Mississippi Home Corporation

Independent Auditor's Report, Combined Financial Statements, and Supplementary Information

June 30, 2024 and 2023

Mississippi Home Corporation
Contents
June 30, 2024 and 2023

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Independent Auditor's Report

Board of Directors
Mississippi Home Corporation
Jackson, Mississippi

Report on the Audit of the Financial Statements

Opinion

We have audited the combined financial statements of Mississippi Home Corporation (Corporation), an instrumentality of the State of Mississippi, as of and for the years ended June 30, 2024 and 2023, and the related notes to the combined financial statements, which collectively comprise the Corporation's basic combined financial statements as listed in the table of contents.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Combined Financial Statements" section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Corporation's basic combined financial statements. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements or to the basic combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Jackson, Mississippi
December 11, 2024

This Management's Discussion and Analysis ("MD&A") seeks to provide readers with a narrative overview of Mississippi Home Corporation's (the "Corporation") financial activities for the fiscal years ended June 30, 2024 and 2023. This MD&A should be read in conjunction with the accompanying basic combined financial statements and notes thereto, as well as our independent auditor's report thereon.

Required Basic Combined Financial Statements

The required basic combined financial statements of the Corporation report information about the Corporation using accounting methods similar to those used by private sector companies. These statements offer information about the Corporation's activities. The combined statements of net position include all of the Corporation's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to the Corporation's creditors (liabilities). The assets are presented in order of liquidity, and liabilities are presented in order of nearness to payment.

All of the reporting periods' revenues and expenses are accounted for in the combined statements of revenues, expenses, and changes in net position. These statements measure the activities of the Corporation's operations and can be used to determine whether the Corporation has successfully recovered all of its costs through its services provided.

The last required financial statement is the combined statements of cash flows. The primary purpose of these statements is to provide information about the Corporation's cash receipts and cash payments during the reporting periods. The statements report cash receipts, cash payments, and net changes in cash resulting from operating, noncapital financing, capital and related financing, and investing activities and provide information regarding the sources and uses of cash and the changes in the cash balances during the reporting periods.

2024 Financial Highlights

- Total assets and deferred outflows of resources increased $232.8 million, or 28.3 percent
- Total liabilities and deferred inflows of resources increased $238.1 million, or 29.7 percent
- Cash and investments increased $229.8 million, or 30.0 percent
- Bonds payable increased $271.4 million, or 41.1 percent
- Total net position decreased $5.38 million, or 23.5 percent, including an $8.5 million decrease in the fair value of investments
- Total operating revenues (excluding fair value adjustments) decreased $73.2 million, or 46.5 percent
- Total operating expenses decreased $72.8 million, or 47.3 percent
- Interest income increased $11.7 million, or 48.7 percent
- Interest expense increased $8.0 million, or 49.2 percent
- Grant fund revenues decreased $83.8 million, or 65.5 percent
- Grant fund expenses decreased $83.5 million, or 66.3 percent
- Operating income (excluding fair value adjustments) decreased $0.3 million, or 9.4 percent

The following table summarizes the changes in the Corporation's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position that occurred during the year ended June 30, 2024.

			Change	
	2024	**2023**	**Dollars**	**%**
Cash and cash equivalents				
Restricted	$ 185,888,884	$ 112,536,422	$ 73,352,462	65.2%
Unrestricted	7,300,831	12,516,104	(5,215,273)	-41.7%
Investments, at fair value	803,233,551	641,517,107	161,716,444	25.2%
Mortgage loans, net	46,571,465	45,183,817	1,387,648	3.1%
Other assets and accrued interest receivable	10,309,740	9,346,094	963,646	10.3%
Total assets	1,053,304,471	821,099,544	232,204,927	28.3%
Deferred outflows of resources	3,107,213	2,551,477	555,736	21.8%
Total assets and deferred outflows of resources	$ 1,056,411,684	$ 823,651,021	$ 232,760,663	28.3%
Bonds payable, net	$ 932,212,447	$ 660,777,988	$ 271,434,459	41.1%
Notes payable	1,586,434	1,720,926	(134,492)	-7.8%
Low income housing tax credit program unearned revenues	23,690,913	24,136,485	(445,572)	-1.8%
Grant fund unearned revenues	60,203,109	95,239,950	(35,036,841)	-36.8%
Net pension liability	14,577,202	12,721,306	1,855,896	14.6%
All other liabilities	6,596,155	6,128,945	467,210	7.6%
Total liabilities	1,038,866,260	800,725,600	238,140,660	29.7%
Total liabilities and deferred inflows of resources	$ 1,038,866,260	$ 800,725,600	$ 238,140,660	29.7%
Net investments in capital assets	$ 1,504,769	$ 1,762,046	$ (257,277)	-14.6%
Restricted net position	4,122,656	6,295,066	(2,172,410)	-34.5%
Unrestricted net position	11,917,999	14,868,309	(2,950,310)	-19.8%
Total net position	$ 17,545,424	$ 22,925,421	$ (5,379,997)	-23.5%

The following table summarizes the changes in the Corporation's operating revenues and expenses, before fair value adjustments, for the fiscal year ended June 30, 2024.

			Change	
	2024	**2023**	**Dollars**	**%**
Interest on mortgage-backed securities	$ 28,804,923	$ 20,117,871	$ 8,687,052	43.2%
Interest on cash and other investments	6,693,715	3,618,047	3,075,668	85.0%
Interest on mortgage loans	275,480	317,237	(41,757)	-13.2%
Low income housing tax credit program	2,790,845	3,770,298	(979,453)	-26.0%
Grant fund revenues	44,182,405	127,958,819	(83,776,414)	-65.5%
Program fees	46,475	53,478	(7,003)	-13.1%
Other income	1,412,605	1,544,923	(132,318)	-8.6%
Total operating revenues	84,206,448	157,380,673	(73,174,225)	-46.5%
Interest expense	24,230,286	16,235,933	7,994,353	49.2%
Bond issuance costs	4,695,356	2,417,468	2,277,888	94.2%
Salaries and related benefits	7,013,899	6,481,994	531,905	8.2%
Grant fund expenses	42,397,838	125,865,992	(83,468,154)	-66.3%
All other expenses	2,716,057	2,898,568	(182,511)	-6.3%
Total operating expenses	81,053,436	153,899,955	(72,846,519)	-47.3%
Operating income before fair value adjustments	$ 3,153,012	$ 3,480,718	$ (327,706)	-9.4%

The Corporation reported total assets and deferred outflows of resources of $1.1 billion at June 30, 2024. This represented an increase of $232.8 million compared to June 30, 2023. Total liabilities for the same period increased $238.1 million, while total net position decreased $5.4 million.

Cash and cash equivalents increased $68.1 million to $193.2 million at June 30, 2024, compared to June 30, 2023. The increase was due primarily to cash related to the issuance of bonds during the current fiscal year.

Investments increased $161.7 million to $803.2 million at June 30, 2024, compared to June 30, 2023. The increase was the result of two factors:

- Scheduled payments and prepayments of mortgage-backed securities in the Mortgage Revenue Bond Program as a result of homeowners refinancing their mortgages, as well as loans being purchased out of the mortgage-backed securities due to loan restructurings.
- The purchase of $204.6 million in mortgage-backed securities under the Corporation's open indenture.

