	\$ 18	\$ 53,511		\$ 8,865
Accrued leave liabilities						
Total	\$ -	\$ 53,529	\$ 18	\$ 53,511		\$ 8,865
Due within one year				8,865		
Total long-term liabilities				\$ 44,646		



# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Description and purpose	Original Issue	Annual Interest Rate	Year Ended June 30, 2008					Due Within One Year
			Maturity	Beginning Balance	Additions	Deletions	Ending Balance	
<u>STATE OF MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING - COMBINED</u>								
Total bonded debt	\$ 565,181,030		\$ 84,319,351	\$ 93,584,841	\$ 555,915,540	\$ 19,616,806		
Total capital leases	27,310,137		12,976,506	9,176,844	31,109,799	9,670,013		
Other long-term liabilities and notes payable								
Accrued leave liabilities	75,273,977		12,149,171	3,887,305	83,535,843	8,248,177		
Deposits refundable	2,067,354		2,963,699	2,655,500	2,375,553	20,125		
Notes payable	3,678,102		3,160,000	652,722	6,185,380	282,743		
Other	112,953,209		2,737,385	950,521	114,740,073	9,605,474		
Total other long-term liabilities	193,972,642		21,010,255	8,146,048	206,836,849	18,156,519		
Total long-term liabilities	\$ 786,463,809		\$ 118,306,112	\$ 110,907,733	\$ 793,862,188	\$ 47,443,338		

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

The annual debt service requirements for the outstanding debt as of June 30, 2009 for each of the respective universities within the IHL System are as follows:

University - Fiscal Year	Bonded Debt	Capital Leases	Notes Payable	Interest	Total
<u>Aicorn State University</u>					
2010	\$ 61,193	\$ -	\$ -	\$ 9,798	\$ 70,991
2011	65,000	-	-	6,145	71,145
2012	-	-	-	2,112	2,112
<b>Totals</b>	<b>\$ 126,193</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,055</b>	<b>\$ 144,248</b>

#### Delta State University

2010	\$ 265,001	\$ 133,357	\$ -	\$ 393,429	\$ 791,787
2011	273,634	140,689	-	379,433	793,756
2012	274,494	148,425	-	371,214	794,133
2013	450,000	38,364	-	191,619	679,983
2014	470,000	-	-	171,148	641,148
2015-2019	2,710,000	-	-	504,106	3,214,106
2020-2024	845,000	-	-	91,644	936,644
<b>Totals</b>	<b>\$ 5,288,129</b>	<b>\$ 460,835</b>	<b>\$ -</b>	<b>\$ 2,102,593</b>	<b>\$ 7,851,557</b>

#### Jackson State University

2010	\$ 1,792,293	\$ -	\$ 79,463	\$ 5,142,944	\$ 7,014,700
2011	1,942,735	-	81,865	5,047,040	7,071,640
2012	1,989,622	-	84,339	5,023,793	7,097,754
2013	2,388,486	-	86,888	4,614,821	7,090,195
2014	3,639,062	-	89,514	2,737,737	6,466,313
2015-2019	16,915,068	-	489,828	16,656,672	34,061,568
2020-2024	20,935,031	-	217,285	12,083,850	33,236,166
2025-2029	22,751,442	-	-	7,044,215	29,795,657
2030-2034	20,548,780	-	-	2,805,787	23,354,567
<b>Totals</b>	<b>\$ 92,902,519</b>	<b>\$ -</b>	<b>\$ 1,129,182</b>	<b>\$ 61,156,859</b>	<b>\$ 155,188,560</b>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

University - Fiscal Year	Bonded Debt	Capital Leases	Notes Payable	Interest	Total
<u>Mississippi State University</u>					
2010	\$ 5,560,000	\$ 507,675	\$ -	\$ 7,162,448	\$ 13,230,123
2011	5,725,000	158,892	-	7,449,363	13,333,255
2012	6,720,000	79,131	-	7,196,779	13,995,910
2013	6,985,000	-	-	6,914,978	13,899,978
2014	7,270,000	-	-	6,609,453	13,879,453
2015-2019	36,680,000	-	-	27,733,038	64,413,038
2020-2024	38,760,000	-	-	19,457,989	58,217,989
2025-2029	29,145,000	-	-	11,250,645	40,395,645
2030-2034	17,820,000	-	-	5,666,825	23,486,825
2035-2039	13,330,000	-	-	1,415,213	14,745,213
<b>Totals</b>	<b>\$ 167,995,000</b>	<b>\$ 745,698</b>	<b>\$ -</b>	<b>\$ 100,856,731</b>	<b>\$ 269,597,429</b>
<u>Mississippi University for Women</u>					
2010	\$ -	\$ 215,895	\$ -	\$ 17,110	\$ 233,005
2011	-	154,806	-	9,235	164,041
2012	-	96,916	-	2,644	99,560
2013	-	4,336	-	39	4,375
<b>Totals</b>	<b>\$ -</b>	<b>\$ 471,953</b>	<b>\$ -</b>	<b>\$ 29,028</b>	<b>\$ 500,981</b>
<u>Mississippi Valley State University</u>					
2010	\$ 135,000	\$ -	\$ -	\$ 810,225	\$ 945,225
2011	165,000	-	-	804,825	969,825
2012	195,000	-	-	798,225	993,225
2013	230,000	-	-	790,425	1,020,425
2014	265,000	-	-	781,225	1,046,225
2015-2019	1,875,000	-	-	3,719,925	5,594,925
2020-2024	2,650,000	-	-	3,262,744	5,912,744
2025-2029	3,485,000	-	-	2,676,251	6,161,251
2030-2034	5,385,000	-	-	1,760,400	7,145,400
2035-2039	4,415,000	-	-	407,475	4,822,475
<b>Totals</b>	<b>\$ 18,800,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,811,720</b>	<b>\$ 34,611,720</b>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

University - Fiscal Year	Bonded Debt	Capital Leases	Notes Payable	Interest	Total
<u>University of Mississippi</u>					
2010	\$ 6,075,000	\$ -	\$ 251,778	\$ 4,991,088	\$ 11,317,866
2011	6,110,000	-	140,545	5,032,327	11,282,872
2012	6,360,000	-	146,573	4,815,199	11,321,772
2013	6,620,000	-	152,873	4,566,565	11,339,438
2014	6,735,000	-	159,460	4,305,903	11,200,363
2015-2019	35,090,000	-	470,911	17,149,083	52,709,994
2020-2024	25,385,000	-	431,724	10,454,416	36,271,140
2025-2029	24,215,000	-	-	5,086,547	29,301,547
2030-2034	10,395,000	-	-	1,199,337	11,594,337
<b>Totals</b>	<b>\$ 126,985,000</b>	<b>\$ -</b>	<b>\$ 1,753,864</b>	<b>\$ 57,600,465</b>	<b>\$ 186,339,329</b>
<u>University of Southern Mississippi</u>					
2010	\$ 2,110,000	\$ 357,353	\$ 121,563	\$ 6,334,875	\$ 8,923,791
2011	2,255,000	330,178	180,115	6,141,429	8,906,722
2012	2,395,000	275,966	242,409	6,024,930	8,938,305
2013	2,600,000	188,322	308,683	5,902,472	8,999,477
2014	2,745,000	158,516	379,190	5,774,509	9,057,215
2015-2019	17,130,000	726,538	1,787,631	26,397,159	46,041,328
2020-2024	21,805,000	-	-	21,366,963	43,171,963
2025-2029	26,035,000	-	-	15,980,762	42,015,762
2030-2034	33,565,000	-	-	8,352,622	41,917,622
2035-2039	13,505,000	-	-	991,284	14,496,284
<b>Totals</b>	<b>\$ 124,145,000</b>	<b>\$ 2,036,873</b>	<b>\$ 3,019,591</b>	<b>\$ 103,267,005</b>	<b>\$ 232,468,469</b>
<u>University of Mississippi Medical Center</u>					
2010	\$ 4,880,000	\$ 6,794,142	\$ -	\$ 5,879,050	\$ 17,553,192
2011	5,110,000	7,016,993	-	5,340,311	17,467,304
2012	6,090,000	4,205,545	-	4,777,523	15,073,068
2013	4,615,000	1,190,229	-	4,384,155	10,189,384
2014	4,815,000	-	-	4,169,096	8,984,096
2015-2019	33,390,000	-	-	8,618,973	42,008,973
2020-2024	38,570,000	-	-	3,056,981	41,626,981
2025-2029	20,060,000	-	-	263,098	20,323,098
2030-2034	14,095,000	-	-	50,816	14,145,816
<b>Totals</b>	<b>\$ 131,625,000</b>	<b>\$ 19,206,909</b>	<b>\$ -</b>	<b>\$ 36,540,003</b>	<b>\$ 187,371,912</b>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Fiscal Year	Bonded Debt	Capital Leases	Notes Payable	Interest	Total
<u>State of Mississippi - Institutions of Higher Learning</u>					
2010	\$ 20,878,487	\$ 8,008,422	\$ 452,804	\$ 30,740,967	\$ 60,080,680
2011	21,646,369	7,801,558	402,525	30,210,108	60,060,560
2012	24,024,116	4,805,983	473,321	29,012,419	58,315,839
2013	23,888,486	1,421,251	548,444	27,365,074	53,223,255
2014	25,939,062	158,516	628,164	24,549,071	51,274,813
2015-2019	143,790,068	726,538	2,748,371	100,778,956	248,043,933
2020-2024	148,950,031	-	649,008	69,774,587	219,373,626
2025-2029	125,691,442	-	-	42,301,518	167,992,960
2030-2034	101,808,780	-	-	19,835,787	121,644,567
2035-2039	31,250,000	-	-	2,813,972	34,063,972
<b>Totals</b>	<b>\$ 667,866,841</b>	<b>\$ 22,922,268</b>	<b>\$ 5,902,637</b>	<b>\$ 377,382,459</b>	<b>\$ 1,074,074,205</b>

#### **Demand Bonds**

Included in bonds payable are several variable rate demand revenue bond issues which are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest. Demand revenue bonds outstanding as of June 30, 2009 include Series 2006B-2 bonds issued by the University of Mississippi EBC (UMEBC) aggregating approximately \$4,075,000 and Series 2008A and Series 2008B bonds issued by the University of Mississippi Medical Center EBC (UMMCEBC) aggregating approximately \$84,630,000. As of June 30, 2008, demand revenue bonds outstanding included Series 2000A and Series 2006B-2 bonds issued by UMEBC aggregating approximately \$30,900,000 and Series 2001 and Series 2004 bonds issued by UMMCEBC aggregating approximately \$84,855,000.

With regard to the IHL System's demand bond program, the issuer generally enters into take-out or liquidity agreements with a financial institution which would convert the demand bonds to another form of long-term indebtedness, if not successfully remarketed within 180 days, except for the new 2008A and 2008B variable rate demand revenue bonds of UMMEBC which have only a 60-day waiting period. The converted term loans under the take-out agreements subject the bonds to accelerated amortizations payable in ten equal semi-annual installments over a five year period. In addition, the liquidity bank interest rate for these two bond issues, which is a variable rate determined by various factors, has a floor of not less than 10% per annum and not greater than 25%.

For the demand bonds, the issuer is required to pay annual standby purchase liquidity fees to the liquidity provider (ranging from .145% to .44% per annum of the available commitment (outstanding principal and interest)).

As of June 30, 2008, \$23.2 million of outstanding UMEBC Series 2000A coupons had been tendered to the liquidity provider for this issue, and interest rates reset to prime, which was 5%. By August 14, 2008, the remaining \$3.625 million of outstanding coupons had been tendered. At the

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 9 – LONG-TERM LIABILITIES (Continued)

time of issuance, these variable rate bonds were insured to Aaa status through MBIA. The credit rating of MBIA was downgraded and placed on negative credit watch during 2008. As a result of this credit rating downgrade, the market and liquidity for MBIA insured municipals disappeared. The liquidity provider attempted to remarket these bonds but because their remarketing was improbable in the near term and accelerated amortization requirements of the liquidity facility agreement would have activated on July 1, 2009, the bonds were refunded through the issuance of 2009B revenue bonds in 2009.

On October 8, 2008, all \$4,075,000 of outstanding UMEBC Series 2006B-2 coupons were tendered to the liquidity provider and interest rates reset to prime. This issue was insured to AAA status through FSA. FSA was placed on "Negative Watch list" by Moody's Investors Service on July 21, 2008 and "CreditWatch Negative" by Standard and Poor's on October 8, 2008. As a result of these credit rating announcements the liquidity and market for FSA insured variable rate demand obligations dramatically contracted. Because remarketing of the bonds was not successful during 2009 and accelerated amortization requirements were scheduled to activate beginning October 1, 2009, the bonds were retired on September 22, 2009.

As of June 30, 2008, \$42 million of outstanding UMMCEBC Series 2004 variable rate demand revenue bonds had been tendered to the liquidity provider for this issue, and interest rates reset to prime, which was 5%. At the time of issuance, these variable rate bonds were insured to Aaa status through AMBAC. The credit rating of AMBAC was downgraded and placed on negative credit watch during 2008. As a result of this credit rating downgrade, the market and liquidity for AMBAC insured municipals disappeared. While the liquidity provider attempted to remarket these bonds, their remarketing was improbable in the near term. Accelerated amortization requirements of the liquidity facility agreement activate 180 days after June 22, 2009 which would have required accelerated repayments in ten equal semi-annual installments beginning December 1, 2009.

In addition, UMMCEBC had outstanding at June 30, 2008, \$42.3 million of Series 2001 variable rate demand revenue bonds that were insured at issuance by AMBAC. Due to the rating downgrades of AMBAC and financial instability of the carrier, these bonds traded at an interest rate higher than the market rate and as of June 30, 2008 had an effective rate of 7.5%. In 2009, these bonds were tendered to the liquidity provider which would have subjected these bonds to accelerated amortization.

In order to mitigate the adverse impact of certain credit market conditions and avoid accelerated amortization, UMMCEBC began deliberations and negotiations in May 2008 to refund both the 2001 and the 2004 issues. Refunding was completed on both bond issues in October 2008, with issuances of two new variable rate demand revenues refunding bonds, whose principal matures annually through July 1, 2034, with interest due monthly. The new issuances carry similar terms and similar remarketing and standby purchase take-out arrangements; however, the new agreements have only a 60-day waiting period before the bank bonds are required to be paid back in equal installments over five years.

#### **Advance and Current Refundings**

During the fiscal years 2009 and 2008, the IHL System issued approximately \$126,557,000 and \$49,409,000, respectively, of revenue refunding bonds to currently refund or advance refund and defease certain bond issues. Net proceeds for the advance refunding of bond issues were deposited into irrevocable trusts to provide all future debt service payments of the refunded debt.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 9 – LONG-TERM LIABILITIES (Continued)

The refunding of the issues were undertaken to avoid accelerated repayments for demand bonds and to reduce debt service payments over the remaining years of maturity. During 2009 and 2008, the advanced refunding reduced debt service payments over the next 26 years and resulted in economic gains (the difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$50,237,000 and \$1,388,000, respectively.

#### **Defeased Bonds**

In prior years, the IHL System defeased certain outstanding bonds by depositing the new proceeds of refunding bonds and additional monies from debt service funds in irrevocable trusts to be used solely for satisfying all remaining principal and interest payments on defeased bonds. Accordingly, for financial reporting purposes the defeased bonds and related trust accounts are not included in the financial statements. At June 30, 2009 and 2008, approximately \$86,966,000 and \$70,607,000, respectively, of outstanding bonds (including prior years' refundings) are considered defeased.

#### **Interest Rate Exchange Agreements (Swap)**

##### University of Mississippi EBC, Series 2000A, Swap Agreement

As a means to lower exposure to rising interest rates, the University of Mississippi EBC (UMEBC) entered into an interest rate swap agreement in connection with the \$34.7 million UMEBC, Series 2000A variable-rate issue. The intention of the swap was to effectively change the interest rate on \$20 million of bonds originally issued to a fixed rate of 3.314%. UMEBC subsequently entered into a basis swap agreement which overlays the original interest rate swap agreement. The basis swap agreement exchanged the referenced index rate of the original swap agreement. The intention of the basis swap agreement was to further enhance the probability of reducing the exposure to interest rate fluctuations over the remaining term of the original notional amount. These agreements were subject to credit and market risks that were not reflected on the financial statements.

Under the interest rate swap agreement, UMEBC paid the counterparty (JP Morgan) a fixed payment of 3.314% and receives a variable payment computed at 70% of the one month average LIBOR. Under the basis swap agreement, UMEBC paid the counterparty a variable payment computed at 70% of one month average LIBOR and receives a variable payment computed at 63.03% of the five year average LIBOR.

During 2009 the 2000A variable rate bond issue was refunded. As a result, in 2009 both the interest rate swap agreement and the basis swap agreement were terminated and the net termination cost of approximately \$1,006,000 was charged to expense.

As of June 30, 2008, the calculated fair value of the interest rate swap agreement was a liability of approximately \$231,000 and the fair value of the basis swap agreement was an asset of approximately \$60,000. The fair value of the swap agreements were calculated by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 9 – LONG-TERM LIABILITIES (Continued)

#### University of Mississippi Medical Center EBC Swap Agreements

To lower exposure to rising interest rates, the University of Mississippi Medical Center EBC (UMMCEBC) entered into various interest rate swap agreements. On July 1, 2004, UMMCEBC entered into an interest rate swap agreement with a notional amount of \$45 million to effectively change the interest rate on its Series 2001 variable-rate bonds to a fixed rate of 3.285%. This swap agreement was not terminated when the Series 2001 bonds were refunded in 2009 but was maintained to effectively fix the rate for the 2008B series variable rate demands bonds that were used to refund the Series 2001 bonds.

On August 16, 2004, UMMCEBC entered into an interest rate swap agreement with a notional amount of \$44 million to effectively change the interest rate on its Series 2004 variable-rate bonds to a fixed rate of 3.197%. This swap agreement was not terminated when the Series 2004 bonds were refunded in 2009 and also was maintained to effectively fix the rate for the 2008A series variable rate demand bonds that were used to refund the Series 2004 bonds.

The variable-rate coupons of the bonds for both series are based on the variable Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (formerly the Bond Market Association Municipal Swap Index).

UMMCEBC had also entered into two secondary basis interest rate swap agreements tied to different benchmark indexes but with similar terms as the above swap agreements. The intent of the two supplemental basis swap agreements was to take advantage of market conditions to further reduce interest cost for both bond issues. Due to favorable market conditions the two supplemental basis swap agreements were terminated in March 2008, which resulted in gains reported in non-operating revenues of approximately \$2,173,000 during 2008.

#### **Terms**

The \$41.895 million Series 2008B bonds mature July 1, 2031 and the related swap agreement settles monthly and matures July 1, 2014. The notional amount of the interest rate swap agreement was \$41,335,000 and \$42,305,000 at June 30, 2009 and 2008, respectively. Under the interest rate swap agreement, UMMCEBC pays the counterparty (Wachovia) a fixed payment of 3.285% and receives a variable payment computed at 67% of the one month average LIBOR. Prior to its termination on March 3, 2008, under the secondary basis swap agreement, UMMCEBC paid the counterparty (Wachovia) a fixed payment of 3.285% and received a variable payment computed at 61.52% of the five year LIBOR rate with settlements occurring monthly. The results of the transactions of the secondary swap were to create a swap indexed to five year LIBOR, rather than one month LIBOR.

The \$43.125 million Series 2008A bonds mature June 1, 2034 and the related swap agreement settles monthly and matures June 1, 2014. The interest rate swap agreement's notional amount was \$42,160,000 and \$42,550,000 at June 30, 2009 and 2008, respectively. Under the interest rate swap agreement, UMMCEBC pays the counterparty a fixed payment of 3.197% and receives a variable payment computed at 67% of the one month average LIBOR. Prior to its termination on March 17, 2008, under the secondary basis swap agreement, UMMCEBC paid the counterparty (Morgan Keegan Financial Products, Inc.) a fixed payment of 3.19684% and received a variable



# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 9 – LONG-TERM LIABILITIES (Continued)

payment computed at 83.9% of the BMA index reference rate with settlements occurring monthly. The results of the transactions of the secondary swap were to create a swap indexed to the BMA reference rate, rather than one month LIBOR.

#### **Fair Values**

The June 30, 2009 and 2008, calculated fair value of the initial interest rate swap for the \$45 million Series 2001 bond and \$41.895 million refundable Series 2008B bond was a liability approximating \$2,602,000 and \$931,000, respectively. The calculated fair value of the interest rate swap for the \$44 million Series 2004 bonds and its refundable \$43.125 million Series 2008A bonds was a liability of approximating \$2,574,000 and \$771,000 as of June 30, 2009 and 2008, respectively. The fair value of the swap agreements were calculated by the counterparty using systems derived from both proprietary models as of a given date based on certain assumptions regarding past, present and future market conditions and certain financial information from sources that the counterparty believes to be reliable. The fair value of the swap agreements is not recognized in the IHL System's financial statements.

#### **Credit Risk**

At June 30, 2009 and 2008, UMMCEBC was not exposed to credit risk because the interest rate swap agreements had a combined fair value liability of approximately \$5,176,000 and \$1,702,000, respectively. However, should interest rates change and the fair values become positive and result in a net asset, then UMMCEBC would be exposed to credit risk. To mitigate the potential for credit risk, the interest rate swap agreements include provisions for collateral thresholds and transfer amounts that correspond to the credit rating of the counterparty's long-term unsecured and unsubordinated debt. Collateral is required when triggered by ratings from both Standard and Poor's and Moody's of the counterparty's unsecured debt that are less than the debt of UMMCEBC as rated by Standard and Poor's and Moody's. Any required collateralization is required to be cash, U.S. Treasury securities or GNMA certificates.

#### **Basis Risk**

The interest rate swap agreements expose UMMCEBC to basis risk as the relationship between LIBOR and the SIFMA Municipal Swap Index converges, changing the synthetic rate on the bonds. The effect of this difference in basis is indicated by the difference between the intended synthetic rate of 3.285% and the actual synthetic rate at June 30, 2009 of 3.325% for the \$41.895 million series 2008B and the difference between the intended synthetic rate of 3.197% and the actual synthetic rate at June 30, 2009 of 3.24% for the \$43.125 million series 2008A swap. As of June 30, 2009, the SIFMA Municipal Swap Index rate was .35% and 67% of one-month average LIBOR was 2.1321% as calculated for the swap transactions.

#### **Rollover Risk**

The interest rate swap agreement terminates July 1, 2014, for the \$41.895 million series 2008B and June 1, 2014, for the \$43.125 million series 2008A. The \$41.895 million series 2008B variable-rate bonds mature July 1, 2031, while the \$43.125 million series 2008A variable-rate bonds mature June 1, 2034. When the swaps mature, the remaining bond interest payments revert back to the variable rates which could be higher than the synthetic rates imposed by the swap agreements.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

#### Termination Risk

UMMCEBC or the counterparty may terminate the interest rate swap agreements if the other party fails to perform under the terms of the contract. If a swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination, the fair value of the interest rate swap agreements is negative, UMMCEBC would be liable to the counterparty for a payment equal to the fair value of the interest rate swap agreements.

#### Swap Payments and Associated Debt

Using rates as of June 30, 2009, debt service requirements of the variable-rate and net swap payments, assuming current interest rates remain the same for their term were as follows for the \$41.895 million Series 2008B:

Fiscal Year Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2010	\$ 1,010,000	\$ 102,212	\$ 668,572	\$ 1,780,784
2011	1,050,000	99,588	651,402	1,800,990
2012	1,095,000	96,850	633,496	1,825,346
2013	1,145,000	93,988	614,772	1,853,760
2014	1,195,000	91,000	595,231	1,881,231
2015-2019	9,470,000	388,237	-	9,858,237
2020-2024	10,595,000	257,275	-	10,852,275
2025-2029	10,465,000	125,212	-	10,590,212
2030-2034	5,870,000	14,425	-	5,884,425
<b>Total</b>	<b>\$ 41,895,000</b>	<b>\$ 1,268,787</b>	<b>\$ 3,163,473</b>	<b>\$ 46,327,260</b>

#### Swap Payments and Associated Debt

Using rates as of June 30, 2009, debt service requirements of the variable-rate and net swap payments, assuming current interest rates remain the same for their term were as follows for the \$43.125 million Series 2008A:

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 9 – LONG-TERM LIABILITIES (Continued)

Fiscal Year Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2010	\$ 405,000	\$ 97,359	\$ 654,883	\$ 1,157,242
2011	420,000	96,393	648,385	1,164,778
2012	1,175,000	93,691	630,207	1,898,898
2013	1,225,000	90,873	611,255	1,927,128
2014	1,265,000	87,964	591,685	1,944,649
2015-2019	10,235,000	369,253	-	10,604,253
2020-2024	10,190,000	251,493	-	10,441,493
2025-2029	9,595,000	137,885	-	9,732,885
2030-2034	8,225,000	36,391	-	8,261,391
<b>Total</b>	<b>\$ 42,735,000</b>	<b>\$ 1,261,302</b>	<b>\$ 3,136,415</b>	<b>\$ 47,132,717</b>

#### Jackson State University EBC Swap Agreement

To lower exposure to rising interest rates, Jackson State University EBC (JSUEBC) entered into two interest rate swap agreements with an aggregate notional amount of \$66,405,000 in order to hedge the interest rates on its Series 2004-B and Series 2007 bonds. As of the trade date, September 11, 2008, the interest rate swap agreements were fixed at a rate considered off-market and JSUEBC received an upfront payment of \$1,900,000 which has been accounted for as a borrowing liability that will be repaid over the life of the swap agreements once they become effective. The effective date of the swap agreement related to the Series 2004-B bonds with a notional amount of \$22.375 million is effective March 1, 2011 at which time JSUEBC will pay the counterparty at a fixed rate of 5% and receive a variable rate indexed to the SIFMA Municipal Swap Index rate. The effective date of the second swap agreement related to the Series 2007 bonds with a notional amount of \$44.030 million is effective March 1, 2015 at which time JSUEBC will pay the counterparty at a fixed rate of 5% and receive a variable rate indexed to the SIFMA Municipal Swap Index rate. Both swap agreements mature on March 1, 2034 and interest payments are settled semi-annually.

As of June 30, 2009, the aggregate fair value of the two swap agreements is a liability of approximately \$4,984,000. Because fair value of the interest rate swap agreements was negative, JSUEBC was not exposed to credit risk at June 30, 2009. JSUEBC or the counterparty may terminate the interest rate swap agreements if the other party fails to perform under the terms of the contract. If at the time of termination, the fair value of the interest rate swap agreements is negative, JSUEBC would be liable to the counterparty for a payment equal to the fair value of the interest rate swap agreements.

The upfront payment accounted for as an other borrowing liability is repayable over the life of the interest rate swap agreements beginning on their respective effective dates based upon an imputed portion of the fixed rate payor settlements. This other borrowing accrues interest at a discount rate of approximately 4.60% annually and accrued interest as of June 30, 2009 approximated \$66,000.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 10 – NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

The IHL System's operating expenses by functional classification were as follows for the years ended June 30, 2009 and 2008:

Functional Classification	Year ended June 30, 2009										
	Salaries & Wages	Fringe Benefits	Travel	Contractual Services	Utilities	Scholarships & Fellowships	Commodities	Depreciation Expense	Other	Total	
Instruction	\$ 391,617,035	\$ 108,662,779	\$ 10,381,417	\$ 31,226,677	\$ 264,081	\$ 2,403,018	\$ 19,352,802	\$ 463,945	\$ 564,371,754		
Research	147,755,841	42,163,529	9,513,766	90,528,320	3,146,331	2,627,910	36,194,029	1,699,331	333,629,057		
Public service	78,646,859	22,602,599	6,436,390	53,336,003	1,019,927	783,362	11,814,094	30,827	174,670,061		
Academic support	70,515,457	19,116,000	2,770,547	26,821,123	425,448	460,967	12,264,762	316,109	132,690,413		
Student services	36,466,670	10,585,849	4,304,304	8,698,352	318,295	720,856	6,422,759	67,592	67,584,677		
Institutional support	98,316,537	24,140,778	2,857,709	56,870,626	654,656	255,788	12,476,800	7,397,221	202,970,115		
Operation of plant	47,447,522	16,048,150	160,892	29,225,377	44,065,871	-	13,090,827	372,222	157,076,379		
Student aid	4,876,098	2,839,600	14,554	737,633	-	130,991,726	423,185	1,275	139,884,071		
Auxiliary enterprises	53,214,180	13,656,050	8,748,107	51,521,864	12,414,936	13,387,804	21,773,135	194,344	174,916,490		
Depreciation	-	-	-	-	-	-	-	102,856,799	102,856,799		
Hospital	234,105,645	62,653,822	358,950	139,612,728	10,872,211	-	131,363,890	-	578,967,246		
Loan fund expense	-	-	-	-	-	-	14,727	1,595,442	1,610,169		
Other	-	-	-	-	-	-	597,189	-	597,189		
Elimination entries	-	-	-	(32,035,086)	-	(16,993,250)	-	-	(49,028,336)		
<b>Total operating expenses</b>	<b>\$ 1,162,961,844</b>	<b>\$ 322,469,156</b>	<b>\$ 45,546,636</b>	<b>\$ 488,578,703</b>	<b>\$ 73,181,756</b>	<b>\$ 151,631,431</b>	<b>\$ 265,788,199</b>	<b>\$ 109,528,387</b>	<b>\$ 12,138,308</b>	<b>\$ 2,582,796,084</b>	

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 10 – NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS (Continued)

Year ended June 30, 2008

Functional Classification	Salaries & Wages	Fringe Benefits	Travel	Contractual Services	Utilities	Scholarships & Fellowships		Commodities	Depreciation Expense	Other	Total
						Fellowships	Commodities				
Instruction	\$ 377,926,633	\$ 104,615,586	\$ 11,102,506	\$ 32,457,459	\$ 280,554	\$ 900,091	\$ 19,071,795	\$ 601,816	\$ 546,956,440		\$ 546,956,440
Research	143,182,650	40,165,196	9,304,643	99,121,501	2,787,687	998,239	34,893,289	1,359,962	331,813,167		331,813,167
Public service	74,752,003	21,665,365	6,039,506	32,481,431	1,002,478	304,798	15,975,019	167,658	152,388,258		152,388,258
Academic support	66,131,656	17,895,902	2,726,393	25,301,388	411,498	334,646	13,691,864	753,552	127,246,899		127,246,899
Student services	34,982,951	10,345,993	4,477,080	9,359,628	229,636	377,108	6,821,981	154,604	66,748,981		66,748,981
Institutional support	101,639,213	26,774,546	3,494,839	70,198,058	645,347	522,513	12,583,389	511,303	216,369,208		216,369,208
Operation of plant	46,662,109	16,435,580	366,431	26,122,639	50,429,102	21,240	13,160,840	92,266	157,863,858		157,863,858
Student aid	4,529,669	2,454,285	24,647	504,794	-	125,668,097	3,926,978	300	137,108,770		137,108,770
Auxiliary enterprises	49,953,486	13,129,730	8,571,512	51,590,937	11,707,226	11,596,194	15,393,685	4,249	162,083,151		162,083,151
Depreciation	-	-	-	-	-	-	-	95,213,387	-	-	95,213,387
Hospital	192,015,637	51,670,563	206,697	122,074,402	-	-	126,825,421	-	492,792,720		492,792,720
Other	-	-	-	26,348	-	-	2,954,534	1,272,725	4,253,607		4,253,607
	1,091,776,007	305,152,746	46,314,254	469,238,585	67,493,528	140,722,926	285,298,795	99,791,287	5,050,318		2,490,838,446
Elimination entries	-	-	-	(32,311,895)	-	(15,601,263)	-	-	(47,913,158)		(47,913,158)
Total operating expenses	\$ 1,091,776,007	\$ 305,152,746	\$ 46,314,254	\$ 436,926,690	\$ 67,493,528	\$ 125,121,663	\$ 285,298,795	\$ 99,791,287	\$ 5,050,318		\$ 2,442,925,288

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 11 – OPERATING LEASES

Leased property under operating leases is composed of office rent, land, computer software and equipment. The following is a schedule by year of the future minimum rental payments required under noncancellable operating leases for the next five years:

*Year ending June 30,*

2010	\$ 11,799,767
2011	10,721,708
2012	8,843,774
2013	6,993,961
2014	5,861,674
<b>Total minimum payments required</b>	<b>\$ 44,220,884</b>

The total rental expense for all operating leases, except those with terms of a month or less that were not renewed, for the years ending June 30, 2009 and 2008 approximated \$14,663,000 and \$14,732,000, respectively.

### NOTE 12 – CONSTRUCTION COMMITMENTS AND FINANCING

The IHL System has contracted for various construction projects as of June 30, 2009 and 2008. Estimated costs to complete the various projects and the sources of anticipated funding are presented below:

*As of June 30, 2009*

	Total Costs to Complete	Funded by			
		Federal Sources	State Sources	Institutional Sources	Other
Alcorn State University	\$ 1,462,807	\$ 813,711	\$ 649,096	\$ -	\$ -
Delta State University	9,483,385	-	9,483,385	-	-
Jackson State University	21,424,138	-	21,424,138	-	-
Mississippi State University	79,823,129	10,734,963	33,074,745	36,013,421	-
Mississippi University for Women	1,651,902	85,000	1,566,902	-	-
Mississippi Valley State University	35,383,364	-	35,383,364	-	-
University of Mississippi	122,703,000	27,037,000	28,485,000	43,386,000	23,795,000
University of Southern Mississippi	54,311,411	6,526,813	9,918,317	37,866,281	-
University of Mississippi Medical Center	25,746,627	407,365	398,148	17,712,189	7,228,925
<b>Totals</b>	<b>\$ 351,989,763</b>	<b>\$ 45,604,852</b>	<b>\$ 140,383,095</b>	<b>\$ 134,977,891</b>	<b>\$ 31,023,925</b>

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 12 – CONSTRUCTION COMMITMENTS AND FINANCING (Continued)

*As of June 30, 2008*

Alcorn State University	\$ 6,205,041	\$ 1,333,949	\$ 4,871,092	\$ -	\$ -
Delta State University	13,166,641	-	13,166,641	-	-
Jackson State University	24,290,638	-	24,290,638	-	-
Mississippi State University	117,572,995	14,985,915	70,635,377	11,785,512	20,166,191
Mississippi University for Women	1,183,449	-	1,183,449	-	-
Mississippi Valley State University	48,484,431	-	46,968,251	1,516,180	-
University of Mississippi	209,798,000	58,220,000	41,250,000	67,043,000	43,285,000
University of Southern Mississippi	39,091,236	25,145,668	5,334,208	8,611,360	-
University of Mississippi Medical Center	7,143,574	-	2,908,598	2,927,664	1,307,312
<b>Totals</b>	<b>\$ 466,936,005</b>	<b>\$ 99,685,532</b>	<b>\$ 210,608,254</b>	<b>\$ 91,883,716</b>	<b>\$ 64,758,503</b>

### NOTE 13 – DONOR RESTRICTED ENDOWMENTS

The net appreciation on investments of donor restricted endowments that is available for authorization for expenditures approximated \$10,810,000 and \$27,982,000 as of June 30, 2009 and 2008, respectively. This amount is included on the statements of net assets as a component of the expendable net assets for scholarships and/or other purposes.

Most endowments operate on the total-return concept as permitted by the Uniform Management of Institutional Funds Act (Sections 79-11-601 through 79-11-617, Miss. Code Ann. 1972) as enacted in 1998. The annual spending rate for these endowments is 5% of the three-year moving average market value.

### NOTE 14 – PENSION PLAN

#### *Plan Description*

The IHL System participates in both the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan and the Optional Retirement Plan (ORP), a multiple-employer defined contribution plan established in 1990. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 14 – PENSION PLAN (Continued)

#### ***Vesting period***

In 2007, the Mississippi Legislature amended the PERS Plan to change the vesting period from four to eight years for members who entered the IHL System after July 1, 2007. A member who entered the IHL System prior to July 1, 2007 is still subject to the four year vesting period provided that the member does not subsequently refund their account balance.

#### ***Funding policy***

PERS members are required to contribute 7.25% of their annual covered salary and the institution is required to contribute at an actuarially determined rate. The actuarially determined rate was 11.85% of annual covered payroll for fiscal years 2008 and 2009 and increases to 12.00% for fiscal 2010. For fiscal year 2007 the actuarially determined rate was 11.30%. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The IHL System's contributions to PERS for the years ending June 30, 2009, 2008, and 2007 were \$90,659,363, \$91,405,286, and \$81,068,513, respectively. Such contributions equaled the required contributions for each respective year.

The membership of the ORP is composed of teachers and administrators of the institutions of higher learning appointed or employed on or after July 1, 1990, who elect to participate in ORP and reject membership in PERS. Membership in ORP is offered as a recruitment tool for the IHL System's universities. The IHL System's contributions to ORP for the years ending June 30, 2009, 2008, and 2007 were \$29,748,567, \$25,830,044, and \$21,884,296, respectively, which equaled its required contributions for each respective year.

Title 25, Article 11 of the Mississippi Code states that the Board of Trustees of the System will provide for the administration of the ORP program. ORP participants direct the investment of their funds among three investment vendors. Benefits payable to plan participants are not obligations of the State of Mississippi. Such benefits and other rights of participants or their beneficiaries are the liability of the vendors and are governed solely by the terms of the annuity contracts issued by them. As such, ORP is not considered part of the IHL System's reporting entity for financial reporting purposes.

### NOTE 15 – SELF-INSURED WORKER'S COMPENSATION FUND

The IHL System participates in the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund (the WC Fund). The WC Fund exists in order to provide a mechanism for the IHL System to fund and budget for the costs of providing workers' compensation benefits to eligible employees. The WC Fund does not pay benefits directly to employees. Rather, funds are set-aside in trust, and a third party administrator is utilized to distribute the benefits to eligible employees. Total assets and liabilities of the WC Fund approximated \$11,423,000 and \$14,804,000, at June 30, 2009, respectively and approximated \$9,407,000 and \$15,049,000 at June 30, 2008, respectively.

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



# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 15 – SELF-INSURED WORKER'S COMPENSATION FUND (Continued)

In order to minimize the amount of risk and in accordance with self-insurance general practices, the WC Fund purchases excess loss insurance to cover risks exceeding \$1,000,000 per occurrence. Excess loss insurance premiums for the years ended June 30, 2009 and 2008 were approximately \$361,000 and \$331,000, respectively. Excess loss insurance does not discharge the WC Fund from its primary liability to cover the IHL System's claims. Consequently, failure of the insurer to honor its obligation could result in losses to the WC Fund.

The following represents changes in the unpaid claims liabilities for the WC Fund for the year ended June 30, 2009 and 2008:

<i>Years ended June 30,</i>	<b>2009</b>	<b>2008</b>
Accrued claims at beginning of year	<b>\$ 14,912,000</b>	<b>\$ 13,996,000</b>
Incurring Claims		
Provision for insured events of the current year	<b>6,869,000</b>	6,726,000
Decrease in provision for insured events of prior years	<b>(2,122,000)</b>	(1,473,000)
Total incurred claims and claims adjustment expenses	<b>4,747,000</b>	5,253,000
Claim Payments		
Claims attributable to insured events of the current year	<b>1,483,000</b>	1,439,000
Claims attributable to insured events of prior years	<b>3,512,000</b>	2,898,000
Total payments	<b>4,995,000</b>	4,337,000
<b>Total accrued claims at end of year</b>	<b>\$ 14,664,000</b>	<b>\$ 14,912,000</b>

Total accrued claims are presented at their present value using a discount rate of 4.0%. The discount approximated \$2,256,000 and \$2,380,000 as of June 30, 2009 and 2008, respectively.

### NOTE 16 – UNEMPLOYMENT TRUST FUND

The IHL System participates in a self-funded Unemployment Trust Fund (the Unemployment Fund). The Unemployment Fund exists in order to provide a mechanism for the IHL System to fund and budget for the costs of providing unemployment benefits to eligible former employees. The Unemployment Fund does not pay benefits directly to former employees. Rather, it reimburses the Mississippi Department of Employment Security for benefits it pays directly to former IHL System employees. The assets and liabilities of the Unemployment Fund approximated \$2,358,000 and \$2,129,000 at June 30, 2009, respectively and approximated \$2,275,000 and \$1,859,000 at June 30, 2008, respectively.

A professionally licensed actuarial firm was contracted to perform an actuarial analysis of the Unemployment Fund as of June 30, 2009 and 2008. The actuarial firm determined the recommended funding requirement, as of June 30, 2009, ranged from \$1.8 million to \$2.6 million.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

### NOTE 16 – UNEMPLOYMENT TRUST FUND (Continued)

Furthermore, they concluded that the actual assets of the Unemployment Fund, which approximated \$2,358,000 at June 30, 2009 were reasonable and the Unemployment Fund was adequately funded with a margin of conservatism.

### NOTE 17 – TORT LIABILITY FUND AND OTHER CONTINGENCIES

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

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

A professionally licensed actuarial firm was contracted to perform an actuarial analysis of the IHL Tort Fund as of June 30, 2009 and 2008. Total assets and liabilities of the IHL Tort Fund approximated \$10,183,000 and \$11,027,000 at June 30, 2009, respectively, and approximated \$9,667,000 and \$7,965,000 at June 30, 2008, respectively.

The following represents changes in the unpaid claims liabilities for the IHL Tort Fund during the period ended June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Accrued claims at beginning of year	\$ 7,829,000	\$ 7,235,000
Incurred Claims		
Provision for insured events of the current year	2,411,000	1,883,000
Increase (decrease) in provision for insured events of prior years	2,213,000	(112,000)
Total incurred claims and claims adjustment expense	4,624,000	1,771,000
Claims Paid		
Claims attributable to insured events of the current year	119,000	20,000
Claims attributable to insured events of prior years	1,442,000	1,157,000
Total payments	1,561,000	1,177,000
<b>Total accrued claims at end of year</b>	<b>\$ 10,892,000</b>	<b>\$ 7,829,000</b>

Total accrued claims are presented at their present value using a discount rate of 4.0%. The discount approximated \$1,643,000 and \$1,183,000 as of June 30, 2009 and 2008, respectively.

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### **NOTE 17 – TORT LIABILITY FUND AND OTHER CONTINGENCIES (Continued)**

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

### **NOTE 18 – UNIVERSITY OF MISSISSIPPI MEDICAL CENTER TORT CLAIMS FUND**

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

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

The Board of Trustees of the IHL System established the UMMC Tort Claims Fund to pay professional and tort liability claims up to the maximum liability limits described above.

