BUSINESS OFFICE

LONG TERM LIABILITY GUIDE

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IMPORTANT: This guideline is not all-inclusive, nor does it address every situation that may arise. Its sole purpose is to guide management and to provide reasonable assurance in the following categories:

• Effectiveness and efficiency of operations

• Reliability of financial reporting

• Compliance with the Mississippi Board of Trustees of State Institutions of Higher Learning (IHL) and the University’s policies and procedures

• Compliance with applicable state and federal laws and regulations, and

• Safeguarding the University’s assets and resources.

The Business Office homepage is located at http://www.jsums.edu/finance/, where you will find important UNIT NAME information, answers to common questions, directions to the office and staff contact information. All correspondence may be mailed to the following address:

Jacksons State University

Business Office

P.O. Box 17159

Jackson, MS 39217

UNIT MISSION STATEMENT

Jackson State University may amend this document without notice. It is intended to provide guidance regarding the administration at Jackson State University in accordance with State and Federal laws and does not give rise to any contractual rights. Should there be a conflict between the content of these guidelines and state or federal statute, statute shall subjugate, having full precedence.

DEFINITIONS

Long-term Liability – Liabilities due beyond a year or the normal operation period of the University

Jackson State University Educational Building Corporation (JSUEBC) – a Mississippi public non-profit corporation empowered to (a) acquire, whether by purchase, construction or gift, facilities for the University to equip, maintain or improve facilities: (b) to issue its bonds (c) to lease; and (d0 to secure payments of such bonds through the pledge and the lean on its rights to receive lease payments.

OBJECTIVE STATEMENT

It’s important that the University maintain a positive reputation regarding the stewardship of all monies, whether public, federal or privately provided. It is also recognized that it is equally important that sound fiscal processes be in place that will address the needs of the University community in an efficient and effective manner. While it may not be all inclusive, the advantages of having this written document are to better educated employees, to establish clear performance standards and assurance of legal compliance.

PURPOSE

These University guideline is designed to promote the proper accounting and recording of Long-Term Liability. The University promotes effective controls to ensure the protection of assets, accurate financial reporting and effective use of resources.

ADHERENCE

All are expected to adhere to these guidelines. Willful disregard of this shall be considered non-compliance and may result in a formal reprimand up to and including termination.

Long-term liabilities include bonds, notes, compensated absences, refundable deposits, and a federal loan fund contingency. The University has issued bonds to construct, renovate, and improve various campus facilities. As noted in the summary of significant accounting policies, the University established JSUEBC, an educational building corporation. This nonprofit Mississippi Corporation was established in accordance with Section 37-101-61 of the Mississippi Code Annotated, 1972, for the purpose of acquiring, constructing, renovating, improving, and equipping University facilities. In accordance with GASB Statement No. 14, JSUEBC is considered a blended component unit of the University and is included in the general purpose financial statements. In addition, the University has certain notes and other borrowings outstanding. Bonds, notes and other borrowings outstanding consist of the following:

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| Bond Title | Series 1982 |
| Trustee | Bank of New York |
| Original Issuance | $4,000,000 |
| Bond Holder | Bank of New York |
| Maturity Period | December 2020 |
| Payment Date to Trustee | 15th of May and 15th November |
| Payment Date to Bond Holder | 1st of June and December |
| Purpose | Dormitory Revenue Bonds of 1982 totaling $4,000,000 were issued in March 1982 to construct university campus housing. |

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| Bond Title | 2010A Bond Refunding Project 2010A-1 |
| Trustee |  |
| Outstanding Bond Amount | $920,000 |
| Bond Holder |  |
| Maturity Period | March 2020 |
| Payment Date to Trustee | 15th of February and August |
| Payment Date to Bond Holder | 1st of March and September |
| Purpose | JSUEBC issued bonds totaling $31,325,000 (Series 2010-A-1) and $790,000 (Series 2010-A-2) in June 2010 to (i) advance refund certain bond issues, including Series 2002, Series 2004-A, Series 2004-B and certain coupons of Series 2006-A, (ii) pay a termination fee relative to an interest rate swap agreement entered into to hedge the interest rate exposure of the Series 2004-A bonds, and (iii) cover certain costs incidental to the issue. Original issue refunded effective 2021. |

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| Bond Title | Notes Payable |
| Trustee | Bancorp South Bank |
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| Original Issuance | $2,220,000 |
| Bond Holder | Department of Education |
| Maturity Period | February 2021 |
| Payment Date to Trustee | 15th of January |
| Payment Date to Bond Holder | 1st of April |
| Purpose | Renovation for Stewart Hall and Dixon Hall. |

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| Bond Title | Series 2015A |
| Trustee | Trustmark Bank |
| Original Issuance | $57,595,000 |
| Bond Holder | Trustmark Bank |
| Maturity Period | March 2045 |
| Payment Date to Trustee | 15th of August and February |
| Payment Date to Bond Holder | 1st of September and March |
| Purpose | JSUEBC issued these bonds to provide fund (a) to finance improvements and capital expenditures improvements on or near the main campus. It also included, but was not limited to the acquisition, construction, improvement, equipping and landscaping of the Palisades Apartment Complex and other housing facilities. Also, for the advance refunding of revenue. |

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| Bond Title | Series 2015B |
| Trustee | Trustmark Bank |
| Original Issuance | $13,065,000 |
| Bond Holder | Trustmark Bank |
| Maturity Period | June 2021 |
| Payment Date to Trustee | 15th of August and February |
| Payment Date to Bond Holder | 1st of September and March |
| Purpose | JSUEBC issued bonds to pay the Termination Payment owed as a result of the Swap Agreement and to pay the related costs of the issuance, sale and delivery of the bond. |

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| Bond Title | Series 2017 |
| Trustee | Trustmark Bank |
| Original Issuance | $6,000,000 |
| Bond Holder | Trustmark Bank |
| Maturity Period | June 2028 NOTE: Payments begin 2023 |
| Payment Date to Trustee | 15th of June |
| Payment Date to Bond Holder | 30th of June |
| Purpose | JSUEBC issued bonds totaling $6,000,000 (series 2017) in June 2017 for facilities acquisition, improvements and maintenance projects. |

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| Bond Title | Series 2017A |
| Trustee | Trustmark Bank |
| Original Issuance | $29,745,000 |
| Bond Holder | Trustmark Bank |
| Maturity Period | March 2034 |
| Payment Date to Trustee | 15th of February and August |
| Payment Date to Bond Holder | 1st of March and September |
| Purpose | In November 2017 bonds totaling $29,745,000 were issued for the purpose of the advance refunding of the 2010A Bond Issue. |

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| Bond Title | Master Lease Payable – Buses |
| Trustee | First Southwest Leasing |
| Original Issuance | $1,127,000 |
| Bond Holder | Bancorp South |
| Period | October 2024 |
| Payment Date to Trustee | 30th of September and March |
| Payment Date to Bond Holder | 10th of October and April |
| Purpose | The University participates in the Mississippi Master Lease Program and purchased two motor coaches with wheelchair lifts. |

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| Bond Title | Master Lease Payable – Band Instruments |
| Trustee | First Southwest Leasing |
| Original Issuance | $463,638.00 |
| Bond Holder | Bancorp South |
| Maturity Period | April 2019 |
| Payment Date to Trustee | 30th September and March |
| Payment Date to Bond Holder | 10th of October and 10th of April |
| Purpose | The University purchased band instruments |