The increase in deferred outflows of resources of $0.5 million in 2024 is primarily related to an increase in deferred pension outflow.

The increase in total liabilities of $238.1 million in 2024 was attributable primarily to:

- A net increase in bonds payable of $271.4 million resulting from the following factors:
    - Issuance of the Series 2023C, 2023D, 2024A, 2024B, 2024C, and 2024D revenue bonds
    - Calls resulting from the mortgage-backed securities prepayments

- A decrease in grant fund unearned revenues of $35.0 million due to funds previously received from awarding agencies used for program and administrative expenses.

Total operating revenues before fair value adjustments for fiscal year 2024 were $84.2 million, compared to $157.4 million for fiscal year 2023. The decrease in operating revenues was attributable primarily to a decrease in "flow-through" revenues of $83.8 million from the Corporation's management of federal grant programs.

Total operating expenses were $81.1 million in fiscal year 2024, down from $153.9 million in fiscal year 2023. The decrease in operating expenses was attributable primarily to a decrease in "flow-through" expenses of $83.5 million from the Corporation's management of federal grant programs.

As a result of the above factors, operating income before fair value adjustments was $3.2 million in 2024, compared to $3.5 million in 2023.

2023 Financial Highlights

- Total assets and deferred outflows of resources increased $13.1 million, or 1.6 percent
- Total liabilities and deferred inflows of resources increased $40.5 million, or 5.3 percent
- Cash and investments increased $22.0 million, or 3.0 percent
- Bonds payable increased $124.3 million, or 23.2 percent
- Total net position decreased $27.4 million, or 54.5 percent, including a $30.9 million decrease in the fair value of investments
- Total operating revenues (excluding fair value adjustments) decreased $102.6 million, or 39.5 percent
- Total operating expenses decreased $104.2 million, or 40.4 percent
- Interest income increased $6.9 million, or 40.0 percent
- Interest expense increased $3.6 million, or 28.2 percent
- Grant fund revenues decreased $108.7 million, or 45.9 percent
- Grant fund expenses decreased $108.8 million, or 46.4 percent
- Operating income (excluding fair value adjustments) increased $1.6 million, or 83.9 percent

The following table summarizes the changes in the Corporation's assets and deferred outflows of resources, liabilities and deferred inflow of resources and net position that occurred during the year ended June 30, 2023.

			Change	
	2023	**2022**	**Dollars**	**%**
Cash and cash equivalents				
Restricted	$ 112,536,422	$ 183,394,615	$ (70,858,193)	-38.6%
Unrestricted	12,516,104	9,104,439	3,411,665	37.5%
Investments, at fair value	641,517,107	552,034,042	89,483,065	16.2%
Mortgage loans, net	45,183,817	43,920,361	1,263,456	2.9%
Other assets and accrued interest receivable	9,346,094	19,150,924	(9,804,830)	-51.2%
Total assets	821,099,544	807,604,381	13,495,163	1.7%
Deferred outflows of resources	2,551,477	2,930,452	(378,975)	-12.9%
Total assets and deferred outflows of resources	$ 823,651,021	$ 810,534,833	$ 13,116,188	1.6%
Bonds payable, net	$ 660,777,988	$ 536,466,642	$ 124,311,346	23.2%
Notes payable	1,720,926	1,853,814	(132,888)	-7.2%
Low income housing tax credit program unearned revenues	24,136,485	23,420,688	715,797	3.1%
Grant fund unearned revenues	95,239,950	179,031,073	(83,791,123)	-46.8%
Net pension liability	12,721,306	9,332,220	3,389,086	36.3%
All other liabilities	6,128,945	7,264,156	(1,135,211)	-15.6%
Total liabilities	800,725,600	757,368,593	43,357,007	5.7%
Deferred inflows of resources	-	2,810,467	(2,810,467)	-100.0%
Total liabilities and deferred inflows of resources	$ 800,725,600	$ 760,179,060	$ 40,546,540	5.3%
Net investments in capital assets	$ 1,762,046	$ 1,937,275	$ (175,229)	-9.0%
Restricted net position	6,295,066	32,767,811	(26,472,745)	-80.8%
Unrestricted net position	14,868,309	15,650,687	(782,378)	-5.0%
Total net position	$ 22,925,421	$ 50,355,773	$ (27,430,352)	-54.5%

The following table summarizes the changes in the Corporation's operating revenues and expenses, before fair value adjustments, for the fiscal year ended June 30, 2023.

	2023	2022	Dollars	%
Interest on mortgage-backed securities	$ 20,117,871	$ 16,071,604	$ 4,046,267	25.2%
Interest on cash and other investments	3,618,047	766,008	2,852,039	372.3%
Interest on mortgage loans	317,237	344,073	(26,836)	-7.8%
Low income housing tax credit program	3,770,298	3,746,942	23,356	0.6%
Grant fund revenues	127,958,819	236,686,682	(108,727,863)	-45.9%
Program fees	53,478	631,615	(578,137)	-91.5%
All other income	1,544,923	1,697,338	(152,415)	-9.0%
Total operating revenues	157,380,673	259,944,262	(102,563,589)	-39.5%
Interest expense	16,235,933	12,664,409	3,571,524	28.2%
Bond issuance costs	2,417,468	2,460,026	(42,558)	-1.7%
Salaries and related benefits	6,481,994	5,820,575	661,419	11.4%
Grant fund expenses	125,865,992	234,635,469	(108,769,477)	-46.4%
Program expenses	-	215,211	(215,211)	-100.0%
All other expenses	2,898,568	2,255,769	642,799	28.5%
Total operating expenses	153,899,955	258,051,459	(104,151,504)	-40.4%
Operating income before fair value adjustments	$ 3,480,718	$ 1,892,803	$ 1,587,915	83.9%

The Corporation reported total assets and deferred outflows of resources of $823.7 million at June 30, 2023. This represented an increase of $13.1 million compared to June 30, 2022. Total liabilities and deferred inflow of resources for the same period increased $40.5 million, while total net position decreased $27.4 million.

Cash and cash equivalents decreased $67.4 million to $125.1 million at June 30, 2023, compared to June 30, 2022. The decrease was due primarily to cash related to the Treasury's Emergency Rental Assistance Program (ERA1 and ERA2) and Homeowner Assistance Fund (HAF).

Investments increased $89.5 million to $641.5 million at June 30, 2023, compared to June 30, 2022. The increase was the result of three factors:

- Scheduled payments and prepayments of mortgage-backed securities in the Mortgage Revenue Bond Program as a result of homeowners refinancing their mortgages, as well as loans being purchased out of the mortgage-backed securities due to loan restructurings.
- The decrease in market value adjustment of $30.9 million primarily on mortgage-backed securities.
- The purchase of $159.7 million in mortgage-backed securities under the Corporation's open indenture.

The decrease in deferred outflows of resources of $0.4 million in 2023 is primarily related to a decrease in deferred amount on refunding.