Total assets and liabilities of the UMMC Tort Claims Fund approximated \$28,251,000 and \$27,032,000 at June 30, 2009, respectively and approximated \$31,049,000 and \$24,748,000 at June 30, 2008, respectively.

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

# State of Mississippi Institutions of Higher Learning

## Notes to Financial Statements

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### NOTE 18 – UNIVERSITY OF MISSISSIPPI MEDICAL CENTER TORT CLAIMS FUND (Continued)

The following represents changes in the unpaid claims liabilities for the UMMC Tort Claims Fund for the years ended June 30, 2009 and 2008:

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
Accrued claims at beginning of year	<b>\$ 24,747,000</b>	<b>\$ 25,587,000</b>
Incurred Claims		
Provision for insured events of the current year	6,713,000	6,130,000
Decrease in provision for insured events of prior years	(391,000)	(3,586,000)
Total incurred claims	<b>6,322,000</b>	<b>2,544,000</b>
Payments		
Claims attributable to insured events of the current year	9,000	107,000
Claims attributable to insured events of prior years	4,073,000	3,277,000
Total payments	<b>4,082,000</b>	<b>3,384,000</b>
Total accrued claims at end of year	<b>\$ 26,987,000</b>	<b>\$ 24,747,000</b>

At June 30, 2009, unpaid claims of \$30,466,000, are presented at their net present value of \$26,987,000. At June 30, 2008, unpaid claims of \$27,418,000, are presented at their net present value of \$24,747,000. Claim liabilities are discounted at an annual rate of 4% for both years.

### NOTE 19 – SUBSEQUENT EVENTS

UMCEBC has been approved to issue approximately \$18.5 million of Series 2009C bonds to provide partial financing for the construction of a residential college facility with an estimated total construction cost of approximately \$25 million which will also be funded through private gifts and internal capital funds.

During October 2009, UMMCEBC issued fixed rate bonds to refund its Series 2008A and 2008B variable rate demand bonds and the remaining outstanding indebtedness of its callable Series 1998A and 1998B bonds. The total new issued bonds approximated \$105.6 million/

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

#### Organization

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

#### Basis of Accounting

These financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into three classes – permanently restricted, temporarily restricted or unrestricted as follows:

##### **Permanently restricted net assets**

net assets subject to donor-imposed stipulations that they be maintained permanently by the MSU Foundation. Generally, the donor of these assets permits the MSU Foundation to use all or part of the income earned on related investments for general or specific purposes in support of MSU.

##### **Temporarily restricted net assets**

net assets subject to donor-imposed stipulations that may or will be met by actions of the MSU Foundation and/or the passage of time.

##### **Unrestricted net assets**

net assets which represent resources generated from operations or that are not subject to donor-imposed stipulations. Unrestricted net assets include contributions designated to a particular college or unit for which the use or purpose is unrestricted.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenditures are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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

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

- as increases in permanently restricted net assets if the terms of the gift or the MSU Foundation's interpretation of relevant state law require that gains be added to the principal of a permanent endowment fund;

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

- as increases or decreases in temporarily restricted net assets if the terms of the gift impose restrictions on their use;
- as increases or decreases in unrestricted net assets in all other cases.

#### **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 expenditures during the reporting period. Actual results could differ from those estimates.

An estimate that is particularly susceptible to significant change in the near term relates to the allowance for uncollectible pledges.

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

#### **Restricted Cash**

Funds held for an unaffiliated organization that retains control over the expenditures of such funds are classified as restricted cash in the statement of financial position with a corresponding amount in agency payable.

#### **Land, Buildings and Equipment**

Land, buildings and equipment are stated at cost, if purchased, or at fair value on the date of gift, if donated. Depreciation of buildings and equipment, including assets acquired under capital leases, is provided on the straight-line method over the shorter or the estimated useful life of the assets or the term of the lease. The estimated useful lives for buildings is 30-40 years and furniture, fixtures, and equipment is 5-10 years.

The MSU Foundation assesses potential impairment to its long-lived assets when there is evidence that events or changes in circumstances have made recovery of the carrying value of the assets unlikely. An impairment loss is recognized when the sum of the expected future undiscounted net cash flows is less than the carrying amount of the asset.

#### **Investments**

The MSU Foundation's investments primarily consist of publicly traded fixed income and equity securities, other investments, and cash held for reinvestment. Other investments include real estate investments, private equity funds and hedge funds through fund-of-funds structures generally organized as limited partnerships or limited liability companies. The fair value of publicly traded fixed income and equity securities investments are based on quoted market prices. Since partnership and member interests do not have readily ascertainable market values and may be subject to withdrawal restrictions, the MSU Foundation values these investments in accordance with valuations provided

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

by the general partner or fund manager of the underlying partnership or company. The MSU Foundation's management may, in addition, consider other factors in assessing the fair value of these investments. Real estate is valued at estimated fair value. Cash held for reinvestment consists of primarily of liquid short-term instruments held by the investment pool.

The MSU Foundation believes that the carrying amount of its other investments is a reasonable estimate of fair value as of June 30, 2009 and 2008. Because other investments are not marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed.

The liquidity crisis that originally was linked principally to the sub-prime lending markets has spread to other corners of the credit markets in the U.S. and internationally. It is not possible at this time to predict the full impact or duration of the existing illiquid credit market conditions. The unstable market conditions and the resulting uncertainties contribute to additional risks associated with certain significant investment valuation estimates. Management continues to monitor the composition of its portfolio to assess the potential impact of these market conditions on the valuation of its investments.

#### **Pledges**

All unconditional promises to give are recorded at their estimated realizable value on a discounted basis.

#### **Split Interest Agreements**

The MSU Foundation accepts gifts subject to split interest agreements. These gifts may be in the form of gift annuities, charitable lead trusts, charitable remainder trusts or perpetual trusts. At the time of receipt, a gift is recorded based upon the fair value of assets donated less any applicable liabilities. Liabilities include the present value of projected future distributions to the annuity or trust beneficiary and are determined using appropriate discount rates (at June 30, 2009 rates ranged from approximately 3% to 8%). For certain split interest agreements where the measurement objective is fair value, the discount rate is adjusted to a current market rate at each reporting date. Funds subject to split interest agreements are classified as temporarily restricted or permanently restricted based upon donor designations.

Externally managed trusts consist of irrevocable charitable lead trusts, charitable remainder trusts and perpetual trusts whereby the MSU Foundation is the beneficiary, not the trustee. The MSU Foundation records these trusts, after discovery of their existence, at the present value of the estimated future cash receipts from the assets of the trust.

Contribution revenue attributable to split interest agreements for the fiscal years ended June 30, 2009 and 2008 were \$1,704,261 and \$2,305,417, respectively.

#### **Bond Issuance Costs and Bond Discounts**

Bond issuance costs and bond discounts are amortized over the term of the related bond issue using the straight-line method, which does not significantly differ from the effective interest method.

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income Taxes

The MSU Foundation is a not-for-profit entity as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code.

On July 1, 2008 the MSU Foundation adopted Financial Accounting Standards Boards (FASB) Interpretation NO. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*. FIN 48 clarifies the accounting for uncertainty in income tax positions recognized in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. It also provides guidance on when tax positions are recognized in an entity's financial statements and how the values of those positions are determined. There was no impact on the MSU Foundation's financial statements as a result of the adoption of FIN 48.

#### Liquidity

Assets are presented according to their nearness to cash and liabilities are presented according to their nearness of payment or use of cash.

#### Recent Accounting Pronouncements

Effective July 1, 2008, the MSU Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements* (SFAS No. 157), which defines fair value, establishes an enhanced framework for measuring fair value and expands disclosures about fair value measurements. In conjunction with the adoption of SFAS No. 157, the MSU Foundation elected to early adopt the measurement provisions of Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in funds that do not have readily determinable fair values including private equity investments, hedge funds, real estate, and other funds. This guidance amends SFAS No. 157 and permits, as a practical expedient, for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent. Net asset value, in many instances may not equal fair value that would be calculated pursuant to SFAS No. 157. The MSU Foundation's adoption of SFAS No. 157 did not have a significant impact on the MSU Foundation's determination of fair value in the financial statements but did result in expanded footnote disclosures in notes 2 and 8 to the financial statements.

Effective July 1, 2008, the Foundation adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of FASB Statements No. 115* (SFAS No. 159). SFAS No. 159 gave the MSU Foundation the irrevocable option to report most financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in earnings. The MSU Foundation did not elect the fair value option in regard to items not previously recorded at fair value; therefore, the adoption of this statement had no impact on the financial position or results of operations of the MSU Foundation.

In August 2008, The FASB issued Staff Position (FSP) No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds* (FSP 117-1). FSP 117-1 provides guidance on the net asset classification of



# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the UPMIFA and expands disclosure about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA. FSP 117-1 is effective for fiscal years ending after December 15, 2008. As of June 30, 2009, the state of Mississippi had not yet adopted UPMIFA. The MSU Foundation adopted the disclosure provisions of FSP 117-1 during the year ended June 30, 2009.

#### Subsequent Events

In connection with the preparation of the financial statements and in accordance with the recently issued SFAS No. 165, *Subsequent Events*, the MSU Foundation evaluated subsequent events after the balance sheet date of June 30, 2009 through December 14, 2009, which was the date the financial statements were available to be issued.

### NOTE 2 – INVESTMENTS

The MSU Foundation, MSU, the MSU Alumni Foundation and the MSU Bulldog Club, Inc. are participants in a joint venture whereby certain assets are pooled for investment purposes. The MSU Foundation is the investment pool's general partner, manages the assets of the pool, and maintains separate accounts for each participant. Investment income, gains and losses and expenses of the pool are allocated to each participant based on their share of ownership of the pool. At June 30, 2009 and 2008, approximately 83% and 82%, respectively, of the MSU Foundation's investments are included in the pool.

Investments are summarized as follows at June 30, 2009 and 2008:

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
U.S. Government securities	\$ 3,071,969	\$ 3,806,857
Corporate bonds	36,028,716	33,727,322
Equity securities	94,487,509	124,937,100
Partnership and member interests	57,425,166	65,576,096
Short-term investments	5,046,481	2,719,419
Real estate	7,176,345	7,180,888
Other	1,164,232	1,127,235
	<b>\$ 204,400,418</b>	<b>\$ 239,074,917</b>

Included in the above table are approximately \$98,198,000 and \$123,487,000 at June 30, 2009 and 2008, respectively, of investments whose carrying values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based upon information provided by the fund managers or general partners.

Within each asset class, the MSU Foundation achieves diversification through allocations to several investment strategies and market capitalizations.

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 2 – INVESTMENTS (Continued)

At June 30, 2009, the MSU Foundation's remaining outstanding commitments to private equity and venture capital interests totaled \$1,686,975. The projected capital call amounts for the next five fiscal years and thereafter are summarized in the table below:

<i>Year ended June 30,</i>	<b>Projected capital calls</b>
2010	\$ 675,000
2011	675,000
2012	336,975
2013	-
2014	-
Thereafter	-
<b>Total</b>	<b>\$ 1,686,975</b>

Private equity and venture capital interests have ten year terms, with extensions of one to four years. As of June 30, 2009, the average remaining life of the private equity and venture capital interests is approximately 5 years.

At June 30, 2009 and 2008, the MSU Foundation had hedge fund investments of approximately \$43,751,000 and \$50,089,000, respectively. Some of the hedge fund investments with redemption restrictions allow early redemption for specified fees. The terms and conditions upon which an investor may redeem an investment vary, usually with the majority requiring 15 to 180 days notice after the initial lock up period. At June 30, 2009, the MSU Foundation had no alternative investment funds for which an otherwise redeemable investment was not redeemable.

The MSU Foundation has entered into various split interest agreements, including charitable lead annuity trusts, charitable remainder unitrusts, and charitable gift annuities, whereby the MSU Foundation serves as trustee. The assets held under these split interest agreements are included in investments at June 30, 2009 and 2008 with an approximate fair value of \$5,468,000 and \$7,564,000, respectively.

The following schedule summarizes net investment loss in the statements of activities for the years ended June 30, 2009 and 2008:

<i>Year ended June 30,</i>	<b>2009</b>	<b>2008</b>
Dividends and interest (net of expenses of \$815,363 (and \$855,174, respectively)	\$ 7,083,087	\$ 7,555,777
Net realized and unrealized losses	(38,861,557)	(14,142,434)
	<b>\$ (31,778,470)</b>	<b>\$ (6,586,657)</b>

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable, net, are summarized as follows at June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Unconditional promises expected to be collected in:		
Less than one year	\$ 7,893,435	\$ 6,615,233
One year to five years	10,108,024	8,437,035
Over five years	4,262,201	5,667,000
	<b>22,263,660</b>	20,719,268
Less unamortized discount (rates ranging from 1% to 5% and 3% to 5% in 2009 and 2008, respectively)	<b>(2,024,659)</b>	(2,986,990)
	<b>20,239,001</b>	17,732,278
Less allowance for uncollectible pledges	<b>(676,701)</b>	(701,841)
	<b>\$ 19,562,300</b>	\$ 17,030,437

### NOTE 4 – NOTE RECEIVABLE

At June 30, 2009 and 2008, the MSU Foundation had two notes receivable totaling \$366,117 and \$443,482, respectively, both with a related party. The notes receivable require semi-annual and monthly payments of \$33,238 and \$3,229, respectively, have interest rates of 6% and maturity dates of August 2014 and December 2010, respectively.

### NOTE 5 – LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment are summarized as follows at June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Land and buildings	\$ 11,987,491	\$ 11,987,491
Furniture, fixtures and equipment	7,446,302	7,462,510
	<b>19,433,793</b>	19,450,001
Less accumulated depreciation	<b>(6,893,627)</b>	(6,143,083)
	<b>\$ 12,540,166</b>	\$ 13,306,918

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 6 – LONG-TERM DEBT

Long-term debt is summarized as follows at June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Mississippi Business Finance Corporation, Variable Rate Revenue Bonds, Series 2002		\$ 2,400,000
Non-interest bearing unsecured note payable to a private foundation. Principal is payable as repayments are received from students.	\$ 267,941	311,790
Non-interest bearing unsecured note payable to a private foundation, paid in full July 2008.	-	1,500,000
	<b>267,941</b>	<b>4,211,790</b>
Less unamortized bond discount	-	(19,200)
	<b>\$ 267,941</b>	<b>\$ 4,192,590</b>

In April 2002, the MSU Foundation issued \$6,000,000 in Series 2002 Variable Rate Revenue Bonds through the Mississippi Business Finance Corporation. The MSU Foundation redeemed the bonds in November 2008.

Interest expense incurred during the year ended June 30, 2009 and 2008 was \$25,098 and \$95,430, respectively.

### NOTE 7 – NET ASSETS

Temporarily restricted and permanently restricted assets at June 30, 2009 and 2008 were available for the following purposes:

<i>As of June 30, 2009</i>	Net Assets	
	Temporarily Restricted	Permanently Restricted
General college support	\$ 12,914,740	\$ 74,445,123
Student financial aid	12,073,790	87,879,020
Research	1,010,879	16,297,408
Faculty and staff support	1,274,278	39,780,153
Facilities	4,808,804	7,915,287
Other	482,296	2,186,023
<b>Total</b>	<b>\$ 32,564,787</b>	<b>\$ 228,503,014</b>

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 7 – NET ASSETS (Continued)

<i>As of June 30, 2008</i>	Net Assets	
	Temporarily Restricted	Permanently Restricted
General college support	\$ 18,037,090	\$ 69,091,649
Student financial aid	16,041,084	84,246,189
Research	1,674,467	16,211,370
Faculty and staff support	4,235,079	38,073,356
Facilities	4,537,033	7,810,145
Other	950,163	1,793,295
<b>Total</b>	<b>\$ 45,474,916</b>	<b>\$ 217,226,004</b>

### NOTE 8 – FAIR VALUE MEASUREMENTS

#### *Fair Value of Financial Instruments*

The carrying amounts reported in the statements of financial position for cash, other receivables, and accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments. The carrying amount of pledges receivable approximates fair value as they are presented on a discounted basis. The fair value of the notes receivable has been estimated using current interest rates and approximate the carrying amounts at June 30, 2009 and 2008. The fair value of the various debt instruments has been estimated using interest rates currently offered to the MSU Foundation for borrowings having similar character, collateral and duration. The fair value of such debt instruments approximates the carrying amounts at June 30, 2009 and 2008. Investments and amounts due from externally managed trusts are reflected in the accompanying financial statements at fair value. The fair value of annuity obligations approximates carrying value at June 30, 2009 due to discount rates and actuarial assumptions used in the calculation of the MSU Foundation's liability.

#### *Fair Value Hierarchy*

The MSU Foundation adopted SFAS No. 157 on July 1, 2008 for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. SFAS NO. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the MSU Foundation 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 asset or liability, either directly or indirectly; and

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 8 – FAIR VALUE MEASUREMENTS (Continued)

Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a summary of the levels within the fair value hierarchy as of June 30, 2009:

	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments	\$ 85,846,807	\$ 53,952,100	\$ 64,601,511	\$ 204,400,418
Present value of amounts due from externally managed trust	-	26,986,042	-	26,986,042
	<b>\$ 85,846,807</b>	<b>\$ 80,938,142</b>	<b>\$ 64,601,511</b>	<b>\$ 231,386,460</b>

Changes to investments classified as Level 3 as of June 30, 2009 follows:

Balance as of July 1, 2008	Purchases/Sales	Net transfers	Gains (losses)	Balance as of June 30, 2009
\$ 72,756,984	\$ (1,210,168)	\$ -	\$ (6,945,305)	\$ 64,601,511

Gains (losses) presented in the table above relate to assets held by the MSU Foundation at June 30, 2009.

Shares or units in investment funds as opposed to direct interests in the funds' underlying holdings, which may be marketable, are classified as Level 2 or Level 3. Because the net asset value reported by each fund is used as a practical expedient to estimate the fair value of the MSU Foundation's interest therein, its classification in Level 2 is based on the MSU Foundation's ability to redeem its interest at or near the date of the statement of financial position. If the interest can be redeemed in the near term, the investment is classified in Level 2, otherwise the investment is classified in Level 3. The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree or difficulty in estimating the fair value of each investment's underlying assets and liabilities.

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 9 – LEASES

The MSU Foundation has entered into a lease agreement that expires August 2014 for the use of an airplane, with a guaranteed residual of \$1,912,550, and other equipment under a capital lease agreement that expires in October 2013. Future minimum lease payments under the capital lease obligations are as follows:

*Year ending June 30,*

2010	\$	458,938
2011		458,938
2012		458,938
2013		458,938
2014		458,938
Thereafter		1,256,652
Total future minimum lease payments		3,551,342
Amount representing interest		(375,989)
<u>Present value of net minimum lease payments</u>		<u>\$ 3,175,353</u>

The equipment recorded under the capital lease agreement is included in property and equipment at an original cost of \$4,538,794 with accumulated depreciation of \$1,592,438 and \$1,252,060 as of June 30, 2009 and 2008, respectively.

### NOTE 10 – ENDOWMENT

The MSU Foundation's endowment consists of over 950 individual donor-restricted endowment funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors of Mississippi State University Foundation (the MSU Foundation Board) to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

#### **Interpretations of Relevant Law**

The MSU Foundation Board has interpreted the State of Mississippi Code of 1972 §79-11-601 through §79-11-617 Cited as the "Uniform Management of Institutional Funds Act" (UMIFA) as requiring the MSU Foundation Board to use reasonable care, skill, and caution as exercised by a prudent investor, in considering the investment management and expenditures of endowment funds. In accordance with UMIFA, the MSU Foundation Board may expend so much of an endowment fund as the MSU Foundation Board determines to be prudent for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the long term purchasing

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

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### NOTE 10 – ENDOWMENT (Continued)

power of the endowment fund. The MSU Foundation Board considered the following factors in making its determination:

- 1) The purpose of the MSU Foundation
- 2) The intent of the donor of the endowment fund
- 3) The terms of the applicable instrument
- 4) The long-term and short-term needs of the MSU Foundation and MSU in carrying out their purposes
- 5) General economic conditions
- 6) The possible effect of inflation or deflation
- 7) The other resources of the MSU Foundation and MSU
- 8) Perpetuation of the endowment

As a result of this interpretation, the MSU Foundation Board classifies as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UMIFA. However, by MSU Foundation Board policy, any appreciation is considered an asset of each individual endowment fund and is not appropriated for general MSU Foundation or MSU use.

#### **Spending Policy**

The MSU Foundation's spending policy is designed to provide for positive growth in the market value of its endowment, net of distributions, over an extended period of time. In establishing this policy, the MSU Foundation Board considered the long-term expected return of the endowment investment pool and the goal of maintaining the purchasing power of the endowment asset. Over the long term, the current spending policy is designed to return a net positive gain in market value (growth) after spendable transfers.

The annual rate for spendable transfers, distributed semi-annually, is 4% of the investment pool's average unit value over the most recent 24-month period. In addition, each endowed fund is assessed an annual 1% administrative fee. This fee is a portion of the funding mechanism for the development and alumni programs of MSU.

#### **Investment Policy**

The MSU Foundation's investments objectives are to provide a nominal annual return of 9% or more in order to preserve, or increase, the purchasing power of endowment capital, while generating an income stream to support activities of the funds held for the colleges and units of MSU. This policy is designed to tolerate volatility in short and intermediate-term performance. The endowment assets are invested as a part of the investment pool, as discussed in note 2.

To satisfy its long-term rate of return objectives, the pool embraces a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The MSU Foundation, through the Mississippi State



# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 10 – ENDOWMENT (Continued)

Investment Pool, targets a diversified asset allocation that includes global equities, fixed income, natural resources, and hedge strategies to achieve long-term objectives within prudent risk constraints.

Endowment net asset composition by type of fund as of June 30, 2009:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment- type funds	\$ (22,080,786)	\$ 6,690,128	\$ 228,503,014	\$ 213,112,356
Board-designated endowment-type funds	9,190,015	-	-	9,190,015
Endowment net assets, June 30, 2009	\$ (12,890,771)	\$ 6,690,128	\$ 228,503,014	\$ 222,302,371

Changes in endowment net assets for the fiscal year ended June 30, 2009:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	\$ 9,156,069	\$ 24,306,972	\$ 217,226,004	\$ 250,689,045
Investment return:				
Investment income	360,823	4,700,675	4,219	5,065,717
Net depreciation (realized and unrealized)	(21,227,090)	(13,963,955)	(336,742)	(35,527,787)
Total investment return	(20,866,267)	(9,263,280)	(332,523)	(30,462,070)
Contributions	-	-	11,073,098	11,073,098
Appropriation of endowment assets for expenditures	(2,290,573)	(8,353,564)	-	(10,644,137)
Other changes:				
Transfers to create board-designated endowment funds	1,110,000	-	-	1,110,000
Change in restrictions by donor	-	-	144,435	144,435
Change in value of split interest agreements	-	-	392,000	392,000
Endowment net assets, end of year	\$ (12,890,771)	\$ 6,690,128	\$ 228,503,014	\$ 222,302,371

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

### NOTE 10 – ENDOWMENT (Continued)

Endowment net asset composition by type of fund as of June 30, 2008:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment- type funds	\$ (1,015,890)	\$ 24,306,972	\$ 217,226,004	\$ 240,517,086
Board-designated endowment-type funds	10,171,959	-	-	10,171,959
Endowment net assets, June 30, 2009	\$ 9,156,069	\$ 24,306,972	\$ 217,226,004	\$ 250,689,045

Changes in endowment net assets for the fiscal year ended June 30, 2008:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	\$ 11,339,624	\$ 40,162,021	\$ 203,035,187	\$ 254,536,832
Investment return:				
Investment income	445,967	4,923,345	13,769	5,383,081
Net depreciation (realized and unrealized)	(1,908,589)	(12,254,970)	196,143	(13,967,416)
Total investment return	(1,462,622)	(7,331,625)	209,912	(8,584,335)
Contributions	-	-	10,770,210	10,770,210
Appropriation of endowment assets for expenditures	(720,933)	(8,523,424)	-	(9,244,357)
Other changes:				
Transfers to create board-designated endowment funds	-	-	(1,167,167)	(1,167,167)
Change in restrictions by donor	-	-	3,367,490	3,367,490
Change in value of split interest agreements	-	-	1,010,372	1,010,372
Endowment net assets, end of year	\$ 9,156,069	\$ 24,306,972	\$ 217,226,004	\$ 250,689,045

#### Funds With Deficiencies

As a result of market declines for certain recently established endowments, the fair value of certain donor-restricted endowments was less than the historical cost value (original gift/book value) of such funds ("underwater") by \$22,089,786 and \$1,015,890 at June 30, 2009 and 2008, respectively.

# Mississippi State University Foundation, Inc.

## Notes to Financial Statements

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### **NOTE 10 – ENDOWMENT (Continued)**

These losses have been recorded as reductions in unrestricted net assets in accordance with accounting principles generally accepted in the United States of America. Future gains will be used to restore this deficiency in unrestricted net assets before any net appreciation above the historical cost value of such funds increases temporarily restricted net assets.

# University of Mississippi Foundation

## Notes to Financial Statements

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### NOTE 1 – NATURE OF ORGANIZATION

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

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Use of Estimates

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

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

#### Donor-Imposed Restrictions

The financial statements report amounts in three classes of net assets – unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets – based on the existence or absence of donor-imposed restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted.

When a donor restriction expires or the stated purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

The permanently restricted net assets include the principal amount of contributions accepted with the stipulation from the donor that the principal be maintained in perpetuity and only the income from investment thereof be expended. The purpose of such expenditure may also be specified by the donor.

#### Revenue Recognition

The UM Foundation generally recognizes gifts as revenue when notified of an unconditional promise to give. Unconditional promises to give that are expected to be collected in future years are

# University of Mississippi Foundation

## Notes to Financial Statements

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

reported at the present value of their future cash flows. The discounts on these amounts are computed using risk free interest rates applicable to the years in which the promises are received.

Amortization of the discounts is included in contribution revenues. An allowance for uncollectible amounts is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of the fund-raising activity. See note 3 for discussion of pledges receivable. Investments received by gift are recorded at fair value at the date of donation.

The increase in the cash surrender value of life insurance policies is recorded as a component of other income.

The UM Foundation earns a management fee of one-half of one percent on certain endowment funds. For the fiscal years ended June 30, 2009 and 2008, such fees totaled approximately \$1,322,000 and \$1,413,000, respectively, and was recorded as other income and reflected within unrestricted net assets.

#### **Cash and Cash Equivalents**

The UM Foundation recognizes all demand deposit accounts as cash and cash equivalents. It is the policy of the UM Foundation to consider money market accounts with brokers as other short-term investments.

#### **Investments**

Investments are recorded at fair value. The fair values of all investments other than real estate and partnership and member interests (which include certain private equity investments and hedge funds) are based on quoted market prices. Since partnership and member interests do not have readily ascertainable fair values and may be subject to withdrawal restrictions, the UM Foundation values these investments in accordance with valuations provided by the general partners or fund managers of the underlying partnerships or companies. The UM Foundation reviews and evaluates such valuations and believes that the carrying amount of its partnership and member interests is a reasonable estimate of fair value. The UM Foundation's real estate investments are also carried at fair value based on appraisal values at the date of receipt and as subsequently updated. Both realized and unrealized gains and losses are reflected in the accompanying statements of activities based on restrictions put in place by the donor.

#### **Tax Status**

The UM Foundation is exempt from federal and state income taxes; accordingly, no provision for income taxes has been made in the accompanying financial statements.

#### **Fair Value of Financial Instruments**

The carrying amounts at June 30, 2009 and 2008 for cash and cash equivalents, pledges receivable, beneficial interest in remainder trust, funds held for others, liabilities under remainder trusts and other liabilities approximate their fair values. See note 4 for investments.

#### **Split Interest Agreements**

The UM Foundation accepts gifts subject to split interest agreements. These gifts are generally in the form of charitable remainder unitrusts (CRUTs) and charitable remainder annuity trusts (CRATs). At the time of receipt, a gift is recorded based upon the fair value of the assets donated

# University of Mississippi Foundation

## Notes to Financial Statements

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### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

less the present value of any applicable liabilities for projected distributions to third parties. The discount rate used to value the beneficiary liability is fixed at the gift date. CRUTs are revalued annually and the beneficiary payments adjusted accordingly. Funds subject to split interest agreements are classified as temporarily restricted or permanently restricted based upon donor designations.

The UM Foundation is the beneficiary of one externally managed charitable remainder trust. This trust is recorded at the present value of the estimated future cash receipts from the assets of the trust.

#### **Recently Issued Accounting Standards**

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 clarifies the accounting for uncertainty in tax positions and requires that the UM Foundation recognize in its financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. In December 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of FIN 48 to its annual financial statements for fiscal years beginning after December 15, 2008. The UM Foundation has elected to defer the application of FIN 48 to the year beginning July 1, 2009, and the adoption of FIN 48 is not anticipated to have any material impact to the UM Foundation's financial statements.

Effective July 1, 2008, the UM Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements* (SFAS No. 157), which defines fair value, establishes an enhanced framework for measuring fair value and expands disclosures about fair value measurements. In conjunction with the adoption of SFAS No. 157, the UM Foundation elected to early adopt the measurement provisions of Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in funds that do not have readily determinable fair values including private equity investments, hedge funds, real estate, and other funds. This guidance amends SFAS No. 157 and permits, as a practical expedient, for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent. Net asset value, in many instances may not equal fair value that would be calculated pursuant to SFAS No. 157. The UM Foundation's adoption of SFAS No. 157 did not have a significant impact on the UM Foundation's determination of fair value in the financial statements but did result in expanded footnote disclosures in note 5 to the financial statements.

Effective July 1, 2008, the UM Foundation adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of FAS Statements No. 115* (SFAS No. 159). SFAS No. 159 gave the UM Foundation the irrevocable option to report most financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value reported in earnings. The UM Foundation did not elect the fair value option in regard to items not previously recorded at fair value; therefore, the adoption of this statement had no impact on the financial position or results of operations of the UM Foundation.

# University of Mississippi Foundation

## Notes to Financial Statements

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In August 2008, The FASB issued Staff Position (FSP) No. 117-1, *Endowments of Non-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds (FSP 117-1)*. FSP 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the UPMIFA and expands disclosures about an organization's endowment funds, whether or not the organization is subject to UPMIFA. FSP 117-1 is effective for fiscal years ending after December 15, 2008. As of June 30, 2009, the state of Mississippi had not yet adopted UPMIFA. The UM Foundation adopted the disclosure provisions of FSP 117-1 during the year ended June 30, 2009.

#### Subsequent Events

In connection with the preparation of the financial statements and in accordance with the recently issued SFAS No. 165, *Subsequent Events*, the UM Foundation evaluated subsequent events after the balance sheet date of June 30, 2009 through October 16, 2009, which was the date the financial statements were available to be issued.

### NOTE 3 – PLEDGES RECEIVABLE

The UM Foundation obtains pledges through fund raising projects in support of various activities. At June 30, 2009, pledges mature at various dates through 2030 (approximately \$8,962,000 is due in fiscal year 2010, \$16,711,000 is due in total during the period including fiscal year 2011 through fiscal year 2015, and \$3,061,000 is due thereafter). At June 30, 2008, pledges mature at various dates through 2029 (approximately \$9,136,000 is due in fiscal year 2009, \$23,245,000 is due in total during the period including fiscal year 2010 through fiscal year 2014, and \$5,352,000 is due thereafter). A summary of pledges receivable as of June 30, 2009 and 2008 follows:

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
Temporarily restricted	<b>\$ 21,480,174</b>	<b>\$ 26,865,432</b>
Permanently restricted	<b>7,253,570</b>	<b>10,867,191</b>
	<b>28,733,744</b>	<b>37,732,623</b>
Allowances for doubtful pledges	<b>(1,771,452)</b>	<b>(7,481,928)</b>
Present value discount (ranging from 3.3% to 5.1%)	<b>(4,688,644)</b>	<b>(7,367,764)</b>
	<b>\$ 22,273,648</b>	<b>\$ 22,882,931</b>

# University of Mississippi Foundation

## Notes to Financial Statements

### NOTE 4 – INVESTMENTS

The UM Foundation's investments consist of the following at June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
U.S. Government securities	\$ 396,250	\$ 647,626
Corporate bonds	4,023,458	4,679,491
Certificates of deposit	300,267	284,451
Other short-term investments	19,384,749	14,211,342
Other fixed income securities	83,641,546	84,558,891
Equity securities	102,144,717	143,271,349
Real estate	6,808,299	6,958,299
Partnership and member interests	33,848,293	37,190,129
	<b>\$ 250,547,579</b>	<b>\$ 291,801,578</b>

### NOTE 5 – FAIR VALUE MEASUREMENT

The UM Foundation adopted SFAS No. 157 on July 1, 2008 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. SFAS No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the UM Foundation has the ability to access as the measurement date.

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.



# University of Mississippi Foundation

## Notes to Financial Statements

### NOTE 5 – FAIR VALUE MEASUREMENT (Continued)

The following table presents the financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2009:

	Level 1	Level 2	Level 3	Total
U.S. Government securities	\$ -	\$ 396,250	\$ -	\$ 396,250
Corporate bonds	98,978	3,924,480	-	4,023,458
Certificates of deposit	-	300,267	-	300,267
Other short-term investments	7,000,570	12,384,179	-	19,384,749
Other fixed income securities	69,558,327	14,083,219	-	83,641,546
Equity securities	102,144,717	-	-	102,144,717
Real estate	-	-	6,808,299	6,808,299
Partnership and member interest	-	7,862,710	25,985,583	33,848,293
<b>Total investments</b>	<b>\$ 178,802,592</b>	<b>\$ 38,951,105</b>	<b>\$ 32,793,882</b>	<b>\$ 250,547,579</b>
<b>Beneficial interest in remainder trust</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,730,226</b>	<b>\$ 3,730,226</b>

See Note 2(e), Investments, and Note 2(h), Split Interest Agreements, for information regarding the methods used to determine the fair value of the UM Foundation's investments and its beneficial interest in remainder trust. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the UM Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement as the reporting date.

The following table includes a rollforward of the amounts for the year ended June 30, 2009 for investments classified within Level 3.

	Real estate	Partnership and member interests	Beneficial interest in remainder trust
Balance as of June 30, 2008	\$ 6,958,299	\$ 25,864,286	\$ 3,417,765
Net realized and unrealized gains (losses)	(150,000)	(3,742,703)	312,461
Net purchases (sales)	-	3,864,000	-
<b>Balance as of June 30, 2009</b>	<b>\$ 6,808,299</b>	<b>\$ 25,985,583</b>	<b>\$ 3,730,226</b>

# University of Mississippi Foundation

## Notes to Financial Statements

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### NOTE 6 – NET ASSET CLASSIFICATION OF ENDOWMENT FUNDS

The UM Foundation adopted FASB Staff Position (FSP) SFAS No. 117-1 *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds* as of July 1, 2008. This standard, which is effective for years ending after December 31, 2008 provides guidance on the net asset classification of donor restricted endowment funds and related disclosures. FSF 117-1 also provides guidance relative to net asset classification of funds subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA). When adopted by the state of domicile, UPMIFA requires a number of management assessments, including:

- Determination as to whether a donor intended an endowment to maintain its purchasing power or as a fixed sum,
- The classification of endowment earnings, and
- The ability to spend corpus of an endowment.

The State of Mississippi has not adopted UPMIFA. The UM Foundation's Board of Directors has determined its donor agreements to provide for the preservation of the fair value of the original gift as of the date of the donor restricted endowment funds. As a result, the UM Foundation classifies as permanently restricted net assets the original gift donated to the permanent endowment and the original value of subsequent gifts and other income. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified in temporarily restricted net assets until the amounts are appropriated for expenditure in accordance with the donor memorandums of agreement.

The UM Foundation has established policies to achieve the overall, long-term investment goal of achieving an annualized total return, through appreciation and income, greater than the rate of inflation plus any distribution needs, thus protecting the assets against inflation. The Board and Joint Committee on Investments agree that investing in securities with higher return expectations outweighs their short-term volatility risk. As a result, the majority of assets are invested in equity or equity-like securities. Fixed income securities are used to lower the short-term volatility of the portfolio and to provide income stability, especially during periods of weak or negative equity markets. Cash is not a strategic asset of the portfolio, but is a residual to the investment process and used to meet short-term liquidity needs. The primary performance objective of the UM Foundation is to achieve a total return, net of investment management fees and expenses, in excess of inflation and the spend rate.

Income available for spending is determined by a total return system and is approved by Board of Directors of the UM Foundation. The amount to be spent involves taking 5 percent of a 3-year moving average of the market value per unit. The objective is to provide relatively stable spending allocations. No portion of the original gift value of the endowed assets will be allocated for spending.

# University of Mississippi Foundation

## Notes to Financial Statements

### NOTE 6 – NET ASSET CLASSIFICATION OF ENDOWMENT FUNDS

Changes in donor-restricted endowment net assets for the years ended June 30, 2009 and 2008 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment net assets (deficit), June 30, 2007	\$ (209)	\$ 76,783,272	\$ 123,130,634	\$ 199,913,697
Contributions to endowment	-	-	7,489,155	7,489,155
Appropriation for expenditures	-	(7,768,281)	-	(7,768,281)
Investment return:				
Investment income	-	7,637,405	-	7,637,405
Net appreciation (depreciation)	(472,096)	(20,565,820)	-	(21,037,916)
Donor-restricted endowment net assets (deficit), June 30, 2008	(472,305)	56,086,576	130,619,789	186,234,060
Contributions to endowment	-	-	7,309,781	7,309,781
Appropriation for expenditures	-	(9,036,789)	-	(9,036,789)
Investment return:				
Investment income	-	5,705,977	-	5,705,977
Net appreciation (depreciation)	(8,275,537)	(27,806,238)	-	(36,081,775)
Donor-restricted endowment net assets (deficit), June 30, 2009	\$ (8,747,842)	\$ 24,949,526	\$ 137,929,570	\$ 154,131,254

Due to unfavorable market fluctuations, the UM Foundation has endowments that have fallen below the original gift value of the funds. At June 30, 2009 and 2008, the fair values of certain permanently restricted investments were below their original contribution by approximately \$8,748,000 and \$472,000, respectively, and these deficiencies have been recorded in unrestricted net assets. Future gains will be used to restore these deficiencies in unrestricted net assets before any net appreciation above the historical cost value of such funds increases temporarily restricted net assets.

### NOTE 7 – LIFE INSURANCE POLICIES

The UM Foundation has obtained life insurance policies for which it has been named owner and beneficiary. The face amount of life insurance policies in excess of cash surrender value held by the UM Foundation is deferred and recognized as revenue only when collected. The cash surrender value amounts of such policies as of June 30, 2009 and 2008 was \$1,330,000 and \$1,367,000, respectively, which are reflected as other assets in the accompanying statements of financial position.

# University of Mississippi Foundation

## Notes to Financial Statements

### NOTE 8 – CHARITABLE TRUSTS

The UM Foundation administered charitable remainder trusts with investments of approximately \$5,515,000 and \$6,726,000 as of June 30, 2009 and 2008, respectively, and are reported as investments on the statements of financial position. Pursuant to the trust agreements, specified amounts of income from the trust's assets must be distributed to the income beneficiaries each year. Liabilities under remainder trusts totaled \$4,352,873 and \$5,978,882 as of June 30, 2009 and 2008, respectively. The discount rates used in this measurement range from 5.25% to 6.20%. The remainder of the income and the assets will become the property of the UM Foundation at a time designated in the trust agreements, usually upon the death of the income beneficiary.

### NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2009 and 2008:

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
Land	\$ 300,000	\$ 665,000
Building and equipment	3,005,713	3,468,271
Total	3,305,713	4,133,271
Accumulated depreciation	(1,218,283)	(1,188,640)
Property and equipment, net	\$ 2,087,430	\$ 2,944,631

Depreciation expense has been computed utilizing the straight-line method over the estimated useful life of the building — 30 years and the equipment — 7 and 10 years.

### NOTE 10 – NET ASSETS

Permanently restricted net assets at June 30, 2009 and 2008 were available for the following purposes:

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
Academic and program support	\$ 30,415,319	\$ 28,333,715
Scholarship support	64,990,577	59,878,745
Faculty support	30,583,380	28,632,139
Library support	13,443,655	12,998,528
Total	\$ 139,432,931	\$ 129,843,127

The vast majority of temporarily restricted net assets at June 30, 2009 and 2008 were available for academic and program support.

# University of Mississippi Foundation

## Notes to Financial Statements

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### NOTE 11 – FUNDS HELD FOR OTHERS

The UM Foundation administered funds for others of \$15,686,378 and \$16,282,368 at June 30, 2009 and 2008, respectively. These funds are commingled with the UM Foundation's investments and are accounted for at the fair value of the underlying investments. Earnings and losses from these investments, as well as funds received and distributed, are not included in the changes of net assets of the UM Foundation.

The UM Foundation assists with fund raising activities of UM and processes the receipts for many UM affiliated organizations. During fiscal years 2009 and 2008, the UM Foundation received approximately \$2,445,000 and \$1,917,000, respectively, for the University of Mississippi Alumni Association and \$15,527,000 and \$13,539,000, respectively, for the UMAA Foundation. Distributions to these organizations, all of which were made at the direction of the affiliated organization, for fiscal years 2009 and 2008 include approximately \$2,462,000 and \$2,041,000, respectively, to the University of Mississippi Alumni Association and \$15,491,000 and \$14,519,000, respectively, to the UMAA Foundation. In addition to these affiliated organizations, the UM Foundation maintains funds for certain other third party organizations. During fiscal year 2009 and 2008, the UM Foundation received approximately \$752,000 and \$127,000, respectively, from these organizations and made distributions to these organizations, at the organization's direction, of approximately \$668,000 and \$392,000, respectively.

### NOTE 12 – MISSISSIPPI COMMON FUND TRUST

Included in other liabilities are \$539,439 and \$2,655,324 at June 30, 2009 and 2008, respectively, related to the Mississippi Common Fund Trust. The donor directed trust was established by the UM Foundation to allow donors to receive a charitable deduction for gifts to the trust. The UM Foundation manages the trust's assets with earnings distributed to a charitable organization, at the donor's direction, on an annual basis. If the donor does not make an annual designation of funds to a charitable organization, then such designation may be made by the UM Foundation. Remaining corpus must be disbursed to one or more qualifying charitable organizations within one year after the death of the donor's surviving spouse as directed through the donor's will or other instruction or it will revert to the UM Foundation.

# University of Southern Mississippi Foundation

## Notes to Financial Statements

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Organization

The University of Southern Mississippi Foundation (the USM Foundation) is a not-for-profit entity organized under the laws of the State of Mississippi to provide support to The University of Southern Mississippi (USM) and its students. The USM Foundation depends on USM to provide the staff and facilities for its operations (see note 12).