The increase in total liabilities of $43.4 million in 2023 was attributable primarily to:

- A net increase in bonds payable of $124.3 million resulting from the following factors:
    - Issuance of the Series 2022C, 2022D, 2023A, and 2023B revenue bonds
    - Calls resulting from the mortgage-backed securities prepayments
- A decrease in grant fund unearned revenues of $83.8 million due to funds previously received from awarding agencies used for program and administrative expenses.

Total operating revenues before fair value adjustments for fiscal year 2023 were $157.4 million, compared to $259.9 million for fiscal year 2022. The decrease in operating revenues was attributable primarily to a decrease in "flow-through" revenues of $108.7 million from the Corporation's management of federal grant programs.

Total operating expenses were $153.9 million in fiscal year 2023, down from $258.1 million in fiscal year 2022. The decrease in operating expenses was attributable primarily to a decrease in "flow-through" expenses of $108.8 million from the Corporation's management of federal grant programs.

As a result of the above factors, operating income before fair value adjustments was $3.5 million in 2023, compared to $1.9 million in 2022.

Debt Administration

The Corporation sells bonds to investors in order to raise capital. These bonds are marketable securities backed by mortgage loans on residential properties. The Corporation's bond issues require cash reserves along with mortgage insurance and other safeguards in addition to the mortgage on the property being financed, all of which gives the investor or bondholder additional assurance that the issuer, in this case the Corporation, will repay the bonds.

Economic Factors

The primary business activity of the Corporation is funding the purchase of single-family home mortgages. The Corporation's mortgage financing activities are sensitive to the level of interest rates; the spread between the rate available on the Corporation's loans and the rates available in the conventional mortgage markets; and the availability of affordable housing. The availability of long-term tax-exempt financing on favorable terms is a key element in providing the funding necessary for the Corporation to continue its mortgage financing activities.

Contact Information

This financial report is designed to provide a general overview of the Corporation's finances for all those with interest. Questions concerning any of the information contained in this report or requests for any additional information should be addressed to the Chief Financial Officer at Mississippi Home Corporation, 735 Riverside Drive, Jackson, Mississippi 39202 or via our website at www.mshomecorp.com.

Mississippi Home Corporation
Combined Statements of Net Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 7,300,831	$ 12,516,104
Restricted cash and cash equivalents	14,134,111	15,283,642
Accrued interest receivable	3,219,504	2,301,461
Total current assets	24,654,446	30,101,207
Noncurrent Assets		
Restricted cash and cash equivalents	171,754,773	97,252,780
Investments, at fair value	803,233,551	641,517,107
Mortgage loans receivable, net of allowance for loan losses of $1,098,309 in 2024 and $1,220,026 in 2023	46,571,465	45,183,817
Capital assets, net	1,504,769	1,762,046
Other assets	5,585,467	5,282,587
Total noncurrent assets	1,028,650,025	790,998,337
Total assets	1,053,304,471	821,099,544
Deferred Outflows of Resources		
Deferred amount on refunding	262,541	430,562
Deferred pension outflow	2,844,672	2,120,915
Total deferred outflows of resources	3,107,213	2,551,477
Total assets and deferred outflows of resources	$ 1,056,411,684	$ 823,651,021

Mississippi Home Corporation
Combined Statements of Net Position
June 30, 2024 and 2023 (Continued)

	2024	2023
LIABILITIES		
Current Liabilities		
Bonds payable, net	$ 21,673,786	$ 17,950,445
Notes payable	136,014	134,464
Accrued interest payable	2,555,708	1,743,311
Total current liabilities	24,365,508	19,828,220
Noncurrent Liabilities		
Bonds payable, net	910,538,661	642,827,543
Notes payable	1,450,420	1,586,462
Low income housing tax credit program unearned revenues	23,690,913	24,136,485
Grant fund unearned revenues	60,203,109	95,239,950
Net pension liability	14,577,202	12,721,306
Other liabilities and accrued expenses	4,040,447	4,385,634
Total noncurrent liabilities	1,014,500,752	780,897,380
Total liabilities	1,038,866,260	800,725,600
Total liabilities and deferred inflows of resources	$ 1,038,866,260	$ 800,725,600
NET POSITION		
Net investments in capital assets	$ 1,504,769	$ 1,762,046
Restricted	4,122,656	6,295,066
Unrestricted	11,917,999	14,868,309
Total net position	$ 17,545,424	$ 22,925,421

Mississippi Home Corporation
Combined Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Interest income		
Cash and cash equivalents	$ 5,210,161	$ 2,522,807
Mortgage-backed securities	28,804,923	20,117,871
Other investments	1,483,554	1,095,240
Mortgage loans	275,480	317,237
Total Interest Income	35,774,118	24,053,155
Net decrease in fair value of investments	(8,533,009)	(30,911,070)
Low income housing tax credit program	2,790,845	3,770,298
Grant fund revenues	44,182,405	127,958,819
Program fees	46,475	53,478
Other income	1,412,605	1,544,923
Total Operating Revenues	75,673,439	126,469,603
Operating Expenses		
Interest expense	24,230,286	16,235,933
Bond issuance costs	4,695,356	2,417,468
Salaries and related benefits	7,013,899	6,481,994
Grant fund expenses	42,397,838	125,865,992
(Reversal of) provision for mortgage loan losses	(77,187)	174,538
Other	2,793,244	2,724,030
Total Operating Expenses	81,053,436	153,899,955
Operating Loss	(5,379,997)	(27,430,352)
Net Position, Beginning of Year	22,925,421	50,355,773
Net Position, End of Year	$ 17,545,424	$ 22,925,421

Mississippi Home Corporation
Combined Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Loan principal payments received	$ 1,586,689	$ 1,598,398
Loan interest payments received	278,029	320,057
Loan disbursements	(2,833,216)	(1,564,749)
Payments to employees	(5,844,010)	(5,857,919)
Grant funds expended	(42,398,510)	(125,865,992)
Payments from (to) vendors	(3,396,032)	4,180,830
Fee income received	1,979,337	4,998,741
Grant funds received	9,373,219	43,638,508
Other income received	2,964,433	2,090,752
Net cash used in operating activities	(38,290,061)	(76,461,374)
Noncapital Financing Activities		
Proceeds from issuance of bonds	319,987,330	169,997,652
Principal repayment of bonds	(46,051,083)	(43,270,110)
Principal repayment of notes	(134,492)	(132,888)
Interest paid	(25,751,656)	(17,820,542)
Bond issuance costs paid	(4,695,356)	(2,417,468)
Net cash provided by noncapital financing activities	243,354,743	106,356,644
Capital and Related Financing Activities		
Property and equipment additions	(48,552)	(68,615)
Proceeds from sale of property and equipment	-	27,000
Net cash used in capital and related financing activities	(48,552)	(41,615)
Investing Activities		
Purchase of investments	(218,804,399)	(171,842,044)
Redemption of investments	47,320,526	50,164,301
Interest received on investments	34,604,932	24,214,295
Proceeds from sale of real estate owned	-	163,265
Net cash used in investing activities	(136,878,941)	(97,300,183)
Net Increase (Decrease) in Cash and Cash Equivalents	68,137,189	(67,446,528)
Cash and Cash Equivalents, Beginning of Year	125,052,526	192,499,054
Cash and Cash Equivalents, End of Year	$ 193,189,715	$ 125,052,526

	2024	2023
Reconciliation of Cash and Cash Equivalents to the Combined Statements of Net Position		
Current assets		
Cash and cash equivalents	$ 7,300,831	$ 12,516,104
Restricted cash and cash equivalents	14,134,111	15,283,642
Noncurrent assets		
Restricted cash and cash equivalents	171,754,773	97,252,780
Total cash and cash equivalents	$ 193,189,715	$ 125,052,526
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (5,379,997)	$ (27,430,352)
Adjustments to reconcile operating loss to net cash used in operating activities		
Interest paid	25,751,656	17,820,542
Bond issuance costs paid	4,695,356	2,417,468
Amortization of bond premium	(2,503,747)	(2,418,155)
Amortization of bond discount	1,959	1,959
Amortization of investment premium	1,010,692	1,268,488
Amortization of bond refunding	168,021	315,579
Net decrease in fair value of investments	8,533,009	30,911,070
Realized (gain) loss on investments	(5,506)	10,368
Gain on sale of fixed assets	-	(91,605)
Interest received on investments	(34,604,932)	(24,214,295)
Changes in assets and liabilities		
(Increase) in mortgage loans receivable, net	(1,387,648)	(1,263,456)
(Increase) in accrued interest receivable	(918,043)	(558,772)
Decrease in other assets	232,183	10,338,309
(Increase) decrease in deferred pension outflow	(723,757)	63,396
Decrease in deferred pension inflow	-	(2,810,467)
Increase in accrued interest payable	812,397	516,007
Increase (decrease) in low income housing tax credit program unearned revenues	(445,572)	715,797
Decrease in grant fund unearned revenues	(35,036,841)	(83,791,123)
Increase in net pension liability	1,855,896	3,389,086
Decrease in other liabilities and accrued expenses	(345,187)	(1,651,218)
Total adjustments	(32,910,064)	(49,031,022)
Net cash used in operating activities	$ (38,290,061)	$ (76,461,374)

Note 1. Organization and Summary of Significant Accounting Policies

Mississippi Home Corporation (Corporation), formerly known as Mississippi Housing Finance Corporation, is a governmental instrumentality of the State of Mississippi (State) created under the Mississippi Home Corporation Act of 1989 (Act). Pursuant to the Act, the Corporation is authorized and empowered, among other things, to issue bonds to provide monies for financing residential housing and provide other services in regard to housing for persons and families of low and moderate income in the State. Bonds and other obligations issued by the Corporation are not a debt or liability of the State, but are secured solely by assets of the individual mortgage purchase programs. The reporting entity includes the Corporation (the primary government entity), the Mississippi Affordable Housing Development Program (see Note 8) and the House Bill 530 Program (see Note 9) for which the Corporation is accountable.

Members of the Board of Directors of the Corporation (Board) are appointed by the Governor and the Lieutenant Governor of the State. The appointed members serve six-year staggered terms and cannot be removed without cause. The Board controls the appointment of the Executive Director, who is responsible for the staffing of the Corporation. The State assumes no responsibility for the Corporation's day-to-day operations. The Board is solely responsible for reviewing, approving, and revising the Corporation's budget. The State is not responsible for financing any deficit or operating deficiencies of the Corporation. The Corporation controls the use of surplus funds.

The significant accounting policies used by the Corporation in preparing and presenting its combined financial statements follow.

Accounting Method

The Corporation's accounts are organized as a separate set of self-balancing accounts that comprise the assets, deferred outflows, liabilities, net position, revenues, and expenses of the Mortgage Revenue Bond Program, the Down Payment Assistance Program, the Mississippi Affordable Housing Development Program, the House Bill 530 Program, and the General Corporate Fund (each of the programs is further described in the accompanying notes). The measurement focus is on determining operating income and capital maintenance.

The accompanying financial statements present the combined activities of the Mortgage Revenue Bond Program, the Down Payment Assistance Program, the Mississippi Affordable Housing Development Program, the House Bill 530 Program, and the General Corporate Fund. Since the assets and net position of each program are generally restricted, aggregating the accounts of the separate programs do not indicate that the assets and net position are available in any manner other than that provided for in the bond resolutions or other agreements of the separate programs. All material interfund balances and transactions have been eliminated in the combined financial statements.

Net Position

The restricted net position in the individual mortgage programs is restricted pursuant to the Corporation's agreements with bondholders as determined in each bond resolution. The restricted net position of the Mississippi Affordable Housing Development Program and the House Bill 530 Program is restricted in accordance with the Corporation's agreement with the State (see Note 8 and Note 9).

Classification of Revenues

The Corporation recognizes revenues as follows:

- Interest income is calculated based on the individual interest-earning asset and recognized when earned;
- Net increase (decrease) in fair value of investments represents the difference between the fair value and net book value of the investments; and

- Grant fund revenues represent the various state and federal funds received for the reimbursement of costs incurred. Certain federal and state grants are for the purchase of goods and services and, therefore, are deemed to be exchange transactions. Accordingly, such grant revenues are recognized as goods are provided or services are rendered.

Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents

Cash and cash equivalents include General Corporate Fund cash, General Corporate Fund investments with original maturities of less than three months at date of purchase, and unrestricted cash in certain other funds.

Restricted cash consists of cash which is restricted as to its use and is held primarily by the Mississippi Affordable Housing Development Program, the House Bill 530 Program, the Mortgage Revenue Bond Program, and the General Corporate Fund.

Restricted cash equivalents consist substantially of: proceeds from the sales of bonds pending the purchase of Government National Mortgage Association (Ginnie Mae) mortgage-backed securities, Federal National Mortgage Association (Fannie Mae) mortgage-backed securities, and Federal Home Loan Mortgage Corporation (Freddie Mac) participation certificates (collectively, Mortgage-Backed Securities); proceeds from the issuance of notes payable; and principal and interest payments of the Mortgage-Backed Securities. These funds are primarily held in money market accounts, U.S. Treasury notes, and repurchase agreements. The indentures of the respective mortgage purchase programs stipulate that these funds may be used only for the acquisition of Mortgage-Backed Securities, or the early redemption of the respective mortgage revenue program bonds outstanding. These instruments are considered cash equivalents because they are readily convertible into cash at the discretion of the Corporation. Money market investments and other highly liquid investments with no stated maturity are considered cash equivalents and are reported at amortized cost.

Mortgage Loans Receivable, Mortgage-Backed Securities, and Investments

A portion of the mortgage loans in the General Corporate Fund is secured by first liens on multi-family residential properties, while the remainder is secured by first liens on single family residential properties. Mortgage loans in the Down Payment Assistance Program are secured by second liens on single-family residential properties. A portion of the mortgage loans in the Mississippi Affordable Housing Development Program is secured by second liens on single family residential properties, while the remainder is secured by first liens on multi-family residential properties. Mortgage loans in the House Bill 530 Program are secured by first liens on single-family residential properties. Proceeds from bond issues are invested principally in Mortgage-Backed Securities, representing pools of mortgage loans originated under the respective programs.