Foundation Aviation Holdings, LLC was formed by the USM Foundation in October 2008 as a single member limited liability company. The USM Foundation's consolidated financial statements include the accounts of Foundation Aviation Holdings, LLC. All significant intercompany accounts and intercompany transactions have been eliminated.

#### Basis of Accounting

The consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of net assets and transactions into three classes – permanently restricted, temporarily restricted, and unrestricted as follows:

##### **Permanently restricted net assets**

net assets subject to donor-imposed stipulations that they be maintained permanently by the USM Foundation. Generally, the donor of these assets permits the USM Foundation to use all or part of the income earned on related investments for general or specific purposes in support of USM.

##### **Temporarily restricted net assets**

net assets subject to donor-imposed stipulations that may or will be met by actions of the USM Foundation and/or the passage of time. Temporarily restricted net assets include contributions designated to a particular college or unit. To the extent that restricted resources from multiple donors are available for the same purpose, the USM Foundation expends such gifts on a "first in, first out" basis.

##### **Unrestricted net assets**

net assets which represent resources generated from operations or that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded

# University of Southern Mississippi Foundation

## Notes to Financial Statements

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

as contribution revenue and recognized in accordance with donor-imposed restrictions, if any, on the contributions. Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

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

- as increases (decreases) in permanently restricted net assets if the terms of the gift or the USM Foundation's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- as increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on their use;
- as increases (decreases) in unrestricted net assets in all other cases.

#### 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 consolidated financial statements. Actual results could differ from those estimates.

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

Another estimate that is particularly susceptible to significant change in the near term relates to the allowance for uncollectible pledges. Management's estimate of the allowance for uncollectible pledges is based on an analysis of economic conditions, financial information about donors and current receivable levels and agings.

#### Advances

At June 30, 2009, advances to USM totaling \$360,275, represent amounts paid to USM for projects that have not been completed. At June 30, 2008, there were no such advances to USM.

#### Furniture and Equipment

Furniture and equipment are stated at cost if purchased, or at fair value on the date of gift if donated. Depreciation of equipment is provided on the straight-line method over the estimated useful life of the assets. The estimated useful lives for automobiles and office equipment is five years and furniture and fixtures is seven years. Software costs are capitalized in accordance with Statement of Position No. 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*, and depreciates over an estimated useful life of five years.

# University of Southern Mississippi Foundation

## Notes to Financial Statements

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. Transactions are accounted for on a trade date basis. Real estate investment funds are reported at net asset value. Other investments, which consist primarily of pooled investment funds and real estate, are recorded at fair value. The fair value of real estate is based on recent appraisals.

The liquidity crisis that originally was linked principally to the sub-prime lending markets has spread to other corners of the credit markets in the U.S. and internationally. It is not possible at this time to predict the full impact or duration of the existing illiquid credit market conditions. The unstable market conditions and the resulting uncertainties contribute to additional risks associated with certain significant investment valuation estimates. Management continues to monitor the composition of its portfolio to assess the potential impact of these market conditions on the valuation of its investments.

#### **Pledges**

All unconditional pledges to give are recorded at their estimated realizable value on a discounted basis using a risk-free interest rate.

#### **Split Interest Agreements**

The USM Foundation accepts gifts subject to split interest agreements. These gifts are in the form of annuities, pooled income funds, charitable remainder trusts, or charitable lead trusts. At the time of receipt, a gift is recorded based upon the fair value of assets donated less any applicable liabilities. Liabilities include the present value of projected future distributions to the annuity or trust beneficiary and are determined using a designated discount rate. Funds subject to split interest agreements are classified as temporarily restricted or permanently restricted based upon donor designations.

#### **Income Taxes**

The USM Foundation is exempt from federal income taxes on related income under Internal Revenue Code section 501(a) as an organization described in section 501(c)(3). Foundation Aviation Holdings, LLC is disregarded as an entity separate from the USM Foundation for purposes of the Internal Revenue Code. Accordingly, no provision for income taxes have been made.

#### **Planned Giving Inventory**

Planned giving inventory, which includes wills, revocable trusts, and the face value of insurance policies of which the USM Foundation is the owner and beneficiary, is not recorded as it represents a conditional promise to give which constitutes a future uncertain event.

#### **Liquidity**

Assets are presented according to their nearness to cash and liabilities are presented according to their nearness of payment or use of cash.

#### **Cash Equivalents**

All highly liquid cash investments with an original maturity of three months or less when purchased are considered to be cash equivalents.



# University of Southern Mississippi Foundation

## Notes to Financial Statements

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### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contributed Goods and Services

Contributed goods and services are recorded as revenues and expenses in the consolidated statements of activities at estimated fair value (see note 12).

#### Recently Issued Accounting Standards

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109* (FIN 48). FIN 48 clarifies the accounting for uncertainty in tax positions and requires that the USM Foundation recognize in their consolidated financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. In December 2008, the FASB issued FASB Staff Position (FSP) FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. FSP FIN 48-3 permits an entity within its scope to defer the effective date of FIN 48 to its annual financial statements for fiscal years beginning after December 15, 2008. The USM Foundation has elected to defer the application of FIN 48 to the year beginning July 1, 2009, and the adoption of FIN 48 is not anticipated to have any material impact to the USM Foundation's consolidated financial statements.

Effective July 1, 2008, the USM Foundation adopted the provisions of FASB Statement No. 157 (Statement No. 157), *Fair Value Measurements*, for fair value measurements of financial assets and financial liabilities and for fair value measurement of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Statement No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Statement No. 157 also establishes a framework for measuring fair value and expands disclosures about fair value measurements (see note 3). In junction with the adoption of Statement No. 157, the USM Foundation elected to early adopt the measurement provisions of Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in funds that do not have readily determinable fair values including private equity investments, hedge funds, real estate, and other funds. This guidance amends Statement No. 157 and permits, as a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent. Net asset value, in many instances, may not equal fair value that would be calculated pursuant to Statement No. 157. FASB Staff Position FAS 157-2, *Effective Date of FASB Statement No. 157*, delays the effective date of Statement No. 157 until fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a nonrecurring basis. On July 1, 2009, the USM Foundation will be required to apply the provisions of Statement No. 157 to fair value measurements of nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a nonrecurring basis. The USM Foundation believes applying these provisions will not have a significant impact on its 2010 consolidated financial statements.

Effective July 1, 2008, the USM Foundation adopted FASB No. 159 (Statement No. 159), *The Fair Value Option for Financial Assets and Financial Liabilities*. Statement No. 159 gave the USM Foundation the irrevocable option to report most financial assets and financial liabilities at fair value on an instrument-by-instrument basis, with changes in fair value recorded in changes in net assets.

# University of Southern Mississippi Foundation

## Notes to Financial Statements

### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The USM Foundation did not elect the fair value option in regards to items not previously recorded at fair value; therefore, the adoption of this statement had no impact on the USM Foundation's 2009 consolidated financial statements.

The FASB issued FASB Staff Position (FSP) No. 117-1, *Endowments of Non-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds*, which provides guidance about the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of UPMIFA and expands disclosures about endowment funds (both donor-restricted and board-designated endowment funds), regardless of whether an organization is subject to UPMIFA. FSP FAS No. 117-1 is effective for fiscal years ending after December 15, 2008. As of June 30, 2009, the State of Mississippi had not yet adopted UPMIFA. The USM Foundation adopted the disclosure provisions of FSP 117-1 during the year ended June 30, 2009 (see note 10).

#### Subsequent Events

In connection with the preparation of the consolidated financial statements and in accordance with the recently issued SFAS No. 165, *Subsequent Events*, the USM Foundation evaluated subsequent events after the consolidated statements of financial position date of June 30, 2009 through November 24, 2009, which is the date the consolidated financial statements were available to be issued.

### NOTE 2 – INVESTMENTS

Investments are summarized as follows at June 30, 2009 and 2008:

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
Pooled investments and mutual funds	\$ 13,908,675	\$ 14,863,113
U.S. Government obligations	9,597,384	8,699,018
Corporate equities	11,507,583	23,331,845
Corporate debt obligations	4,582,326	4,054,938
Real estate investment trust	550,429	1,256,577
Cash surrender value of insurance policies	1,813,664	1,673,193
Real estate	505,656	516,056
Other	46,032	46,032
	<b>\$ 42,511,749</b>	<b>\$ 54,440,772</b>

The USM Foundation has entered into various split interest agreements, including charitable gift annuities and pooled income funds, whereby the USM Foundation serves as trustee. The assets held under these split interest agreements are included in investments at June 30, 2009 and 2008 with a fair value of \$544,460 and \$711,350, respectively.

At June 30, 2009 and 2008, the fair value of certain permanently restricted investments have gone below their historical cost, and the deficiency of \$2,538,573 and \$273,916, respectively, has been

# University of Southern Mississippi Foundation

## Notes to Financial Statements

### NOTE 2 – INVESTMENTS (Continued)

recorded in unrestricted net assets. Future gains will be used to restore these deficiencies in unrestricted net assets before any appreciation above the historical cost value of such funds increases temporarily restricted net assets.

The following schedule summarizes net investment income (loss) and its classification in the consolidated statement of activities:

*Year ended June 30, 2009*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends and interest (net of expenses of \$395,690)	\$ 660,474	\$ 408,427	\$ 23,808	\$ 1,092,709
Realized losses, net	(108,778)	(2,195,788)	(81,014)	(2,385,580)
Unrealized losses, net	(2,533,179)	(4,478,341)	(307,078)	(7,318,598)
	\$ (1,981,483)	\$ (6,265,702)	\$ (364,284)	\$ (8,611,469)

*Year ended June 30, 2008*

Dividends and interest (net of expenses of \$420,040)	\$ 1,256,644	\$ (65,205)	\$ 42,070	\$ 1,233,509
Realized gains (losses), net	34,661	3,785,985	320,900	4,141,546
Unrealized gains (losses), net	(409,255)	(5,501,249)	(294,295)	(6,204,799)
	\$ 882,050	\$ (1,780,469)	\$ 68,675	\$ (829,744)

### NOTE 3 – FAIR VALUE MEASUREMENTS

Statement No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Statement No. 157 also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The fair value hierarchy established in Statement No. 157 prioritizes the inputs used in valuation techniques into three levels as follows:

Level 1 – Observable inputs are quoted prices in active markets for identical assets or liabilities,

Level 2 – Observable inputs are other than the quoted prices in active markets for identical asset and liabilities – includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and

# University of Southern Mississippi Foundation

## Notes to Financial Statements

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### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Level 3 – Unobservable inputs -- includes amounts derived from valuation models where one or more significant inputs are unobservable and require management to develop relevant assumptions.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

*Mutual funds, pooled investment funds, U.S. Government obligations, corporate equities, corporate debt obligations and externally managed trusts:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Real estate investment funds:* Valued at the net asset value of underlying investments as determined by the asset custodian; management also takes into consideration the audited financial information to determine overall reasonableness of the recorded value.

*Life insurance contracts:* Valued at the cash surrender value of the life insurance contract as determined by the life insurance company.

*Real estate and other:* Valued based on recent appraisals.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the USM Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# University of Southern Mississippi Foundation

## Notes to Financial Statements

### NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the USM Foundation's assets at fair value as of June 30, 2009:

	(Level 1)	(Level 2)	(Level 3)	Total
Mutual funds	\$ 13,829,979	\$ -	\$ -	\$ 13,829,979
Pooled investment funds	78,696	-	-	78,696
U.S. Government obligations	9,597,384	-	-	9,597,384
Corporate equities	11,507,583	-	-	11,507,583
Corporate debt obligations	4,582,326	-	-	4,582,326
Real estate investment funds	-	-	550,429	550,429
Life insurance contracts	-	-	1,813,664	1,813,664
Real estate	-	-	505,656	505,656
Other	-	-	46,032	46,032
Externally managed trust	1,575,976	-	-	1,575,976
	\$ 41,171,944	\$ -	\$ 2,915,781	\$ 44,087,725

### Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the USM Foundation's Level 3 assets for the year ended June 30, 2009.

<i>As of June 30, 2009</i>	Level 3 Assets				Total
	Real estate investment trust	Life insurance contracts	Real estate	Other	
Balance, beginning of year	\$ 1,256,577	\$ 1,673,193	\$ 516,056	\$ 46,032	\$ 3,491,858
Realized losses	(46,802)	-	(10,400)	-	(57,202)
Unrealized losses	(659,346)	-	-	-	(659,346)
Change in cash surrender value	-	140,471	-	-	140,471
Balance, end of year	\$ 550,429	\$ 1,813,664	\$ 505,656	\$ 46,032	\$ 2,915,781

# University of Southern Mississippi Foundation

## Notes to Financial Statements

### NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable, net, are summarized as follows at June 30, 2009 and 2008:

<i>As of June 30,</i>	2009	2008
Unconditional promises expected to be collected in:		
Less than one year	\$ 3,994,036	\$ 4,386,979
One year to five years	3,556,733	4,609,775
Over five years	193,879	703,988
	7,744,648	9,700,742
Less unamortized discounts ranging from 2.54% to 5.15%	(640,650)	(909,986)
	7,103,998	8,790,756
Less allowance for uncollectible pledges	(805,603)	(723,871)
	\$ 6,298,395	\$ 8,066,885

### NOTE 5 – EXTERNALLY MANAGED TRUSTS

Externally managed trusts consist of irrevocable charitable lead trusts and charitable remainder trust whereby the USM Foundation is the beneficiary, not the trustee. The amount due from these split-interest agreements and the related contribution revenue is recognized at the fair value at the date of the gift. The amount due is then discounted using a discount rate and age factors in order to record the contribution at net present value. The discount rates used as of June 30, 2009 ranged from 3.53% to 4.32% and as of June 30, 2008 ranged from 3.99% to 4.59%.

### NOTE 6 – FURNITURE AND EQUIPMENT

Furniture and equipment are summarized as follows:

<i>As of June 30,</i>	2009	2008
Automobiles	\$ 45,469	\$ 45,469
Furniture and fixtures	66,872	66,872
Office equipment	9,374	8,519
Software (not placed in service as of June 30, 2009)	432,633	-
	554,348	120,860
Less accumulated depreciation	(107,808)	(98,349)
	\$ 446,540	\$ 22,511

# University of Southern Mississippi Foundation

## Notes to Financial Statements

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### NOTE 6– FURNITURE AND EQUIPMENT (Continued)

The Foundation has made certain commitments to purchase additional computer software systems. At June 30, 2009, outstanding capital commitments total \$275,774.

### NOTE 7 – LINE OF CREDIT

In December 2008, the USM Foundation entered into a revolving line of credit facility with JPMorgan Chase Bank, NA, to purchase an aircraft for lease to USM. The line allows for borrowings up to \$1,600,000 and is secured by an investment account held by the USM Foundation. The line has a maturity date of December 11, 2009. As of June 30, 2009, the outstanding balance of the line was \$1,474,503. The line bears interest at a variable rate basis at the rate per annum equal to 1.80% points over the one-month LIBOR index (2.12% at June 30, 2009). Interest expense incurred during the year was \$16,321, including accrued interest of \$1,778 at June 30, 2009.

### NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2009 and 2008 were available for the following purposes:

<i>As of June 30,</i>	<b>2009</b>	<b>2008</b>
Student financial aid	\$ 10,532,324	\$ 12,952,306
Academic divisions	3,308,586	2,455,194
Research	407,075	663,023
Operation and maintenance of plant	4,020,228	7,303,900
Library	122,185	190,312
Athletics	307,226	296,326
Faculty and staff support	319,554	506,616
Other restricted purposes	5,982,195	5,245,113
	<b>\$ 24,999,373</b>	<b>\$ 29,612,790</b>

# University of Southern Mississippi Foundation

## Notes to Financial Statements

### NOTE 9 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at June 30, 2009 and 2008 have been categorized based on the donors' designation of the related investment income and are summarized as follows:

<i>As of June 30,</i>	2009	2008
Student financial aid	\$ 27,826,695	\$ 27,563,814
Academic divisions	3,994,702	2,229,254
Research	676,181	705,969
Operation and maintenance of plant	1,227,717	1,448,101
Library	2,896,691	2,975,699
Athletic	12,950	-
Faculty and staff support	6,167,858	5,967,517
Other restricted purposes	2,699,213	4,074,520
	<b>\$ 45,502,007</b>	<b>\$ 44,964,874</b>

### NOTE 10 – ENDOWMENT NET ASSETS

The USM Foundation has approximately 750 individual funds which function as endowment-type funds that are established for operating and scholarship purposes. The endowment-type funds include both donor-restricted endowment-type funds and funds designated by the Board of Directors to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including board-designated funds to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

During the years ended June 30, 2009 and 2008, the USM Foundation had the following endowment related activities:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, July 1, 2008	\$ 3,432,487	\$ 11,064,573	\$ 40,300,862	\$ 54,797,922
Contributions	13,415	1,082,254	1,220,882	2,316,551
Net investment income (loss)	283,213	(8,935,895)	(350,210)	(9,002,892)
Other income (loss)	2,442	6,121	(2,906)	5,657
Change in restriction by donor	4,738	(24,050)	146,516	127,204
Expenses	(200,081)	(1,518,166)	-	(1,718,247)
Transfers	(1,089,912)	(6,349)	(159,128)	(1,255,389)
Allocation of fund deficiencies in endowments related to investment losses	(2,264,656)	2,264,656	-	-
Endowment net assets, June 30, 2009	<b>\$ 181,646</b>	<b>\$ 3,933,144</b>	<b>\$ 41,156,016</b>	<b>\$ 45,270,806</b>



# University of Southern Mississippi Foundation

## Notes to Financial Statements

### NOTE 10 – ENDOWMENT NET ASSETS (Continued)

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, July 1, 2007	\$ 3,210,665	\$ 14,817,556	\$ 32,808,625	\$ 50,836,846
Contributions	29,672	8,488	1,239,330	1,277,490
Net investment income (loss)	1,164,047	(2,043,955)	72,420	(807,488)
Other income (loss)	(9,904)	302	(731)	(10,333)
Change in restriction by donor	(33,251)	(667,129)	723,194	22,814
Expenses	(10,124)	(1,274,596)	1,375	(1,283,345)
Transfers	(692,063)	(2,648)	5,456,649	4,761,938
Allocation of fund deficiencies in endowments related to investment losses	(226,555)	226,555	-	-
<b>Endowment net assets, June 30, 2008</b>	<b>\$ 3,432,487</b>	<b>\$ 11,064,573</b>	<b>\$ 40,300,862</b>	<b>\$ 54,797,922</b>

At June 30, 2009 and 2008, the endowment net asset composition by type of fund consists of the following:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment- type funds	\$ -	\$ 3,933,144	\$ 41,156,016	\$ 45,089,160
Board-designated endowment-type funds	181,646	-	-	181,646
<b>Endowment net assets, June 30, 2009</b>	<b>\$ 181,646</b>	<b>\$ 3,933,144</b>	<b>\$ 41,156,016</b>	<b>\$ 45,270,806</b>
Donor-restricted endowment- type funds	\$ -	\$ 11,064,573	\$ 40,300,862	\$ 51,365,435
Board-designated endowment-type funds	3,432,487	-	-	3,432,487
<b>Endowment net assets, June 30, 2008</b>	<b>\$ 3,432,487</b>	<b>\$ 11,064,573</b>	<b>\$ 40,300,862</b>	<b>\$ 54,797,922</b>

# University of Southern Mississippi Foundation

## Notes to Financial Statements

### NOTE 11 – PLANNED GIVING INVENTORY (UNAUDITED)

Planned giving inventory for the USM Foundation as of June 30, 2009 and 2008 is as follows:

<i>As of June 30,</i>	2009	2008
Insurance policies	\$ 19,967,819	\$ 19,542,819
Wills	6,270,000	6,075,000
Trusts	8,634,599	8,434,599
Other	850,000	850,000
<b>Total</b>	<b>\$ 35,722,418</b>	<b>\$ 34,902,418</b>

### NOTE 12 – RELATED PARTY TRANSACTIONS

The following contributed services, commodities, utilities, equipment, and facilities were received from USM during 2009 and 2008 and are reflected as unrestricted contributions and unrestricted expenses in the statements of activities.

<i>Years ended June 30,</i>	2009	2008
Wages and benefits	\$ 1,504,383	\$ 1,381,198
Contractual services	53,947	46,411
Commodities	40,108	22,931
Utilities	37,670	37,893
Facilities	96,144	96,144
<b>Total</b>	<b>\$ 1,732,252</b>	<b>\$ 1,584,577</b>

### NOTE 13 – NET INVESTMENT IN DIRECT FINANCING LEASE

Through its wholly-owned subsidiary, Foundation Aviation Holdings LLC, the USM Foundation leases an airplane to USM under a direct financing lease arrangement. The lease expires in January 2019. The USM Foundation's net investment in the direct financing lease is presented below.

*As of June 30, 2009*

Total minimum lease payments to be received	\$ 1,889,266
Less unearned income	(356,915)
<b>Net investment in direct financing lease</b>	<b>\$ 1,532,351</b>

# University of Southern Mississippi Foundation

## Notes to Financial Statements

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### NOTE 13 – NET INVESTMENT IN DIRECT FINANCING LEASE (Continued)

Future minimum lease payments to be received for each of the five succeeding fiscal years are as follows:

Year ending June 30:

2010	\$	197,141
2011		197,141
2012		197,141
2013		197,141
2014		197,141
Thereafter		903,561
	\$	1,889,266

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## **Combining Supplemental Information**

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# State of Mississippi Institutions of Higher Learning

## Combining Statement of Net Assets

As of June 30, 2009

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination Entries	TOTAL
<b>Assets</b>													
<b>Current assets:</b>													
Cash and cash equivalents	\$ 8,135,761	\$ (74,397)	\$ 9,222,580	\$ 42,836,759	\$ 2,559,507	\$ 2,193,515	\$ 40,172,579	\$ 29,430,215	\$ 198,852,225	\$ 8,607,961	\$ 578,043	\$ -	\$ 342,514,748
Short-term investments	5,056,812	362,639	-	5,765,381	1,007,248	1,773,436	87,730,805	15,178,414	45,000,000	2,014,399	-	-	163,888,934
Accounts receivable, net	12,003,934	4,885,237	21,798,299	51,942,931	3,913,397	5,861,924	42,367,032	44,291,233	101,613,541	3,499,782	585,031	-	292,772,341
Student notes receivable, net	182,920	385,051	255,356	2,267,920	163,384	-	4,004,282	1,563,803	1,190,097	1,472,556	-	-	11,485,369
Inventories	136,046	269,019	59,705	2,936,455	14,243	696,146	1,007,006	569,216	15,886,492	539,573	-	-	22,113,901
Prepaid expenses	9,711	95,676	-	4,622,207	171,744	63,247	147,263	3,556,688	3,314,078	67,189	-	-	12,047,803
Other current assets	-	-	2,090	-	-	-	-	-	10,900,528	-	-	-	10,900,528
<b>Total current assets</b>	<b>25,525,184</b>	<b>5,933,225</b>	<b>31,338,030</b>	<b>110,371,653</b>	<b>7,829,523</b>	<b>10,588,268</b>	<b>175,428,767</b>	<b>94,589,569</b>	<b>376,756,961</b>	<b>16,201,460</b>	<b>1,163,074</b>	<b>0</b>	<b>855,725,714</b>
<b>Noncurrent assets:</b>													
Restricted cash and cash equivalents	3,234,934	343,411	1,941,537	29,863,386	(395,848)	-	15,010,495	40,930,833	88,455,770	1,316,485	-	-	180,701,003
Restricted short-term investments	-	-	-	-	-	633	10,996,553	-	442,988	3,120	-	-	11,443,294
Endowments investments	5,877,178	9,639	11,250,505	19,434,469	3,539,946	1,185,115	56,343,427	2,492,096	42,049,681	15,779,338	-	-	157,961,394
Other long-term investments	-	7,249,773	939,773	69,090,156	4,125,509	4,506,827	42,254,244	26,492,050	25,540,831	24,368,796	480,541	-	205,048,500
Student notes receivable, net	-	1,467,888	1,605,977	15,949,146	1,405,087	-	19,115,457	27,495,188	15,041,957	28,905,835	-	-	110,996,535
Capital assets, net	106,065,363	87,497,800	235,187,936	608,309,269	79,318,666	63,781,890	531,345,057	382,044,114	398,433,412	5,219,810	17,390	-	2,497,240,707
Other noncurrent assets	-	-	1,819,809	-	-	146,118	-	-	1,481,586	-	-	-	3,447,513
<b>Total noncurrent assets</b>	<b>115,197,475</b>	<b>96,568,511</b>	<b>252,745,537</b>	<b>742,646,426</b>	<b>87,993,360</b>	<b>69,620,583</b>	<b>675,065,233</b>	<b>479,454,281</b>	<b>571,446,225</b>	<b>75,593,384</b>	<b>497,931</b>	<b>-</b>	<b>3,166,828,946</b>
<b>Total assets</b>	<b>\$ 140,722,659</b>	<b>\$ 102,501,736</b>	<b>\$ 284,083,567</b>	<b>\$ 853,018,079</b>	<b>\$ 95,822,883</b>	<b>\$ 80,208,851</b>	<b>\$ 850,494,000</b>	<b>\$ 574,043,850</b>	<b>\$ 948,203,186</b>	<b>\$ 91,794,844</b>	<b>\$ 1,661,005</b>	<b>\$ -</b>	<b>\$ 4,022,554,660</b>

(Continued)

# State of Mississippi Institutions of Higher Learning

## Combining Statement of Net Assets

As of June 30, 2009

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	M CVS	Elimination Entries	TOTAL
<b>Liabilities</b>													
<b>Current liabilities</b>													
Accounts payable and accrued liabilities	\$ 2,524,807	\$ 3,226,327	\$ 9,680,584	\$ 24,932,594	\$ 2,115,984	\$ 2,386,764	\$ 25,172,225	\$ 20,652,135	\$ 60,794,817	\$ 2,081,232	\$ 1,029,571	\$ -	\$ 154,597,040
Deferred revenues	446,211	2,293,752	2,297,502	11,099,027	911,877	231,359	15,538,599	9,385,766	1,458,016	-	-	-	43,662,109
Accrued leave liabilities - current portion	1,806,267	162,859	315,631	1,482,835	43,291	173,056	964,000	1,100,000	2,180,668	37,133	5,609	-	8,271,349
Long-term liabilities - current portion	61,193	418,341	1,871,756	6,067,675	215,895	135,000	6,326,778	2,588,916	15,452,142	6,663,649	-	-	39,801,345
Other current liabilities	-	-	-	185,714	231,325	69,471	484,067	20,943	36,103,265	-	-	-	37,094,785
<b>Total current liabilities</b>	<b>4,838,478</b>	<b>6,101,279</b>	<b>14,165,473</b>	<b>43,767,845</b>	<b>3,518,372</b>	<b>2,995,650</b>	<b>48,485,669</b>	<b>33,747,760</b>	<b>115,988,908</b>	<b>8,782,014</b>	<b>1,035,180</b>	<b>-</b>	<b>283,426,628</b>
<b>Noncurrent liabilities</b>													
Deposits refundable	642,601	79,932	26,648	86,300	-	193,888	107,655	44,624	-	-	-	-	1,181,648
Accrued leave liabilities	1,879,992	1,704,902	4,069,127	19,862,814	980,145	1,724,223	10,948,726	8,807,603	32,665,029	688,738	51,642	-	83,381,941
Long-term liabilities	65,000	5,350,606	92,159,945	162,673,023	256,058	18,665,000	122,412,086	126,612,548	139,157,767	-	-	-	667,352,033
Other long-term liabilities	1,808,367	1,808,367	1,626,947	15,342,487	1,545,371	-	9,259,000	28,343,249	30,681,860	22,414,351	-	-	111,021,632
<b>Total noncurrent liabilities</b>	<b>2,587,993</b>	<b>8,943,807</b>	<b>97,881,667</b>	<b>197,964,624</b>	<b>2,781,574</b>	<b>20,583,111</b>	<b>142,727,467</b>	<b>163,808,024</b>	<b>202,504,656</b>	<b>23,103,089</b>	<b>51,642</b>	<b>-</b>	<b>862,937,254</b>
<b>Total liabilities</b>	<b>7,426,071</b>	<b>15,045,086</b>	<b>112,047,140</b>	<b>241,732,469</b>	<b>6,299,946</b>	<b>23,578,761</b>	<b>191,213,136</b>	<b>197,555,784</b>	<b>318,493,564</b>	<b>31,885,103</b>	<b>1,086,822</b>	<b>-</b>	<b>1,146,363,882</b>
<b>Net Assets</b>													
Invested in capital assets, net of related debt	105,959,170	81,748,836	143,957,059	439,568,571	78,846,714	45,128,009	402,606,193	252,842,651	247,601,503	5,213,887	17,390	-	1,803,489,983
Restricted for:													
Nonexpendable													
Scholarships and fellowships	-	-	5,264,092	1,956,950	1,233,539	1,186,492	4,253,602	-	-	1,012,419	-	-	14,907,094
Research	-	-	-	3,711,699	-	-	119,316	-	-	-	-	-	3,831,015
Other purposes	5,906,076	-	-	6,372,116	1,594,685	-	39,101,908	569,090	18,339,839	15,682,646	556,793	-	88,133,153
Expendable													
Scholarships and fellowships	-	-	5,995,008	827,917	679,658	1,092,393	3,873,541	250,807	2,281,045	34,474,412	-	-	49,474,781
Research	-	-	-	10,906,232	-	7,489,741	7,489,741	145,454	40,801,690	-	-	-	59,343,117
Capital projects	-	2,291,700	12,001,069	26,858,988	1,875,842	73,372	27,982,438	37,635,086	35,037,949	-	-	-	143,756,444
Debt service	415,420	296,332	222,343	(1,146,898)	-	1	138,223	5,289,949	5,159,329	9,010	-	-	10,383,709
Loans	1,544,796	401,452	287,108	3,955,813	299,281	-	14,968,364	5,226,267	11,304,052	-	-	-	37,987,133
Other purposes	561,974	107,550	-	1,763,803	61,279	643,197	6,713,793	5,665,623	29,622,520	-	-	-	45,139,739
Unrestricted	18,909,152	2,610,780	4,309,748	116,510,419	4,931,939	8,508,626	152,033,745	68,863,139	239,561,695	3,507,367	-	-	619,744,610
<b>Total net assets</b>	<b>133,296,588</b>	<b>87,456,650</b>	<b>172,036,427</b>	<b>611,285,610</b>	<b>89,522,937</b>	<b>56,630,090</b>	<b>659,280,864</b>	<b>376,488,066</b>	<b>629,709,622</b>	<b>59,909,741</b>	<b>574,183</b>	<b>-</b>	<b>2,876,190,778</b>
<b>Total liabilities and net assets</b>	<b>\$ 140,722,659</b>	<b>\$ 102,501,736</b>	<b>\$ 284,083,567</b>	<b>\$ 853,018,079</b>	<b>\$ 95,822,883</b>	<b>\$ 80,208,851</b>	<b>\$ 850,494,000</b>	<b>\$ 574,043,850</b>	<b>\$ 948,203,186</b>	<b>\$ 91,794,844</b>	<b>\$ 1,661,005</b>	<b>\$ -</b>	<b>\$ 4,022,554,660</b>

(Continued)



# State of Mississippi Institutions of Higher Learning

## Combining Statement of Revenues, Expenses and Changes in Net Assets

For the year ended June 30, 2009

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination Entries	TOTAL
<b>Operating Revenues</b>													
Tuition and fees	\$ 17,255,880	\$ 19,544,413	\$ 46,102,797	\$ 115,851,034	\$ 11,845,616	\$ 16,051,628	\$ 134,602,973	\$ 98,282,469	\$ 12,191,692	\$ -	\$ -	\$ -	\$ 471,728,502
Less: scholarship allowances	(7,143,069)	(4,610,139)	(13,451,546)	(27,757,262)	(3,925,005)	(8,033,206)	(27,836,764)	(18,076,749)	(1,900,841)	-	-	-	(112,734,681)
Less: bad debt expense	(1,040,330)	(650,875)	1,328,238	(729,502)	(176,201)	(1,035,324)	(476,349)	(400,000)	-	-	-	-	(3,180,343)
Net tuition and fees	9,072,481	14,283,399	33,979,489	87,364,270	7,744,410	6,983,098	106,289,860	79,805,720	10,290,851	-	-	-	355,813,578
Federal appropriations	-	-	-	14,762,103	-	-	-	-	-	-	-	-	14,762,103
Federal grants and contracts	15,531,509	4,321,556	45,150,484	136,694,568	1,228,909	9,158,404	59,636,888	54,619,629	40,675,899	9,653,877	24,886,151	(20,191,891)	381,365,983
State grants and contracts	776,740	1,002,016	3,301,150	22,134,804	6,603,099	135,032	7,372,658	8,927,940	10,521,552	67,034	-	(15,867,820)	44,974,205
Nongovernmental grants and contracts	1,073,393	3,230,075	2,103,352	14,067,869	2,035,900	-	27,919,074	5,474,356	11,154,661	1,951,853	20,579	-	69,031,112
Sales and services of educational departments	629,323	1,194,210	1,607,140	28,577,163	989,216	1,117,537	8,589,700	1,830,060	1,193,029	3,286,674	59,975	(1,826,734)	47,257,293
Auxiliary enterprises:													
Student housing	3,831,437	3,132,124	8,313,004	16,433,838	1,886,771	2,538,918	11,923,807	12,447,839	-	-	-	-	60,507,738
Food services	3,065,853	2,474,661	5,962,867	1,095,548	1,256,643	2,218,167	1,793,196	1,554,224	-	-	-	-	19,421,159
Bookstore	64,259	184,323	-	863,876	101,381	2,134,116	644,728	1,205,668	1,582,648	-	-	-	6,780,999
Athletics	-	-	-	25,043,900	-	-	29,236,982	8,517,412	-	-	-	-	62,798,294
Other auxiliary revenues	1,247,637	1,418,980	2,338,128	10,812,816	187,259	1,630,194	2,965,506	3,450,611	1,867,346	2,023,747	-	-	27,942,224
Less: auxiliary enterprise scholarship allowances	(1,898,791)	(1,150,833)	(5,494,294)	(6,083,058)	(981,251)	-	(2,322,244)	(2,314,739)	-	-	-	-	(20,255,210)
Interest earned on loans to students	-	20,357	-	210,754	-	77,710	370,088	-	176,689	-	-	-	855,598
Patient care revenues	-	-	-	-	-	-	-	-	599,612,765	-	-	-	599,612,765
Other operating revenues	1,843,257	883,394	5,928,570	3,662,517	9,618	1,301,879	6,334,925	4,041,597	21,376,288	11,330,869	75,495	(11,141,891)	45,646,518
Total operating revenues	35,237,098	30,994,262	103,189,890	355,630,968	21,071,955	27,295,055	260,755,168	179,560,317	698,451,728	28,314,054	25,042,200	(49,028,336)	1,716,514,359
<b>Operating Expenses</b>													
Salaries and wages	33,144,732	27,719,106	80,952,290	270,816,525	18,232,130	25,068,770	160,984,909	141,863,404	393,467,524	9,994,747	717,707	-	1,162,961,844
Fringe benefits	9,890,265	7,929,219	20,243,102	80,010,730	4,973,323	7,501,064	39,997,890	46,351,756	102,860,565	2,516,511	194,731	-	322,469,156
Travel	2,206,776	1,284,378	4,247,492	14,882,980	303,034	1,785,736	10,175,783	7,732,038	2,503,592	323,147	101,680	-	45,546,636
Contractual services	12,504,174	10,517,191	22,190,786	90,712,223	6,406,484	9,517,162	58,611,224	55,486,254	174,895,522	23,271,055	24,486,628	(32,035,086)	456,543,617
Utilities	4,100,869	2,505,049	5,081,416	16,362,438	2,732,262	2,574,368	10,909,936	11,125,017	16,828,775	961,626	-	-	73,181,756
Scholarships and fellowships	6,183,727	5,077,831	18,655,054	24,265,075	4,856,426	5,542,673	31,098,215	18,393,169	4,635,925	32,923,336	-	(16,993,250)	134,638,181
Commodities	5,316,884	2,716,313	14,242,649	46,400,004	2,108,814	7,336,557	20,424,545	18,620,678	147,198,783	1,022,659	200,313	-	265,788,199
Depreciation	2,837,043	3,373,535	6,865,518	30,857,677	1,881,538	1,920,715	19,948,345	14,432,178	27,319,620	284,647	7,571	-	109,528,387
Other operating expenses	120,335	80,631	4,694,498	-	-	429,737	-	-	1,085,074	5,695,961	32,072	-	12,138,308
Total operating expenses	76,304,805	61,203,253	176,972,805	574,307,652	41,494,011	61,247,045	352,580,584	314,204,494	870,795,380	76,993,669	25,720,702	(49,028,336)	2,582,796,084
Operating loss	(41,067,707)	(30,208,991)	(73,782,915)	(218,676,684)	(20,422,056)	(33,951,990)	(91,825,416)	(134,644,177)	(172,343,652)	(48,679,635)	(678,502)	-	(866,281,725)

# State of Mississippi Institutions of Higher Learning

## Combining Statement of Revenues, Expenses and Changes in Net Assets

For the year ended June 30, 2009

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination Entries	TOTAL
<b>Nonoperating Revenues (Expenses)</b>													
State appropriations	\$ 28,906,875	\$ 22,556,983	\$ 52,230,276	\$ 174,087,626	\$ 14,992,403	\$ 19,711,239	\$ 86,676,703	\$ 89,817,334	\$ 218,338,044	\$ 42,759,331	\$ 489,889	\$ -	\$ 750,566,703
Gifts and grants	9,608,843	5,189,903	21,958,229	37,898,674	4,316,475	10,084,143	22,066,674	24,538,010	7,198,885	-	126,097	-	142,985,933
Investment income, net of investment expense	232,482	461,643	(2,223,423)	(205,707)	315,272	95,617	(4,712,369)	1,438,858	(4,125,078)	2,476,597	-	-	(6,246,108)
Interest expense on capital asset-related debt	-	(412,240)	(5,197,486)	(6,376,500)	(24,925)	(827,930)	(4,591,594)	(4,652,991)	(8,280,177)	-	-	-	(30,363,843)
Other nonoperating revenues	-	320,949	351,636	21,005	77,800	-	-	2,412,801	1,915,470	-	-	-	5,099,661
Other nonoperating expenses	-	(2,070,189)	-	(691,966)	(140,737)	(6,089,256)	(223,246)	-	(63,203)	-	-	-	(9,278,597)
<b>Total net nonoperating revenues (expenses)</b>	<b>38,748,200</b>	<b>26,047,049</b>	<b>67,119,232</b>	<b>204,733,132</b>	<b>19,536,288</b>	<b>22,973,813</b>	<b>99,216,168</b>	<b>113,554,012</b>	<b>215,047,144</b>	<b>45,172,725</b>	<b>615,986</b>	<b>-</b>	<b>852,763,749</b>
<b>Income (loss) before other revenues, expenses, gains and losses</b>	<b>(2,319,507)</b>	<b>(4,161,942)</b>	<b>(6,663,863)</b>	<b>(13,943,552)</b>	<b>(885,768)</b>	<b>(10,978,177)</b>	<b>7,390,752</b>	<b>(21,090,165)</b>	<b>42,703,492</b>	<b>(3,506,910)</b>	<b>(62,516)</b>	<b>-</b>	<b>(13,517,976)</b>
Capital grants and gifts	-	-	-	10,085,837	-	-	19,340,635	37,664,599	313,153	-	-	-	67,404,224
State appropriations restricted for capital purposes	5,098,721	2,573,519	6,134,546	4,720,622	3,184,982	14,056,523	17,018,646	15,164,983	2,203,587	57,428	-	-	70,213,557
Additions to permanent endowments	1,415,000	-	-	-	51,406	17,809	42,309	-	3,329,418	-	-	-	4,855,942
Other additions	3,115,787	32,941	-	-	55,361	-	308,553	289,126	2,485,008	-	-	-	6,266,776
Other deletions	-	(318,896)	(1,609,889)	(457,153)	(359,975)	-	(998,187)	(1,085,304)	(1,991,451)	(6,199)	(2,614)	-	(6,809,668)
<b>Change in net assets</b>	<b>7,310,001</b>	<b>(1,874,378)</b>	<b>(2,139,026)</b>	<b>405,754</b>	<b>2,046,006</b>	<b>3,096,155</b>	<b>43,102,708</b>	<b>30,943,239</b>	<b>49,043,207</b>	<b>(3,455,681)</b>	<b>(65,130)</b>	<b>-</b>	<b>128,412,855</b>
Net Assets - beginning of year	125,986,587	89,331,028	174,175,453	610,879,856	87,476,931	53,533,935	616,178,156	345,544,827	580,666,415	63,365,422	639,313	-	2,747,777,923
<b>Net Assets - end of year</b>	<b>\$ 133,296,588</b>	<b>\$ 87,456,650</b>	<b>\$ 172,036,427</b>	<b>\$ 611,285,610</b>	<b>\$ 89,522,937</b>	<b>\$ 56,630,090</b>	<b>\$ 659,280,864</b>	<b>\$ 376,488,066</b>	<b>\$ 629,709,622</b>	<b>\$ 59,909,741</b>	<b>\$ 574,183</b>	<b>\$ -</b>	<b>\$ 2,876,190,778</b>

(Concluded)