The Corporation is authorized by Mississippi statute, subject to any agreement with bondholders or noteholders, to invest in the following:

- Direct obligations of or obligations guaranteed by the United States;
- Bonds, debentures, notes, or other evidence of indebtedness issued by U.S. Government agencies;
- Direct and general obligations of the State;
- Repurchase agreements secured by collateral;
- Investment contracts or agreements with entities rated “A” or better by a nationally recognized rating agency; and
- Certificates of deposit or time deposits of qualified depositories and money market funds.

Allowance for Losses on Mortgage Loans

Losses incurred on mortgage loans are charged to the allowance for losses on mortgage loans (allowance). The allowance is established with a corresponding amount charged to expense when, in management’s opinion, the realization of all or a portion of the loans or recovery on properties owned is doubtful. The allowance can be reduced when proceeds from loan payoffs exceed management’s previous estimates.

In evaluating the allowance, management considers the age of the various loans, the relationship of the allowances to outstanding mortgage loans, collateral values, insurance claims, and economic conditions.

Management believes that the allowance is adequate. While management uses available information to recognize losses on mortgage loans, future additions to the allowance may be necessary based on changes in economic conditions. The (reversal of) provision for mortgage loan losses totaled ($77,187) and $174,538 in 2024 and 2023, respectively.

Deferred Losses on Refunding, Discounts and Premiums

Costs related to the issuance of bonds are expensed in the respective bond issues. During the years ended June 30, 2024 and 2023, $4,695,356 and $2,417,468 of issuance costs were expensed, respectively.

Deferred losses on refundings result from a difference between the acquisition price and the net carrying amount of the old debt and are amortized using the effective interest rate method over the shorter of the life of the old debt or the new debt.

In addition, discounts and premiums on the sale of bonds are deferred and amortized over the life of the bonds. Prepayments of principal are not anticipated in amortizing deferred losses on refundings, bond discounts, or bond premiums.

Grant Fund Unearned Revenues

Certain mortgage loans were originated from federal grant funds awarded to the Corporation. Loan payments received by the Corporation are required to be expended pursuant to the underlying grant agreements and are recorded as grant fund unearned revenues until the earnings process is completed.

Grant fund unearned revenues also include funds received from awarding agencies, pending use by the Corporation for program and administrative expenses.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. As provided in Governmental Accounting Standards Board (GASB) Standards, the net position liability is required to be measured as of a date no earlier than the end of the Corporation's prior fiscal year (measurement date). The Corporation has elected to utilize actuarial information as of the beginning of the period in accordance with the available elections under GASB 68, consistently applied from period to period. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Program Fees

Program fees consist of monies paid to the Corporation by borrowers, developers, or financial institutions for processing, application, commitment, or reservation purposes in the Corporation's affordable housing programs.

Income Taxes

As a tax-exempt, quasi-governmental organization created by legislative statute, the Corporation is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been included in the combined financial statements.

Fair Value of Financial Instruments

GASB 72, *Fair Value and Measurement Application*, established a hierarchy for financial assets and liabilities recorded at fair value. This standard requires the Corporation to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Investments measured at fair value on a recurring basis are summarized below:

		2024 Fair Value at Measurements Using		
	Fair Value at June 30, 2024	**Quoted Prices In Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Other Unobservable Inputs (Level 3)**
Investments				
U.S. government agency securities	$ 12,319,915	$ -	$ 12,319,915	$ -
Municipal debt securities	5,390,628	-	5,390,628	-
Mortgage-backed securities	784,783,481	-	784,783,481	-
Collateralized mortgage obligations	718,462	-	718,462	-
Other asset-backed securities	21,065	-	21,065	-
	$ 803,233,551	$ -	$ 803,233,551	$ -

		2023 Fair Value at Measurements Using		
	Fair Value at June 30, 2023	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments				
U.S. government agency securities	$ 10,520,311	$ -	$ 10,520,311	$ -
Municipal debt securities	5,941,590	-	5,941,590	-
Mortgage-backed securities	624,437,366	-	624,437,366	-
Collateralized mortgage obligations	352,353	-	352,353	-
Other asset-backed securities	26,594	-	26,594	-
Commercial agreements	238,893	-	238,893	-
	$ 641,517,107	$ -	$ 641,517,107	$ -

The valuation technique used to measure fair value for the items in the tables above is determined by obtaining matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Loans and bonds are valued at their carrying amounts, which approximate fair value, due to the structured financing characteristics of the Corporation's bond issues. Mortgage rates on loans originated, and subsequently securitized into mortgage-backed securities from bond proceeds, are based directly on the bond rates established at the time of issuance. For bonds issued through June 30, 2024, mortgage-backed securities are pledged under the applicable trust indenture. The Corporation is restricted under various trust indentures from selling mortgage-backed securities at a value which would impair its ability to service the bonds to which those certificates are specifically pledged.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and outflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Litigation

The Corporation is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the combined financial position, results of operations, and cash flows of the Corporation.

Revisions

Certain immaterial revisions have been made to the 2023 financial statements for the presentation and disclosure of capital assets, net and defined benefit plan. These revisions did not have a significant impact on the financial statement line items.

Note 2. Cash Equivalents and Investments

At June 30, 2024, the carrying amount of the Corporation's cash and cash equivalents was $193,189,715, and the bank balance was $194,015,214. The differences between the carrying amount and bank balance were the result of transactions in transit. Of the $194,015,214 bank balance, $391,076 was either insured by federal regulatory authorities or held in a public fund's depository approved by the State of Mississippi. Of the remaining bank balance of $193,624,138, $175,208,069 related to Treasury Programs (Emergency Rental Assistance Program and Homeowner Assistance Fund) and the Mortgage Revenue Bond Program. The Emergency Rental Assistance Program and Homeowner Assistance Fund are programs created by the U.S. Treasury to provide funding for State Housing Finance Authorities to develop locally-tailored rental, mortgage, and utility payment solutions in areas that have been hit hard by the COVID-19 pandemic.

At June 30, 2023, the carrying amount of the Corporation's cash and cash equivalents was $125,052,526, and the bank balance was $125,109,338. The differences between the carrying amount and bank balance were the result of transactions in transit. Of the $125,109,338 bank balance, $918,607 was either insured by federal regulatory authorities or held in a public fund's depository approved by the State of Mississippi. Of the remaining bank balance of $124,190,731, $102,400,947 related to Treasury Programs (Emergency Rental Assistance Program and Homeowner Assistance Fund) and the Mortgage Revenue Bond Program. The Emergency Rental Assistance Program and Homeowner Assistance Fund are programs created by the U.S. Treasury to provide funding for State Housing Finance Authorities to develop locally-tailored rental, mortgage, and utility payment solutions in areas that have been hit hard by the COVID-19 pandemic.

A summary of the estimated fair value and amortized cost of investments as of June 30, 2024 and 2023 follows:

	2024		2023	
	Estimated Fair Value	**Amortized Cost**	**Estimated Fair Value**	**Amortized Cost**
U.S. government agency securities	$ 12,319,915	$ 12,900,534	$ 10,520,311	$ 11,306,913
Municipal debt securities	5,390,628	5,887,010	5,941,590	6,561,931
Mortgage-backed securities	784,783,481	862,932,168	624,437,366	693,691,004
Collateralized mortgage obligations	718,462	722,225	352,353	382,051
Other asset-backed securities	21,065	21,511	26,594	27,095
Commercial agreements	-	-	238,893	245,000
	$ 803,233,551	$ 882,463,448	$ 641,517,107	$ 712,213,994

At June 30, 2024, the Corporation's securities had scheduled maturities as follows:

		Investment Maturities			
	Estimated Fair Value	Less than 1 Year	1 to 5 Years	5 to 10 Years	More than 10 years
U.S. government agency securities	$ 12,319,915	$ 708,118	$ 4,788,913	$ 6,653,812	$ 169,072
Municipal debt securities	5,390,628	-	3,910,137	1,480,491	-
Mortgage-backed securities	784,783,481	1,442,708	8,744,108	9,908,277	764,688,388
Collateralized mortgage obligations	718,462	-	219,052	-	499,410
Other asset-backed securities	21,065	-	-	1,077	19,988
	$ 803,233,551	$ 2,150,826	$ 17,662,210	$ 18,043,657	$ 765,376,858

Interest Rate Risk

In general, the Corporation's investment strategy is designed to match the life of the asset with the maturity date of its related liability. With this strategy, investments would be expected to reach maturity with limited realized gains or losses. Most of the Corporation's investments are in mortgage-backed securities, which are subject to prepayment risk as market interest rates change.

Credit Risk

Investments for each bond issue are those permitted by the various bond indentures and bond resolutions adopted by the Corporation. As of June 30, 2024, the Corporation's investments in certain municipal debt securities of $1,043,063 and other asset-backed securities of $21,065 were unrated. The Corporation's remaining investments are rated by Moody's Investor Service or Standard and Poor's as follows:

Investment Type	Rating	Estimated Value
U.S. government agency securities	Aaa	$ 12,319,915
Municipal debt securities	Aa	4,347,565
Mortgage-backed securities	Aaa	784,783,481
Collateralized mortgage obligations	Aaa	718,462
		$ 802,169,423

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation would not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Substantially all of the Corporation's investments are held in the Corporation's name by its trustee.

Concentration of Credit Risk

The Corporation's investment policy places no limits on the amount the Corporation may invest in any one issuer. As of June 30, 2024, the Corporation held Ginnie Mae investments (rated Aaa) with a fair value of $722,818,920 and Fannie Mae investments (rated Aaa) with a fair value of $51,931,246, which represent approximately 96 percent of the Corporation's total investment holdings. Ginnie Mae investments are a direct obligation of the U.S. Government and backed by the full faith and credit of the U.S. Government.

Note 3. Mortgage Loans Receivable

Mortgage loans receivable is comprised of real estate mortgage loans and real estate construction loans, as follows:

- Real estate mortgage loans are secured by personal residences and payable in periodic installments. As of June 30, 2024 and 2023, $8,798,249 and $7,567,893, respectively, of real estate mortgage loans were outstanding.
- Real estate construction loans are made for the purpose of real estate construction and land development. As of June 30, 2024 and 2023, $38,871,525 and $38,835,950, respectively, of real estate construction loans were outstanding.

All real estate securing the mortgage loans are located in the State.

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2024 was:

	2024				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings and improvements	$ 4,809,819	$ 12,516	$ -	$ -	$ 4,822,335
Furniture, fixtures, and equipment	871,423	-	-	-	871,423
Computer software	2,634,703	36,036	-	-	2,670,739
	8,315,945	48,552	-	-	8,364,497
Less accumulated depreciation					
Buildings and improvements	3,151,342	258,165	-	-	3,409,507
Furniture, fixtures, and equipment	780,289	41,389	-	-	821,678
Computer software	2,622,268	6,275	-	-	2,628,543
	6,553,899	305,829	-	-	6,859,728
Capital assets, net	$ 1,762,046	$ (257,277)	$ -	$ -	$ 1,504,769

Capital assets activity for the year ended June 30, 2023 was:

	2023				
	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings and improvements	$ 4,809,819	$ -	$ -	$ -	$ 4,809,819
Furniture, fixtures, and equipment	858,144	68,615	55,336	-	871,423
Computer software	2,634,703	-	-	-	2,634,703
	8,302,666	68,615	55,336	-	8,315,945
Less accumulated depreciation					
Buildings and improvements	2,894,324	257,018	-	-	3,151,342
Furniture, fixtures, and equipment	777,389	58,236	55,336	-	780,289
Computer software	2,612,923	9,345	-	-	2,622,268
	6,284,636	324,599	55,336	-	6,553,899
Capital assets, net	$ 2,018,030	$ (255,984)	$ -	$ -	$ 1,762,046

Note 5. Bonds and Notes Payable

The following table summarizes the debt activity for the Corporation's bonds and notes payable:

	Mortgage Revenue Bonds, Net	Notes Payable
Balance at July 1, 2022	$ 536,466,642	$ 1,853,814
Proceeds from issuance	169,997,652	-
Principal repayments	(43,270,110)	(132,888)
Premium amortization	(2,418,155)	-
Discount amortization	1,959	-
Balance at June 30, 2023	660,777,988	1,720,926
Proceeds from issuance	319,987,330	-
Principal repayments	(46,051,083)	(134,492)
Premium amortization	(2,503,747)	-
Discount amortization	1,959	-
Balance at June 30, 2024	$ 932,212,447	$ 1,586,434

The Corporation has the option to redeem non-lockout bonds after they have been outstanding for ten years without premium. Certain extraordinary redemptions, as governed by the bond resolutions, are permitted prior to the foregoing redemption dates.

The deferred gain (loss) on refunding of debt is included in the deferred outflows of resources in the combined statements of net position.

The bonds are secured, as described in the applicable bond resolution, by a pledge of the revenues, monies, investments, mortgage loans, and other assets of the applicable programs. Management believes that, for the year ended June 30, 2024, the Corporation has complied with all bond covenants.