# State of Mississippi Institutions of Higher Learning

## Combining Statement of Cash Flows

For the year ended June 30, 2009

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	fhL Board Office	MCVS	Elimination Entries	TOTAL
<b>Operating Activities</b>													
Tuition and fees	\$ 10,190,008	\$ 14,881,416	\$ 27,205,354	\$ 87,320,168	\$ 7,788,635	\$ 8,674,145	\$ 106,179,765	\$ 79,982,008	\$ 8,958,987	\$ -	\$ -	\$ -	\$ 349,158,384
Grants and contracts	14,263,256	8,623,735	50,683,545	168,428,759	9,582,358	9,946,508	92,186,318	77,032,519	61,918,438	10,672,764	24,906,730	(36,059,711)	492,185,220
Sales and services of educational departments	629,323	1,194,210	3,600,641	28,894,083	1,008,225	1,117,537	8,591,039	1,830,060	1,124,160	3,286,674	59,975	(1,826,734)	49,509,193
Payments to suppliers	(20,839,361)	(14,562,882)	(50,834,651)	(154,074,730)	(8,466,441)	(22,113,681)	(80,050,723)	(80,081,115)	(320,269,686)	(24,619,861)	(24,768,821)	32,035,086	(768,843,676)
Payments to employees for salaries and benefits	(43,888,188)	(35,340,333)	(98,741,519)	(350,735,095)	(23,191,723)	(32,701,041)	(201,092,366)	(187,630,581)	(490,913,416)	(12,432,866)	(912,438)	-	(1,477,579,368)
Payments for utilities	(4,100,869)	(2,505,048)	(5,244,785)	(16,362,438)	(2,767,605)	(2,574,368)	(10,995,804)	(11,126,618)	(18,331,775)	(961,626)	-	-	(74,970,736)
Payment for scholarships and fellowships	(6,183,727)	(5,077,631)	(24,149,348)	(24,265,114)	(4,863,464)	(4,503,369)	(31,101,683)	(18,290,018)	(4,635,925)	(27,329,629)	-	16,993,250	(133,406,858)
Loans issued to students and employees	-	(326,688)	-	(3,000,722)	-	-	(3,296,495)	(7,554,409)	(2,551,035)	(5,578,514)	-	-	(22,307,863)
Collections of loans to students and employees	-	164,383	-	3,248,387	-	30,195	1,865,044	3,321,284	1,296,703	1,538,239	-	-	11,462,245
Auxiliary enterprise charges:													
Student housing	3,921,480	3,225,659	9,678,916	16,636,118	1,288,169	2,455,508	9,039,974	11,030,117	-	-	-	-	57,275,941
Food services	3,065,853	2,450,798	7,984,522	1,096,861	867,156	2,218,167	1,896,271	1,223,329	-	-	-	-	20,582,957
Bookstore	64,259	184,323	-	863,876	101,358	2,134,116	644,420	954,897	1,640,245	-	-	-	6,587,294
Athletics	-	-	-	22,300,982	-	-	29,995,975	7,613,354	-	-	-	-	59,910,311
Other auxiliary enterprises	966,781	268,146	535,977	8,370,847	183,220	1,630,194	3,083,305	3,171,128	1,867,168	2,023,747	-	-	22,070,512
Patient care services	-	-	-	-	-	-	-	-	659,836,440	-	-	-	859,836,440
Interest earned on loans to students	-	20,357	12,781	210,754	-	77,710	369,041	-	176,689	193,295	-	-	1,060,627
Other receipts	1,357,257	1,337,913	5,988,218	18,298,894	9,618	3,024,569	6,351,954	3,943,888	22,842,182	11,932,976	697,203	(11,141,891)	64,642,759
Other payments	-	(241,748)	-	(13,360)	-	(933)	(10,589,228)	-	(1,029,880)	(200,971)	(32,072)	-	(12,108,192)
Net cash provided (used) by operating activities	(40,563,930)	(25,703,590)	(73,300,351)	(192,781,730)	(18,460,493)	(32,584,743)	(77,142,993)	(114,600,346)	(78,072,837)	(41,474,574)	(49,223)	-	(694,734,810)
<b>Noncapital Financing Activities</b>													
State appropriations	28,263,444	23,031,550	53,421,323	174,509,760	15,049,208	19,771,265	85,905,801	83,480,309	218,581,761	42,759,331	489,889	-	745,263,631
Gifts and grants for other than capital purposes	-	-	21,988,229	36,334,081	4,181,452	10,084,143	20,711,278	23,918,554	7,198,885	-	-	-	124,366,622
Private gifts for endowment purposes	1,415,000	-	-	-	14,644	17,809	42,309	-	3,329,418	-	-	-	4,819,180
Federal loan program receipts	24,810,845	15,550,508	67,373,585	83,591,956	11,067,998	24,149,780	71,490,838	88,195,487	17,991,083	-	-	-	404,222,080
Federal loan program disbursements	(24,810,845)	(15,550,508)	(67,373,585)	(83,489,597)	(11,038,670)	(24,149,780)	(71,490,838)	(88,376,135)	(17,991,083)	-	-	-	(404,271,041)
Other sources	-	5,078,185	-	-	618,356	-	217,440	2,528,981	2,128,425	-	-	-	10,569,387
Other uses	-	-	-	(415,419)	(602,595)	-	(74,483)	-	(1,894,227)	247,768	(618)	-	(2,739,556)
Net cash provided (used) by noncapital financing activities	29,678,444	28,109,735	75,379,552	210,530,781	19,270,393	29,873,207	106,802,365	109,745,198	229,344,262	43,007,097	489,271	-	882,230,303

(Continued)

# State of Mississippi Institutions of Higher Learning

## Combining Statement of Cash Flows

For the year ended June 30, 2009

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination Entries	TOTAL
<b>Capital and Related Financing Activities</b>													
Proceeds from capital debt	\$ -	\$ -	\$ 1,900,000	\$ 46,885,350	\$ -	\$ -	\$ 73,991,462	\$ 49,900,000	\$ 85,020,000	\$ -	\$ -	\$ -	\$ 257,666,812
Cash paid for capital assets	(561,053)	(1,540,748)	(4,489,534)	(17,131,062)	(1,159,393)	(3,107,420)	(82,974,953)	(43,788,017)	(30,939,852)	17,172	-	-	(185,684,860)
Capital appropriations received	-	-	-	-	1,185,274	-	-	-	-	-	-	-	1,185,274
Capital grants and contracts received	9,608,843	-	-	230,837	1,134,752	-	14,580,467	38,911,574	104,170	-	-	-	64,570,643
Proceeds from sales of capital assets	-	-	-	99,946	-	-	-	12,351	150,293	-	-	-	262,590
Principal paid on capital debt and leases	(110,000)	(980,065)	(1,637,688)	(23,350,606)	(244,362)	(105,000)	(30,564,259)	(2,350,133)	(96,027,727)	-	-	-	(155,369,840)
Interest paid on capital debt and leases	(15,104)	(412,240)	(5,270,620)	(7,178,470)	(24,925)	(827,930)	(4,466,726)	(3,775,291)	(8,510,028)	-	-	-	(30,481,334)
Other sources	-	664,237	29,301	-	-	10,437	964,974	269,126	-	-	-	-	1,938,075
Other uses	-	(1,668,160)	-	(2,328,961)	-	-	(686,447)	(1,065,303)	-	-	-	-	(5,748,871)
Net cash provided (used) by capital and related financing activities	8,922,686	(3,936,976)	(9,478,541)	12,772,566	891,346	(4,029,913)	(29,155,482)	38,114,307	(50,203,144)	17,172	-	-	(51,631,511)
<b>Investing Activities</b>													
Proceeds from sales and maturities of investments	1,415,000	23,520,175	14,887,489	116,862,611	10,284,701	5,835,195	58,159,913	42,363,015	59,901,852	55,121,047	1,155,015	-	389,506,013
Interest received on investments	232,482	397,367	(2,150,289)	3,637,770	213,588	95,617	7,508,292	1,593,776	4,488,373	2,476,597	26,550	-	18,520,123
Purchases of investments	(1,415,000)	(22,162,020)	(12,104,033)	(114,185,627)	(11,648,511)	(363,773)	(60,841,448)	(55,371,491)	(103,919,046)	(57,307,492)	(1,181,565)	-	(440,500,006)
Net cash provided (used) by investing activities	232,482	1,755,522	633,167	6,314,754	(1,150,222)	5,567,039	4,826,757	(11,414,700)	(39,528,821)	290,152	-	-	(32,473,870)
Net increase (decrease) in cash and cash equivalents	(1,730,318)	224,691	(6,766,173)	21,290,839	551,024	(1,174,410)	5,330,647	21,844,457	61,539,460	1,839,847	440,048	-	103,390,112
Cash and cash equivalents - beginning of year	13,101,013	44,323	17,930,290	51,409,306	1,612,635	3,367,925	49,852,427	48,516,591	225,768,535	8,084,599	137,995	-	419,825,639
Cash and cash equivalents - end of the year	\$ 11,370,695	\$ 269,014	\$ 11,164,117	\$ 72,700,145	\$ 2,163,659	\$ 2,193,515	\$ 55,183,074	\$ 70,361,048	\$ 287,307,995	\$ 9,924,446	\$ 578,043	\$ -	\$ 523,215,751

# State of Mississippi Institutions of Higher Learning

## Combining Statement of Cash Flows

For the year ended June 30, 2009

	Alcorn State University	Delta State University	Jackson State University	Mississippi State University	Mississippi University for Women	Mississippi Valley State University	University of Mississippi	University of Southern Mississippi	University of Mississippi Medical Center	IHL Board Office	MCVS	Elimination Entries	TOTAL
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>													
Operating income (loss)	\$ (41,067,707)	\$ (30,206,991)	\$ (73,782,915)	\$ (218,676,684)	\$ (20,422,056)	\$ (33,951,990)	\$ (91,825,416)	\$ (134,644,177)	\$ (172,343,652)	\$ (48,679,635)	\$ (678,502)	\$ -	\$ (866,281,725)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:													
Depreciation expense	2,837,042	3,373,535	6,665,518	30,857,677	1,881,538	1,920,715	19,948,345	14,432,178	27,319,620	284,647	7,571	-	105,528,386
Self-insured claims expense	-	-	-	-	-	-	-	-	6,322,000	9,371,000	-	-	15,693,000
Bad debt expense	1,040,330	650,875	(54,163)	729,502	176,201	1,035,324	476,349	400,000	293,287,297	795,402	-	-	298,537,117
Other	-	-	-	-	-	-	-	-	-	7,798,613	198,607	-	7,997,220
Changes in assets and liabilities:													
(Increase) decrease in assets:													
Receivables, net	(1,473,739)	(627,167)	1,371,215	(6,453,893)	(611,022)	513,370	(4,232,191)	6,167,362	(306,937,354)	(6,190,017)	(103,824)	-	(318,617,260)
Inventories	(24,216)	4,269	24,434	(169,072)	(1,211)	(96,923)	126,328	15,885	(1,188,683)	17,197	-	-	(1,291,992)
Prepaid expenses	-	18,976	-	(819,618)	18,540	(2,098)	42,496	(1,525,217)	(1,678,576)	297	-	-	(3,945,200)
Other assets	-	(9,661)	5,061	554,303	-	-	-	-	67,759,686	-	-	-	68,309,389
(Increase) decrease in liabilities:													
Accounts payable and accrued liabilities	(2,105,575)	802,207	(3,517,172)	306,404	291,637	(508,403)	(1,450,666)	4,079,479	6,043,246	(1,074,667)	523,185	-	3,389,675
Deferred revenue	421,708	872,306	(5,197,129)	1,501,785	165,747	231,359	1,475,058	270,100	(727,454)	-	-	-	(986,520)
Deposits refundable	(288,833)	(142)	(5,795)	-	-	(34,936)	-	(56,179)	(747,321)	-	-	-	(1,133,206)
Accrued leave liability	87,059	1,911	1,118,170	(570,620)	40,133	3,926	(271,845)	597,189	3,719,081	78,589	3,740	-	4,807,333
Loans to students and employees	-	-	-	-	-	30,195	(1,431,451)	(4,336,966)	(71,784)	-	-	-	(5,810,006)
Other liabilities	10,001	(581,708)	72,425	(1,514)	-	(1,725,282)	-	-	1,171,057	(3,876,000)	-	-	(4,931,021)
Total adjustments	503,777	4,505,401	482,564	25,894,954	1,961,563	1,367,247	14,682,423	20,043,831	94,270,815	7,205,061	629,279	-	171,546,915
Net cash provided (used) by operating activities	\$ (40,563,930)	\$ (25,703,590)	\$ (73,300,351)	\$ (192,781,730)	\$ (18,460,493)	\$ (32,584,743)	\$ (77,142,993)	\$ (114,600,346)	\$ (78,072,837)	\$ (41,474,574)	\$ (49,223)	\$ -	\$ (694,734,810)
<b>Non-cash Capital Related Financing and Investing Activities:</b>													
Assets acquired through capital lease obligations	\$ -	\$ -	\$ -	\$ 15,526	\$ -	\$ -	\$ -	\$ 1,585,165	\$ -	\$ -	\$ -	\$ -	\$ 1,600,691
Capital assets appropriated by the State of Mississippi	\$ 5,068,721	\$ 6,134,546	\$ 2,573,519	\$ 4,720,622	\$ 1,989,708	\$ 7,387,463	\$ 8,702,083	\$ 15,164,983	\$ 2,334,037	\$ 57,428	\$ -	\$ -	\$ 54,173,110
Donations of capital assets	\$ -	\$ -	\$ 9,855,000	\$ -	\$ -	\$ 167,541	\$ 117,841	\$ 208,983	\$ -	\$ -	\$ -	\$ -	\$ 10,349,365

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## **Schedule of Expenditures of Federal Awards**

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# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UIM	UMMC	USM	IHL Board	MCVS
<b>Student Financial Aid - Cluster:</b>													
U.S. Department of Education													
84-007		\$4,631,273	\$951,402	\$200,446	\$1,089,937	\$767,718	\$99,346	\$532,352	\$237,029	\$53,333	\$700,110	\$	\$
84-032		249,129,122	15,590,308	67,373,585	33,495,168	11,306,899	24,149,780	39,186,539	19,217,150	38,841,191			
84-033		7,142,838	441,153	373,646	2,176,285	1,409,434	149,566	571,699	733,498	30,000	1,567,647		
84-038		9,410,941	246,087		157,295			81,339	1,090,654	221,445	7,614,121		
84-063		88,466,767	8,280,987	4,663,537	19,260,857	14,829,443	4,051,706	8,442,771	10,728,547	421,001	17,787,918		
LEAP		483,567	7,730		53,499	33,102		24,720	25,310	6,653	78,053	254,500	
84-069		24,810,845											
84-268		1,119,395				513,713	78,625	39,325	349,072		438,660		
84-375		1,262,910		131,200		542,856	43,850	58,000	212,226		274,778		
84-376		75,000					18,000		18,000		39,000		
84-379													
Teacher Education Assistance for College and Higher Education Grants													
Total U.S. Department of Education		387,132,659	34,484,388	21,173,154	89,954,163	51,595,034	15,907,287	33,899,896	52,580,875	19,939,882	67,343,480	254,500	
U.S. Department of Health and Human Services.													
93-338		110,601	34,212	36,081			40,308						
Advanced Education Nursing Traineeships		264,558							264,558				
93-342		816,355							212,532	603,823			
Scholarships for Health Professions Students from Disadvantaged Backgrounds													
Total U.S. Department of Health and Human Services		1,191,514	34,212	36,081			40,308		477,090	603,823			
Total Student Financial Aid - Cluster		388,324,173	34,518,600	21,209,235	89,954,163	51,595,034	15,947,595	33,899,896	53,057,965	20,543,705	67,343,480	254,500	
<b>Research and Development Cluster:</b>													
U.S. Department of Agriculture													
10-000		998,466			26,678	727,085			178,321		26,382		
US Dept of Agriculture		13,696,823	302,408			8,525,308			4,690,010		179,097		
Agriculture Research - Basic and Applied Research		178,749	24,967			153,882							
10-001		662,839				662,839							
Plant & Animal Disease, Pest Control and Animal Care		136,678				136,678							
10-025		3,851,219	414,987	15,736		2,842,402					578,094		
Wildlife Services		10,064				10,064							
10-028		819,925				819,925							
Forestry Incumbents Program		10,202				10,202							
10-084		4,018,322				4,018,322							
Grants for Animal Research, Special Research Grants		1,098,015				1,098,015							
10-200		73,241				73,241							
Cooperative Forestry Research		643,987				643,987							
10-202		287,752				287,752							
Payments to Agricultural Experiment Stations Under Hatch		321,712				321,712							
10-203													
Grants for Agricultural Research Competitive Research Grants													
10-206													
Annual Health and Disease Research													
10-207													
1890 Institution Capacity Building Grants													
10-216													
1890 Institution Capacity Building Grants													
10-250													
Agricultural and Rural Economic Research													
10-303													
Integrated Programs													

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Pass-through Grant/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUN	MVSU	UM	UMMC	USM	IHL Board	MCTS
10 304	Homeland Security - Agriculture		49,982				49,982							
10 450	Crop Insurance		141,394				141,394							
10 500	Cooperative Extension Service		14,279,228	4,413,399			9,865,829							
10 574	Team Nutrition Grants		982,102							982,102				
10 632	Forestry Research		509,431				466,996			40,403				
10 664	Cooperative Forestry Assistance		220,765				15,748						2,032	
10 678	Forest Stewardship Program (B)		36,443				36,443							205,017
10 680	Forest Health Protection (A,B)		95,774				95,774							
10 681	Wood Education and Resource Center (WERC)(B)		5,456				5,456							
10 901	Resource Conservation & Development		128,239	2,503			125,736							
10 902	Soil and Water Conservation		14,839				14,839							
10 914	Wildlife Habitat Incentive Program		66,583				66,583							
10 923	Natural Resources Conservation Services		171,006	171,006										
10 923	International Training Foreign Participant		8,966				8,966							
10 962	Subtotal Direct Programs		43,457,976	6,013,489	15,736	26,678	30,506,709			5,890,336		1,004,528		
10 000	Pass-through Program From													
10 000	MS Board of Animal Health - US Dept of Agriculture	09060387	41,204				41,204							
10 000	Lauren Farms - US Dept of Agriculture	08070186	6,638				6,638							
10 000	MS Dept Ag & Commerce - US Dept of Agriculture	07070660	6,365				6,365							
10 000	Colorado St University - US Dept of Agriculture	01070137	5,206				5,206							
10 000	NCSU - US Dept of Agriculture	2009-0969-01	42				42							
10 000	Colorado State University - US Dept of Agriculture	F124068	29,988				29,988							
10 000	Mississippi State University - US Department of Agriculture	018000-120975-09	(197)											(197)
10 025	MS Board of Animal Health - Pests and Animal Disease Pest Control and Animal Care	MS Board of Animal Health	1,308				1,308							
10 028	Utah State University - Animal Damage Control	80388001	9,711				9,711							
10 028	Utah State University - Animal Damage Control	090212001	29,099				29,099							
10 200	University of FL - Grants for Agricultural Research - Special Research Grants	University of FL - USDA - Purchases Others	10,204				10,204							
10 200	Rutgers Univ - Grants for Agricultural Research - Special Research Grants	2007-MS90177	20,275				20,275							
10 200	University of FL - Grants for Agricultural Research - Special Research Grants	6015-000000954	10,087				10,087							
10 200	OSU - Grants for Agricultural Research - Special Research Grants	AB-5-66490.03 MSU	27,901				27,901							
10 200	UGA - Grants for Agricultural Research - Special Research Grants	RD318-2 51500108	467				467							
10 200	OSU - Grants for Agricultural Research - Special Research Grants	AB-5-60190.03 MSU	258,990				258,990							
10 200	SRAC USDA	2004-38300-14387	9,618											9,618

# State of Mississippi Institutions of Higher Learning

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Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
10 206	University of Delaware - Grants for Agricultural Research Competitive Research	15701	42,084				42,084							
10 206	University of Arkansas-Grants for Agricultural Research Competitive Research	UA AES 90805-23	16,896				16,896							
10 206	University of NE - Grants for Agricultural Research Competitive Research	25-62-02-0066-002	1,876				1,876							
10 206	UAPB -Grants for Agricultural Research Competitive Research	229-130232	13,976				13,976							
10 206	Oceanic Institute - Grants for Agricultural Research Competitive Research	66020118	4,441				4,441							
10 206	Univ of GA - Grants for Agricultural Research Competitive Research	RR 182-32903505438	2,175				2,175							
10 206	UAPB-Grants for Agricultural Research Competitive Research	229-130217	13,977				13,977							
10 206	Joseph W. Jones Ecological Research Ctr - U.S. Department of Agriculture	2006-35101-16557	19,667									19,667		
10 206	Mississippi State University - U.S. Department of Agriculture	182500-31024-01	20,160									20,160		
10 206	University of Massachusetts Amherst - Grants for Agricultural Research	06 003657 C 03	35,344								35,344			
10 207	MS Board of Animal Health - Animal Health and Disease Research	09010003	4,379				4,379							
10 207	MS Board of Animal Health - Animal Health and Disease Research	07110988	221				221							
10 207	MS Board of Animal Health - Animal Health and Disease Research	07070624	(940)				(940)							
10 216	UAPB -1890 Institution Capacity Building Grants	229-130217	4,908				4,908							
10 216	WVUSU - 1890 Institution Capacity Building Grants	CR-0472-0001	496				496							
10 217	University of Alabama- Higher Education Challenge Grants	UA AES 90949-03	5,375				5,375							
10 217	University of AR - Higher Education Challenge Grants	UA AES 90926-03	6,340				6,340							
10 250	University of Chicago - Agricultural and Rural Economic Research	35843-C	3,436				3,436							
10 303	NCSSU - Initiative for Future Agriculture and Food Systems	2003-1477-02	1,616				1,616							
10 303	NCSSU - Initiative for Future Agriculture and Food Systems	2003-1477-02	(9,112)				(9,112)							
10 456	Texas Tech - Partnership Agreements to Develop Non-Insurance Risk Management Tools for Producers [an	Texas Tech (USDAR/AMA)	57,549				57,549							
10 500	NCSSU - Cooperative Extension Service	2008-1004-05	1,936				1,936							
10 564	Oklahoma St University - Nutrition Education and Training Program	5-17347-01	1,918				1,918							
10 574	University of Mississippi - U.S. Department of Agriculture	06-03-043	102,066									102,066		
10 574	University of Mississippi - U.S. Department of Agriculture	08-04-069	599,397									599,397		
10 574	University of Mississippi - U.S. Department of Agriculture	09-02-053	13,092									13,092		
10 574	University of Mississippi - U.S. Department of Agriculture	09-03-056	5,801									5,801		
10 574	University of Mississippi - U.S. Department of Agriculture	09-04-060	120,690									120,690		
10 575	University of Mississippi - U.S. Department of Agriculture	05-04-051	39,687									39,687		
10 575	University of Mississippi - U.S. Department of Agriculture	05-04-051	11,985									11,985		
10 652	CORRIM - US Dept of Agriculture	CORRIM 306	8,258				8,258							
10 652	MS Forestry Com - Forestry Research	MS Forestry Com	6,310				6,310							
10 652	Natl Council for Air & Stream - Forestry Research	8020123	932				932							
10 652	University of TN - Forestry Research	AES5893-001-01	3,731				3,731							
10 664	MS Forestry Commission - Cooperative Forestry Assistance	MS Forestry Commission	4,127				4,127							
10 680	University of MO - Forest Health Protection (A/B)	C00012805-01	6,528				6,528							
10 unknown	Mississippi State University - State Vet Database Design		11,261			11,261								
	Subtotal Pass-through Programs		1,649,711			11,261	660,939			9,618	35,344	932,548		
	Total U.S. Department of Agriculture		45,107,686	6,013,489	15,736	37,939	31,167,648			5,900,454	35,344	1,937,076		

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUP	MYSU	UM	UMMC	USM	IHL Board	MCYS
11 000	U.S. Department of Commerce		102,547							4,454		98,099		
11 303	Department of Commerce		17,289			17,289								
11 400	Technical Assistance Program		2,008,520									2,008,520		
11 405	High School Science Pipeline		41,392									41,392		
11 417	Autonomous Fish Conservation Act Program		2,563,130				734,792			362,528		1,465,810		
11 420	Sea Grant Support		2,000			2,000						120		
11 426	Coastal Zone Management Estuarine Research Reserves		600,009									600,009		
11 427	Financial Assistance for National Centers for Coastal Ocean Science		3,622,115							3,622,115		6,511		
11 430	Fisheries Development and Utilization Research and Development Grant		5,669,443				5,531,671					137,772		
11 433	Undersea Research		157,695							10,092		147,603		
11 435	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		469,491									469,491		
11 454	Marine Fisheries Initiative		96,729									96,729		
11 454	Southeast Area Monitoring and Assessment Program		1,667,905			6,309	313,973			149,655		1,197,968		
11 460	Unapplied Management Projects		1,587,768				292,333			449,432		846,003		
11 463	Special Oceanic and Atmospheric Projects		1,322,919							433,972				
11 468	Habitat Conservation		57,833			888,947								
11 469	Applied Meteorological Research		338,936									338,936		
11 472	Congressionally Identified Awards and Projects		211,371									211,371		
11 473	Unfilled Science Program		114,542			114,542								
11 481	Coastal Services Center		30,657,865			1,029,087	6,872,769			5,032,248		7,723,761		
11 481	High School Science Pipeline													
11 481	Subtotal Direct Programs													
11 000	Subtotal Direct Programs From:													
11 000	Institute for Marine Mammal Studies - U.S. Department of Commerce		29,345									29,345		
11 000	MS Department of Marine Resources - U.S. Department of Commerce	09-036	6,322									6,322		
11 000	Texas A & M - U.S. Department of Commerce	08-010	21,302									21,302		
11 000	MS Department of Marine Resources - U.S. Department of Commerce	07-022	9,183									9,183		
11 000	MS Department of Marine Resources - U.S. Department of Commerce	07-045	30,168									30,168		
11 000	MS Department of Marine Resources - U.S. Department of Commerce	07-USMGCEL-RS-Y1	325,014									325,014		
11 000	MS Department of Marine Resources - U.S. Department of Commerce	S-08-USM-EDRPH-DP-1	16,762									16,762		
11 000	The Chesapeake Research Consortium, Inc. - U.S. Department of Commerce		7,686									7,686		
11 415	Gulf States Marine Fisheries Commission - U.S. Department of Commerce	BILLFISH200518NADMM	9,335				6,896					9,335		
11 417	SC Dep. of Nat. Res - Sea Grant Support	0074082820	58,710				58,710							
11 417	USM - Sea Grant Support	NA06OAR470078	282,344							282,344				
11 417	Fishman Evaluation	USMGR01166OMNIBUS-RCEH3PD	346			346								
11 417	University of Southern Mississippi - SAV Beds in Western Grand Bay	USMGR02639OMNIBUS-RACEH39PD	960			960								
11 420	University of Southern Mississippi - MS-Alabama Sea Grant Consortium	MDMR-09-008	40,660				40,660							
11 430	MDMR - Coastal Zone Management Estuarine Research Reserves	07-10-026	3,444				3,444							
11 430	UM - Undersea Research	05-07-009	19											19
11 430	University of Mississippi - U.S. Department of Commerce	06-09-022	48,340											48,340
11 430	University of Mississippi - U.S. Department of Commerce	06-09-023	19,643											19,643

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Federal Grant/Pass-through Grant/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MDW	MVU	UM	UMMC	USM	IHL Board	MCYS
11-430	University of Mississippi - U.S. Department of Commerce	07-10-030	196,525											196,525
11-430	University of Mississippi - U.S. Department of Commerce	08-10-033	781,441											781,441
11-431	University Corp. for Atmospheric Research - U.S. Department of Commerce	S09-75034	408											408
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C06	128,950											128,950
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C05	35,049											35,049
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C07	140,004											140,004
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C08	10,530											10,530
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C01	27,659											27,659
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C03	18,166											18,166
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C05	85,470											85,470
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C05	95,362											95,362
11-432	Mississippi State University - U.S. Department of Commerce	1910001363558027C04	36,054											36,054
11-432	Mississippi State University - U.S. Department of Commerce	191001363558027C003	4,087											4,087
11-432	Mississippi State University - U.S. Department of Commerce	191001363558027C009	652											652
11-433	MS Department of Marine Resources - U.S. Department of Commerce	07-443	99,970											99,970
11-440	Oregon State University - U.S. Department of Commerce	NA1008H-D	5,890											5,890
11-454	Moie Marine Laboratory - U.S. Department of Commerce	MML108460ANAS/NMFS30	585											585
11-454	MS Department of Marine Resources - U.S. Department of Commerce	S-08-USM-EDRPH-A173	114,950											114,950
11-454	The Nature Conservancy - U.S. Department of Commerce	MA-USM-111888	466											466
11-454	MDMR - Unallied Management Projects	07-MSU-ARP-02	29,633				29,633							
11-457	University of Maryland Biotechnology Institute - U.S. Department of Commerce	035275768	14,825											14,825
11-457	University of Maryland Biotechnology Institute - U.S. Department of Commerce	SC03527583B	440,764											440,764
11-460	USM - Special Oceanic and Atmosphere Projects	USM-GRO2138-001	5,716				5,716							
11-463	Louisiana Universities Marine Consortium - U.S. Department of Commerce	6741398	45,005											45,005
11-463	Louisiana Universities Marine Consortium - U.S. Department of Commerce	CREST07-164674139	3,106											3,106
11-463	Louisiana Universities Marine Consortium - U.S. Department of Commerce	CREST09-2674139B	19,350											19,350
11-463	Mississippi State University - U.S. Department of Commerce	01590032028-02	32,854											32,854
11-463	LJIMCON CREST - Habitat Conservation	08-8 46741398B	14,117				14,117							
11-467	UCAR - Meteorologic and Hydrologic Modernization Development	S08-68830	10,484											10,484
11-468	Mississippi State University - U.S. Department of Commerce	191000-360223-01	4,581											4,581
11-472	Gulf States Marine Fisheries Commission - U.S. Department of Commerce	AP-2007-CH-USMGCORL	110,864											110,864
11-472	Gulf States Marine Fisheries Commission - U.S. Department of Commerce	AP-2007-ON-USMGCORL	65,332											65,332
11-472	Moie Marine Laboratory - U.S. Department of Commerce	MML-170395	16,126											16,126
11-472	Moie Marine Laboratory - U.S. Department of Commerce	MML-170431	1,527											1,527
11-472	Moie Marine Laboratory - U.S. Department of Commerce	MML-170-522	80,478											80,478
11-472	MS Department of Marine Resources - U.S. Department of Commerce	08-USM-NMF-654-023	55											55
11-472	North Pacific Research Board - U.S. Department of Commerce	828	30,229											30,229
11-473	Texas A & M Foundation - U.S. Department of Commerce	S0080019	6,124											6,124
11-481	MS Department of Marine Resources - U.S. Department of Commerce	04-039	15,071											15,071
11-481	The Nature Conservancy - U.S. Department of Commerce	GOM-061208	12,208											12,208
11-481	Florida A&M University - Environmental Cooperative Science	NA060AAR1810164000953	148,592											148,592

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	LUM	UMIAC	USM	IHL Board	MCYS
Howard University - NOAA-Atmospheric Sciences	11.481	NA06OAR48101726310171H1050	258,496			258,496								
Mississippi Technology Alliance - U.S. Department of Commerce	11.611	MEP2008-9	(109)									(109)		
Mississippi Technology Alliance - U.S. Department of Commerce	11.611	MEP-2008KAT	(10,604)									(10,604)		
Mississippi Technology Alliance - U.S. Department of Commerce	11.611	MEP2009-8	84,819									84,819		
MEP of MS - Manufacturing Extension Partnership	11.611	0712.729	4,416				4,416							
MS Technology Alliance - Manufacturing Extension Partnership	11.611	08010295	103				103							
MTA - Manufacturing Extension Partnership	11.611	08010294	2,697				2,697							
MTA - Manufacturing Extension Partnership	11.611	MEP2009-6	67,988				67,988							
MTA - Manufacturing Extension Partnership	11.611	MEP2009-4	256,332				256,332							
MTA MEP - Manufacturing Extension Partnership	11.611	MTA MEP2008	(2,572)				(2,572)							
Howard University - RADAR	11 unknown	634554-159790	3,221			3,221								
John Hopkins University - Theoretical Modeling of Nanotoxicit	11 unknown	956126	746			746								
University of Southern Mississippi - MS-AL Sea Grant Consortium	11.417	USMGR03639CMNBUSED19PD	4,345			4,345								
Subtotal Pass-through Programs			4,475,816			416,705	498,624			282,344				3,278,142
Total U.S. Department of Commerce			25,133,681			1,445,792	7,371,393			5,314,592				11,001,903
U.S. Department of Defense														
U.S. Dept of Defense - Basic and Applied Scientific Research	12.000		25,255,360				18,609,250			6,135,239				510,871
Aquatic Plant Control	12.100		1,593,189			1,593,189								
Flood Control Projects	12.106		131,538			131,538								
Collaborative Research and Development	12.114		160,229				144,472							15,757
Office of the Chief of Naval Research - Basic and Applied Scientific Research	12.300		6,193,972			355,681	475,384			901,828				4,761,079
National Guard Military Operations and Maintenance (O&M) Projects	12.401		307,641											307,641
Military Medical Research & Development	12.420		1,657,019				495,150			1,161,869				
U.S. Army Materiel Command - Basic Scientific Research	12.431		1,599,210			452,270	676,779			300,326				19,793
Basic, Applied, and Advanced Research in Science and Engineering	12.630		2,357,790			114,046	2,015,739			121,729				106,276
Air force Defense Research Sciences Program	12.800		493,415			96,238	80,221							229,868
Information Security Grant Program	12.902		291,814				291,814							
Research and Technology Development	12.910		3,288,605			3,288,605								
DOD - Thermally Targeted Delivery of a C-Myc Inhibitory Peptide	12 unknown		74,131										74,131	
Routing Protocols	12 unknown		54,749			54,749								
GIS Based Decision Support Aids	12 unknown		64,456			64,456								
Endocrine Disrupting Compounds	12 unknown		70,225			70,225								
Computational Chemistry Predictions	12 unknown		16,847			16,847								
Subtotal Direct Programs			43,870,190	701,161		6,237,964	22,293,659			8,620,991				5,942,285
Pass-through Program From														
MS Military Dept - US Dept of Defense	12.000	07-MOA-AOE-08	(1,211)											(1,211)
MS Military Dept - US Dept of Defense	12.000	08-MOAPC-01	2,889											2,889
11-1V, Inc. - US Dept of Defense	12.000	APVT0003	32,127											32,127

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MS Military Dept - US Dept of Defense	12 000	07MOARE09	(101)				(101)							
MS Military Dept - US Dept of Defense	12 000	08MOAPC09	39,571				39,571							
Sentinel - US Dept of Defense	12 000	07014-002 TASK 2	88,199				88,199							
Battelle - US Dept of Defense	12 000	TCN 08119	148,410				148,410							
MS Military Dept - US Dept of Defense	12 000	08MOAPC10	60,304				60,304							
Battelle - US Dept of Defense	12 000	TCN 08119	37,637				37,637							
Opowinc, Inc - US Dept of Defense	12 000	PO10245 EI	2,005				2,005							
Kinware Inc - US Dept of Defense	12 000	F08A-017-0223	4,770				4,770							
Geo-Centers Inc - US Dept of Defense	12 000	42023MK	25				25							
Semi South - US Dept of Defense	12 000	#1019	27,435				27,435							
ABSL - US Dept of Defense	12 000	W15P7T-06-C-P108	9,971				9,971							
BAE Systems - US Dept of Defense	12 000	S12007MSU1	19,195				19,195							
BAE Systems - US Dept of Defense	12 000	067790	9,973				9,973							
Battelle - US Dept of Defense	12 000	TCN 07173	176,404				176,404							
Battelle - US Dept of Defense	12 000	TCN 07190	319,977				319,977							
Battelle - US Dept of Defense	12 000	TCN 07191	555,113				555,113							
Battelle - US Dept of Defense	12 000	TCN 09038	45,258				45,258							
Battelle - US Dept of Defense	12 000	TCN 07176	384,585				384,585							
BCHO - US Dept of Defense	12 000	TCN 05169	(19)				(19)							
CAE Solutions - US Dept of Defense	12 000	07060579	(31,849)				(31,849)							
Cumgran Microsystems Corp - US Dept of Defense	12 000	MSU01	4,519				4,519							
EWA Govt Sys - US Dept of Defense	12 000	EWAGS-07-SC-0004	75,200				75,200							
EWA Govt Sys - US Dept of Defense	12 000	EWAGS148-SC-0009	91,705				91,705							
GDRS - US Dept of Defense	12 000	GDRS S-70007M	60,697				60,697							
Georgia Tech - US Dept of Defense	12 000	R7463-S5	107,461				107,461							
Gulf South Research Corp - US Dept of Defense	12 000	Gulf South Research Corp	50,900				50,900							
Gulf South Research Corp - US Dept of Defense	12 000	Gulf South Research Corp	29,038				29,038							
Jackson State University - US Dept of Defense	12 000	W91278-07-P-0428	(170)				(170)							
Jackson State University - US Dept of Defense	12 000	W91278-08-C-0053	46,068				46,068							
Miltec - US Dept of Defense	12 000	MILTEC-04-C-0018	29,643				29,643							
Morgan - US Dept of Defense	12 000	MOR-JDQ-05-003000011	386,458				386,458							
MS Military Dept - US Dept of Defense	12 000	09MOAPC10	34,320				34,320							
Nearby Inc - US Dept of Defense	12 000	N68335-08-C-0469	85,910				85,910							
Northrop Grumman - US Dept of Defense	12 000	5119508011	76,093				76,093							
Northrop Grumman - US Dept of Defense	12 000	SS PO 51 19856 011	149,832				149,832							
ORSECUS - US Dept of Defense	12 000	B00844SUN02-06	5,450				5,450							
Rite-K em Inc - US Dept of Defense	12 000	08998816	149,623				149,623							
SemiSouth - US Dept of Defense	12 000	#1016	285,022				285,022							
SemiSouth Lab - US Dept of Defense	12 000	1015	(20,990)				(20,990)							
Sentinel - US Dept of Defense	12 000	07014-002 TASK ORDER 1	21,771				21,771							

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Sentel - US Dept of Defense	12.000	07028-001	(6,120)				(6,120)							
Sentel - US Dept of Defense	12.000	20000-MSU	(308)				(308)							
SPARTA, Inc. - US Dept of Defense	12.000	BOA-09-2-109 TO 013	42,791				42,791							
Ultralife - US Dept of Defense	12.000	1840-555-MSU01-08D-CPO30	46,333				46,333							
UQM Technologies - US Dept of Defense	12.000	F09650-03-C-0034	438,401				438,401							
UQM Technologies - US Dept of Defense	12.000	FA8501-07-C-0034	63,738				63,738							
Mississippi Military Department - U.S. Department of Defense	12.000	07-MDA-ARE-04-USM	(717)									(717)		
Mississippi Military Department - U.S. Department of Defense	12.000	07-MDA-ARE-05-USM	(1,039)									(1,039)		
Mississippi Military Department - U.S. Department of Defense	12.000	07-MDA-ARE-06-USM	(626)									(626)		
Mississippi Military Department - U.S. Department of Defense	12.000	08-MOPAC-02	38,413									38,413		
Mississippi Military Department - U.S. Department of Defense	12.000	09-MOAPC-04	47,902									47,902		
Mississippi Military Department - U.S. Department of Defense	12.000	09-MOAPC-05	130,480									130,480		
Mississippi Military Department - U.S. Department of Defense	12.000	09-MOAPC-06	38,974									38,974		
Mississippi Military Department - U.S. Department of Defense	12.000	09-MOAPC-07	80,420									80,420		
Mississippi Military Department - U.S. Department of Defense	12.000	191000-360294-01	62,117									62,117		
Mississippi State University - U.S. Department of Defense	12.000	191000-360299-01	123,193									123,193		
Opotech International, Inc. - U.S. Department of Defense	12.000	POW00385	57,372									57,372		
Opotech International, Inc. - U.S. Department of Defense	12.000	POW333	712,609									712,609		
University of Michigan - U.S. Department of Defense	12.000	61-3567A	26,405									26,405		
Mississippi Military Department - U.S. Department of Defense	12.000	07-MDA-ARE-03-USM	(5,865)									(5,865)		
Mississippi Military Department - U.S. Department of Defense	12.000	08-MOAPC-04	38,418									38,418		
Mississippi Military Department - U.S. Department of Defense	12.000	08-MOPAC-05	19,028									19,028		
Mississippi Military Department - U.S. Department of Defense	12.000	190100-300170-01	(345)									(345)		
Mississippi Research Consortium - U.S. Department of Defense	12.000	06-S568-0048-01C1	55,343									55,343		
Universal Technology Corporation - U.S. Department of Defense	12.000	FA8650-05-D-3807	11,350									11,350		
USM Research Foundation - U.S. Department of Defense	12.000		45,317									45,317		
Craft	12.000	08-M-3813AC333	10,919							10,919				
CISS	12.000	2006-1149709-000	22,438							22,438				
SAUC DTRA	12.000	DASG60-03-C-0009	4,116							4,116				
Craft	12.000	FA8650-07-M-3717	398							398				
Craft	12.000	FA8650-08-C-3819	65,626							65,626				
Craft	12.000	FA8650-08-M-3801	12,519							12,519				
Dwr Tech Inc-US Navy	12.000	N/A	5,540							5,540				
Cytec Corp-US Navy	12.000	N00140-06-D-002	84,979							84,979				
MSU / US Navy	12.000	N62306-01-D-8001	40,622							40,622				
Craft	12.000	N68335-05-C-0381	3,335							3,335				
Craft	12.000	N68335-07-C-0016	200,627							200,627				
NASA	12.000	NAS1-02117	37,472							37,472				
USM / NASA	12.000	NNS06AA98B	203,910							203,910				
MISSET - DOD	12.000	UOPM 0501	48,481							48,481				



# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCVS
12.800	University of MA - Air Force Defense Research Sciences Program	05-001302 A.00	12,191				12,191							
12 unknown	Academy of Applied Science - REAP	0140415	2,579			2,579								
12 unknown	Mississippi State University - Advance Disast Educ	060808-01090729	(403)			(403)								
	Subtotal Pass-through Programs		11,369,688			2,383	6,047,590		43,913	2,705,937		2,569,864		
	Total U.S. Department of Defense		55,239,878	701,161		6,240,347	28,341,249		43,913	11,326,928	74,131	8,512,149		
14.237	U.S. Department of Housing and Urban Development		35,903	35,903										
14.246	Historically Black Colleges & Universities Programs		18,923		18,923									
	Community Development Block Grants/Economic Development Initiative													
	Total U.S. Department of Housing and Urban Development		54,826	35,903	18,923									
15.000	U.S. Department of Interior		429,271			113,219				298,702		19,350		
15.308	US Dept of Interior		108,353							108,353				
15.423	Grants for Mining and Mineral Resources and Research Institutes - MMTC		312,603							312,603				
15.424	Minerals Management Service (MMS) Environmental Studies Program (ESP)		4,028							4,028				
15.608	Marine Minerals Activities		443,061			434,409						8,652		
15.615	Fish and Wildlife Management Assistance		2,248							2,248				
15.617	Cooperative Endangered Species Conservation Fund		11,170			11,170								
15.628	Wildlife Conservation and Approxiation		266,780			266,780								
15.632	Multi-State Conservation Grants (B)		36,667									36,667		
15.805	Conservation Grants Private Stewardship for Imperiled Species		101,410			101,410								
15.808	Assistance to State Water Resources Research Institutes		416,529			403,332						13,197		
15.812	Geological Survey Research and Data Acquisition		129,746			129,746								
15.923	Cooperative Research Units Program (CRUP)		6,241			6,241								
15.978	National Center for Preservation Technology and Training		220,644			220,644								
	Upper Mississippi River System Long Term Resource Monitoring Program (B)													
	Subtotal Direct Programs		2,488,751			1,686,951				723,934		77,866		
15.000	Pass-through Program Fren		26,721			26,721								
15.000	MDWFP - US Dept of Interior	08010052	1,025			1,025								
15.000	MDWFP - US Dept of Interior	08010052	61,282			61,282								
15.000	Lawrence Tech Inst		18,894									18,894		
15.000	MS Department of Marine Resources - U.S. Department of the Interior	S-08-F95-USM-19	33,540									33,540		
15.000	MS Department of Marine Resources - U.S. Department of the Interior	S-08-USM-F-132-09	106,092									106,092		
15.000	MS Department of Marine Resources - U.S. Department of the Interior	S-09-USM-F-131-08	29,454									29,454		
15.000	MS Dept of Wildlife Fisheries & Parks - U.S. Department of the Interior	S08-8-USM-118	82,824									82,824		
15.000	MS Department of Marine Resources - U.S. Department of the Interior	S08-8-USM-120	50,804									50,804		
15.000	MS Department of Marine Resources - U.S. Department of the Interior	S-08-F95-USM-18	46,058									46,058		
15.000	MS Department of Marine Resources - U.S. Department of the Interior		29,892									29,892		
15.000	MS Dept of Wildlife Fisheries & Parks - U.S. Department of the Interior		3,457							3,457				
15.000	University of Ill-Dept Int	2007-02647-01	6,499									6,499		
15.224	University of Mississippi - U.S. Department of the Interior	05-06-063												

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
CACI Army	12.000	W19PTT-06-E4020029	102,131							102,131				
University of Utah-US Army	12.000	W9003M-05-C-0193	4,661							4,661				
Militar - Army	12.000	W9113M-07-C-0096	450,661							450,661				
Impulse Dev-SMDC	12.000	W9113M-07-C-0178	1,021,455							1,021,455				
Earth Search-Copp	12.000	W912EE-04-D-0003	25,134							25,134				
Mississippi State University - Case Management Twollet	12.000	34011406088021000	76			76								
USM Research Foundation - U.S. Department of Defense	12.114	W9113M-04-C-0120	84											84
Jackson State University - U.S. Department of Defense	12.116	191000-36028701	15,602											15,602
Mississippi State University - U.S. Department of Defense	12.300	CR-19222-430221	112,954											112,954
USM Research Foundation - U.S. Department of Defense	12.300	FA8750-09-1-0146	15,816											15,816
Virginia Tech - Basic and Applied Scientific Research	12.300	204080	8,366				8,366							
Politechnical - Basic and Applied Scientific Research	12.300	R00149-Task 9 & 10	34,650				34,650							
Drexel University-Basic and Applied Scientific Research	12.300	R00149-Task 7 & 14	104,639				104,639							
FSU - Basic and Applied Scientific Research	12.300	A100506	(1,037)				(1,037)							
FSU - Basic and Applied Scientific Research	12.300	R01091	3,894				3,894							
WHOI - Basic and Applied Scientific Research	12.300	R00909	117,068				117,068							
FSU - Basic and Applied Scientific Research	12.300	R00909	29,373				29,373							
FSU - Basic and Applied Scientific Research	12.300	R00909	450,019				450,019							
FSU - Basic and Applied Scientific Research	12.300	R00909	244,450				244,450							
FSU - Basic and Applied Scientific Research	12.300	R00909	173,240				173,240							
FSU - Basic and Applied Scientific Research	12.300	R00909	190,118				190,118							
FSU - Basic and Applied Scientific Research	12.300	R00909	103,062				103,062							
FSU - Basic and Applied Scientific Research	12.300	R00909	67,153				67,153							
FSU - Basic and Applied Scientific Research	12.300	R00909	4,451				4,451							
FSU-QNR	12.300	H00014-08-1-0742	199,640							199,640				
St. Mary University - Multi Institutional Research	12.300	N000140310317	131			131								
Univ of Iowa - Military Construction, National Guard	12.400	I000557053	16,017				16,017							
Univ of Iowa - Military Construction, National Guard	12.400	I000557053	11,235				11,235							
Mississippi Military Department - U.S. Department of Defense	12.401	08-MOAPC-08	8,566											8,566
Mississippi Military Department - U.S. Department of Defense	12.401	09-MOAPC-01	28,892											28,892
Mississippi Military Department - U.S. Department of Defense	12.401	09-MOAPC-03	7,764											7,764
Mississippi Military Department - U.S. Department of Defense	12.401	09-MOAPC-09	11,111											11,111
GIT/ARO	12.431	E-31-GRT-G1	161,272							161,272				
Development of Geospatial Science and Technology	12.610	HM1582-08-1-0046	43,913							43,913				
Mandarin Enterprise Corporation - U.S. Department of Defense	12.800	FA8501-USM-001	741,152											741,152
USM Research Foundation - U.S. Department of Defense	12.800	000169320	149,174											149,174
Henry M. Jackson Fdn - Air Force Defense Research Sciences Program	12.800	000169320	189,292											189,292
Henry M. Jackson Fdn - Air Force Defense Research Sciences Program	12.800	000169320	85,357											85,357

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UMA	UMMC	USM	IHL Board	MCYS
15 224	Montana State University - Cultural Resource Management	G231-407-W0094	3,946				3,946							
15 423	University of Mississippi - U.S. Department of the Interior	09-11-032	180,552									180,552		
15 605	MDWFP - Sport Fish Restoration Program	07090870	83,356				83,356							
15 605	MDWFP - Sport Fish Restoration	PD464485612	59,479				59,479							
15 605	MDWFP-US Fish	9514	7,405							7,405				
15 608	AL Dept of Conservation - Fish and Wildlife Management Assistance	8040328	4,228				4,228							
15 608	NEWF - Fish and Wildlife Management Assistance	2006-0156-000	4,009				4,009							
15 611	Puerto Rico - Wildlife Restoration	DNER 133-08-01211	78,168				78,168							
15 611	MDWFP - Wildlife Restoration	W-48-56 #39	14,078				14,078							
15 611	MDWFP - Wildlife Restoration	W-48 Study # 57	3,046				3,046							
15 611	MDWFP - Wildlife Restoration	W-48-50-58	9,863				9,863							
15 611	MDWFP - Wildlife Restoration	Study #65	83,052				83,052							
15 611	MI DNR 751B9200072 Belant	751B9200072	23,886				23,886							
15 611	KY Dept of FWR - Wildlife Restoration	08100897	38,907				38,907							
15 614	MS Department of Marine Resources - U.S. Department of the Interior	08-USM-MGCHP-01	12,993									12,993		
15 615	Memphis Zoological Society - Cooperative Endangered Species Conservation Fund	08020192	380				380							
15 615	Arkansas Game & Fish Comm - Cooperative Endangered Species Conservation Fund	08030256	16,637				16,637							
15 615	Arkansas Game & Fish Comm - Cooperative Endangered Species Conservation Fund	07040390	32,512				32,512							
15 634	Mississippi Museum of Natural Science - U.S. Department of the Interior	USFWS Post Kaunas07	47,183				47,183							
15 634	MS Dept of Wildlife Fisheries & Parks - U.S. Department of the Interior	FUNDULUS-SWGFY07	77,448				77,448					77,448		
15 634	MS Dept of Wildlife Fisheries & Parks - U.S. Department of the Interior	Section 6-Segment 24	11,590				11,590					11,590		
15 642	Novotice Wildlife Refuge - Challenge Cost Share (B)	401817G091	1,235				1,235							
15 642	Novotice Wildlife Refuge - Challenge Cost Share (B)	401818C550	1,676				1,676							
15 805	MSU USGS	08HQGR0094	19,551							19,551				
15 805	Mississippi State University		6,217											
15 808	U.S. Geological Survey/Research and Data Collection	07ERAG0003	200,409				200,409							
15 809	U.S. Geological Survey/National Spatial Data Infrastructure Cooperative Agreements	08RQAG0084	25,000				25,000							
15 904	USM Research Foundation - U.S. Department of the Interior		35,968									35,968		
15 923	NW State	Y082299	6,224							6,224				
	Subtotal Pass-through Programs		1,585,542	6,217	225,409	-	547,488	-	-	36,637	-	769,791	-	-
	Total U.S. Department of Interior		4,074,293	6,217	225,409	-	2,234,439	-	-	760,571	-	847,657	-	-
16 000	U.S. Department of Justice		13,647											
16 550	Department of Justice		26,982											
16 560	State Justice Statistics Program for Statistical Analysis Centers		1,484,940				1,484,940							
16 710	Justice Research Development and Evaluation Project		663,541				663,541							
	Public Safety Partnership and Community Policing Grants		663,541				663,541							
	Subtotal Direct Programs		2,189,110	-	-	-	1,484,940	-	-	-	-	-	-	40,629
16 000	Pass-through Program From		18,709				18,709							
16 000	Unit of TN - US Dept of Interior	DR12577-001.01	38,426				38,426							
16 000	Lawrence Tech Inst - US Dept of Justice	Lawrence Tech Inst	88,086				88,086							
	Yazoo City Federal Correctional Institution - Yazoo City Partners Ed Project													

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUNW	MNSU	UM	UMMC	USM	IHL Board	MCYS
University of Tenn - Justice Research Development and Evaluation Project	16-560	OR12643-001 01	2,545				2,545							
Mississippi State University - MS Electronic Crimes Grant	16-560	2007RGCXC22806390036382702	21,068			21,068								
MS Department of Public Safety - MS Stop Violence Against Women	16-588		86			86								
MS Department of Public Safety - 2008 MS Stop Violence Against Women	16-588	03SV4002	12,506			12,506								
MS Department of Public Safety - 2008 MS Stop Violence Against Women	16-588	04SV4002	12,405			12,405								
MS Department of Public Safety - 2009 MS Stop Violence Against Women	16-588	06SV4002	15,172			15,172								
Mississippi Department of Public Safety	16-738		5,214	5,214										
Mississippi State University - C1 Jet Crime	16 unknown	06290036372302	98,120		88,086	19,357	59,680							
Subtotal Pass-through Programs			312,337	5,214	88,086	199,357	59,680							
Total U.S. Department of Justice			2,901,447	5,214	88,086	822,898	1,544,620							40,629
U.S. Department of Labor:														
Employment and Training Administrative Phios, Demonstrations, and Research Projects	17-261		423,584				423,584							
Consultation Agreements	17-904		556,910				556,910							
Subtotal Direct Programs			980,494				980,494							
Pass-through Program From														
SE TN Dev District - US Dept of Labor	17-000	09060605	7,820				7,820							
MDDES - WIA Adult Program (A)	17-258	7-S90-014-W6727-1	1,551,152				1,551,152							
MDDES - Unemployment Insurance	17-225	7-S90-014-W6727-1	145,620				145,620							
MDDES - Employment Service	17-207	7-S90-014-W6727-1	87,371				87,371							
MDDES - WIA Dislocated Workers (A,B)	17-260	7-S90-014-W6727-1	1,451,488				1,451,488							
MDDES - Local Veterans' Employment Representative Program	17-804	7-S90-014-W6727-1	64,946				64,946							
Jacobus Technology - JT Program	17 unknown	N731300TMS	186,961				186,961							
Subtotal Pass-through Programs			3,495,338				3,495,338							
Total U.S. Department of Labor			4,475,852				4,288,891							
U.S. Department of Transportation														
US Dept of Transportation	20-000		479,964				479,964							
MS Department of Transportation	20-507		359,467					359,467						
Institute of Multimodal Transportation	20-701		503,303			503,303								
Transportation Planning, Research and Education	20-931		1,047,113				1,047,113							
Integrating Asset Valuation	20 unknown		33,609					33,609						
Subtotal Direct Programs			2,423,456				1,527,077							
Pass-through Program From														
MDOT - US Dept of Transportation	20-000	SP-9999-00(027) 104008/101000	10,977				10,977							
MDOT - US Dept of Transportation	20-000	103896 008000	5				5							
Univ of TN - US Dept of Transportation	20-000	101564	19,102				19,102							
MDOT - US Dept of Transportation	20-000	104558 121000	20,787				20,787							

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
MDDOT - US Dept of Transportation	20 000	104558 120000	103,291				103,291							
MDDOT - US Dept of Transportation	20 000	104828 130000	97,070				97,070							
MDDOT - US Dept of Transportation	20 000	104828 133000	72,871				72,871							
MDDOT - US Dept of Transportation	20 000	104828 135000	11,760				11,760							
MDDOT - US Dept of Transportation	20 000	104828 136000	16,633				16,633							
MDDOT - US Dept of Transportation	20 000	SPR-(49) 104828 129000	36,217				36,217							
MDDOT - US Dept of Transportation	20 000	SPR-(51) 15129 137000 SSFZ08	55,946				55,946							
MDDOT - US Dept of Transportation	20 000	SPR-(51) 105129 131000 SSFZ02	51,129				51,129							
MDDOT - US Dept of Transportation	20 000	010511 103000	65,000				65,000							
MDDOT - US Dept of Transportation	20 000	104826 10800 WOF MSU 2007-08	55,412				55,412							
MDDOT - US Dept of Transportation	20 000	SPR(H54)105366 13500 2007-15	17,626				17,626							
MDDOT - US Dept of Transportation	20 000	09 K 9 401-1	243,078				243,078							
MDDOT - US Dept of Transportation	20 000	105129 136000 SSFZ07	21,444				21,444							
MDDOT - US Dept of Transportation	20 000	SPR(H54)105366 13400 2007-14	9,569				9,569							
MDDOT - US Dept of Transportation	20 000	105366 137000 SSFZ14	31				31							
MDDOT - US Dept of Transportation	20 000	105366 143000 SSFZ20	7,954				7,954							
NAS/FAA	20 000	ACRP 03-01	162,208				162,208			162,208				
SAC/US DoI	20 000	GS07-T-00-BGD-0028	77,313				77,313			77,313				
MS Department of Public Safety - Enforcing Underage Drinking Program	20 205	07-UA-400-1	3,901			3,901								
MDPSP - Highway Training and Education	20 215	07-CP-401-1	(26)				(26)							
MDPSP - Highway Training and Education	20 215	08-CP-401-1	46,911				46,911							
MDPSP - Highway Training and Education	20 215	09-CP-401-1	77,564				77,564							
Mississippi Department of Public Safety - U.S. Department of Transportation	20 234	GM000984	15,997				15,997					15,997		
Mississippi State University - U.S. Department of Transportation	20 515	MSUR060502-363944-01	42,290				42,290					42,290		
University of Denver - University Transportation Centers	20 760	36301-01-00	318,424				318,424							
ISU - University Transportation Centers	20 760	634716	16,329				16,329							
University of Wisconsin System - Recycled Materials Resource Center	20 unknown	047K11008014	8,354			8,354								
MS Department of Public Safety - Diversity Safety Summit	20 unknown	09-CP-4001	44,418			44,418								
Subtotal Pass-through Programs			1,729,084			56,673	1,375,103			239,521			57,787	
Total U.S. Department of Transportation			4,152,540			593,585	2,902,180		359,467	239,521			57,787	
Appalachian Regional Commission														
Pass-through Program From														
UMMC - Appalachian Regional Commission	23 000	56631-01	33,602				33,602				105,785			
Appalachian Regional Commission - Analysis of Departments of Oral Health and Access	23 unknown	CO 16034 08	105,785											
Total Appalachian Regional Commission			139,387				33,602				105,785			
Library of Congress														
Distribution of Library of Congress Cataloging			172,071											172,071

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Pass-through Grant/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MPVSU	UM	UMMC	USM	IHL Board	MCYS
43 000	National Aeronautics and Space Administration NASA		2,384,878			73,419	257,241			63,361		2,064,276		
43 001	Aerospace Education Services Program		4,540,357			62				815,988		3,720,307		
43 002	Technology Transfer		3,216,190				3,106,384					109,806		
43 unknown	NASA - Digital Astronaut Project	NNA06CN45G	209,800								209,800			
43 unknown	NASA - Systems Analysis Approach to Data Analysis and Clinical Algorithm	NNJ06HIA31P	(9)											(9)
43 unknown	NASA - Gender Differences in Bedrest	NNK06MB74A	(55,009)											(55,009)
43 unknown	Pre Service Teacher Institute		73,419			73,419								
	Subtotal Direct Programs		10,389,626			73,481	3,363,625			883,349		5,894,389		
	Pass-through Program From:													
43 000	Tetra Tech Inc - NASA	TRC-STTR-I-07	24,363				24,363							
43 000	USM - NASA	USM-GR03466 NNS08AA83B	85,321				85,321							
43 000	USM/NASA - NASA	USM-GR03529 NNS08AA83B	7,114				7,114							
43 000	CFDRC - NASA	647	43,894				43,894							
43 000	CFDRC - NASA	CFDRC %5	27,400				27,400							
43 000	Hj persomp Eng - NASA	1001	4,592				4,592							
43 000	Keystone Synergistic Emprp - NASA	KSE09012	6,379				6,379							
43 000	MS Eiband - NASA	STTR Phase II	4,665				4,665							
43 000	MS Eiband - NASA	NNX08CD53P	30,657				30,657							
43 000	Suzanne Numerics - NASA	09080763	9,379				9,379							
43 000	Tetra - NASA	TRC-STTR-II-06	43,914				43,914							
43 000	Tetra Research - NASA	TRC-STTR-I-08	18,024				18,024							
43 000	UMMC - NASA	5320-01 SSAI	5,116				5,116							
43 000	USM - NASA	USM-GR03087-A-10	21,717				21,717							
43 000	USM - NASA	USM-GR03467 NNS08AA83B	79,583				79,583							
43 000	USM - NASA	USM-GR03560-A-10 NNS09AA13T	2,324				2,324							
43 000	USM - NASA	USM-MRCS5C-3202007-45T	24				24							
43 000	USM-NASA	GR03150-A10	46,670				46,670							
43 000	USM-NASA	GR0320-A10 -	66				66							
43 000	USM-NASA	USM-GR03155	(590)				(590)							
43 000	USM-NASA	USM-MRCS5C-04262005	(622)				(622)							
43 000	USM-NASA	USM-MRCS5C-09262006-03T	6,161				6,161							
43 000	USM-NASA	USM-MRCS5C-2142007-56T	263,257				263,257							
43 000	USM-NASA	USM-MRCS5C-2152007-52T	300,609				300,609							
43 000	USM-NASA	USM-MRCS5C-2152007-53T	317,223				317,223							
43 000	USM-NASA	USM-MRCS5C-2152007-58T	303,720				303,720							
43 000	USM-NASA	USM-MRCS5C-3032008-09T	122				122							
43 000	University of Mississippi - National Aeronautics and Space Administration	08-05-074	11,266										11,266	
43 000	USM Research Foundation - National Aeronautics and Space Administration	41866	5,395											5,395
43 000	MSU - MRC - NASA	DONNS06A65D	17,003							17,003				
43 000	Avales Corp - NASA	NAS10-02026	324											324
43 000	Jet Pro Lab - NASA	NN0710650	34,158											34,158

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Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUM	MYSU	UM	UMMC	USM	IHL Board	MCVS
NIA-NASA	43-000	NNL08A008	30,445							30,445				
Craft-NASA	43-000	NNM06A112C	1,434							1,434				
Craft	43-000	NNX08C811P	9,417							9,417				
University of Mississippi - National Aeronautics and Space Administration	43-001	08-02-666	11,083									11,083		
University of Mississippi - National Aeronautics and Space Administration	43-001	08-11-046	18,008									18,008		
University of Mississippi - National Aeronautics and Space Administration	43-001	09-09-027	8,288									8,288		
UM - NASA	43-001	07-09-020	156				156							
UM - Aerospace Education Services Program	43-001	07-11-064	1,297				1,297							
George Mason University - Aerospace Education Services Program	43-001	200707-D	14,474				14,474							
Univ of MD - Aerospace Education Services Program	43-001	Z63A005	341,289				341,289							
University of MS - Aerospace Education Services Program	43-001	08-10-041	11,697				11,697							
UM - Aerospace Education Services Program	43-001	08-01-063	1,609				1,609							
University of MS - Aerospace Education Services Program	43-001	09-01-044	9,866				9,866							
University of MS - Aerospace Education Services Program	43-001	09-01-043	4,244				4,244							
University of MS - Aerospace Education Services Program	43-001	09-03-057	33,094				33,094							
University of Mississippi - Aerospace Education Services Program	43-001	NNX07A036A	145		7,757						145			
University of Mississippi - Aerospace Education Services Program	43-001	08-07-011/09-07-002	7,757		7,757									
University of Mississippi - Aerospace Education Services Program	43-001	08-08-018	22,567						22,567					
University of Mississippi - Space Grant	43-001	08-06-000112498ANNX07A036A	16,607			16,607								
University of Southern Mississippi - Environmental GIS Principal Cen	43-001	NNG05G77H0808012000112306A	158			158								
USM-Technology Transfer	43-002	USM-CR03439NNS08A810T	62,768			62,768								
USM-Technology Transfer	43-002	USM-MRCS5C-12162005-65D	839,579				839,579							
USM-Technology Transfer	43-002	USM-MRCS5C-12162005-65D	8,606				8,606							
USM-Technology Transfer	43-002	USM-MRCS5C-12162005-65D	181,556				181,556							
USM-Technology Transfer	43-002	USM-MRCS5C-122007-51T	241,129				241,129							
USM-Technology Transfer	43-002	USM-MRCS5C-12162005-65D	44,261				44,261							
USM-Technology Transfer	43-002	USM-MRCS5C-12162005-65D	34,199				34,199							
USM-Technology Transfer	43-002	USM-MRCS5C-12162005-65D	137,134				137,134							
USM-Technology Transfer	43-002	USM-MRCS5C-12162005-65D	17,263				17,263							
USM-Technology Transfer	43-002	USM-MRCS5C-122007-51T	193,921				193,921							
University of Southern Mississippi - Integration of NASA Research Resources	43-unknown	NNS06A4688	33,514							33,514				
University of Southern Mississippi - Development of Rapid Prototyping Capability	43-unknown	NNS06A4988	221,690							221,690				
University of Southern Mississippi - Environmental GIS Principal	43-unknown	USMGR03140A10	253,553			58,034				195,519				
Subtotal Pass-through Programs			4,532,077		7,757	137,568	3,766,557		22,567	92,781	430,807	54,040		
Total National Aeronautics and Space Administration			14,901,703		7,757	211,049	7,130,182		22,567	976,130	605,590	5,948,429		
National Endowment for the Humanities	45-161		10,305											10,305
Promotion of the Humanities Research	45-162		474						474					
Richard A. Wright A. Miss. Writer	45-163		77,917			77,917								
Promotion of the Humanities-Professional Development	45-169		34,478				34,478							
Promotion of the Humanities-Digital Humanities Initiative			123,174			77,917	34,478		474					10,305
Subtotal Direct Programs			123,174			77,917	34,478		474					10,305

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Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
Pass-through Program From	45.024		67											
National Endowment for the Arts - Big Road			123,341			77,917	34,478			541		10,365		
Total National Endowment for the Humanities														
National Science Foundation														
National Science Foundation	47.000		47,330									47,330		
Engineering Grants	47.041		1,460,713			321,678	765,627			116,554		256,854		
Mathematical and Physical Sciences	47.049		3,272,130			1,375,705	150,056			606,446		1,139,923		
Geosciences	47.050		698,107			88,500				177,083		472,524		
Computer and Information Science and Engineering	47.070		829,474			106,054	570,854			109,715				
Computer and Information Science and Engineering	47.071		39,717											
Biological Sciences	47.074		1,858,603			72,856	759,911			196,075		154,131		
Social, Behavioral, and Economic Sciences	47.075		122,700			21,232				72,285		29,183		
Education and Human Resources	47.076		6,794,380			3,057,620	2,714,791			298,708		684,059		
Polar Programs	47.078		99,084				48,857					50,227		
International Science and Engineering	47.079		64,119			194,089	21,889			29,402		42,230		
Office of Cyber Infrastructure	47.080		269,766				75,677							
Interdisciplinary Nanoscience			60,016											
Subtotal Direct Programs	47 unknown		15,616,739			5,297,750	5,117,662			139,117	1,470,002	154,331		3,438,077
Pass-through Program From														
Seacoast Sc - NSF	47.000	SSI-0207026	1											
NEES Consortium - NSF	47.000	RA-Sumbor-2008-MGSU	73,890				73,890							
University of HI-Engineering Grants	47.041	Z761889	2,373				2,373							
State Univ. of NY-Engineering Grants	47.041	105841341058	20,802				20,802							
UC San Diego-Engineering Grants	47.041	10273843	21				21							
Oregonus Inc -Engineering Grants	47.041	IP-0749884	18,325				18,325							
Bar/SIC Semiconductors - Engineering Grants	47.041	IP-0539748	31,674				31,674							
Jackson State University - National Science Foundation	47.000	NSF-HRD-0602740	51,844				51,844					51,844		
University of Alaska - National Science Foundation	47.000	UAF-08-0005	29,265				29,265					29,265		
University of Florida - National Science Foundation	47.041	UR08034	326									326		
USM Research Foundation - National Science Foundation	47.041		3,032									3,032		
USM Research Foundation - National Science Foundation	47.041	CR-19739-477717	3,623									3,623		
Virginia Polytechnic Instit & State University - National Science Foundation	47.041	DMR-0423914	13,003									13,003		
Care Western Reserve University - National Science Foundation	47.049		59,594									59,594		
Mississippi State University - Mathematical and Physical Sciences	47.049	060801362415	15,536									15,536		
Georgia Institute of Technology - Origins Chemical Inventory	47.049	NSF-CHE073189R-0948-G3	55,994			55,994								
Ohio State University-Computer and Information Science and Engineering	47.070	745316	10,186											10,186
Cornell University - Computer and Information Science and Engineering	47.070	38002-6387	(146)											(146)
Rensselaer-Computer and Information Science and Engineering	47.070	A11533	20,645											20,645
University of TX-Austin - Biological Sciences	47.074	UTA06-272	82,856											82,856



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Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
University of Southern Mississippi - Environmental Stress-NSF/EPS	47 074	NSF AWARD EPS-0556308/CR02629	876			876								
Mississippi State University - Evaluation and Assessment	47 076	440900-362427-02/EPS-0556308	12,572			12,572								
Mississippi State University - Education and Outreach	47 076	440900-362427-02/EPS-0556308	50,750			50,750								
Mississippi State University - Enhancement	47 076	440900-362427-02/EPS-0556308	74,544			74,544								
Mississippi State University - Biosystem Simulation and Modeling	47 076	440900-362427-02/EPS-0556308	66,104			66,104								
Mississippi State University - Computational Biology	47 076	440900-362427-02/EPS-0556308	102,168			102,168								
Mississippi State University - Computational Chemistry	47 076	440900-362427-02/EPS-0556308	333,265			333,265								
University of MS - Education and Human Resources	47 076	05-10-030	117,258				117,258							
Mississippi State University - National Science Foundation	47 076	440900-362427-01	500,144									500,144		
MSU - NSF	47 076	EPS 0056308	317,902						317,902					
USM / NSF IOERT	47 076	GR01701-A10	180,145						180,145					
Mississippi State University - Education and Human Resources	47 076	440900-362427-04	142,753								142,753			
Jackson State University/MANIP/ Education and Human Resources	47 076	HRD9153747	96,994		96,994									
Education and Human Resources	47 076	SUB No. 07-04-088	518,571	518,571										
Civilian Res/Dev F&N - International Science and Engineering	47 079	DUK2-2856-KV-07	8,623				8,623							
North Carolina A&T University - BPC-A Collaborative Research	47 070	CRS05405772600641	8,943			8,943								
North Carolina A&T University - BPC-A Collaborative Research	47 070	CRS05405772600641	15,361			15,361								
University of Southern Mississippi - EPSCOR Seed Grant	47 081	MCBC USM NSF EPSCOR SEED	19,723			19,723								
University of Southern Mississippi - EPSCOR Seed Grant III	47 018	NSF AWARD EPS-0556308	22,610			22,610								
Subtotal Pass-through Programs			2,882,150	518,571	96,994	562,911	186,307			498,047	158,289	500,144		
Total National Science Foundation			18,198,889	518,571	96,994	5,860,661	5,504,169		139,117	1,968,049	312,420	4,098,908		
U S Small Business Administration	59 000		602,422				403,505					198,917		
Small Business Administration	59 007		209,172									209,172		
Technical Assistance			811,594				407,505					408,089		
Subtotal Direct Programs														
Pass-through Program From			164,438		164,438									
University of Mississippi - Small Business Development Center	59 037	9-7630-0025-18												
Total U S Small Business Administration			5,695				5,695					4,691		
Tennessee Valley Authority	62 000													
Tennessee Valley Authority	64 unknown	586D80018	4,691											
VA - Acute Pharmacotherapy of Late Life Mania														
Environmental Protection Agency	66 461		136,180				136,180							
Regional Wetland Program Development Grants	66 475		121,762											121,762
Gulf of Mexico Program	66 509		138,574				138,574							
Science To Achieve Results (STAR) Research Program														

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MOW	MVSU	UM	UMMC	USM	IHL Board	MCVS
Office of Research and Development Consolidated Science To Achieve Results (STAR) Fellowship Program (B)	66 511		95,385				95,385							
Environmental Justice	66 514		36,478				36,478							
Subtotal Direct Programs	66 unknown		18,528			18,528								
Subtotal Pass-through Programs			546,507			18,528	406,617					121,762		
Pass-through Program From							6,068							
Tetra Tech - Environmental Protection Agency	66 000	07030007	6,068											
EcoAtray, LLC - U.S. Environmental Protection Agency	66 000		4,257									4,257		
MS Department of Environmental Quality - U.S. Environmental Protection Agency	66 000	MDSEQ-08-ID-01USM	63,808									63,808		
Tetra Tech - U.S. Environmental Protection Agency	66 000	045200	34,258									34,258		
MS Department of Environmental Quality - U.S. Environmental Protection Agency	66 000	06-0001USMCCRL-014	(1,289)									(1,289)		
Texas A & M - U.S. Environmental Protection Agency	66 000	S080003	8,003									8,003		
MS Department of Environmental Quality - U.S. Environmental Protection Agency	66 419	MDSEQ-02-ID-0001USM	(850)									(850)		
MD Dept of AG/EPA	66 439	MDA-1764C-FY07	14,102							14,102				
MD/DEQ	66 460	EPA.AC099866-06-0	5,726							5,726				
FL Dept of Environmental Protection - U.S. Environmental Protection Agency	66 460	WM897	(2,375)									(2,375)		
FL Dept of Environmental Protection - U.S. Environmental Protection Agency	66 460	WM949	9,430									9,430		
MS Department of Environmental Quality - U.S. Environmental Protection Agency	66 472	08-01USMCCRL-03	11,638									11,638		
MS Department of Environmental Quality - U.S. Environmental Protection Agency	66 472	09-01USMCCRL-08	122,897									122,897		
MS Department of Environmental Quality - U.S. Environmental Protection Agency	66 472	09-01USMCCRL-09	6,547									6,547		
University of South Florida - U.S. Environmental Protection Agency	66 475	1209-1071-00-B	54,434									54,434		
SELA	66 641	X-83262201-1	17,968							17,968				
Subtotal Pass-through Programs			354,622				6,068			37,796		310,758		
Total Environmental Protection Agency			901,529			18,528	412,685			37,796		412,520		
U.S. Department of Energy	81 004		1,404,873				1,404,873							
University-Laboratory Cooperative Program	81 036													
Inventions and Innovations	81 036		843,526				783,976			59,550				
Basic Energy Science University and Science Education	81 057		89,622				75,156			14,466				
University Coal Research	81 079		5,492,951				5,492,951							
Regional Biomass Energy Programs	81 086		296,337				296,337							
Conservation Research and Development	81 087		3,570,880			236,773	2,503,461					830,646		
Renewable Energy Research and Development	81 087		1,148,567				219,250			929,317				
Fossil Energy Research and Development	81 113		356,173										356,173	
Defense Nuclear Nonproliferation Research	81 502		620,119				620,119							
Miscellaneous Federal Activities	81 unknown		139,447							139,447				
DOE - Diagnostic Cardiac Catheterization	81 unknown		159,576			159,576								
Oak Ridge National Lab Security Program	81 unknown		20,791			20,791								
JIERE Program	81 unknown		417,140			417,140	11,396,123			1,003,333		139,447		
Subtotal Direct Programs			14,142,862									1,186,819		

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
Pass-through Program From														
MDA - US Dept of Energy	81.000	GT06-024-002/ASU	59,432				59,432							
Sandia National Lab - US Dept of Energy	81.000	798196	130,809				130,809							
UT-Battelle - US Dept of Energy	81.000	75330	20,955				20,955							
UT-Battelle - US Dept of Energy	81.000	4000054701	1,078,224				1,078,224							
UT-Battelle - US Dept of Energy	81.000	4000055437	351,134				351,134							
UT-Battelle - US Dept of Energy	81.000	4000055442	121,001				121,001							
UT-Battelle - US Dept of Energy	81.000	4000055446	112,840				112,840							
UT-Battelle - US Dept of Energy	81.000	4000055448	173,893				173,893							
UT-Battelle - US Dept of Energy	81.000	4000055452	401				401							
UT-Battelle - US Dept of Energy	81.000	4000055453	21,300				21,300							
UT-Battelle - US Dept of Energy	81.000	4000055457	340,421				340,421							
UT-Battelle - US Dept of Energy	81.000	4000057968	40,713				40,713							
UT-Battelle - US Dept of Energy	81.000	4000064719	588,312				588,312							
UT-Battelle - US Dept of Energy	81.000	4000065554	583,827				583,827							
UT-Battelle - US Dept of Energy	81.000	4000065631	947,415				947,415							
UT-Battelle - US Dept of Energy	81.000	4000075837	221,430				221,430							
UT-Battelle - US Dept of Energy	81.000	4000075867	59,377				59,377							
UT-Battelle - US Dept of Energy	81.000	4000077960	45,918				45,918							
Y12 National Security Complex - U.S. Department of Energy	81.000	4300068639	410,716				410,716					410,716		
Y12 National Security Complex - U.S. Department of Energy	81.000	4300068639	331,534				331,534					331,534		
Law DOE NNSA	81.000	DE-AC52-06NA25396	23,872							23,872				
Argonne	81.000	W-31-109-ENG-38	5											
Fermi Lab/PO DOE	81.049	DE-FC02-91ER40622	4,954											
Texas A & M - U.S. Department of Energy	81.049	570501	15,323									15,323		
University of Mississippi - Mississippi Biomass Utilization	81.049	DE-FC605G0850020708001	7,813			7,813								
Mississippi Technology Alliance - U.S. Department of Energy	81.079	MTA-SBI-1006	14,561											14,561
GEFA - Regional Biomass Energy Programs	81.079	SP2007-104	81,802											
South Dakota University - Regional Biomass Energy Programs	81.079	UJTTF153	21,982											
South Dakota University - Regional Biomass Energy Programs	81.079	UJTA148	58,863											
South Dakota University - Regional Biomass Energy Programs	81.079	UJTB148	13,337											
MTA - Regional Biomass Energy Programs	81.079	MTA-SBI-1009	(589)											
MTA - Regional Biomass Energy Programs	81.079	MTA-SBI-1011	41,182											
University of Mo - Renewable Energy Research and Development	81.087	07-08-002	4,342											
UM - Renewable Energy Research and Development	81.087	07-08-002	(156)											
University of Tennessee-Knoxville - U.S. Department of Energy	81.087	DR8400-001.01	83,121											83,121
Texas A & M - U.S. Department of Energy	81.089	09-007	9,721											9,721
University of Texas at Austin - Fossil Energy Research and Development	81.089	UT/A08-395	84,333											
UM - Fossil Energy Research and Development	81.089	09-08-016	45,406											
SSEB - Fossil Energy Research and Development	81.089	SECARB2-998-77-MSUDIAL-2005-00	99,819											
UTA - DOE	81.089	UT/A08-270	51,402											
Howard University - Biomarkers	81.104	63354-195313	1,694			1,694								

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Federal CFDA Numbers	Federal Grant/Pass-through Grant/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCS
81 000	UT-Battelle, LLC - Southeast Regional Research	40000650894200000226	942,806	-	-	942,806	-	-	-	-	-	-	-	-
81 000	Alcorn State University - Integrated Sensor System	4000056452	3,857	-	-	3,857	-	-	-	-	-	-	-	-
81 000	BWXT Y-12, LLC - NCBC Operations	DEAC05000R228004300058411	310,162	-	-	310,162	-	-	-	-	-	-	-	-
81 000	UT-Battelle, LLC - Support-Novel Anion Receptor	4000057186400006004	1,800	-	-	1,800	-	-	-	-	-	-	-	-
81 000	UT-Battelle, LLC - Ensemble Modeling System	42000002264000073895	20,768	-	-	20,768	-	-	-	-	-	-	-	-
81 000	UT-Battelle, LLC - Innovative Levee Strengthening	42000002264000073868	43,880	-	-	43,880	-	-	-	-	-	-	-	-
81 000	UT-Battelle, LLC - Development of Prototype Toolset	4000079874	110	-	-	110	-	-	-	-	-	-	-	-
	Subtotal Pass-through Programs		7,627,820	-	-	1,332,890	5,349,722	-	-	80,233	-	-	-	864,976
	Total U.S. Department of Energy		21,770,682	-	-	1,750,010	16,745,845	-	-	1,083,566	139,447	-	-	2,051,795
84 031	U.S. Department of Education		8,142	-	-	8,142	-	-	-	-	-	-	-	-
84 116	Strengthening the Master's Degree		375,539	-	-	202,092	82,512	90,452	-	81,995	-	-	-	-
84 129	Rehabilitation Long-Term Training		78,713	-	-	78,713	-	-	-	-	-	-	-	-
84 133	National Institute on Disability and Rehabilitation		260,327	-	-	260,327	-	-	-	-	-	-	-	-
84 133A	Disability Rehabilitation Research Projects		152,835	-	-	152,835	-	-	-	-	-	-	-	152,835
84 200A	Graduate Assistance in Areas of National Need		575,384	-	-	218,578	80,520	103,975	-	-	-	-	-	252,831
84 215	U.S. Dept of Education/Expanding Appropriate Assessment/Instruction		80,520	-	-	80,520	-	-	-	-	-	-	-	-
84 324K	Mathematics and Science Special Education		327,214	-	-	327,214	-	-	-	-	-	-	-	-
84 373	Special Education - Technical Assistance on State Data Collection		238,033	-	-	72,212	372,214	-	-	165,821	-	-	-	-
84 928	Della Area Writing Project		2,179,219	-	-	290,790	829,286	194,427	165,821	82,995	-	-	-	405,666
	Subtotal Direct Programs		3,061	-	-	3,061	-	-	-	-	-	-	-	-
	Pass-through Program From		6,347	-	-	6,347	-	-	-	-	-	-	-	-
84 000	University of CA - US Dept of Education	RH769-003892077	12,630	-	-	12,630	-	-	-	-	-	-	-	-
84 000	AR - DHHS - US Dept of Education	4500768246	5,501	-	-	5,501	-	-	-	-	-	-	-	-
84 000	AL Dept Rehab - US Dept of Education	AE8087M503	12,013	-	-	12,013	-	-	-	-	-	-	-	-
84 000	Virginia Dept of Labor - US Dept of Education	A08-170	7,564	-	-	7,564	-	-	-	-	-	-	-	-
84 000	NI Comm for Blind - US Dept of Education	9040410	2,735	-	-	2,735	-	-	-	-	-	-	-	-
84 000	Commonwealth of VA - US Dept of Education	09-223	7,740	-	-	7,740	-	-	-	-	-	-	-	-
84 000	AR DHS - US Dept of Education	AR DHS 450080500	29,361	-	-	29,361	-	-	-	-	-	-	-	-
84 000	MS IHL - Higher Education Institutional Aid	C90870005	14,402	-	-	14,402	-	-	-	-	-	-	-	-
84 031	MS IHL - Higher Education Institutional Aid	P031A080102	(2)	-	-	(2)	-	-	-	-	-	-	-	-
84 177	Commonwealth of MA - Rehabilitation Services Independent Living Services for	CWCB40004123059	351	-	-	351	-	-	-	-	-	-	-	-
84 177	Texas Tech University - Rehabilitation Services Independent Living Services for	1304B109-01	7,825	-	-	7,825	-	-	-	-	-	-	-	-
84 177	Commonwealth of VA - Rehabilitation Services Independent Living Services for	Commonwealth of VA 07-305 Sunang	10,381	-	-	10,381	-	-	-	-	-	-	-	-
84 177	UT Div of Serv for the Blind - Rehabilitation Services Independent Living Services for	UT Div of Serv for the Blind	3,895	-	-	3,895	-	-	-	-	-	-	-	-
84 177	GA Dept of Labor - Rehabilitation Services Independent Living Services for	72100-706-08	8,133	-	-	8,133	-	-	-	-	-	-	-	-
84 177	MO Rehab Services for Blind - Rehabilitation Services Independent Living Services for	SS01240	3,477	-	-	3,477	-	-	-	-	-	-	-	-
84 177	GA Dept of Labor - Rehabilitation Services Independent Living Services for	72100-706-09	6,531	-	-	6,531	-	-	-	-	-	-	-	-
84 213	Petal School District - U.S. Department of Education		3,288	-	-	3,288	-	-	-	-	-	-	-	-
84 215	National Council on Economic Education - U.S. Department of Education	IS-07-00713		-	-		-	-	-	-	-	-	-	3,477
84 215	National Council on Economic Education - U.S. Department of Education	TT0700712		-	-		-	-	-	-	-	-	-	6,531
84 215	National Council on Economic Education - U.S. Department of Education			-	-		-	-	-	-	-	-	-	3,288

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84.234	MS Department of Rehabilitation - Project START	(07-09)-331-S1800-250	43,987			43,987								
84.334	Board of Trustees of IHL - U.S. Department of Education	2009 149E	37,147									37,147		
84.364	CEIS - USOE	N/A	779							779				
84.366	MSDE-US DOE	073201EA0688B26464045	357,981							357,981				
84.366	MDF-US I/OED	S3668060025	209,471							209,471				
84.367	MS IHL - NCLB Math / Literacy Inst. For Teachers	S3678070021A	196,125		196,125									
84.335	MS Department of Education - 21st Century Community Learning Cn	CL076301	328,236		328,236									
84.236	University of South Florida - Laser Research	H326M000002	2,266		2,266									
	Subtotal Pass-through Programs		1,321,226	225,486	374,488	102,577				568,231		50,443		
	Total U.S. Department of Education		3,500,445	516,276	584,722	931,863	194,427	165,821	651,226			556,109		
93.000	U.S. Department of Health and Human Services		119,200							119,200				
93.004	Public Health Service		4,008		4,008					33,336		85,864		
93.068	Feasibility Study of Osteopathic					24,120								
93.103	Chronic Diseases Research, Control, and Prevention		1,551,192							1,551,192				
93.113	Food and Drug Administration Research		708,452		488,180					220,272				
93.115	Environmental Health		281,555		281,555									
93.121	Women and Risk Estimation Health Risks from		390,149						113,431		300,149			
93.137	Oral Diseases and Disorders Research		113,431											
93.173	Community Programs to Improve Minority Health		529,651								529,651			
93.185	Research Related to Deafness and Communication Disorders		1,333							1,333				
93.213	Immunization Research, Demonstration, Public Information and Education Training and Clinical Skills Improvement Projects		120,744							120,744				
93.226	Research and Training in Complementary and Alternative Medicine		19,367								19,367			
93.241	Research on Healthcare Costs, Quality and Outcomes		183,163											
93.241	HBCU BEAT		183,163											
93.242	Mental Health Research Grants		897,892			7,904					845,364	45,224		
93.262	Occupational Safety and Health Programs		31,336			31,336								
93.273	Alcohol Research Programs		619,484			61,201				61,345	406,028	90,910		
93.279	Drug Abuse and Addiction Research Programs		2,418,813			83,756				1,875,948	459,109			
93.282	Women in Domestic Violence Studies		18,084		18,084									
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance		1,518,119		2,056					1,516,063				
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health		41,829							41,829				
93.307	Minority Health and Health Disparity Research		786,647		332,993									
93.361	Nursing Research		1,654								1,654			
93.389	National Center for Research Resources		9,978,641		1,686,821	571,320				1,946,783	2,082,497	2,791,220		
93.390	Academic Research Enhancement Award	(692)	(692)		(692)									
93.393	Cancer Cause and Prevention Research		255,101							255,101				
93.394	Cancer Detection and Diagnostic Research		44,790									44,790		
93.395	Cancer Treatment Research		273,370											
93.396	Cancer Biology Research		107,637		17,670	92,770				164,682	248			107,637
93.833	Cancer Research		691							691				
93.201	Refugee and Entrant Assistance Wilson/Fish Program		7,247											7,247
	Trans-NIH Recovery Act Research Support													

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91 779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluation		260,456				126,806			260,456				
91 871	Cell Biology and Biophysics Research		126,806				126,806							
91 837	Heart and Vascular Diseases Research		7,316,285								7,285,286	30,999		
91 839	Blood Diseases and Resources Research		127,713			91,891						35,822		
91 846	Arbitrils, Musculoskeletal and Skin Diseases Research		48,734							48,734				
91 853	Extramural Research Programs in the Neurosciences and Neurological Disorders		339,746				84,774			66,783	188,189			
91 855	Allergy, Immunology and Transplantation Research		290,938				76,891			153,987	60,060			
91 856	Microbiology and Infectious Diseases Research		421,266							309,502		111,764		
91 859	Pharmacology, Physiology & Biological Chemistry Research		1,930,314	132,046		860,002	112,288				697,905	128,073		
91 865	Child Health and Human Development Extramural Research		171,905			103,272					29,664	39,969		
91 866	Ageing Research		88,040				38,044				398,836			49,996
91 867	Vision Research		495,919							97,083				
91 887	Health Care and Other Facilities		527,970							284,030	136,987			106,953
91 888	Specialty Selected Health Projects		360,630			195,565	165,065							
91 912	Rural Health Care Services Outreach and Rural Health Network Development Program		595,756							595,756				
91 939	HIV Prevention Activities - Non Governmental Organization Based		340,885			340,885								
91 943	Epidemiology Research Studies of AIDS and HIV Infection in Selected Population Groups		716,481			716,481								
91 989	International Research and Research Training		12,441								12,441			
93 unknown	Atherosclerosis Risk in Communities - ARIC	NO1HC58021	905,035								905,035			
93 unknown	Pediatric Hydrocortisone Phase III Clinical Trial Supplement	NO1HB07158	256,792								256,792			
93 unknown	Jackson Heart Study	NO1HC95171	7,995,730			4,362,658					3,633,072			
93 unknown	National Institute of Health - National Children's Study	IHSNS067200700010C	421,220								421,220			
	Subtotal Direct Programs		43,900,069	132,046		8,914,549	2,234,718		113,431	9,605,762	18,786,688	4,122,875		
	Pass-through Program From:													
93 000	University of MD- Dept of Health and Human Service	03-4-38719	20,724				20,724							
93 000	MDHS- Dept of Health and Human Services	527Q7492A	342,977				342,977							
93 000	Mississippi Department of Mental Health - U.S. Department of Health and Human Services	HHSMS-500-2005-MS401C	11,539									11,539		
93 000	Info & Quality Healthcare	N/A	183,966							183,966				
93 000	NIH - Extramural Associate Research Development		33,928						33,928	(54)				
93 001	Jackson Hinds Comprehensive Health Center - JSU Applied Psychology		2,350			2,350								
93 004	Morehouse School of Medicine - RCC for Hurricane Response	US2MP02001034	3,006			3,006								
93 113	EcoAtray, LLC - U.S. Department of Health and Human Services	13637	55,316											
93 121	University of Minnesota - Oral Diseases and Disorders Research	86166124104	81,513											55,316
93 136	McHenry Medical College - Community-Based Intervention	060412PD05651	148,844											81,513
93 137	Univ of Mississippi Medical Center - MS Institute for Improvement	CPIMP061018-0216822	366,179			148,844								
93 137	Univ of Mississippi Medical Center - Addressing Diabetes in Rural Miss	CPIMP061018-03 66813	20,206			20,206								
93 137	University of Mississippi Medical Center - U.S. Department of Health and Human Services	66813	100,191											100,191
93 137	University of Mississippi Medical Center - U.S. Department of Health and Human Services	CPIMP061018-01	29,647											29,647
93 137	UMMC - Community Programs to Improve Minority Health Grant Program	66802	78,005				78,005							
93 137	UMMC - Community Programs to Improve Minority Health Grant Program	66803	166,319				166,319							
93 137	UMMC - Community Programs to Improve Minority Health Grant Program	66812	4,336				4,336							
93 137	UMMC - Community Programs to Improve Minority Health Grant Program	66803	6,693				6,693							

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93.137	Community Programs to Improve Minority Health Grant Program	Sub Award 64811-02	82,352	82,352										
93.173	Washington University - Research Related to Deafness and Communication Disorders	WU0689	51,466				51,466							
93.184	Amer Acad of Podiatry-Disabilities Prevention		32,212				32,212							
93.189	Delta Health Alliance - U S Department of Health and Human Services		336,926									336,926		
93.213	Rutgers / NII	1 R21 A1002076-01	5,295				5,295							
93.213	Georgetown-NIH	5 R21 A1002611-02	(7,873)				(7,873)							
93.213	NY Botany Garden-NIH	R21 A1001889	9,822				9,822							
93.213	University Massachusetts - Research Training in Complementary/Alternative Medicine	6081994	(372)				(372)							
93.226	Delta Health Alliance - Research on Health Care Costs, Quality and Outcomes	R18HS017233	7,550				7,550							
93.236	Mississippi State Department of Health - Grants for Dental Public Health Residents Training	2000DHO	6,754				6,754							
93.241	Delta Health Alliance - State Rural Hospital Flexibility Program	Program 16	8,550				8,550							
93.241	Delta Health Alliance - State Rural Hospital Flexibility Program	Program 15	54				54							
93.241	Delta Health Alliance - State Rural Hospital Flexibility Program	Program 12	1,900				1,900							
93.241	Delta Health Alliance - State Rural Hospital Flexibility Program	Program 12	195				195							
93.241	Delta Health Alliance - State Rural Hospital Flexibility Program	DHA Project 35	238,265				238,265							
93.242	Yale University - Mental Health Research Grants	A06200	42,942				42,942							
93.242	Duke University - Mental Health Research Grants	P50 MH060451-01A2	214,372				214,372							
93.242	Duke University - Mental Health Research Grants	133984	109,199				109,199							
93.243	Mississippi Department of Mental Health - Substance Abuse and Mental Health Services	DIG368F4	27,045				27,045							
93.243	MS Department of Health - MS Underage Drinking Coalition	7A60-METRO-SPF-SIG-08	48,154				48,154							
93.243	Morehouse School of Medicine - Mental Health Mini-Grant RFA	SAMFSA71-020447	3,235				3,235							
93.262	UK UKRF - Occupational Safety and Health Program	3049022648-08-389	12,297				12,297							
93.262	Trustees UAB CDC	T420R008436	12,418				12,418							
93.273	University of New York Buffalo - Alcohol Research Programs	R351001	17,351				17,351							
93.273	University of New York Buffalo - Alcohol Research Programs	R01AA016564	18,193				18,193							
93.279	Acacia Discovery - Drug Abuse and Addictions Research Program	R41DA023291	55,194				55,194							
93.279	Oregon Research Institute - Drug Abuse and Addiction Research Program	DA017972	2,473				2,473							
93.279	University of Texas San Antonio - Drug Abuse and Addiction Research Program	115954115375	136,056				136,056							
93.283	SECCEBT Emory University - Centers for Disease Control and Prevention Investigations	SECCEBT Emory University 06090763	19,957				19,957							
93.283	Delta Council - Delta Health Initiative	H75CCH24145-02-2	1,544,616				1,544,616							
93.284	UMCC - Injury Prevention Program for American Indians and Alaskan Natives-Coo	65809-06	53,729				53,729							
93.286	University of WA / NIH	2 R01 EB000350-04A2	57,904				57,904							
93.307	Tougaloo College - U S Department of Health and Human Services		8,999									8,999		
93.307	University Michigan - Minority Health and Health Disparities Research	P60MD002249	66,161				66,161							
93.307	Jackson State University - Minority Health and Health Disparities Research	P20MD000534	65,131				65,131							
93.307	Tougaloo - Minority Health and Health Disparities Research	P20MD002725	19,875				19,875							
93.307	University of Michigan - Michigan Center (CIAHD)	P60MD0024901	9,623				9,623							
93.307	University of Michigan - CIAHD (Integrative Approaches)	P60MD0024902	39,927				39,927							
93.375	University of Michigan - U S Department of Health and Human Services	DE014261	14,319				14,319							
93.389	MFGN/NIH	5P20R0016476-08	3,999				3,999							
93.389	FAMU/NIH	G12 RR003020	1,910				1,910							
93.389	USM - NII	NOT-RR-03-008	73,402				73,402							
93.389	University of Southern Mississippi - National Center for Research Resources	P20RR16476	79,225				79,225							

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93.389	USM - Research Infrastructure	USM-GR03282-02-8	185,061	185,061										
93.389	Charles R. Drew University - RCM1	SP20RR1114511	198,702			198,702								
93.389	Idea Networks of Biomedical Research Excellence - FCCSA Grant	USM-GR03282-04-8	138,946				138,946							
93.389	Idea Networks of Biomedical Research Excellence - Genomics in Yeast	SP20RR106476-09	127,909				127,909							
93.393	Oregon Research Institute - Cancer Cause and Prevention Research	CA107442	62,911								62,911			
93.395	University of Pennsylvania - Cancer Treatment Research	531795	5,074								5,074			
93.395	Gynecologic Oncology Group - Cancer Treatment Research	SP 27469-2	118,813								118,813			
93.395	National Childhood Cancer Foundation - Cancer Treatment Research	13164	5,679								5,679			
93.395	Gynecologic Oncology Group - Cancer Treatment Research	CA47269	40,823								40,823			
93.395	National Childhood Cancer Foundation - Cancer Treatment Research	97452-1019	138,636								138,636			
93.395	University of Texas HSC - Cancer Treatment Research	N01CN33038	23,252								23,252			
93.395	Sungang River Hospital System - Cancer Treatment Research	US6CA105478	5,087								5,087			
93.395	Houston Pharmaceuticals - Cancer Treatment Research	R3-CA126138	8,683								8,683			
93.395	St. Jude - NIH	1R01 CA108775-01A1	58,181							58,181				
93.395	Tulds University / NIH	7 R21 CA123253-02	(1)							(1)				
93.399	University of Alabama at Birmingham - U.S. Department of Health and Human Services	5 L01 CA114619-04	148,597									148,597		
93.399	University of Alabama at Birmingham - U.S. Department of Health and Human Services	5U01 CA114619-05	31,542									31,542		
93.399	University of Alabama at Birmingham - U.S. Department of Health and Human Services	5U01 CA114619-05	27									27		
93.399	Southeast Oncology Group - Cancer Control	11-025-008JM	63,383									63,383		
93.399	CTRC Research Foundation - Cancer Control	PCF79328	585									585		
93.399	MS Department of Health - MS Prostate Cancer Project Phase II	90YD0197	2,702			2,702								
93.556	Texas A & M - U.S. Department of Health and Human Services	527Q7471	2,652											
93.575	MDHS - Child Care and Development Block Grant	527Q7484	39,683				39,683							
93.575	MDHS - Child Care and Development Block Grant	527Q7484	152,292				152,292							
93.600	University of Colorado - Dept of Health of Human Service	University of Colorado	(14,077)				(14,077)							
93.600	Univ. of CO - Head Start	FY08.078.003	47,095				47,095							
93.600	Univ. of CO - Head Start	FY09.494.003	11,566				11,566							
93.701	Charles R. Drew University - RCM1 Translational Research	2008-2008XNC007R3N00-3SU	1,476,706			1,476,706								
93.729	UNC @ CH / NIH	7 R01 DA017204-04	18,601									18,601		
93.779	Network 8 Inc	N/A	(430)									(430)		
93.824	UMMC - Area Health Education Centers	65800-06	94,440				94,440							
93.837	UMMC NIH	R01 HL088421	11,073							11,073				
93.837	University of Washington - Heart and Vascular Disease Research	HL085257	15,692									15,692		
93.837	University of Texas HSC - Heart and Vascular Disease Research	0004524D	13,163									13,163		
93.837	University of Michigan - Heart and Vascular Disease Research	HL085571-02	259,443									259,443		
93.837	Texas A&M University - Heart and Vascular Disease Research	R01HL088101	1,298									1,298		
93.837	University of Michigan - Heart and Vascular Disease Research	HL087660	40,929									40,929		
93.838	University of MD - Lung Diseases Research	SR00000113	15,418									15,418		
93.838	University of Pittsburgh - Lung Diseases Research	9003272	13,998									13,998		
93.839	Medical College of Georgia - Blood Diseases and Resources Research	05-1074E1	5,632									5,632		
93.839	Research Triangle - Blood Diseases and Resources Research	N01CP01004	7,057									7,057		
93.839	Boston Medical Center - Blood Diseases and Resources Research	HL5157	13,859									13,859		
93.839	Boston Medical Center - Blood Diseases and Resources Research	HL5157	2,338									2,338		



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93 839	Thomas Jefferson University - Comprehensive Sickle Cell Center Program	US4HL070885	1,925								1,925			
93 839	St Jude Children's Hospital - Blood Diseases and Resources Research	U09HL078787-02	95,134								95,134			
93 849	Mayo Clinic - Kidney Diseases, Urology and Hematology Research	R01DK73537	219,099								219,099			
93 853	Mississippi Methodist Rehab-Extramaral Research in Neurosciences and Neurological	H133A980035	359								359			
93 853	Washington University SOM - Extramaral Research in Neurosciences and Neurological	NS042804/NU0583	128,210								128,210			
93 855	Louisiana State University - Allergy, Immunology, and Transplantation Research	SU19A061972	188,899								188,899			
93 859	Cornell University - Biomedical Research and Research Training	440527957	8,120							154,972	8,120			
93 859	Elio Lab-MIH	2R42GM067304-02	154,972											
93 959	MS Department of Health - Mern Jackson Community Prevention	742807SAPT MJCPC 08	17,877			17,877								
93 959	MS Department of Health SAFT Block Grants	7428-08SAPT-32-24-5	200,239			200,239								
93 865	Temple University - Child Health and Human Development Extramaral Research	36990121	5,747								5,747			
93 956	National Institute of Occupational Safety and Health (NIOSH)	2004-0431-A&T2	6,703											
93 unknown	Jackson State University - Computerized Tomography Data Acquisition Center	N01HC95170	722,345								722,345			
93 unknown	University of North Carolina Chapel Hill - Hispanic Community Health Study	HHSN268200625233C	74,985								74,985			
93 unknown	University of Alabama - Natural History of CMV Related Hearing Loss	HHSN260200600098C	105,409								105,409			
93 unknown	Maryland Medical Research Institute - MSH Parents Follow Up Extension	N01HS67129	19,717								19,717			
93 unknown	Jackson State University - Magnetic Resonance Imaging Data Acquisition Center	N01 HC 95170	142,450								142,450			
93 unknown	Duke University - Crusade	BAMSG	16								16			
93 unknown	Carnegie Mellon University - Assessing Biomimatics Efforts	109015218530T360M008789	37,683			37,683								
93 unknown	Massachusetts Institute of Technology - Large-Scale Genotyping	5710002267HHSN268200625236C	6,400			6,400								
93 unknown	MS Department of Health - Real AIDS Prevention Project (RAPP)		38,865								38,865			
93 399	MS Department of Health - Comp Cancer Control Program	10000CA0	2,820								2,820			
93 unknown	MS Department of Health - Tobacco Interventions Among Diverse	40000EPO	(33,330)			(33,330)								
93 unknown	MS Department of Health - AIDS Prevention Project (RAPP)	40000AD0	33,717			33,717								
93 unknown	MS Department of Health - Project SAFE	40000AD0	36,575			36,575								
93 unknown	Polaris Health Dimensions, Inc. - College Outcomes Management System	1R33MH07518501A2	487			487								
	Schools Pass-through Programs		10,996,933	274,117	1,544,616	2,660,967	1,346,629	266,855	33,928	583,186	3,546,880	739,755		
	Total U.S. Department of Health and Human Services		54,897,003	406,163	1,544,616	11,375,516	3,591,347	266,855	147,359	10,188,948	22,313,569	4,862,630		
	Corporation for Community and National Service													
	Pass-through Program From													
94 005	University of Southern Mississippi - Delta Heritage Lighthouse Partnership	GR-01751-A-01	1,419		1,419									
94 006	MS IEL - CNCS	06ACHB00010007	28,589							28,589				
94 006	MS IHL - MS Delta Service Corps - America Reads	96-ARCM4-5025	241,022		241,022									
	Total Corporation for Community and National Service		271,030		242,441					28,589				
	U.S. Department of Homeland Security													
97 000	US Department of Homeland Security		402,892											402,892
97 062	Scientific Leadership in Biomedical		5,868			5,868								
97 104	JSU Biointformatics in Biodefense		234,785			234,785								

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-through Program or Cluster Title	Federal CFDA Number	Pass-through Entropy Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
Homeland Security - Research, Testing, Evaluation, and Demonstration of Technologies Center - Disaster Response	97.108		85,765							85,765				
ODP Homeland Security Grant	97.unknown		336,860			336,860								
Subtotal Direct Programs	97.061		90,479			90,479								
Subtotal Pass-through Programs From:			667,992			667,992								402,892
ATA-US Dept of Homeland Sec	97.000	FWW-MSU-07-055	586,648				586,648							
UT Battelle-US Dept of Homeland Sec	97.000	400068967	144,162				144,162							
MCMC/MCYS - US Dept of Homeland Sec	97.000	MCYS 09030268	33,509				33,509							
Oak Ridge National Laboratory - U.S. Department of Homeland Security	97.000	4000080233	33,385											33,385
Mississippi Department of Public Safety - U.S. Department of Homeland Security	97.000	04HS121	585											585
Mississippi State University - U.S. Department of Homeland Security	97.000	061800363011-01	93,015											93,015
Homeland Sec Subs	97.000	DE-ACDS-000R22725	3,201,051							3,201,051				
Oak Ridge National Laboratory - U.S. Department of Homeland Security	97.003	4000075859	67,811											67,811
Oak Ridge National Laboratory - U.S. Department of Homeland Security	97.006	T O 4000055467	285,035											285,035
University of Kentucky - U.S. Department of Homeland Security	97.061	3048104430-009-292	19,050											19,050
UNC-CH - Centers for Homeland Security (B)	97.061	09010037	1,152				1,152							
Jackson State University - Homeland Security	97.061		43,676											
Oak Ridge National Laboratory - U.S. Department of Energy	97.067	4000065393	135,482											135,482
UT-Battelle - Literature Review And Report	97.unknown	BND90017 - BND900349	14,138			14,138								
MMS Department of Public Safety - ODP Homeland Security Grant Pr	97.061	07CC601	11,022			11,022								
Subtotal Pass-through Programs			4,669,772	43,676		25,160	765,471			3,201,051				634,363
Total U.S. Department of Homeland Security			5,826,711	43,676		693,152	765,471			3,286,816				1,037,255
U.S. Agency of International Development:														
Pass-through Program From:														
NAS / US Aid	98.001	PGA-7251-07-51	33,756							33,756				
Total Research and Development Cluster			262,762,708	7,730,393	2,920,676	30,095,098	113,409,263	461,282	878,785	41,796,923	23,596,977			41,875,312
Other Programs														
U.S. Department of Agriculture:														
U.S. Department of Agriculture	10.000		14,037											14,037
Agricultural Research Basic and Applied Research	10.001		60,109				60,109							
Wildlife Services	10.028		578				578							
Grants for Agricultural Research Special Grants	10.200		826,846				41,892		784,954					
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210		53,910											53,910
Higher Education Multicultural Scholars Program	10.220		23,000											
Small Farmer Outreach Training and Technical Assistance Program	10.443		112,662	112,662										
Community Outreach & Assistance Partnership Program	10.455		(1)	(1)										
Commodity Partnerships for Risk Management Education (B)	10.457		6,312				6,312							
Cooperative Extension Service	10.500		1,008,348				1,008,348							

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Federal Grant/Pass-through Grant/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MLM	MYSU	UM	UMMC	USM	IHL Board	MCYS
10.555	National School Lunch Program		6,259							6,259				
10.559	Upward Bound MS Dept of Edu Summer Program		4,887						4,887					
10.574	Team Nutrition Grants		5,188,649							5,188,649				
10.664	Cooperative Forestry - Assistance		51,890		329,626		53,890							
10.655	Distance Learning and Telemedicine Loans and Grants		329,626		329,626									
10.902	Project Dev Small Farmers' Initiative		289,254			210,152	79,102							
	Subtotal Direct Programs		7,978,366	112,661	329,626	210,152	1,273,231		789,841	5,248,818				14,037
	Pass-through Program From													
10.000	Greene CBS - US Dept of Agriculture	CBS 02050419	28,153											
10.000	Hamson CBS - US Dept of Agriculture	CBS 02050429	76,490											
10.000	Amite CBS - US Dept of Agriculture	CBS 02050421	5,108											
10.000	Benton CBS - US Dept of Agriculture	02050420	37,277											
10.000	Forrest CBS - US Dept of Agriculture	CBS 02070518	48,923											
10.000	Scott CBS - US Dept of Agriculture	02070519	88,183											
10.000	Jones CBS-US Dept of Agricultural	CBS 02070609	32,230											
10.000	Lincoln CBS -US Dept of Agricultural	CBS 02080669	10,490											
10.000	Willkinson CBS -US Dept of Agricultural	CBS 02090738	70,483											
10.000	Perry CBS -US Dept of Agricultural	CBS 03050469	143,950											
10.000	Adams CBS -US Dept of Agricultural	CBS 03050490	17,389											
10.000	Chickasaw CBS -US Dept of Agricultural	CBS 03060608	22,892											
10.000	Sharkey CBS - US Dept of Agriculture	03121277	15,000											
10.000	Jefferson CBS -US Dept of Agricultural	CBS 04050495	7,939											
10.000	Jackson CBS -US Dept of Agricultural	CBS 04101054	15,146											
10.000	TX Coop Ext - US Dept of Agriculture	TC5622160	6,778											
10.000	MS Forestry Com - US Dept of Agriculture	08030221	8,477											
10.000	University of AR - US Dept of Agriculture	UAACES 23476-01	2,000											
10.000	Bur of Plant Industry - US Dept of Agriculture	Bur of Plant Industry	1,350											
10.000	National Peanut Bd - US Dept of Agriculture	09010016	3,161											
10.000	National Peanut Bd - US Dept of Agriculture	09010016	9,151											
10.000	Adams CBS - US Dept of Agriculture	09090932	994											
10.000	Greene CBS - US Dept of Agriculture	09090945	47											
10.000	Wilkinson CBS - US Dept of Agriculture	09090951	49											
10.025	MDAC - Plant and Animal Disease Pest Control and Animal Care	07060502	383											
10.025	MS Board of Animal Health - Plant and Animal Disease Pest Control	MS Board of Animal Health	46,653											
10.025	Bur of Plant Industry - Plant and Animal Disease Pest Control and Animal Care	Bur of Plant Industry	19,859											
10.025	MS Board of Animal Health - Plant and Animal Disease Pest Control and Animal Care	90100971	4,925											
10.200	Univ of GA - Grants for Agriculture Research Special Research Grants	RD309-0559038717	18,517											
10.215	UGA - Sustainable Agriculture Research and Education	RD309-1010849318	20,324											
10.303	Texas A&M - Initiative for Future Agriculture and Food Systems	450007	101,000											
10.304	University of FL - Homeland Security - Agriculture	0669561	44,189											
10.309	University of GA - Specialty Crop Research Initiative (SCRS)	RC295-3803503828	10,518											
10.500	Kansas State University - Cooperative Extension Service	S04051	(4)											
10.500	Univ of GA - Cooperative Extension Service	RE675-1129620227	1,939											

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUPW	MVSU	UM	UMMC	USM	IHL Board	MCYS
University of NE - Cooperative Extension Service	10 500	26-6365-0001-304	15,928				15,928							
University of GA - Cooperative Extension Service	10 500	RE675-11405800028	1,381				1,381							
Texas A&M - Cooperative Extension Service	10 500	TCE-422011	5,661				5,661							
NCSU - Cooperative Extension Service	10 500	2007-0776-06	(1,680)				(1,680)							
University of NE - Cooperative Extension Service	10 500	25-6365-0026-144	5,560				5,560							
NCSU - Cooperative Extension Service	10 500	2007-0776-06	1,533				1,533							
National 4-H Council - Cooperative Extension Service	10 500	08030225	745				745							
University of FL - Cooperative Extension Service	10 500	00069690	5,331				5,331							
Kansas State University - Cooperative Extension Service	10 500	S08039	14,201				14,201							
Kansas State University - Cooperative Extension Service	10 500	S08113	16,018				16,018							
University of GA - Cooperative Extension Service	10 500	RE670-0817340048	4,409				4,409							
University of NE - Cooperative Extension Service	10 500	25-6365-0023-102	14,987				14,987							
University of NE - Cooperative Extension Service	10 500	26-6365-0001-332	41,425				41,425							
Utah State Univ - Cooperative Extension Service	10 500	061554021	17,966				17,966							
University of Hawaii - Cooperative Extension Service	10 500	PO Z862383	143,342				143,342							
NCSU - Cooperative Extension Service	10 500	2008-0590-05	84,811				84,811							
LSU Ag Ctr - Cooperative Extension Service	10 500	Z5590	4,500				4,500							
TX AgriLife Ext - Cooperative Extension Service	10 500	622192	51,475				51,475							
Auburn University - Cooperative Extension Service	10 500	Z885792	27,858				27,858							
University of Hawaii - Cooperative Extension Service	10 500	S08039	52,455				52,455							
Kansas State University - Cooperative Extension Service	10 500	09070728	16,335				16,335							
National 4-H Council - Cooperative Extension Service	10 557	20000W40	481,309				481,309							
Mississippi State Department of Health - Special Supplemental Nutrition Program	10 558	ACES 08-HHP-3716468-0015	2,138				2,138							
Mississippi Department of Education - U.S. Department of Agriculture	10 558		22,125				22,125							
Mississippi Department of Education - U.S. Department of Agriculture	10 560	2008IN253342	23,477				23,477							
Indiana DOE / USDA	10 561	527B171	1,196				1,196							
MDHS - State Administrative Matching Grants for Food Stamp	10 561	527B181N	530,969				530,969							
MDHS - State Administrative Matching Grants for Food Stamp	10 561	527B191N	1,715,132				1,715,132							
Michigan DOE / USDA	10 574	0719FO	17,023				17,023							
AL DOE / USDA	10 574	CNTN 08-AL-01	23,149				23,149							
MS Forestry Comm - Cooperative Forestry Assistance	10 664	07050094	14,926				14,926							
MS Forestry Comm - Forest Health Protection (A/B)	10 680	08070595	117,625				117,625							
Subtotal Pass-through Programs			4,398,690				3,829,468			63,649	481,309	24,261		
Total U.S. Department of Agriculture			112,661	329,626	210,152	5,102,699			789,841	5,312,467	481,309	38,300		
U.S. Department of Commerce	11 303		162,770				162,770							
Economic Development Technical Assistance	11 417		998,805				998,805							
Sea Grant Support	11 432		447,165				447,165							
Office of Oceanic and Atmospheric (OAR) Joint and Cooperative Institute	11 463		176,066				176,066							
Habitat Conservation	11 469		1,470,795				1,470,795							
Congressionally Identified Awards and Projects			152,672				152,672							

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	OSU	JSU	MSU	MOW	MYSU	UM	UMMC	USM	IHL Board	MCVS
11 550	Public, Telecommunications Facilities Planning and Construction		8,189									8,189		
11 609	Measurement and Engineering Research and Standards		14,630									14,630		
11 617	Congressionally-Identified Projects		12,312,084									12,312,084		
	Subtotal Direct Programs		15,990,504				786,001			152,672		14,651,831		
	Pass-through Program From													
11 000	Mississippi Technology Alliance - U.S. Department of Commerce	MEP-2010KAT	10,371									10,371		
11 000	National Marine Sanctuary Foundation - U.S. Department of Commerce	N/A	8,028									8,028		
11 417	Mississippi-Alabama Sea Grant Consortium - U.S. Department of Commerce	NA16RC238ED-8	(2,662)									(2,662)		
11 417	USM - Sea Grant Support	USM-CR02428-A10-EX-9	14,905				14,905							
11 417	USM - Sea Grant Support	USM-CR03638-ONRIBUS-MSU-0-1	102,696				102,696							
11 431	Texas A & M Foundation - U.S. Department of Commerce	S080067	6,381									6,381		
11 454	MDNR - Unallied Management Projects	09-025	14,593				14,593							
11 469	LSU - Congressionally Identified Awards and Projects	34111	446				446							
11 469	National MS River Museum & Aquarium - U.S. Department of Commerce	USM-GM002717	9,855									9,855		
11 473	Texas A & M Foundation - U.S. Department of Commerce	S060102	148,338									148,338		
11 473	Texas A & M Foundation - U.S. Department of Commerce	S080072	(5,690)									(5,690)		
11 481	Mississippi State University - U.S. Department of Health and Human Services	211600-362746-01	16,320									16,320		
11 481	MS Department of Marine Resources - U.S. Department of Commerce	09-037	7,461									7,461		
11 611	Mississippi Technology Alliance - U.S. Department of Commerce	MEP-2008KAT	12,973									12,973		128
11 611	Mississippi Technology Alliance - U.S. Department of Commerce	MEP2010-7	128											
11 611	MTA - Manufacturing Extension Partnership	MEP2008-7	1,164				1,164							
11 611	MTA - Manufacturing Extension Partnership	0806095	(187)				(187)							
11 611	MTA - Manufacturing Extension Partnership	MEP.mc.08100877	1,752				1,752							
11 611	MTA - Manufacturing Extension Partnership	MEP of MS 08100876	1,722				1,722							
11 611	MTA - Manufacturing Extension Partnership	MEP of MS 09010052	1,097				1,097							
11 611	MTA - Manufacturing Extension Partnership	MEP of MS 09010005	9,648				9,648							
11 611	MTA - Manufacturing Extension Partnership	MEP of MS 09020175	2,609				2,609							
11 611	MTA - Manufacturing Extension Partnership	MEP of MS 09020172	1,412				1,412							
11 617	UM Res Foundation	60NANIB060134	364,951							364,951				
	Subtotal Pass-through Programs		728,311				151,857			364,951		211,503		
	Total U.S. Department of Commerce		16,318,815				937,858			517,623		14,863,334		
12 000	U.S. Department of Defense		1,206,574				6,566			1,202,008				
12 100	US Dept of Defense		1,488			1,488								
12 106	Aquatic Plant Control		118,974							118,974				
12 300	Flood Control Projects		1,387				1,387							
12 901	Basic and Applied Scientific Research		115,122							115,122				
	Mathematical Sciences Grants Program		1,445,545				1,488			1,436,040				
	Subtotal Direct Programs		1,445,545				7,953			1,436,040				

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUSU	MVSU	UM	UMMC	USM	IHL Board	MCVS
Pass-through Program From														
Air ROTC - US Dept of Defense	12.000	Air Rotc Basic Uniforms	14,309				14,309							
Applied Resource - US Dept of Defense	12.000	AR-0611-07	58,981				58,981							
TASC	12.000	2006-1149309-000	705,459						705,459					
US DOD NSep	12.000	W91378-06-P-0145	196,321						196,321					
Mississippi State University - U.S. Department of Defense	12.300	W6330601-D-8001-DO33	(30,148)									(30,148)		
2009 MS H Science	12.431	W911NF-04-1-0001	3,949						3,949					
NFL	12.551	NSEP-0631006-UM-CHN	462,776						462,776					
Subtotal Pass-through Programs			1,411,647				71,291		1,340,356			(30,148)		
Total U.S. Department of Defense			2,857,192				81,244		2,804,609			(30,148)		
U.S. Department of Housing and Urban Development														
Supportive Housing Program	14.235		389,547									389,547		
Community Development Block Grants/Brownfields Economic Development Initiative	14.246		667,120				326,630		269,015	71,475				
Fair Housing Initiatives Program	14.408		74,100									74,100		
Historically Black Colleges & Universities Program	14.520		424	424										
Subtotal Direct Programs			1,131,191	424			326,630		269,015	71,475		463,647		
Pass-through Programs From:														
East Blotz Coord M&R - US Dept of Housing and Urban Development	14.000	Holly Street Housing	15,072				15,072							
Back Bay Mission - US Dept of Housing and Urban Development	14.000	10030241	14,600				14,600							
City of Meridian - Dept of Housing and Urban Development	14.000	05030460	101				101							
Mississippi Development Authority - U.S. Department of Housing & Urban Development	14.219	R117-T0009-KT	5,299			1,500						5,299		
City of Hattiesburg - U.S. Department of Housing & Urban Development	14.228		3,822									3,822		
MDA - Community Development Block Grants/States Program	14.228		177,263				177,263							
City of Jackson - U.S. Department of Housing & Urban Development	14.239	R116-055A-LTW	9,397									9,397		
Mississippi Home Corporation - U.S. Department of Housing & Urban Development	14.248	M04-M020200	6,568									6,568		
Mississippi Development Authority - U.S. Department of Housing & Urban Development	14.248		53,389									53,389		
Center for Rural and Small Town Development	14.251		16,104						16,104					
Mississippi Home Corporation - U.S. Department of Housing & Urban Development	14.316		514										514	
Subtotal Pass-through Programs			303,629			1,500	207,036		16,104			78,989		
Total U.S. Department of Housing and Urban Development			1,434,820	424		1,500	533,666		269,015	71,475		542,636		
U.S. Department of Interior														
US Dept of Interior	15.000		5,505				2,844					2,661		
Cultural Resource Management	15.224		2,943									2,943		
Fish and Wildlife Management Assistance	15.608		117,718				117,718							
US Geological Survey Research and Data Collection - NHD Stewardship	15.908		1,940										1,940	
Subtotal Direct Programs			128,106				120,562					5,604		1,940

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUNW	MVSU	UM	UMMC	USM	IHL Board	MCI/S
Pass-through Program From														
MS Band of Choctaw Indians - US Dept of Interior	15-000	9101018	801				801							
Puerto Rico - US Dept of Interior	15-000	DNER 2009-001426	1,36,895			37,929	1,36,895							
MS Choctaw Indians - US Dept of Interior	15-000	06121053	101,716				101,716							
Amvets	15 815	08HQCR0157	5,418							5,418				
Subtotal Pass-through Programs			244,830				239,412			5,418				
Total U.S. Department of Labor			372,936				359,974			5,418		5,604		1,940
U.S. Department of Justice	16-000		1,648							1,648				
U.S. Department of Justice	16-525		37,929			37,929								
Domestic Violence "Not our Campus"	16-540		97,301									97,301		
Juvenile Justice and Delinquency Prevention Allocation to States	16-541		34,992									34,992		
Part E - Developing, Testing and Demonstrating Promising New Programs	16-580		3,740,437	1,018,500			55,561			2,101,827		564,549		
Edward Byrne Memorial State & Local Law Enforcement Assistant Grant Program	16-548		33,155									33,155		
Public Safety Partnership and Community Policing Grants			3,945,462	1,018,500		37,929	55,561			2,101,475		729,997		
Subtotal Direct Programs														
Pass-through Program From														
Mississippi Department of Public Safety - U.S. Department of Justice	16-000	04JH121	60									60		
City of Hattiesburg - U.S. Department of Justice	16-523	GM002816	49,623									49,623		
Forrest County Board of Supervisors - U.S. Department of Justice	16-540	2005-IB-FX-0047	41,616									41,616		
MDPS-DOJ	16-540	2005-IB-FX-0047	59,724							59,724				
MDPS-DOJ-SAG	16-540	2005-JF-FX-0038	6,983									6,983		
Pop / DOJ	16-540	2006-JF-FX-0053	14,191							14,191				
City of Hattiesburg - U.S. Department of Justice	16-548	GM002154	45,332									45,332		
City of Hattiesburg - U.S. Department of Justice	16-548		13,245									13,245		
MSU / USDOJ	16-586	2007-RG-CX-K228	40,000							40,000				
University of Mississippi Medical Center - U.S. Department of Justice	16-588	UMMC055533	4,833									4,833		
DPS / DOJ	16-588	2006-WF-AX-0037	1,239							1,239				
Mississippi Department of Public Safety - Violence Against Women Formula Grants	16-588	2004-FW-AX-K028	98,164									98,164		
MSU - USDOJ	16-609	2005-DD-BX-K-035	39,651							39,651				
Subtotal Pass-through Programs			414,662							161,789		98,164		154,709
Total U.S. Department of Justice			4,360,124	1,018,500		37,929	55,561			2,265,264		98,164		884,706
U.S. Department of Labor	17-261		100,061	60,109		7,151								32,801
Employment & Training Administration Pilots, Demo & Research Projects	17-255		63,493											63,493
Pass-through Program From	17-258		98,861	98,861		36,461								
Mississippi Dept. of Employment Security - U.S. Department of Labor	17-258	6590018W70911	36,461											
Department of Labor - South Delta Planning & Development District Workforce	17-261		326,225										127,410	
MS Department of Employment Security - Workforce Investment Act													127,410	
Department of Labor - Automatic Identification Technology														63,493
Subtotal Pass-through Programs			426,286	60,109		43,612							127,410	96,294
Total U.S. Department of Justice				60,109		43,612							127,410	96,294

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Pass-through Entropy Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board	MCHS
Bureau of Population, Refugees and Migration, Department of State													
Pass-through Program From:													
19.430		1,234	1,234										
19.519	3SURX205088407N6ECAAE07CA118	55			55								
19.519	3SURX205088708G SECAAE08CA078	87,519			87,519								
		88,808	1,234		87,519								
Total Bureau of Population, Refugees and Migration, Department of State													
U.S. Department of Transportation													
20.106		4,999,795							4,999,795				
20.215		69,238			69,238								
20.219		15,174				15,174							
20.514		387,035			387,035								
		5,471,242			456,273		15,174		4,999,795				
Subtotal Direct Programs													
Pass-through Program From													
20.000	105011 101000	(272)											
20.000	MDOT 104985 101000	142,014											
20.000	MS Office Hwy Safety	(403)											
20.000	105011 102000	40,716											
20.000	HWW-MSU-07-055	54											
20.000	MOA with MDOT South Campus Entrance	128,763											
20.000	MOA with MDOT North Campus Entrance	82,832											
20.000	08-PT-412-1	75,540											
20.000	08-TA-412-1	49,172											
20.205		(89,421)											
20.515	1924001674901060502165749	48,334			48,334								
20.600	08-RS-400-1	13,545			13,545								
20.600		9,232			9,232								
20.600	19240030351101	52			52								
20.600	NHTSA-54	333,107											
20.600	09-OP-412-1	132,712									132,712		
20.600	09-PT-413-1	287,992									287,992		
20.600	09-TA-412-2	98,355									98,355		
20.600		19,889									19,889		
20.601	08-TA-401-1	123,436									123,436		
20.601	08-AL-401-01	84,141									84,141		
20.601	09-AL-401-01	115,495									115,495		
20.610	SRTSP-0460	13,385									13,385		
20 unknown		287,439			287,439								
		1,996,109			358,602				257,072		663,660		
Subtotal Pass-through Programs													
Total U.S. Department of Transportation													
		7,467,351			814,875		15,174		5,256,867		663,660		



# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	HUW	MVSU	UM	UMMC	USM	IHL Board	MCVS
Appalachian Regional Commission													
Appalachian Regional Development (See individual		215,222				215,222							
Appalachian Supplements to Federal Grant-in-Aid (Communit		29,052				29,052							
Appalachian Housing Project Planning Loan Technical		30,456				30,456							
Appalachian Local Development District Assistance		450				450							
Subtotal Direct Programs:		275,180				275,180							
Pass-through Program From													
MS Main Street Assn - Appalachian Regional Commission	MS Main Street Assn 09010047	709				709							
East TN State University - Appalachian Research, Technical Assistance and Demo Project	220007-14-1	13,177				13,177							
Subtotal Pass-through Programs		13,885				13,885							
Total Appalachian Regional Commission		289,065				289,065							
Library of Congress		197,241							197,241				
Library of Congress													
National Aeronautics and Space Administration		2,039,124			784	715			765,275		1,272,350		
Aerospace Education Services Program													
Pass-through Program From													
University of Mississippi - National Aeronautics and Space Administration	07-06-109	(4)											(4)
UM - Aerospace Education Services Program	08-08-023	11,714				11,714							
UM - Aerospace Education Services Program	09-10-028	39,951				39,951							
UM - Aerospace Education Services Program	08-09-030	8,000				8,000							
UM - Mississippi Space Grant Consortium	0907003 300112386A NNG05GJ72H	27,066				27,066							(4)
Subtotal Pass-through Programs		86,728				51,666							(4)
Total National Aeronautics and Space Administration		2,125,852	8,000		27,850	52,381			765,275		1,272,346		
National Endowment for the Arts		41,286		8,815		25,289			5,522		1,630		
Promotion of the Arts Grants to Organizations and Individuals		58,080		58,080									
Promotion of the Humanities Professional Development		79,365		79,365									
Promotion of the Humanities Public Programs		178,771		146,790		25,289			5,522		1,630		
Subtotal Direct Programs		(1,000)											(1,000)
Pass-through Program From													
Mississippi Arts Commission - National Endowment for the Arts	08-340-CDWAG2	1,023											1,023
Mississippi Humanities Council - National Endowment for the Humanities	MSC0407-10-086	4,300							4,300				
MAC NEA	09-141-AJPG	4,100											4,100
MAC NEA	09-44-AJPG	9,218											9,218
Arts Midwest - National Endowment for the Arts	34766	3,400											3,400
Mississippi Arts Commission - National Endowment for the Arts	09-171-AJPG	3,800											3,800
Mississippi Arts Commission - National Endowment for the Arts	09-188-AEJPG	7,500											7,500
Southern Arts Federation - National Endowment for the Arts	32912009	1,461											1,461
Mississippi Humanities Council - National Endowment for the Humanities	MHC-RG08-08-035	17,764											17,764
Mississippi Humanities Council - National Endowment for the Humanities													

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board	MCYS
45.129	MHC-NEH	MHC-RG07-08-009	363							363				
45.129	MHC-NEH	RG08-08	1,400							1,400				
45.129	MHC-NEH	SO50237-08	4,914							4,914				
45.129	Mississippi Humanities Council - If You're Gon' Be A Leader	MHC-RG06-05-019	(50)	(50)										
45.129	Mississippi Humanities Council - Black Studies Movement	RG07-08-007	79	79										
45.160	Hunt - NEH	RA-50031-05	40,000							40,000				
	Subtotal Pass-through Programs		98,272	29						55,077		43,166		
	Total National Endowment for the Arts		277,003	29	146,290	29	25,289			60,599		44,796		
47.000	National Science Foundation		47,361									47,361		
47.049	National Science Foundation		152,428							152,428				
47.050	Mathematical and Physical Sciences		386,877									386,877		
47.074	Geoscience - USM/TSU Research Experience		39,706				39,706							
47.076	Biological Sciences		3,753,473			1,097,889	986,216		816,493	720,575		132,300		
47.076	Education and Human Resources		115,574								115,574			
47.076	National Science Foundation - IPA DOTY	Y1600010	4,495,429			1,097,889	1,025,922		816,493	873,013	115,574	566,538		
	Subtotal Direct Programs													
47.049	Pass-through Program From		8,000							8,000				
47.049	University of ND / NSF	N/A	3,179							3,179				
47.049	UND-NSF-Quarknet	PHY-0715396	29,512	29,512										
47.050	University of Iowa - Production of PhD in Mathematics	05023544000533938	24,087				24,087							
47.050	USM - Geosciences	USM-GR02399-C10	12,184											
47.076	JSU Microbiology HPCL	NSF506-73112(ATM-0701213	26,962											
47.076	Univ of Massachusetts Amherst - No Longer a Dream Deferred STEM	05003146 P90	109,328											
47.076	University of Mississippi - Graduate Education in Mississippi	05-10-0284HRD-0450362	40,457											
47.076	JSU - Education and Human Resources	MAMP Phase IV - HRD 0602740	116,329									116,329		
47.076	University of Mississippi - National Science Foundation	05100299HRD0450362	1,897							1,897				
47.076	Fermi Lab-Quarknet	CHREQ051007	226,731							226,731				
47.076	2002 AMP	HRD-0115807	64,749								64,749			
47.076	University of Mississippi - Education and Human Resources	05-10-031	33,032											
47.076	MAMP	HRD-0602740	10,550											
47.076	University of Mississippi - Evaluative Research-Phase II	070409070022438AREC0535831	706,998											
	Subtotal Pass-through Programs		5,202,427											
	Total National Science Foundation		2,690,118											
59.000	Small Business Administration		922,250											
59.037	Entrepreneurial Technology		17,207											
59 unknown	Small Business Development Center		64,792											
	JSU Student Run Business Enterprise		784,099											
	Subtotal Direct Programs		3,077,160											
	Total National Science Foundation		5,202,427											
	Small Business Administration		2,690,118											
	Entrepreneurial Technology		922,250											
	Small Business Development Center		17,207											
	JSU Student Run Business Enterprise		64,792											
	Subtotal Direct Programs		3,077,160											

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## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
Pass-through Program From														
MTA - Small Business Administration	59.000	MTA-SBA-0903 -	13,986				17,986					9,600		
Mississippi Technology Alliance - U.S. Small Business Administration	59.000	MTA-SBA-2006	9,600									22,671		
Mississippi Technology Alliance - U.S. Small Business Administration	59.000	MTA-SBA-0904	22,671									49,599		
Mississippi Technology Alliance - U.S. Small Business Administration	59.000	MTA-SBA-0906	49,599											
University of MS - Small Business Development Center	59.037	University of MS	22,662				22,662							
University of MS - Small Business Development Center	59.037	08100884	62,098				62,098							
Small Business Development 2008-2009	59.037	9603001Z002238	133,791			133,791								
Subtotal Pass-through Programs			318,406			133,791	102,745							81,870
Total Small Business Administration			3,995,366	784,099		198,583	1,691,313	296,559	14	943,128				81,870
Tennessee Valley Authority														
Tennessee Valley Authority	62.000		5,456				5,456							
U.S. Department of Veterans Affairs														
Veterans Administration	64.000		49,696							49,696				
Department of Veterans Affairs	64. unknown	DMSS2226	28,483									28,483		
Department of Veterans Affairs	64. unknown	V586P349	26,915									26,915		
Department of Veterans Affairs	64. unknown	57022	81,053									81,053		
Total U.S. Department of Veterans Affairs			186,148							49,696				136,452
U.S. Environmental Protection Agency														
Gulf of Mexico Program	66.475		11,315									11,315		
Congressionally Mandated Projects	66.602		104,619				104,619							
Surveys, Studies, Investigations and Special Purpose Grants	66.606		178,572				178,572							
EPA Fellowship	66.607		18,407			18,407								
National Community Based Lead Outreach and Training Grant Program	66.718		110,954									110,954		
Subtotal Direct Programs			423,867			18,407	283,191							122,269
Pass-through Program From:														
MDEQ-EPA	66.000	06-00665	2,320				2,320							
NCHH - EPA	66.000	NCHH-07-1097	2,000				2,000							
MDAC BPI - EPA	66.000	BPI 09040458	42				42							
MDEQ - EPA	66.000	04-00476	111,449				111,449							
Gulf of Mexico Alliance - U.S. Environmental Protection Agency	66.000	BTNEP06-14	1,700									1,700		
MS Department of Environmental Quality - U.S. Environmental Protection Agency	66.004	09-01USMCCR-07	17,416										17,416	
NCHH-Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to I	66.439	NCHH-07-1097	18,575				18,575							
MDEQ - Targeted Watershed Grants	66.460	06-00732	17,769				17,769							
MDEQ - Nonpoint Source Implementation Grants	66.462	07-00794	184,336				184,336							
Ducks Unlimited, Inc. - National Wetland Program Development Grants (B)	66.472	US-AG-99-1	2,999				2,999							
MS Department of Environmental Quality - U.S. Environmental Protection Agency		08-01USMCCR-02	1,225									1,225		
Subtotal Pass-through Programs			339,830				339,830							20,341
Total U.S. Environmental Protection Agency			783,697			18,407	622,680							142,610

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Pass-through Grant/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
			177,867	177,867										
77.006	Nuclear Regulatory Commission Nuclear Regulatory Commission Nuclear Education Grant Program					142,170	161,476							
81.049	U.S. Department of Energy Renovation Construction Biocleaner		142,170											
81.078	U.S. Department of Energy Engineering Complex		161,476											
81.087	U.S. Department of Energy Subtotal Direct Programs		303,921			275	161,476							
	Pass-through Program From JSU/US Dept Energy					142,445	161,476							
81.000	Southern Forest Research Partnership - Renewable Energy Research and Development	DE-AC05-00OR22800	62,377				12,581			62,377				
81.087	Southern Forest Research Partnership - Renewable Energy Research and Development Subtotal Pass-through Programs		12,581				12,581			62,377				
	Total U.S. Department of Energy		378,879			142,445	174,057			62,377				
84.021	U.S. Department of Education Fullbright Project		68,055			68,055								
84.031	U.S. Department of Education - Institutional Aid		15,704,458	3,822,635		7,971,720			3,910,103			274,530		
84.042	TRIO - Student Support Services		1,206,456	309,215		231,812			390,699					
84.044	TRIO - Talent Search		396,367						396,367					
84.047	TRIO - Upward Bound		1,131,778	285,893		265,566			580,319			1,999,602		
84.116	Fund for the Improvement of Post Secondary Education		2,815,222	66,739						748,881				
84.136Z	Congressionally Directed Grant Awards		873,925			871,923			2,002					
84.120	Development of an Integrated Learning		67,915			67,915								
84.129	Rehabilitation Long-Term Training		72,016			72,016								
84.141	HEP - Continuing Education		471,305						471,305					
84.153	College of Business Administration		28,397									28,397		
84.176	Paul Douglas Teacher Program		663										663	
84.184	Safe and Drug Free Schools and Communities National Programs		102,526									102,526		
84.194	CAMP		4,455						4,455					
84.200	Graduate Assistance in Areas of National Need		246,040							129,468		18,955		
84.215	Fund for Improvement of Education		421,144			97,617						326,608		
84.217	TRIO - McNair Post-Baccalaureate Achievement		673,342	214,109					250,175			209,058		
84.287	21st Century Community Learning Center		83,300						83,300					
84.318	Education Technology State Grants		99,267			99,267								
84.325	Special Education - Personal Development to Improves Services and Results for Children		425,650			69,174						356,476		
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results		79,975									79,975		
84.333	Demonstration Projects to Ensure Students with Disabilities Receive a Higher Ed		165,418									165,418		
84.334	Clear-Up		3,341,562										3,341,562	
84.335	Child Care Access Means Parents in School		278,856			123,360						155,496		
84.367	Eschbornes Professional Development Grants		1,094,504										1,094,504	
84.378A	College Access Challenge		620,055										620,055	
84.928	Delta Area Writing Project		285,681	21,917						62,059				121,705

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Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCVS
Humane Education Recovery Reconciliation	84 938		4,831,772									4,831,772		
Subtotal Direct Programs	84 940		1,583,676									1,400,868		182,808
Pass-through Program From			37,093,780	4,506,399		8,823,091	1,424,139		5,838,550	1,190,583		10,071,386		5,239,592
Choctaw City PSD - US Dept of Education	84 000	08080716	1,583				1,583							
Newton County PSD - US Dept of Education	84 000	PSD 07100960	55				55							
DIL - US Dept of Education	84 000	08020130	25,337				25,337							
Starkville PSD - US Dept of Education	84 000	PSD 08020162	(2,543)				(2,543)							
Timber Hills Mental Health Ctr - US Dept of Education	84 000	PSD 08020162	(1,465)				(1,465)							
Okolona PSD - US Dept of Education	84 000	PSD 08020131	(566)				(566)							
Jones County SD - US Dept of Education	84 000	SD - 08020216	(1)				(1)							
Aberdeen PSD - US Dept of Education	84 000	SD 08020166	1,601				1,601							
Center for Civic Ed	84 000	Q1048070001	5,242				5,242							
Aberdeen PSD - US Dept of Education	84 000	PSD 08020165	80				80							
Aberdeen PSD - US Dept of Education	84 000	PSD 08020164	76				76							
Choctaw County PSD - US Dept of Education	84 000	PSD 08020164	13,925				13,925							
New Jersey Dept of HS - US Dept of Education	84 000	SD 08030308	4,322				4,322							
MSDH - US Dept of Education	84 000	20000170	382				382							
University of CA - US Dept of Education	84 000	University of CA NWP 08060520	21,906				21,906							
Educational Dev Ctr, Inc - US Dept of Education	84 000	NWP 08060521	508				508							
Center for Civic Ed - US Dept of Education	84 000	Educational Dev Ctr, Inc - INT7-5747MS	20,790				20,790							
MDRS - US Dept of Education	84 000	08-331-1000-132	11,704				11,704							
MDRS - US Dept of Education	84 000	08-331-1000-005	23,694				23,694							
Webster Co SD - US Dept of Education	84 000	09010045	8,709				8,709							
MSDH - US Dept of Education	84 000	20000170	12,911				12,911							
MDRS - US Dept of Education	84 000	09-331-7000-002	8,257				8,257							
Aberdeen PSD - US Dept of Education	84 000	09020219	300,317				300,317							
Pontotoc CS - US Dept of Education	84 000	09010019	13,132				13,132							
Lowndes County SD - US Dept of Education	84 000	09020215	13,324				13,324							
Starkville SD - US Dept of Education	84 000	0030330	21,913				21,913							
DeSoto County SD - US Dept of Education	84 000	09030338	11,980				11,980							
Calhoun County SD - US Dept of Education	84 000	09040420	7,191				7,191							
Pontotoc County SD - US Dept of Education	84 000	09020244	14,905				14,905							
Choctaw County SD - US Dept of Education	84 000	09020255	11,426				11,426							
Aberdeen SD - US Dept of Education	84 000	09010029	21,140				21,140							
Aberdeen PSD - US Dept of Education	84 000	09010028	13,115				13,115							
Pass Christian PSD - US Dept of Education	84 000	9030331	4,791				4,791							
Rainbow County PSD - US Dept of Education	84 000	9030332	3,383				3,383							
FL Law-Related Ed Assoc - US Dept of Education	84 000	09040414	7,177				7,177							
NCEE - US Dept of Education	84 000	09040460	5,009				5,009							
Ctr for Civic Ed - US Dept of Education	84 000	08-0801480	14,440				14,440							
	84 000	Q104K070001 RDA8-9	1,035				1,035							

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Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCVS
84 000	IE 08110980 - US Dept of Education	IE 08110980	132,058				132,058							
84 000	Lamar County Schools - U.S. Department of Education		14,137									14,137		
84 000	MS Department of Rehabilitation Services - U.S. Department of Education		999									999		
84 000	Petal School District - U.S. Department of Education		(12,913)									(12,913)		
84 002	MS Department of Education - Migrant Education Program	073201EA0982398055001	(167,743)	(167,743)										
84 002	MS Department of Education - Migrant Education Program	0807201EA0982398056001	3,217	3,217										
84 010	Peal School District - U.S. Department of Education	GM001266	12,398									12,398		
84 011	Southern-Regional Educ. Service Agency - U.S. Department of Education	S-RESA-GM001776	6,373									6,373		
84 025	FL Div of Blind Services - Services for Children with Deaf-Blindness	DOH19101	5				5							
84 025	FL Div of Blind Services - Services for Children with Deaf-Blindness	08100850	12,022				12,022							
84 031	University of Mississippi - U.S. Department of Education		2,548									2,548		
84 031	University of Mississippi - U.S. Department of Education		3,408									3,408		
84 031	No Child Left Behind		82,424						82,424					
84 031	MS IHL - Gear Up Mississippi	2005-79E	1,455			1,455								
84 031	MS IHL - Mississippi Public Management		20,000			20,000								
84 120	MS Department of Transportation - Summer Transportation Institute		20,256			20,256								
84 126	MS Council on Developmental Disabilities - U.S. Department of Health and Human Services	435-RE-DD09-USM/Z	11,898									11,898		
84 126	MS Department of Rehabilitation Services - U.S. Department of Education	GM 00718703	1,000									1,000		
84 126	MM Services for the Blind - Rehabilitation Services Vocational Rehabilitation Grants	06080723	10,224				10,224							
84 144	MDDE - Migrant Education Coordination Program	0807201EA0982398056002	51,741				51,741							
84 144	MDDE - Migrant Education Coordination Program	0907201EA0982398058001	227,664				227,664							
84 177	MO Rehab Services for Blind-Rehabilitation Services Independent Living Services for	MO Rehab Services for Blind	4,212				4,212							
84 156	Office of Highway Safety - U.S. Department of Education	06-DF-412-2	120,244									120,244		
84 181	Mississippi Department of Education - U.S. Department of Education		3,751									3,751		
84 181	Mississippi State Department of Health - U.S. Department of Education		10,298									10,298		
84 181	MS DOH-US DOED	B20-26P	72,893							72,893				
84 181	MS Dept of Health	N/A	1,064							1,064				
84 186	Office of Highway Safety - U.S. Department of Education	07-DF-412-1	26,198									26,198		
84 186	Office of Highway Safety - U.S. Department of Education	08-DF-412-1	64,976									64,976		
84 215	NCEE - Fund for the Improvement of Education	TI-0700746	11,992											
84 215	Lamar County Schools - U.S. Department of Education	GM002907	9,333				9,333							
84 215	Peal School District - U.S. Department of Education	GM000158	494									494		
84 215	Soundprint Media Center, Inc. - U.S. Department of Education	GM001833	370									370		
84 224	MDRS - State Grants for Assistive Technology	08-331-1800-010	17,472				17,472							
84 224	MDRS State Grants for Assistive Technology	09-331-1800-010	12,517				12,517							
84 272	Hardin County SD - National Early Intervention Scholarship and Partnership	06121108	431				431							
84 295	Michael Cohen Group-Ready-To-Learn Television	U795A050004	12,944									12,944		
84 295	Coop Public Broadcasting - Ready-To-Learn Television	11196	86,200									86,200		
84 303	Starkville Sch Dist - Challenge Grants for Technology in Education	Starkville Sch Dist CREATE	2,604									2,604		
84 303	South Pike SD-Challenge Grants for Technology in Education	South Pike SD CREATE	1,050									1,050		
84 303	South Pike SD - Challenge Grants for Technology in Education	9020254	22,390									22,390		
84 318	MDDE - Education Technology State Grants	073201EA08 BB264640-03	484,406				484,406							
84 323	Mississippi Department of Education - U.S. Department of Education		49,775											

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MYSU	UM	UMMC	USM	IHL Board	MCYS
Mississippi Department of Education - U.S. Department of Education	84.323		39,482									39,482		
Mississippi Department of Education - U.S. Department of Education	84.323		460,925									460,925		
Mississippi State Department of Health - U.S. Department of Health and Human Services	84.323		50,668									50,668		
BIL USDE	84.334	144E	23,055							23,055				
MS IHL USDE	84.334	P33AS080014-01	22,800							22,800				
MS IHL - Law Enforcement And Character Development	84.334	2009-146E	16,745			16,745								
Univ. of Louisiana Monroe - JSU Teach Delta Region Project	84.350		463,366			463,366								
Reading is Fundamental, Inc. - U.S. Department of Education	84.357	B010	23,361											23,361
MS Department of Education - MSP MAST	84.366	043201EA083641BB23	7,239			7,239								
MS Department of Education - Mathematics and Science Partnership	84.366	053001BB244641EA08-01	7,575			7,575								
MS Department of Education - Math and Science Partnership Grant	84.366	063201BB254641EA08-01	(1,217)			(1,217)								
MS Department of Education - Mathematics and Science Partnership	84.366	073200CA08BB2646-0001	777,646			777,646								
MS IHL - Title I/ NCLB Summer Institute	84.367		63,002			63,002								
MS IHL - Redesign Of Teacher Preparation	84.367		2,707			2,707								
MS IHL - NCLB Title II Summer Institute Grant	84.367	S167B080001A	25,209			25,209								
Board of Trustees of IHL - U.S. Department of Education	84.367	2008-095E	70,424											70,424
Board of Trustees of IHL - U.S. Department of Education	84.367	2009-140E	35,748											35,748
Board of Trustees of IHL - U.S. Department of Education	84.367	2009-141E	12,924											12,924
IHL - Improving Teacher Quality State Grants (A)	84.367	2009-135E	54,625				54,625							
IHL - Improving Teacher Quality State Grants (A)	84.367	2007-077E	(143)				(143)							
IHL - Improving Teacher Quality State Grants (A)	84.367	2008-088E -	42,322			42,322								
IHL - Improving Teacher Quality State Grants (A)	84.367	2008-087E	47,697			47,697								
IHL / USDE	84.367	2008-092E	106,144							106,144				
IHL USDE	84.367	S167B0800021A	864							864				
MDEC - USDE	84.368	07-3301-6213-8874-EA08-001	44,155											
University of CA - National Writing Project	84.928A	02030241 NWP	16,164											16,164
University of CA - Berkeley - National Writing Project	84.928A	2030241	4,232											4,232
University of California - National Writing Project	84.928A	92-MS03	18,276											18,276
University of California - National Writing Project	84.928A		29,559											29,559
Center for Civic Ed - Civic Education	84.929A	CC 07-08 5801MS	2,389											2,389
Center for Civic Ed - Civic Education	84.929A	CC07-08 5804 WA	1,061											1,061
Center for Civic Ed - National Writing Project	84.929A	CC07-08 5803MS	6,720											6,720
Center for Civic Ed - National Writing Project	84.929A	CC08-09 5804MS	12,718											12,718
Center for Civic Ed - National Writing Project	84.929A	CC08-09 5801MS	27,455											27,455
Center for Civic Ed - National Writing Project	84.929A	CC08-09 5803MS	5,332											5,332
MS Board C/C - Remedial Education	84 unknown		20,695			20,695								
MS Board C/C - 2008 Remedial Education	84 unknown		98,840			98,840								
Subtotal Pass-through Programs			4,721,478			1,358,990	1,990,269			270,976			82,424	1,018,819
Total U.S. Department of Education			41,815,258	4,506,399		10,182,081	3,414,448			1,461,539			5,920,974	5,239,592

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUN	MVSU	UM	UMMC	USM	IHL Board	MCYS
U.S. Department of Health and Human Services														
U.S. Dept. of Health & Human Services/Communities Empowering Youth	93.009		187,814		187,814									
Maternal and Child Health Federal Consolidated Programs	93.110		57,108									57,108		
Community Programs to Improve Minority Health Grant Program	93.137		4,858,243								4,858,243			
Coordinated Services and Access to Research for Women Infants Children Youth	93.153		512,456								512,456			
Nursing Workforce Diversity	93.178		332,123									332,123		
Research on Healthcare Costs, Quality and Outcomes	93.226		208,226									208,226		
Substance Abuse and Mental Health Services Projects of Regional and National Significance (B)	93.243		98,246				33,287				1,26,578			
HRSA - Advanced Education Nursing Grants	93.247		126,578											
Nurse Faculty Loan Program (NFLP)	93.264		21,648											21,648
Drug Free Communities Support Program Grants	93.276		96,839			96,839								
Center for Disease Control and Prevention Investigations and Technical Assistance	93.283		828,081								828,081			
Minority Health & Health Disparities Research	93.307		217,639	217,639										
Advanced Education Nurse Traineeships	93.358		105,707											
Nurse Practice, Education and Retention Grants	93.359		1,252,883									50,714	54,993	
Resistant Feed Bar Support Project (B)	93.449		216,269				216,269					507,321	745,562	
Head Start	93.600		213,275	73,870		139,405								
Developmental Disabilities Projects of National Significance	93.631		146,423									146,423		
University Centers for Excellence in Developmental Disabilities Education, Research	93.632		504,511									504,511		
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		115,870									115,870		
Basic / Core Area Health Education Centers	93.824		814,776								814,776			
Enhancing African American Communities	93.837		26,155			26,155								
Biomedical Research & Research Training	93.859		(20,707)			(20,707)								
Child Health and Human Development Extramural Research	93.865		38,855									38,855		
Grants for Training in Primary Care Medicine and Dentistry	93.884		231,309			6,566					231,309			
Medical Library Assistance	93.879		6,566			6,566								
Health Care and Other Facilities	93.887		150,186							150,186				
Family and Community Violence Prevention Program	93.910		243,582									243,582		
U.S. Dept. of Health & Human Services/Team Sugar Free Project	93.912		17,332		17,332									
Grants to Promote Optimal Early Intervention Services with Respect to HIV Disease	93.918		597,184									597,184		
Ryan White HIV/AIDS Dental Reimbursement / Community Based Dental Partnership	93.924		338,875									338,875		
Bridges to Baccalaureate	93.960		(5,188)			(5,188)								
Subtotal Direct Programs			12,538,863	291,549	285,146	243,070	249,556			150,186	8,865,536	2,533,860		
Pass-through Program From														
MDHS-Dept of Health and Human Services	93.000	4546-RE-DD08-MSU	23,982				23,982							
MS Comm. on Dev. Disabilities - US Dept of Health and Human Services	93.000	MS Comm. on Dev. Disabilities-SAFE-T	(37)				(37)							
MS Governor Office - US Dept of Health and Human Services	93.000	07090801	3,019				3,019							
MS Head Start - US Dept of Health and Human Services	93.000	V000155947G-61690	14,412				14,412							
University of Mississippi Medical Center - U.S. Department of Health and Human Services	93.000	65809-04	53,218											53,218
Mississippi State Department of Health - U.S. Department of Health and Human Services	93.000		12,031											12,031
Mississippi Department of Mental Health - U.S. Department of Health and Human Services	93.000		22,474											22,474
Mississippi State Department of Health - U.S. Department of Health and Human Services	93.000	4535-RE-DD08-USM/Z	4,546											4,546
Mississippi State Department of Health - U.S. Department of Health and Human Services	93.000	20000LDO	162											162



# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
91 000	MS Protection and Advocacy System, Inc. - U.S. Department of Health and Human Services		3,003									3,003		
91 000	PACE Headspan - U.S. Department of Health and Human Services		23,903									23,903		
91 000	Papa Ola Lokabi - U.S. Department of Health and Human Services	606	15,520									15,520		
91 000	University of Kentucky - U.S. Department of Health and Human Services	304685900-06-259	65,955									65,955		
91 001	Hinds County Human Resource Agency - Child Mental Health		155		155									
91 110	Mississippi State Department of Health - U.S. Department of Health and Human Services	20000C740	20,511									20,511		
91 110	Hemophilia of Georgia - Maternal and Child Health Federal Consolidated Program	SWOG-893	29,364								29,364			
91 110	Hemophilia of Georgia - Maternal and Child Health Federal Consolidated Program	SWOG-893	31,177								31,177			
91 145	Louisiana State University - AIDS Education Training Centers	1HHAHA00059	332,041								332,041			
91 153	Mississippi State Department of Health - Coordinated Services and Access to Research for Women	40000AD0	589,250								589,250			
91 189	University of Mississippi Medical Center - U.S. Department of Health and Human Services	63800-04	120,451								120,451			
91 211	University of Tennessee - Telehealth Network Grants	94068	7,462								7,462			
91 241	Mississippi State University / Delta Health Alliance - State Rural Hospital Flexibility Program	01320034121-101	1,044								1,044			
91 241	Mississippi State University - State Rural Hospital Flexibility Program	1220032124702	8,994								8,994			
91 241	Delta Health Alliance - State Rural Hospital Flexibility Program	UHFTR07411	3,786,517								3,786,517			
91 241	Delta Health Alliance - U.S. Department of Health and Human Services	Project #22	2,054											2,054
91 241	Delta Health Alliance-State Rural Hospital Flexibility Program	Project # 18	(356)				(356)							
91 241	Delta Health Alliance-State Rural Hospital Flexibility Program	Project 13	149,433				149,433							
91 241	Delta Health Alliance-State Rural Hospital Flexibility Program	Project 13	610				610							
91 241	DHA - State Rural Hospital Flexibility Program	Project #32	475,716				475,716							
91 241	Delta Health Initiative		328,695				328,695							
91 241	Health and Literacy Awareness		254,682				254,682							
91 243	Oxford-SAMHSA Bus	I17711019628-01	217,233							217,233				
91 363	Morehouse School of Medicine - SAMHSA		4,294									4,294		
91 243	MS Department of Mental Health - MS Underage Drinking Alcohol/Dmg	7A61-JSU-SFF-SIG-08	28,920			28,920								
91 247	UMMC - Health Resources and Services Administration		1,473											1,473
91 247	University of Mississippi Medical Center - U.S. Department of Health and Human Services	67241-USM4	48,072									48,072		
91 283	MSDH - Centers for Disease Control and Prevention Investigations	08110957	14,933				14,933							
91 283	MIDH-Centers for Disease Control and Prevention Investigations	08080672	5,106				5,106							
91 301	Mississippi Hospital Association - U.S. Department of Health and Human Services	GM002572	18,153											18,153
91 389	AFGN NIH	5P20R016476-07	365											365
91 389	MFGN - NIH	N/A	263											263
91 399	MS Department of Health - MS Prostate Cancer Project		1,592			1,592								
91 556	Mississippi Department of Human Services - U.S. Department of Health and Human Services	525D371A	(3,311)											(3,311)
91 556	Mississippi Department of Human Services - U.S. Department of Health and Human Services	525D372A	141,332											141,332
91 558	Mississippi Department of Human Services - U.S. Department of Health and Human Services	525W191	351,549											351,549

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Federal Grantor/Pass-through Grant/Program or Cluster Title	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUWV	MVSU	UM	UMMC	USM	IHL Board	MCYS
93 566	Mississippi Department of Human Services - U.S. Department of Health and Human Services	52SD381A	462,649									462,649		
93 575	Mississippi Department of Human Services - U.S. Department of Health and Human Services	52SD382A	(1,618)									(1,618)		
93 575	Mississippi Department of Human Services - U.S. Department of Health and Human Services	52SQ7481A	82,678									82,678		
93 575	Mississippi Department of Human Services - U.S. Department of Health and Human Services	52SQ7491A/52SQ7401	257,331									257,331		
93 575	MDHS-Child Care and Development Block Grant	527VK362	77,416				77,416							
93 575	MDHS-Child Care and Development Block Grant	527Q7472	1				1							
93 575	MDHS-Child Care and Development Block Grant	527Q7473	6,850				6,850							
93 575	MDHS-Child Care and Development Block Grant	527Q7481A	104,797				104,797							
93 575	MDHS-Child Care and Development Block Grant	527Q7483A	192,651				192,651							
93 575	MDHS-Child Care and Development Block Grant	527Q7494A	137,150				137,150							
93 575	MDHS-Child Care and Development Block Grant	527Q7493A	317,786				317,786							
93 575	MDHS - Child Care and Development Block Grant	527Q7482A	63,712				63,712							
93 575	MDHS - Child Care and Development Block Grant	527Q7491A	108,796				108,796							
93 575	MS Department of Human Services - 2009 CDDF	528Q7491A	78,102		78,102									
93 630	MDMH - Developmental Disabilities Basic Support and Advocacy	4599-TR-DD008-MSU	17,098				17,098							
93 630	MDMH - Developmental Disabilities Basic Support and Advocacy	4605-ED-TK-Medlin	37,155				37,155							
93 630	MDMH - Developmental Disabilities Basic Support and Advocacy	4599-TR-DD009-MSU	45,707				45,707							
93 630	MDMH - Developmental Disabilities Basic Support and Advocacy	4605-ED-DD009-TK/MSU	12,339				12,339							
93 630	Mississippi Department of Mental Health - U.S. Department of Health and Human Services	4536-ED-DD008-USM42	25,111				25,111							
93 630	Mississippi Department of Mental Health - U.S. Department of Health and Human Services	4536-ED-DD009-USM42	34,323				34,323							
93 630	Mississippi State University - U.S. Department of Health and Human Services	051800-362761-01	14,071				14,071							
93 630	MS Council on Developmental Disabilities - U.S. Department of Health and Human Services	4617-CS-DD009-USM4DS	53,006				53,006							
93 630	Mississippi State Department of Mental Health - Developmental Disabilities Basic Support and Advocacy G		416				416							
93 631	Harrison County School District - U.S. Department of Health and Human Services	USM-GM400475	(6,349)				(6,349)							
93 667	MS Department of Rehabilitation Services - U.S. Department of Health and Human Services	06-331-7000-200	171,247				171,247							
93 667	MDHS - Social Services Block Grant	527VK361	39,218				39,218							
93 667	MDHS - Social Services Block Grant	527VK363	(3,466)				(3,466)							
93 667	MDHS - Social Services Block Grant	527W661A	347				347							
93 667	Mississippi Department of Human Services - Social Services Block Grant	SS8G	1,809				1,809							
93 667	Mississippi Department of Human Services - Social Services Block Grant	526V181	86,566				86,566							
93 667	MS Department of Human Services - Rock County Summer Camp	528V181A	39,990				39,990							
93 824	University of Mississippi Medical Center - U.S. Department of Health and Human Services	63807-04	575			39,990								575
93 847	Johns Hopkins University - Diabetes, Digestive, and Kidney Diseases Extramural Research	R01HL48927	852											852
93 855	MDHS - Allergy Immunology and Transplantation Research	527Q7463	190,528				190,528							
93 859	Indiana University Purdue - Bridges to the Doctorate	R25GM067192	75,550			75,550								
93 889	Mississippi State Department of Health - National Biodefense Hospital Preparedness	50000870	1,079,007				1,079,007							
93 912	Delta Health Alliance - Rural Health Care Services Outreach and Rural Health Network Development	D60RH08555	47,603				47,603							
93 912	DHA HRSA	UIFR07411	188,184				188,184							

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grant/Pass-through Grant/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Federal Expenditures	ASU	DSU	JSU	MSU	MUW	MVSU	UM	UMMC	USM	IHL Board	MCYS
Mississippi State Department of Health - Grants to States for Operation of Offices of Rural Health	93 913	5000PDD	237								237			
Mississippi State Department of Health - HIV Care Formula Grants	93 917	4000AAD	213,429								213,429			
MS Department of Mental Health - SAPT 08 Block Grant Prevention	93 939	7420-08SAPT-32-25	244,596			244,596								
MDH DHHS	93 991	2000DHO	2,856							2,856				
Mississippi State Department of Health - Maternal and Child Health Services Block Grant	93 994	2000HDO	5,137								5,137			
Mississippi State Department of Health - Maternal and Child Health Services Block Grant	93 994	2000HDO	41,375								41,375			
University of Maryland - National Network of Libraries of Medicine	93 unknown	N01LW63502	37,698								37,698			
MS Department of Human Services - Title IV-E Administration	93 658	528E151	21,544			21,544								
MS Department of Human Services - SSBG 2008 Summer Program	93 unknown		26,387			26,387								
MS Department of Mental Health - Metro Jackson	93 unknown		1,018			1,018								
Subtotal Pass-through Programs			11,845,230	5,767	-	517,854	2,034,905	-	583,377	408,700	6,299,980	1,994,647	-	-
Total U.S. Department of Health and Human Services			24,384,093	297,276	205,146	760,924	2,284,461	-	583,377	538,886	15,165,517	4,528,507	-	-
Corporation for National and Community Service														
State Commissions	94 003		170,339											170,339
Learn and Serve America - School and Community Based Program	94 004		42,248											42,248
AmeriCorps	94 006		8,040,169							79,880				7,960,289
CRCS - Planning and Program Development Grants	94 007		169,176											169,176
Intern Program Development - Training and Technical Assistance	94 009		107,207											107,207
Foster Grandparent Program	94 011		50,038									50,038		
U.S. Dept of Health & Human Services/MS Delta Service Corps*VISTA	94 013		576,570		409,803							121,705		45,062
Subtotal Direct Programs			9,155,747	-	409,803	-	-	-	79,880	-	-	171,743	-	8,494,321
Pass-through Program From:														
Pruebelt Association for Families - Corporation for National and Community Service	94 000		(9,909)									(9,909)		
MS IHL - America Reads Mississippi	94 002		10,526			10,526								
MS IHL - America Reads Mississippi 2008-2009	94 002		112,425			112,425								
MS IHL - Corporation for National and Community Service	94 006		7,117									7,117		
MS IHL - Corporation for National and Community Service	94 006		138,947									138,947		
MCYS - Corporation for National and Community Service	94 006		174,226									174,226		
MS IHL - AmeriCorps	94 006	AmeriCorps	289,004							289,004				
MS IHL - AmeriCorps	94 006	9040416	302,838											
MCYS - America Reads Mississippi	94 006		4,229,326											4,229,326
Elon University - Corporation for National and Community Service	94 007		1,250											1,250
MVCS - Literacy Corps	94 010	03AFGMS00100006	(94)											(94)
MVCS - Literacy Corps	94 010	07AC071666	46,265											46,265
MVCS - Literacy Corps	94 010	07AC078047	(454)											(454)
MCYS - Literacy Corps	94 010	08AC082426	301,363											301,363
Subtotal Pass-through Programs			5,602,831			122,951	616,084					311,631		4,229,326
Total Corporation for National and Community Service			14,738,578	302,838	409,803	122,951	616,084	-	79,880	-	-	483,374	4,229,326	8,494,321

# State of Mississippi Institutions of Higher Learning

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal CFDA Number	Pass-through Identifying Number	Total Federal Expenditures	ASU	DSU	BSU	MSU	MUW	MVSU	UM	UMMC	USM	H. Board	MCS
U.S. Department of Homeland Security													
97.002		44,302	44,302										
97.004	FEMA 1604-LR-MS	20,751,910											20,751,910
Subtotal Direct Programs													
		20,796,212	44,302										20,751,910
Pass-through Program From													
97.000		24					30,425						
97.000		63,940					34,334					24	
97.000		2,660										63,940	
97.000		100,166										2,660	
97.000		161,204										100,166	
97.000		30,425										161,204	
97.000		34,334											
97.004		148,988											
97.026		1,000,943											
97.029		15,981											
97.029		13,401											
97.029		5,210											
97.029		3,498											
97.029		14,222						14,222					
97.029		88,317											
97.029		9,460											
97.061		12,330											
97.067		3,900											
97.068		867,500											
97.073		52,514											
97.009		284,829											
97 unknown		(636)											
Subtotal Pass-through Programs													
		2,997,391	3,498					26,652	83,650			88,317	
Total U.S. Department of Homeland Security													
		21,715,603	44,302					26,652	83,650			88,317	20,751,910
Laknowa Federal Agencies													
99 unknown	Contract Exec 3553	110,461											
01.530		12,284											12,284
90.201		30,155											30,155
Total Other Programs													
		164,199,828	7,311,760	1,193,224	13,966,106	111,434,401	508,748	8,113,897	21,638,780	16,861,765	38,115,284	9,559,175	29,756,231
Total Expenditures of Federal Awards													
		281,525,901	549,562,702	525,023,035	513,408,548	3,981,147,778	516,509,025	503,092,578	3,116,493,677	340,136,447	3,147,338,608	39,811,025	529,746,317

# State of Mississippi Institutions of Higher Learning

## Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

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### NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs administered by the State of Mississippi Institutions of Higher Learning. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule. Federal programs included in the accompanying schedule are accounted for using the economic resources measurement focus and the accrual basis of accounting, which is described in Note 1 to the IHL System's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

The schedule was prepared using the same basis of accounting and significant accounting policies, as applicable, used by the IHL System in the preparation of its financial statements with the following exceptions:

- For purposes of the schedule, loans advanced from the Federal Perkins Loan Program (CFDA #84.038) and Health Profession Student Loans (CFDA #93.342) are presented as federal expenditures. These loans are not reported as expenditures on the IHL System's financial statements, but as an increase in notes receivables. The outstanding loan balances and the allowance for uncollectible amounts for the loan programs at June 30, 2009, are presented in Note 5 to the financial statements.
- For purposes of this schedule, loans made to students under the William D. Ford Direct Student Loan Program (CFDA #84.268) and/or the Federal Family Education Loan Program (CFDA #84.032) are presented as federal expenditures. Neither the funds advanced to students, nor the outstanding loan balance is included in the IHL System's financial statements since the loans are made and subsequently collected by private lending institutions and/or the federal government.
- For purposes of this schedule, pass-through federal programs or grants between institutions have not been eliminated.

# State of Mississippi Institutions of Higher Learning

## Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

### NOTE 2 – SUBRECIPIENT PAYMENTS

OMB Circular A-133 requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, disclosure of the total amount provided to subrecipients from each Federal program. Major program expenditures presented in the schedule account for approximately 92% of the total Federal expenditures for the IHL System. Provided below is the amount of major program awards provided to subrecipients during the year ended June 30, 2009:

CFDA Number	Grant Program	Amount Provided to Subrecipients
10.574	Team Nutrition Grants	\$ 60,101
11.617	Congressionally-Identified Projects	-
16.738	Edward Byrne Memorial State and Local Law Enforcement Assistance Grant	381,294
20.106	Airport Improvement Program	-
47.076	Education and Human Resources	74,239
84.031	Higher Education - Institutional Aid	-
84.116	Fund for the Improvement of Post Secondary Education	19,897
84.334	Gear-Up	819,291
84.938	Hurricane Education Recovery Assistance	-
93.137	Community Programs to Improve Minority Health Grant Programs	1,611,012
93.241	Delta Health Initiative - Rural Hospital Flexibility Program	210,954
94.006	Americorps	675,911
97.084	Disaster Case Management Pilot Program	-
	Student Financial Aid Cluster	-
	Research and Development Cluster	27,789,276
		<b>\$ 31,641,975</b>

## **Reports on Internal Control and Compliance**

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

Board of Trustees of the State Institutions of Higher Learning  
3825 Ridgewood Road  
Jackson, MS 39211-6463

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the State of Mississippi Institutions of Higher Learning (the IHL System), a component unit of the State of Mississippi, as of and for the year ended June 30, 2009 which collectively comprise the IHL System's basic financial statements as listed in the table of contents and have issued our report thereon dated December 15, 2009. We did not audit the financial statements and schedules of:

the University of Mississippi Medical Center Educational Building Corporation, a component unit of the University of Mississippi Medical Center, which statements reflect total assets of \$140,851,186 as of June 30, 2009, and total revenues of \$4,885,343 for the year then ended;

the University of Mississippi Educational Building Corporation, a component unit of the University of Mississippi, which statements reflect total assets of \$152,002,987 as of June 30, 2009, and total revenues of \$5,562,430 for the year then ended;

the University of Mississippi Medical Center Tort Claims Fund, which statements reflect total assets of \$28,250,872 as of June 30, 2009, and total revenues of \$1,488,134 for the year then ended;

the State Institutions of Higher Learning Self-Insured Workers' Compensation Program, which statements reflect total assets of \$11,423,030 as of June 30, 2009, and total revenues of \$7,640,196 for the year then ended;

the State Institutions of Higher Learning Tort Liability Fund, which statements reflect total assets of \$10,182,667 as of June 30, 2009, and total revenues of \$3,125,478 for the year then ended; and

the discretely presented component units consisting of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation and the University of Southern Mississippi Foundation, which represent 100% of the assets and revenues of the discretely presented component units.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us. This report, insofar as it relates to the amounts included for the above mentioned entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements and schedules of the blended and discretely presented component units audited by other auditors, as described above, were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

#### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in Section 2 of the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described in the accompanying schedule of findings and questioned costs are material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the IHL System's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and the reports of other auditors did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The IHL System's responses to the findings identified in our audit are described in the accompanying auditee's corrective action plan section. We did not audit the IHL System's responses and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of the IHL System in a separate letter dated December 15, 2009.