Bonds and notes payable of the Corporation follow:

Issue	Rates (%)	Final Maturity	June 30 2024	June 30 2023
2002 lease purchase	–	10/01/07	$ 600,401	$ 600,401
2009 resolution				
2015A	3.05	12/01/34	2,694,598	4,185,681
2016ABC	2.05 - 3.625	12/01/45	21,083,005	23,163,213
2017ABC	2.20 - 4.00	12/01/46	24,270,281	26,879,462
2017DEF	2.50 - 4.00	12/01/43	17,451,687	19,931,381
2018A	2.65 - 4.00	12/01/44	20,134,235	23,357,601
2019A	2.15 - 4.00	12/01/48	24,388,393	28,023,151
2019B	1.50 - 3.50	12/01/49	51,037,609	55,488,481
2020A	1.20 - 3.75	06/01/49	47,570,367	51,758,108
2020B	0.75 - 3.25	12/01/50	41,110,345	44,383,815
2021A	1.20 - 5.00	12/01/50	41,162,836	44,972,473
2021B	1.30 - 5.00	06/01/51	87,912,761	94,762,447
2022AB	1.70 - 5.00	06/01/50	69,118,412	74,358,702
2022CD	3.25 - 5.00	12/01/52	85,905,966	88,941,019
2023AB	3.45 - 5.508	12/01/53	78,322,191	79,972,053
2023CD	3.35 - 6.50	12/01/53	99,467,150	-
2024AB	3.45 - 6.25	12/01/54	89,994,879	-
2024CD	3.75 - 6.25	12/01/54	129,987,331	-
			931,612,046	660,177,587
Total bonds payable, net			$ 932,212,447	$ 660,777,988

Notes Payable Description	Rates (%)	Final Maturity	June 30 2024	June 30 2023
USDA Rural Development	1.00	05/05/38	$ 1,112,252	$ 1,185,327
Federal Home Loan Bank	1.264 - 1.579	11/03/31	474,182	535,599
Total notes payable			$ 1,586,434	$ 1,720,926

A summary of debt service requirements through 2029 and in five-year increments thereafter is as follows:

Year Ending June 30	Principal	Interest
2025	$ 21,809,800	$ 34,354,428
2026	$ 24,965,224	$ 33,950,457
2027	$ 25,482,085	$ 33,097,046
2028	$ 25,800,379	$ 32,204,348
2029	$ 27,313,619	$ 31,293,140
Five-Year Increments Ending June 30	**Principal**	**Interest**
2030 - 2034	$ 128,545,119	$ 144,866,207
2035 - 2039	$ 88,368,654	$ 126,810,124
2040 - 2044	$ 155,839,619	$ 107,871,192
2045 - 2049	$ 140,463,277	$ 82,098,552
2050 - 2054	$ 209,646,826	$ 45,071,620
2055	$ 85,564,279	$ 2,250,499

Note 6. Excess Earnings

For all of the tax-exempt Mortgage Revenue Bond issues, federal tax regulations limit the interest margin that the Corporation (as a tax-exempt entity) may earn. These regulations require that earnings on the investment of bond proceeds, which exceed interest paid on the bonds by a predetermined amount (defined in the regulations and subject to certain adjustments), must be rebated or remitted to the Internal Revenue Service ("IRS"). The Corporation determined that the rebate liability due to the IRS (recorded in other liabilities and accrued expenses) was $0 in both 2024 and 2023. The Corporation expects to meet the spending requirements on substantially all of the outstanding issues.

Note 7. Mortgage Revenue Bond and Smart Solution Programs

The Corporation's Mortgage Revenue Bond (MRB) and the Smart Solution Program provide loans to qualified borrowers for purchases of the borrower's primary residence. To qualify, borrowers must be within income limits, and their homes must meet purchase price limits. The limits for the tax-exempt MRB Program are set by Congress, while the limits for the taxable MRB Program and the Smart Solution Program are set by the Corporation. These loans have 30-year terms, have market rates of interest, and are secured by first mortgages on the residences. At the option of the Corporation, borrowers may also receive funds to be used for down payment assistance and allowable loan closing costs.

The MRB loans are pooled into Mortgage-Backed Securities that are held in the respective bond issue's trust account. As the Mortgage-Backed Securities pay down, the bond trustee may call the bonds.

The Smart Solution Program mortgages are made by the participating lenders, purchased by the Corporation's master servicer and then securitized into Mortgage-Backed Securities. Under the arrangement with the Corporation's master servicer, the master servicer sells the securities to the third-party purchaser. Because the Mortgage-Backed Securities are sold directly by the master servicer to the third-party purchaser, there is no balance of Mortgage-Backed Securities reflected on the combined statements of net position related to the Corporation's Smart Solution Program.

Note 8. Mississippi Affordable Housing Development Program

The Corporation is responsible for management of the Mississippi Affordable Housing Development Program, which is a blended component of the Corporation. The program was established by the State as a housing development revolving loan fund to provide resources for loans for the construction or repair of housing for persons or families of low-to-moderate income in the State using $1,997,952 in proceeds received from the Mississippi Development Authority (MDA) in 1995 and $5,991,893 in proceeds obtained directly from the State in 1996. The Corporation is responsible for all aspects of the program, including developing lending criteria, establishing interest rates and loan approval, servicing, and reporting. Principal, interest, and late fee payments are required to be returned to the program for use in granting new loans. Costs incurred by the Corporation for administering the program are not reimbursed to the Corporation.

Note 9. House Bill 530 Program

The Corporation is responsible for management of the House Bill 530 (HB530) Program, a Mississippi Single Family Residential Housing Program. The program was established by the State in collaboration with the MDA and the Corporation in 1999 as a revolving loan fund to provide low interest financing for the construction of eligible single family owner occupied units in the State for persons of low-to-moderate income. The Corporation administers the program for MDA, with the State providing $6 million and the Corporation matching $6 million. Costs incurred by the Corporation for administering the program are not reimbursed to the Corporation.

Note 10. Low Income Housing Tax Credit Program

The Corporation has been designated as the allocating agency for the Low Income Housing Tax Credit Program (Tax Credit Program). The U.S. Congress created the Tax Credit Program in 1986 to encourage investment in the construction and rehabilitation of housing units for low income individuals and families. The Corporation has adopted a Low Income Housing Tax Credit Program Qualified Allocation Plan (Plan), which provides for an application process, project evaluation selection criteria, and compliance requirements. Receipts under the Tax Credit Program represent fees earned for administering the Tax Credit Program and are not restricted under the terms of the Plan or the Tax Credit Program. A portion of the fees received is deferred and recognized over the life of the program.

Note 11. Down Payment Assistance Program

The Corporation’s Down Payment Assistance Program provides loans to qualified borrowers for down payments and allowable loan closing costs on purchases of the borrower’s primary residence. The qualification requirements are generally the same as those of the respective mortgage loan programs under which the primary mortgage loans are made. The four down payment assistance programs are:

MRB7 Program
10-year terms, interest rates set by management, forgivable after ten years as long as the home is owner-occupied, secured by second mortgages on the residences, and the maximum principal amount is $7,000.

Smart6 Program
30-year terms, interest rates set by management, secured by second mortgages on the residences, and the maximum principal amount is $6,000.

Easy8 Program
30-year terms, interest rates set by management, secured by second mortgages on the residences, and the maximum principal amount is $8,000.

Trusty10 Program

15- year terms, interest rates set by management, secured by second mortgages on the residences, and the maximum principal amount is $10,000.

Note 12. Lease Purchase Revenue Bond Program

During the year ended June 30, 2007, management elected to terminate the Corporation's Lease Purchase Revenue Bond Program. At June 30, 2024 and 2023, $600,401 bonds payable were outstanding under this program (see Note 5).