This report is intended solely for the information and use of the IHL System management, members of the Legislature, entities with accreditation overview, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Carr, Riggs & Ingram, LLC*

Ridgeland, Mississippi  
December 15, 2009

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**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees of the State Institutions of Higher Learning  
3825 Ridgewood Road  
Jackson, MS 39211-6463

Compliance

We have audited the compliance of the State of Mississippi Institutions of Higher Learning (the IHL System) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The IHL System's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the IHL System's management. Our responsibility is to express an opinion on the IHL System's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the IHL System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the IHL System's compliance with those requirements.

In our opinion, the IHL System complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in Section 3 of the accompanying Schedule of Findings and Questioned Costs.

## Internal Control Over Compliance

The management of the IHL System is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the IHL System's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the IHL System's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider all the deficiencies in internal control over compliance described in Section 3 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The IHL System's responses to the findings identified in our audit are described in the accompanying auditee's corrective action plan section. We did not audit the IHL System's responses and, accordingly, we express no opinion on them.

We noted certain other matters and immaterial instances of noncompliance that we reported to management of the IHL System in a separate letter dated March 12, 2010.

This report is intended solely for the information and use of the IHL System, members of the Legislature, entities with accreditation overview, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Carr, Riggs & Ingram, LLC*

Ridgeland, Mississippi  
March 12, 2010

## **Schedule of Findings and Questioned Costs**

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# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

### Section 1: Summary of Auditors' Results

#### **Financial Statements**

- |    |  |             |
|----|--|-------------|
| 1. | Type of auditors' report issued:   | Unqualified |
| 2. | Internal control over financial reporting:   |             |
|    | a. Material weakness(es) identified?   | No          |
|    | b. Significant deficiency(ies) identified<br>not considered to be material weakness(es)? | Yes         |
| 3. | Material noncompliance relating to financial statements?                                 | No          |

#### **Federal Awards**

- |     |   |              |
|-----|---|--------------|
| 4.  | Type of auditors' report issued on compliance for major programs:   | Unqualified  |
| 5.  | Internal Control over major programs:   |              |
|     | a. Material weakness(es) identified?  | No           |
|     | b. Significant deficiency (ies) identified<br>not considered to be material weakness(es)?   | Yes          |
| 6.  | Any audit finding(s) reported as required by Section .510 (a)<br>of Circular A-133?   | Yes          |
| 7.  | Federal programs identified as major program(s):  |              |
|     | a. Research and Development Cluster:<br>(see Schedule of Expenditures of Federal Awards for CFDA numbers)   |              |
|     | b. Student Financial Aid Cluster:<br>(see Schedule of Expenditures of Federal Awards for CFDA numbers)  |              |
|     | c. Team Nutrition Grants; CFDA #10.574  |              |
|     | d. Congressionally-Identified Projects; CFDA #11.617  |              |
|     | e. Edward Byrne Memorial State and Local Law Enforcement Assistance Grant<br>Program; CFDA #16.738  |              |
|     | f. Airport Improvement Program; CFDA #20.106  |              |
|     | g. Education and Human Resources; CFDA #47.076  |              |
|     | h. Higher Education - Institutional Aid; CFDA #84.031   |              |
|     | i. Fund for the improvement of Secondary Education; CFDA #84.116  |              |
|     | j. Gear-Up; CFDA #84.334  |              |
|     | k. Hurricane Education Recovery Assistance; CFDA #84.938  |              |
|     | l. Community Programs to Improve Minority Health Grant Program; CFDA #93.137  |              |
|     | m. Delta Health Initiative - Rural Hospital Flexibility Program; CFDA #93.241   |              |
|     | n. AmeriCorps; CFDA #94.006   |              |
|     | o. Disaster Case Management Pilot Program; CFDA #97.084   |              |
| 8.  | The dollar threshold used to distinguish between Type A and<br>Type B programs:   | \$ 3,000,000 |
| 9.  | Auditee qualified as low-risk auditee?  | Yes          |
| 10. | Prior fiscal year audit finding(s) and questioned cost relative to federal<br>awards which would require the auditee to prepare a summary schedule<br>of prior audit findings as discussed in Section .315(b) of OMB<br>Circular A-133? | Yes          |

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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### **Section 2: Findings Relating to the Financial Statements**

The deficiencies described in Section 2 were considered to be significant deficiencies in internal control over financial reporting.

#### *System Wide Significant Deficiency:*

#### **FR09-IHL-1: Capitalized Interest on Construction in Progress**

The IHL System describes in its summary of significant accounting policies that interest expense relating to construction is capitalized, net of interest income earned on resources set aside for construction purposes, if material. Management has maintained that capitalization of interest cost is immaterial to the financial statements of the IHL System and has historically never provided for capitalized interest. However, based upon our inquiries and review, there has been no formal analysis to evaluate the impact of not properly capitalizing construction period interest and no forecast as to the cumulative future impact as capitalized interest would result in a depreciable asset over a 40 year period. CRI has performed an analysis each year for the last three years and has estimated that the impact each year approximated a range of \$1.3 million to \$1.7 million. While we concur that the overall impact annually has been immaterial, we recommend that management adopt a formalized approach to evaluate and assess the impact of construction period interest capitalization which also includes projections that on a cumulative basis the net unamortized amounts would not result in a material misstatement to the financial statements of the IHL System or to the individual financial statements of the respective institutions.

#### **FR09-IHL-2: Presentation and Classification of Net Assets**

During our audit procedures, we noted that numerous institutions improperly classified their net asset classifications for reporting pursuant to GASB. As a result, significant reclassification adjustments were required for various institutions in order to properly present restricted and unrestricted net assets, as follows:

- Reclassification adjustments of approximately \$5,986,000 were required to correct for restricted quasi-endowments classified by Jackson State University as restricted non-expendable endowment net assets and properly present the amounts as expendable restricted net assets.
- Reclassification adjustments of approximately \$5,315,000 were required to correct for designated and auxiliary fund unrestricted net assets improperly classified as expendable restricted net assets by Mississippi Valley State University.
- Reclassification adjustments of approximately \$3,849,000 were required to correct for unrealized losses related to endowment investments which were improperly classified as a reduction of expendable restricted net assets by the University of Mississippi and should be presented as a reduction of non-expendable restricted net assets.
- Reclassification adjustments of approximately \$85,500,000 were required to correct for designated unrestricted net assets that were improperly classified as expendable restricted net assets and as restricted cash by the University of Mississippi Medical Center.

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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- Reclassification adjustments of approximately \$16,705,000 were required to correct for the classification of restricted non-expendable endowment net assets inaccurately reported as restricted expendable net assets by the IHL Executive Board.

To strengthen the internal controls over financial reporting, we recommend that the IHL System establish a formalized policy by classification type, methodology of development and group support training relative to the proper presentation and classification of net assets for GASB reporting.

### *Institutional Campus Significant Deficiencies:*

#### **Alcorn State University**

##### **FR09-ASU-1: Recordkeeping of Capital Assets**

During our audit procedures at Alcorn State University, we noted that there were irreconcilable differences between the capital asset detail and depreciation subsidiary records and the general ledger control accounts resulting in general ledger adjustments of approximately \$3,843,000. Management should adopt administrative control procedures to ensure that the capital asset general ledger control accounts are reconciled to the detail subsidiary ledgers on a monthly basis and that any differences are timely researched and corrected. Further, these administrative control procedures should include a formalized review of the status of construction in progress projects and the timely addition of completed projects to the depreciation records once a project is placed in service.

#### **Jackson State University**

##### **FR09-JSU-1: Grants Receivable**

During our review and testing of the validity of accounts receivable reported by Jackson State University (JSU), we noted that certain grant accounts receivables were misstated as a result of errors and a lack of a formal analysis and review of the general ledger accounts comprising this financial statement line item. Our testing and audit procedures detected the following misstatements which required corrective misstatements:

- The grants and contracts receivable reported by JSU were overstated due to errors and cumulative differences from prior years which had not been corrected. As a result an audit adjustment of approximately \$1,274,000 was recorded to reduce grants and contracts receivable and adjust accounts to their proper balance.
- The grants and contracts receivable reported by JSU were understated due to the netting of deferred revenues against the financial line item. As a result a reclassification adjustment of approximately \$2,142,000 was required to gross up accounts receivables and properly present the deferred revenue liabilities.

We recommend that management develop a more formalized approach which includes accountability and reconciliation of accounts receivable balances to the underlying supporting detail information on a more periodic basis. This reconciliation approach should be performed monthly and reviewed by a responsible person independent of the reconciliation process as evidenced by their signature.

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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### Mississippi Valley State University

#### **FR09-MVSU-1: Financial Statement Classification and Presentation**

During our audit procedures relative to the review of the groupings of expense classifications for the financial statement line items reported in Mississippi Valley State University's (MVSU) statements of revenues, expenses and other changes in net assets for consistency with the prior year we noted numerous accounts that were not grouped properly. As a result significant reclassifications were required to properly state the classification of expenses and aggregated over \$16 million. The significant deficiency resulted from a lack of formal review of the coding and development of the GASB financial statements by personnel to ensure uniformity and consistency of account classifications. MVSU should develop a formalized and effective review process to ensure the information grouped for financial line item presentation is correct and consistent.

#### **FR09-MVSU-2: Recordkeeping of Capital Assets**

During our audit procedures relative to capital assets at MVSU, we noted the following matters which resulted in corrective or potential misstatements to MVSU's financial statements:

- The prior year financial statements properly reflected the completed cost incurred to date for the renovation of the Magnolia Hall dormitory. However, during 2009, management incorrectly recorded these costs to current year expenditures as repairs. The renovation of Magnolia Hall represented a significant betterment to an existing facility with a carrying value of approximately \$32,000 that was originally constructed in 1962. As a result an audit adjustment was required to properly capitalize this improvement and approximated \$5,558,000.
- We detected cut-off errors relating to the proper capitalization of equipment in the current period. We noted over \$123,000 in equipment acquired in prior years that were not properly recorded until 2009. Further we identified equipment acquired in 2009 that was not properly capitalized until 2010 that approximated \$174,000. This misstatement appears to result from the fact equipment additions are not uploaded into the depreciation records and capitalized until the relating invoice is paid.
- We noted that one significant institutional project for the purchase and installation of fire alarm and security equipment on campus buildings was not capitalized. This project is expected to cost approximately \$645,000 and during 2009 approximately \$318,000 was incurred and charged to contractual services expense relative to this project.
- MVSU has incurred significant cost to repair serious defects in the Sutton Administrative Building. This building was originally completed with a completed cost basis of approximately \$10,406,000. MVSU did not impair the value of the building upon detection of the defects, but has rather expensed repair cost as incurred and continues to depreciate the original cost basis of the building. As of June 30, 2009, approximately \$15,800,000 has been incurred in the repair and renovation of the building. Management has continued to expense the repair and renovation cost on the basis that additional expenditures are required and the cumulative cost incurred to repair the building exceeds its estimated fair value.

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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The majority of the deficiencies noted above occurred as a result of misinterpretation of capitalization requirements and the lack of effective reconciliation by MVSU with capital asset projects managed by both the institution and the Bureau of Buildings. MVSU should develop a formalized and effective reconciliation and review process to ensure expenditures of a capital nature are properly captured and identified for capitalization in the appropriate period. Further, with respect to the Sutton Administrative building, management should obtain an independent appraisal to support its assertions of fair value and capitalize additional renovation cost incurred that result in betterments and increases to the estimated fair value of the building.

### University of Mississippi Medical Center

#### **FR09-UMMC-1: Payroll and Human Resources**

During our 2009 and 2008 audit procedures at the University of Mississippi Medical Center (UMMC), we identified deficiencies in the design of internal controls around management approval and review of changes made to employee compensation adjustments. From our review and inquiries, we noted that the use of hardcopy personnel action request (PAR) forms was discontinued during the prior fiscal year for the approval of certain compensation adjustments. These forms were previously used to document changes made to employee information including compensation adjustments and were reviewed and approved by responsible personnel prior to the upload of changes to the payroll master file. As an alternative, during the fiscal year a process was implemented in which a departmental listing of payroll changes detailing all employees for an applicable department was to be circulated and approved by responsible personnel. However, during our observation and review, we noted that this process was not performed timely and was not approved prior to the compensation adjustments being uploaded to the payroll master file. Because payroll master file data is used to generate multiple transactions, unauthorized changes to this data present a greater risk than errors in inputting transaction data. This is true because (1) any unauthorized modification, deletion, or corruption of master file data is likely to have a widespread or continuous effect; and (2) elements of the payroll master files tend to be sensitive and are normally confidential (e.g., salary/pay rates, medical history). Unauthorized changes to the payroll master files could result in invalid data, which may result in incorrect amounts paid to employees, failure to pay employees who are inappropriately deleted, or payments to nonexistent employees. To strengthen internal controls, management should ensure changes to employee compensation and personnel records are accurate, authorized, reviewed and approved in a timely fashion prior to any changes being made to the payroll master file. This review and approval should be documented by implementing a PAR form in either hardcopy or electronic format or by requiring a formal review and approval of employee changes on a documented departmental employee listing as evidenced by signatures of responsible personnel.

#### **FR09-UMMC-2: Comprehensive Disaster Recovery Plan**

During our audit procedures at UMMC, we noted that the current disaster recovery plan (DRP) in place was not comprehensive and somewhat inadequate. Should a disaster occur without a comprehensive plan that has been effectively tested, UMMC's ability to recover in a timely manner could be compromised.

The disaster recovery plan should be sufficiently detailed to enable an effective recovery from a disaster. The safety of personnel and their families should be the first priority of any DRP. Once family members are safe, employees have a greater chance of being able to concentrate on helping the

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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UMMC. Each employee should be trained in his or her role in the disaster recovery plan. Back-up personnel should be designated in the case that an employee is not available, and the back-ups need to receive the same training. Frequent audits of the plan should be made to ensure that the same people are still employed in the same roles with the same contact information. Multiple lines of communication are crucial to any good DRP. Detailed lists of employee and vendor contact information should be developed at a minimum. Some companies sign up with third-party conferencing and emergency communications services to send automated messages in times of crisis. The messages can be sent from any platform (phone, e-mail, SMS) and received on any platform. An advantage of these conferencing services is that individuals can easily update their contact information and indicate the fastest way to reach them in an emergency. Emergency communications services also have the ability to call everyone on the contact list at the same time, ringing pagers, cell phones and sending e-mails until receipt of the message is confirmed.

A third-party disaster recovery specialist can also provide UMMC with alternate workspaces in the event that the regular office is unavailable. Not only do these workspaces have all of the necessary equipment to do business (desks, phones, PCs, Internet access), but they also have access to all of UMMC's data, assuming the university has been regularly backing up and storing its data in an off-site facility. Certain types of data should be identified as crucial to running the business. The back-up and recovery plan should reflect those priorities. Security measures should also be included in this section of the plan so that all employees are trained in the safeguarding of UMMC's systems and sensitive data.

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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### Section 3: Findings and Questioned Costs Related to Federal Awards

#### System Wide Deficiency:

#### **FA09-SW-01: Internal Controls over Return of Title IV Funds**

*Finding Type:* Noncompliance / Significant Deficiency

*Program Tested:* Student Financial Aid

*Questioned Cost:* \$6,078

#### *Criteria*

Per federal regulations, when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or credited to the student on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs within a 45 day timeframe pursuant to 34 CFR Section 668.22 and 668.173. An institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the: (i) payment period or period of enrollment, (ii) academic year in which the student withdrew, or (iii) educational program from which the student withdrew. When a recipient of Title IV grant or loan assistance does not begin attendance at an institution during a payment period or a period of enrollment, all disbursed Title IV grant and loan funds must be returned.

#### *Condition and Cause*

During our testing of the return of Title IV funds and related student withdrawals, we identified eight (8) students from a sample of ninety (90) in which certain institutions within the IHL System failed to (i) refund the required amount of Title IV funds for students who had withdrawn or (ii) return the Title IV funds within the allowable timeframe. Further, we identified nine (9) instances in which the calculation of the Title IV refund was incorrect resulting in the return of an inaccurate amount.

**University of Mississippi:** We identified one (1) student refund from a sample of fifteen (15) where proof of attendance could not be provided and as a result \$3,218 in unsubsidized Stafford Loans had been received but were not returned to the respective program. Further, we identified one (1) student refund from the sample of fifteen (15) in which the return of Title IV refund was calculated incorrectly as a result of charges for room and board reported improperly resulting in an overstated refund of \$189.

**University of Mississippi Medical Center:** We identified one (1) student from a sample of fifteen (15) students that had withdrawn early for which there was no evidence of a calculation of unearned aid and no return of Title IV funds. As a result, the institution did not return \$598 of unearned Title IV funds.

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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**University of Southern Mississippi:** We identified six (6) student refunds from a sample of fifteen (15) students that withdrew that did not have the required refunded amount deposited with the Department of Education or appropriate lender within the allowable timeframe. Further, we identified ten (10) students refunds from a sample of fifteen (15) in which the calculations were computed improperly as a result of excluding (a) ACG awarded during the semester (one student), (b) out-of-state fees assessed during the semester (two students), (c) course/alternative learning fees (ten students) and (d) two (2) students whose return calculations included non-institutional charges assessed for housing damages. As a result of the above described findings, it was discovered that eight (8) students' Title IV return amounts were miscalculated resulting in a net understatement of \$2,451 in what should have been returned to Title IV programs.

*Effect*

Failure to return funds could result in sanctions rendered by the Department of Education.

*Recommendation*

We recommend that management implement additional preventive monitoring procedures to ensure return of Title IV funds calculations are performed correctly and the resulting refunds are returned within the required time frame.

**Alcorn State University**

**FA09-ASU-01: Internal Controls over Financial Reporting**

*Finding Type:* Noncompliance / Significant Deficiency

*Program Tested:* #16.580 Edward Byrne Memorial State & Local Law Enforcement Assistant Grant

*Questioned Cost:* None

*Criteria*

Per federal regulations and the award agreement, the institution is required to submit both financial and program reports. These reports describe the status of the funds, the status of the project, comparison of actual accomplishments to the objectives and other pertinent information. The award agreement requires semi-annual progress reports to be filed no later than 30 days after the end of the period.

*Condition and Cause*

During our testing of reporting compliance elements for the Edward Byrne Memorial State & Local Law Enforcement Assistance Grant at Alcorn State University, we noted one semi-annual progress report for the period ending June 30, 2009 that was not submitted timely.

*Effect*

Failure to submit financial status reports in accordance with the contractual obligations of the award agreement could potentially effect the funding of federal awards or any future relationship with the awarding agency.



# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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### *Recommendation*

Internal control procedures should be adopted to ensure that reporting procedures are in place to document compliance with the reporting requirements.

### **Jackson State University**

#### **FA09-JSU-01: Internal Control over Allowable Costs – Special Requirements – Cost Accounting Standards and Disclosures Statements**

*Finding Type:* Noncompliance / Significant Deficiency

*Programs Tested:* #84.031 – Higher Education Institutional Aid – Title III; #47.076 – National Science Foundation (NSF)

*Questioned Cost:* None

### *Criteria*

A-21, "Cost Principles for Educational Institutions" Section C.14 requires educational institutions that receive aggregate sponsored agreements totaling \$25 million or more during their most recently completed fiscal year to disclose their cost accounting practices by filing a Disclosure Statement (DS-2). Educational institutions are responsible for maintaining an accurate DS-2 and complying with disclosed cost accounting practices. Educational institutions must file amendments to the DS-2 when disclosed practices are changed to comply with new or modified standards, or when practices are changed for other reasons. If the change is expected to have a material impact on the educational institution's negotiated F&A cost rates, the revision shall be approved by the cognizant agency before it is implemented.

### *Condition and Cause*

During our review and testing of allowable costs - special requirements related to cost accounting standards and disclosure statements, we noted that Jackson State University did not prepare or submit the Disclosure Statement (DS-2) that describes the institution's cost accounting practices to its cognizant federal agency upon meeting the applicable threshold for filing such report.

### *Effect*

The form was not prepared for the prior reporting period nor the current reporting period, thus resulting in noncompliance with applicable federal rules and regulations.

### *Recommendation*

We recommend that management implement additional procedures and internal controls to ensure the personnel responsible for continued compliance with federal rules and regulations are aware of the reporting requirements relative to the cost accounting standards. The strengthening should include the monitoring of reporting requirements and their related due dates to ensure timely submission.

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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### **FA09-JSU-02: Internal Control over Period of Availability**

*Finding Type:* Noncompliance / Significant Deficiency

*Program Tested:* #84.031 – Higher Education Institutional Aid – Title III

*Questioned Cost:* \$132,214

#### *Criteria*

Jackson State University prepares its Schedule of Expenditures of Federal Awards in accordance with accounting principles generally accepted in the United States of America (GAAP). As a result, allowable costs charged to a federal program should be determined in accordance with GAAP.

#### *Condition and Cause*

During the performance of our audit procedures, we noted that Jackson State University prepaid four (4) invoices related to maintenance/service contracts with maintenance/service periods that covered multiple fiscal years (i.e., fiscal year 2009 and 2010) resulting in questioned costs of \$132,314 which should not have been expensed until fiscal year 2010. The amounts prepaid on the invoices were expensed at the time of payment which is not in accordance with GAAP.

#### *Effect*

Failure of a non-federal entity to comply with the compliance requirements required to be followed by OMB Circular A-133 guidance resulting in expenditures charged to a federal program outside the period of availability.

#### *Recommendation*

We recommend that management implement additional procedures and internal controls to ensure that transactions are properly recorded in the general ledger as required by generally accepted accounting principles so as to be in compliance with applicable federal rules and regulations.

### **University of Mississippi**

### **FA09-UM-01 Internal Control over Time and Effort Reporting**

*Finding Type:* Noncompliance / Significant Deficiency

*Program Tested:* #16.580 Edward Byrne Memorial State & Local Law Enforcement Assistant Grant

*Questioned Cost:* None

#### *Criteria*

In accordance with OMB Circular A-21, Cost Principles for Educational Institutions, after-the-fact reports should be prepared each academic term, but no less frequently than every six months for professorial and professional staff salary expenditures charged to federal awards.. For other employee salaries charged to a federal award, unless alternate arrangements are agreed to, the

# State of Mississippi Institutions of Higher Learning

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

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reports should be prepared no less frequently than monthly and should coincide with one or more pay periods. In addition, the University of Mississippi policy states that time and effort reports should be submitted on a quarterly basis within 120 days after quarter end.

### *Condition and Cause*

During our disbursement testing of the Edward Byrne Grants, we noted that time and effort reports related to two (2) professorial or professional employees from a sample of fifteen (15) were submitted in April 2009 for the September 2008 quarter end. As a result, the time and effort reports were not submitted within the required time frame.

### *Effect*

Failure to submit and approve effort reports on a timely basis may result in inaccurate reporting of expenditures which could subsequently result in disallowed costs.

### *Recommendation*

We recommend that the University of Mississippi implement additional control procedures to ensure that effort reports are prepared and certified in a timely manner with appropriate monitoring.

## **FA09-UM-02 Internal Control over Reporting**

*Finding Type:* Significant Deficiency

*Program Tested:* #47.076 National Science Foundations (NSF)

*Questioned Cost:* None

### *Criteria*

National Science Foundation General Grant Conditions state that all grantees shall submit a Federal Financial Report (FFR) by the 10th day of the 2nd month following the end of each quarter. All FFRs must be submitted electronically via use of the FastLane Financial Functions. Further, the Final Project Report (FPR) is to be submitted within 90 days following the expiration date of the award.

### *Condition and Cause*

During our review of reporting compliance elements for the National Science Foundation we noted that certain standard financial reporting forms were not submitted timely. From a review of four (4) reporting forms, we identified one (1) FFR for the period ending December 31, 2008 that was not submitted until February 11, 2009 (1 day late). In addition, during our review of reporting compliance elements, we noted that the FPR for two (2) grants from a sample of four (4) were not submitted timely. The FPR for Award Number 0625120 was submitted nineteen days late and the FPR for Award Number 0809853 was submitted seventy-nine days late. These grants had project years ending on July 31, 2008 and May 31, 2009, respectively.

### *Effect*

Failure to submit timely reports may delay processing of funding increments.

### *Recommendation*

We recommend that the University of Mississippi implement additional control procedures, including review procedures, to ensure that required reports are submitted on a timely basis.

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**Auditee's Corrective Action Plan**

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# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2009

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### **System Wide Significant Deficiency:**

#### **FR09-IHL-1: Capitalized Interest on Construction in Progress**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Chris Halliwell, Director of University Financial Analysis

*Management Response and Corrective Action Planned:*

The management of the IHL System concurs with the deficiency and will endeavor to develop a formalized approach to evaluate and assess the impact of construction period interest capitalization. The process will include a projections made on a cumulative basis of the net unamortized amounts and their material impact upon the IHL System as a whole or to the individual financial statements of the respective institutions. Professional assistance will be sought by management to aid in the development of such an approach.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is June 30, 2010.

#### **FR09-IHL-2: Presentation and Classification of Net Assets**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Chris Halliwell, Director of University Financial Analysis

*Management Response and Corrective Action Planned:*

The management of the IHL System concurs with the deficiency and will endeavor to develop a more formalized guideline by classification type and methodology of development of its future net assets for proper GASB financial presentation and reporting. This may include some group support training opportunities as needed and available.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is June 30, 2010.

### **Institutional Campus Significant Deficiencies:**

#### **Alcorn State University**

#### **FR09-ASU-1: Recordkeeping of Capital Assets**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Carolyn Hinton, Controller; Cassandra Lewis, Director of Accounting;  
Jerry Sims, Director of Inventory

*Management Response and Corrective Action Planned:*

Alcorn State University will ensure that the accounting department and the inventory department are responsible for reconciling the fixed asset detail schedules, including the depreciation schedules, to the general ledger monthly. All differences will be researched and corrected monthly. A report to

# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2009

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confirm the reconciliation procedure has been completed will be forwarded to the controller monthly. Alcorn State University has instructed the inventory department to add items to the depreciation schedule only after receiving appropriate documentation of completion.

*Anticipated Completion Date:*

The procedures have already been put in place and are effectively immediately.

**Jackson State University**

**FR09-JSU-1: Grants Receivable**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Sherry Wilson, Vice President/Comptroller

*Management Response and Corrective Action Planned:*

Procedures are being implemented to reconcile grant account receivable balances to the underlying support detail information on a timely and more periodic basis to include, but not limited to, the following:

- Project and expenditure end dates are populated on all restricted fund accounts to ensure that expenditures are not charged to inactive accounts;
- More attention is exercised in verifying availability of funds;
- Monthly review of expenditures and follow up on actions needed to correct expenditures charged erroneously to accounts;
- Grant close-out procedures are being developed and or strengthened to ensure grants are not over expended and to ensure that grants are closed out in a timely manner.

Further, processes will be updated to include a thorough review of the classification of the deferred revenue and receivables to ensure that classification is properly stated.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is June 30, 2010.

**Mississippi Valley State University**

**FR09-MVSU-1: Financial Statement Classification and Presentation**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Ms. Joyce Dixon  
Assistant Vice President for Business and Finance

*Management Response and Corrective Action Planned:*

Mississippi Valley State University will institute a formal review of transactions posted to control and detail general ledger accounts that will ensure more uniformity in the maintenance of accounts and preparation of financial statements. This activity will be closely monitored by the Vice President for Business and Finance (or designee).



# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2009

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*Anticipated Completion Date:*

The anticipated completion date of the corrective action is March 31, 2010.

**FR09-MVSU-2: Recordkeeping of Capital Assets**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Ms. Joyce Dixon  
Assistant Vice President for Business and Finance

*Management Response and Corrective Action Planned:*

A formalized system pertaining to capitalized expenditures will be developed and maintained that will allow for adequate review for determination of expenditures that are to be capitalized.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is March 31, 2010.

**University of Mississippi Medical Center**

**FR09-UMMC-1: Payroll and Human Resources**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Thomas H. Sullivan, Director of Compensation

*Management Response and Corrective Action Planned:*

For mass pay adjustments, in lieu of individual PAR preparation, spreadsheets for upload to Lawson payroll software will be prepared outlining all changes such as salary, pay source, and percent of effort, and e-mailed to the respective department director or chairman. These would be printed, reviewed, signed, and forwarded to the appropriate budget office (and grant authority if needed) for further approval and signature, then returned to Human Resources before changes are electronically uploaded. No changes will be made to employee records without all appropriate authorization. This process was implemented and adhered to for the mass pay adjustment effective October 2009.

*Anticipated Completion Date:*

This process was implemented and adhered to for the mass pay adjustment effective October 2009.

# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 2 Findings Related to Financial Statements For the Year Ended June 30, 2009

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### **FR09-UMMC-2: Comprehensive Disaster Recovery Plan**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*  
Charlie Enicks, Chief Information Officer

*Management Response and Corrective Action Planned:*

Management of UMMC agrees that the components of the existing disaster recovery plan need to be more comprehensive and has established an action plan to address the deficiencies that include:

- (i) Conducting risk and assessment analysis
  - a. Data center analysis – complete
  - b. Prioritized application review – anticipated May 2010
  - c. Back-up and recovery – anticipated June 2010
- (ii) Evaluating options and alternatives given identified risks
  - a. Review data center recommendations – anticipated April 2010
  - b. Explore co-location and hot site options – anticipated April 2010
- (iii) Requesting proposals for scope defined by evaluation – May 2010
- (iv) Developing implementation plan for Phase I remediation efforts – July 2010
- (v) Test back-up and recovery for key systems – November 2010

*Anticipated Completion Date:*

See dates for various phases of corrective action as summarized above.

# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2009

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### System Wide Deficiency:

#### **FA09-SW-01: Internal Controls over Return of Title IV Funds**

#### University of Mississippi

*Name(s) of Contact Person(s) Responsible for Corrective Action:*  
Laura Diven-Brown, Director of Financial Aid

*Management Response and Corrective Action Planned:*

The University of Mississippi conducted a review of the office procedures for calculating student withdrawal refunds and determined that the procedural steps in the process are correct; however, the process includes manual steps. In this instance, the employee made an error when calculating the board charges on the student's account. The financial aid office will institute a review process for student withdrawal refunds. Furthermore, the University of Mississippi conducted a review of the office procedures for calculating student withdrawal refunds and determined that the procedural steps in the process are correct; however, the process includes manual steps whereby the final step of posting the refund amount was omitted. The financial aid office will institute a review process for student withdrawal refunds.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is March 1, 2010.

#### University of Mississippi Medical Center

*Name(s) of Contact Person(s) Responsible for Corrective Action:*  
Stacey Mathews, Financial Aid Director  
Sam E. Smith, Comptroller

*Management Response and Corrective Action Planned:*

The University of Mississippi Medical Center has noted that additional control procedures are needed to ensure that official and unofficial withdrawals are accounted for and the appropriate departments are notified. The University of Mississippi Medical Center has installed a new student services system that will ensure return of Title IV aid in a timely manner.

The corrective action plan implemented by the University of Mississippi Medical Center (UMMC) is as follows:

1. UMMC has implemented a new student services system. The new system will be used by school administrators and the registrar to input all data related to student enrollment status.
2. The registrar's office will forward a copy of all received notifications pertaining to student enrollment to the financial aid office. The registrar's office understands that all enrollment information directly affects financial aid eligibility.

# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2009

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3. The registrar's office will input all change of enrollment status into the system immediately upon receipt of school notification. The immediate change in the system will upload into the financial aid system the next morning. Therefore, the student's enrollment status will be in all systems within 24 hours.
4. The financial aid office has assigned an employee to review a change in enrollment report on a daily basis. The current day will be compared to the previous day and all removed students will be reviewed. This employee will be responsible for Return of Title IV aid calculations.
5. UMMC has requested that the consultants for the new student services system develop a report that will list all students in a status code that represents no longer enrolled such as leave of absence, dismissal, unofficial withdrawal, and official withdrawal. The report will run upon request and weekly.
6. The financial aid office will do a monthly reconciliation of all students that were listed on the previously mentioned reports, to ensure that all ineligible disbursements are reversed and Title IV funds are returned within the set federal guidelines.
7. The "no longer enrolled reconciliation" will be reviewed and approved each month by the Director of Student Financial Aid and the Assistant Comptroller.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is June 30, 2010.

**University of Southern Mississippi**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

David Williamson, Director of Financial Aid  
Barbara Madison, Bursar

*Management Response and Corrective Action Planned:*

The Corrective Action Plan for the findings cited for the University of Southern Mississippi is as follows:

- (A) The test of the fall and summer semesters return of Title IV funds did not disclose any non-compliance issues. Spring semester noncompliance was a result of the high volume of enrollment and previews for summer and the following fall. In the future, return of Title IV funds will be monitored more closely to ensure that deadlines are met. More staff will be trained to perform the return calculations and award adjustments. The Office of Financial Aid will coordinate the identification process with the grade entry. Once confirmation is received of the completion of grade entries, the unofficial withdrawal process will be run, communications will be sent to students, and the deadline date for returns will be established. After the 30 day time-frame for identification has elapsed, the 45 day deadline will begin. Weekly progress reports will be prepared to monitor the status of returns. Staff member duties will be re-assigned if needed to ensure the 45 day deadline of return of funds is met.

# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2009

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- (B) In addition, the Offices of Financial Aid and Business Services are in the process of making changes to the existing setup the Online Accessible Records (SOAR) system for the University of Southern Mississippi to include out of state and course/alternative learning fees and to exclude any housing damage charges from the return of funds calculation. Prior to the beginning of each academic year, these two offices will meet to ensure that no setup changes need to be made due to new charges and/or regulation changes. Further, additional staff will be trained to perform the return calculations and award adjustments. The Office of Financial Aid with the assistance of Business Services will review the fall 2009 semester and the spring 2010 semester for students affected by the change in setup to ensure compliance with the regulations.

*Anticipated Completion Date:*

- (A) The anticipated completion date of the corrective action was February 27, 2010.  
(B) The anticipated completion date of the set-up changes for corrective action is March 15, 2010 with recalculations of current and prior term information by May 13, 2010.

### Alcorn State University

#### **FA09-ASU-01: Internal Controls over Financial Reporting**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*  
Carolyn Hinton, Associate Vice President/Comptroller

*Management Response and Corrective Action Planned:*

The office of grants and contracts will implement procedures to document compliance with reporting requirements for all grants. All reports will be scheduled as required and prepared in a timely manner.

*Anticipated Completion Date:*  
Currently implemented.

### Jackson State University

#### **FA09-JSU-01: Internal Control over Allowable Costs – Special Requirements – Cost Accounting Standards and Disclosures Statements**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*  
Phillisa Conner, Director of Grants & Contract

*Management Response and Corrective Action Planned:*

Management is in the process of completing the requirements as outlined in the Cost Accounting Standard Board Disclosure Statement for Educational Institutions (CASB DS-2) to ensure compliance with the A-133 federal rules and regulations as it relates to institutions receiving more than \$ 25 million in federal awards.

# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2009

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Management will provide staff development on an as needed basis to review federal updates and reporting deadline requirements.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is June 30, 2010.

### **FA09-JSU-02: Internal Control over Period of Availability**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Phillisa Connor, Director of Grants and Contracts

Elma Wade, Director of University Strategic Sourcing Services (USSS)

*Management Response and Corrective Action Planned:*

Management will implement a process to identify service/maintenance contracts that cover multiple fiscal years. The Office of Grants and Contracts and USSS will notify the Office of Financial Services of the contracts that cover multiple periods to ensure proper classification of the expenditure according to generally accepted accounting principles.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is June 30, 2010.

### **University of Mississippi**

### **FA09-UM-01 Internal Control over Time and Effort Reporting**

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

Thomas Clancy, Director of National Center for Justice & the Rule of Law and Research  
Professor of Law

Nina Jones, Director of Accounting

*Management Response and Corrective Action Planned:*

The University of Mississippi is implementing additional controls to ensure timely certification of effort. Written and/or oral communication will be initiated with the principal investigator and department responsible for each effort report that has not been certified. Failure to respond to the communications or provide certification of the effort report will result in the prohibition of further spending on the sponsored project.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is March 31, 2010.

# State of Mississippi Institutions of Higher Learning

## Auditee's Corrective Action Plan – Section 3 Findings and Questioned Costs Related to Federal Awards For the Year Ended June 30, 2009

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### FA09-UM-02 Internal Control over Reporting

*Name(s) of Contact Person(s) Responsible for Corrective Action:*

*Maurice R. Eftink, Provost and Vice Chancellor for Academic Affairs, Associate Provost, Dean of the Graduate School, Professor of Chemistry & Biochemistry and Director of Accreditation  
Nina Jones, Director of Accounting*

*Management Response and Corrective Action Planned:*

The University of Mississippi has a field incorporated into the billing management program to designate due dates of required reports. These due dates will be reviewed on a regular basis to ensure accuracy. Priority will be given to reports with specific due dates populated in this field. The University of Mississippi will implement and oversee a review process to monitor the status of final report submissions. This review process will include communications with the principal investigator including the Department Chairs and Deans, if necessary, prior to the due dates of the final reports. Failure to complete final reports timely will affect the principal investigator's future participation on sponsored programs.

*Anticipated Completion Date:*

The anticipated completion date of the corrective action is March 31, 2010.

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**Auditee's Summary Schedule  
of Prior Audit Findings**

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# State of Mississippi Institutions of Higher Learning

## Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2009

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### Alcorn State University

#### ***For the Year Ended June 30, 2008***

*Finding Title:* Internal Controls over Davis-Bacon Act Compliance

<i>Reference Number(s):</i>	FA08-ASU-01
<i>Initial Year of Finding:</i>	Year Ended June 30, 2008
<i>Amount of Questioned Costs in Finding:</i>	None
<i>Status of Questioned Costs (check one):</i>	N/A
<i>Page Number (from Single Audit Report):</i>	179
<i>Program Name(s):</i>	N/A – Ineffective Internal Control
<i>Federal Grantor Agency:</i>	N/A
<i>CFDA Number(s):</i>	N/A
<i>Status of Finding:</i>	<i>Fully Corrected</i>

# State of Mississippi Institutions of Higher Learning

## Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2009

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### Alcorn State University

***For the Year Ended June 30, 2008***

*Finding Title:* Internal Controls over Suspension and Debarment

<i>Reference Number(s):</i>	FA08-ASU-02
<i>Initial Year of Finding:</i>	Year Ended June 30, 2008
<i>Amount of Questioned Costs in Finding:</i>	None
<i>Status of Questioned Costs (check one):</i>	N/A
<i>Page Number (from Single Audit Report):</i>	179
<i>Program Name(s):</i>	N/A – Ineffective Internal Control
<i>Federal Grantor Agency:</i>	N/A
<i>CFDA Number(s):</i>	N/A
<i>Status of Finding:</i>	Fully Corrected

# State of Mississippi Institutions of Higher Learning

## Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2009

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### Jackson State University

*For the Year Ended June 30, 2008*

*Finding Title:* Internal Control over Federal Work Study Record Keeping Requirement

<i>Reference Number(s):</i>	FA08-JSU-01
<i>Initial Year of Finding:</i>	Year Ended June 30, 2008
<i>Amount of Questioned Costs in Finding:</i>	None
<i>Status of Questioned Costs (check one):</i>	N/A
<i>Page Number (from Single Audit Report):</i>	180
<i>Program Name(s):</i>	Federal Work Study Program
<i>Federal Grantor Agency:</i>	Department of Education
<i>CFDA Number(s):</i>	84.033
<i>Status of Finding:</i>	Fully Corrected

# State of Mississippi Institutions of Higher Learning

## Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2009

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### University of Southern Mississippi

***For the Year Ended June 30, 2008***

*Finding Title:* Internal Control over Time and Effort Reporting

<i>Reference Number(s):</i>	FA08-USM-01
<i>Initial Year of Finding:</i>	Year Ended June 30, 2008
<i>Amount of Questioned Costs in Finding:</i>	None
<i>Status of Questioned Costs (check one):</i>	N/A
<i>Page Number (from Single Audit Report):</i>	181
<i>Program Name(s):</i>	Fund for the Improvement of Post Secondary Education Cluster
<i>Federal Grantor Agency:</i>	U.S Department of Education
<i>CFDA Number(s):</i>	84.116
<i>Status of Finding:</i>	<i>Fully Corrected</i>

# State of Mississippi Institutions of Higher Learning

## Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2009

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### University of Southern Mississippi

*For the Year Ended June 30, 2008*

*Finding Title:* Internal Control over Subrecipient Monitoring

<i>Reference Number(s):</i>	FA08-USM-02
<i>Initial Year of Finding:</i>	Year Ended June 30, 2008
<i>Amount of Questioned Costs in Finding:</i>	None
<i>Status of Questioned Costs (check one):</i>	N/A
<i>Page Number (from Single Audit Report):</i>	181
<i>Program Name(s):</i>	Research & Development Cluster
<i>Federal Grantor Agency:</i>	National Oceanic and Atmospheric Administration; U. S. Department of Health and Human Services
<i>CFDA Number(s):</i>	11.417, 93.389
<i>Status of Finding:</i>	<i>Fully Corrected</i>

# State of Mississippi Institutions of Higher Learning

## Auditee's Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2009

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### University of Southern Mississippi

***For the Year Ended June 30, 2008***

*Finding Title:* Internal Control over Financial Reporting

*Reference Number(s):*

FA08-USM-03

*Initial Year of Finding:*

Year Ended June 30, 2008

*Amount of Questioned Costs in Finding:*

None

*Status of Questioned Costs (check one):*

N/A

*Page Number (from Single Audit Report):*

182

*Program Name(s):*

Research & Development Cluster;  
Edward Byrne Memorial State and  
Local Law Enforcement Assistance

*Federal Grantor Agency:*

National Aeronautics and Space  
Administration; U. S. Department of  
Agriculture; U. S. Department of Justice

*CFDA Number(s):*

43.001; 10.001; 16.580

*Status of Finding:*

*Fully Corrected*