Note 13. Defined Benefit Pension Plan

Plan Description

The Corporation contributes to the Public Employees' Retirement System of Mississippi (PERS or the System), a cost-sharing multiple-employer defined benefit pension plan. The PERS was created with the purpose to provide pension benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, other public employees whose employers have elected to participate in the System, elected members of the State Legislature, and the President of the Senate. The System administers a cost-sharing multiple-employer defined benefit pension plan as defined in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No 27*.

Benefits Provided

For the cost-sharing plan, participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.50 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years, or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

Contributions

PERS members are required to contribute 9.00 percent of their annual covered salary, and the Corporation is required to contribute at an actuarially determined rate. The current rate contributed by the Corporation is 17.4 percent of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State Legislature. Combined contributions are expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Corporation were $740,322 and $745,732 for the years ended June 30, 2024 and 2023, respectively.

Net Pension Liability

The Corporation relied on the following reports published by PERS in December of each year:

- Report of the Annual GASB Statement No. 68 – *Required Information for the Employers Participating in PERS* – Prepared as of June 30, 2023 and 2022
- Schedule of Employer Allocations and Schedule of Collective Pension Amounts – PERS – June 30, 2023 and 2022

Accordingly, this note reflects financial information related to the measurement periods ended June 30, 2023 and 2022. The Actuarial Assumptions section reflects the plan as a whole managed by PERS. The data is not specific to the Corporation, nor does the Corporation manage the investments.

At June 30, 2024 and 2023, the Corporation reported a liability of $14,577,202 and $12,721,306, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Corporation's proportion of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the pension plan relative to the projected contributions of all participating PERS members, actuarially determined. At June 30, 2023 and 2022, the Corporation's proportion was 0.057958 percent and 0.061803 percent, respectively, which was a decrease of 0.003845 percent and a decrease of 0.001336 percent, respectively, from its proportion measured as of June 30, 2022 and 2021.

For the years ended June 30, 2024 and 2023, the Corporation recognized pension expense of $1,872,461 and $1,387,747, respectively, which is included in salaries and related benefits. At June 30, 2024 and 2023, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2024	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 364,992	$ -
Changes of assumptions	1,711,637	-
Net difference between projected and actual earnings on pension plan investments	570,326	-
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	(542,605)	-
Corporation contributions subsequent to the measurement date	740,322	-
	$ 2,844,672	$ -

	June 30, 2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 180,125	$ -
Changes of assumptions	439,981	-
Net difference between projected and actual earnings on pension plan investments	668,185	-
Changes in proportion and differences between Corporation contributions and proportionate share of contributions	86,892	-
Corporation contributions subsequent to the measurement date	745,732	-
	$ 2,120,915	$ -

The Corporation reported $740,322 as deferred outflows of resources related to pensions resulting from Corporation contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the measurement period ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an expense in pension expense as follows:

Year Ending June 30, 2024	
2025	$ 797,008
2026	358,243
2027	944,764
2028	4,335
	$ 2,104,350

The Corporation reported $745,732 as deferred outflows of resources related to pensions resulting from Corporation contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the measurement period ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an expense in pension expense as follows:

Year Ending June 30, 2023	
2024	$ 519,700
2025	314,411
2026	(149,221)
2027	690,293
	$ 1,375,183

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	2.65 - 17.90 percent, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions are based on the experience investigation for the four-year period ended June 30, 2022.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	June 30, 2023	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic equity	27%	4.75%
International equity	22%	4.75%
Global equity	12%	4.95%
Debt securities	20%	1.75%
Real estate	10%	3.25%
Private equity	8%	6.00%
Cash equivalents	1%	0.25%
	100%	

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	2.65 - 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions are based on the experience investigation for the four-year period ended June 30, 2020.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	June 30, 2022	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Domestic equity	27%	4.60%
International equity	22%	4.50%
Global equity	12%	4.80%
Debt securities	20%	-0.25%
Real estate	10%	3.75%
Private equity	8%	6.00%
Cash equivalents	1%	-1.00%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent and 7.55 percent at June 30, 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from the Corporation will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Corporation's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

June 30 2024	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Corporation's proportionate share of the net pension liability	$ 18,797,672	$ 14,577,202	$ 11,113,838

June 30 2023	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Corporation's proportionate share of the net pension liability	$ 16,602,604	$ 12,721,306	$ 9,521,374

Plan Fiduciary Net Position

This information may be obtained by contacting PERS by mail at 429 Mississippi Street, Jackson, MS 39201, by phone at 1-800-444-7377, or by website at www.pers.ms.gov. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Note 14. Deferred Compensation Plan

The State offers its employees a multiple-employer deferred compensation plan created in accordance with Internal Revenue Code Section 457. The term "employee" means any person, whether appointed, elected, or under contract, providing services for the State, state agencies, counties, municipalities, or other political subdivisions, for which compensation is paid. The Plan permits employees of the Corporation to defer a portion of their income until future years.

The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employer (without being restricted to the provisions of benefits under the plan), subject only to the claims of the general creditors of those entities which employ deferred compensation participants. Participants' rights under the plan are the same as those of general creditors in an amount equal to the fair market value of the deferred account for each participant. The Corporation believes that it has no liabilities with respect to the State's plan.

Note 15. Conduit Issues

The Corporation has issued certain conduit multi-family housing revenue bonds, the proceeds of which were made available to various developers for rental housing. The bonds are payable solely from amounts received by the trustees from the revenue earned by the developers. Loan and corresponding debt service payments are guaranteed by irrevocable direct-pay letters of credit. The faith and credit of the Corporation is not pledged for the payment of the principal or interest on the bonds. Accordingly, these obligations are excluded from the Corporation's combined financial statements.

Note 16. Subsequent Events

The Corporation has evaluated, for consideration of recognition or disclosure, subsequent events that have occurred through August 11, 2024, the date of issuance of its combined financial statements, and has determined that no significant events, other than that mentioned below, occurred after June 30, 2024, but prior to the issuance of these combined financial statements that could have a material impact on its combined financial statements.

On November 13, 2024, the Corporation issued $96,755,000 in tax-exempt Single Family Mortgage Revenue Bonds and $29,125,000 in taxable Single Family Mortgage Revenue Bonds. The bonds have maturity dates from June 1, 2025 to December 1, 2054 and bear interest rates from 3.30 percent to 7.50 percent.

Supplementary Information

Mississippi Home Corporation
Combining Schedule of Net Position
June 30, 2024

	1995CD Program	1995IJ Program	2002 Lease Purchase Program	2009 Resolution	Total Bond Program
Assets					
Current Assets					
Cash and cash equivalents	$ —	$ —	$ —	$ —	$ —
Restricted cash and cash equivalents	—	—	600,401	13,533,710	14,134,111
Accrued interest receivable	261	388	—	3,026,589	3,027,238
Total current assets	261	388	600,401	16,560,299	17,161,349
Noncurrent Assets					
Restricted cash and cash equivalents	44	64	24,528	139,650,050	139,674,686
Investments, at fair value	40,124	62,517	—	767,931,717	768,034,358
Mortgage loans receivable, net	—	—	—	3,433,418	3,433,418
Other assets	—	—	—	193,404	193,404
Due (to) from other funds	—	—	—	—	—
Total noncurrent assets	40,168	62,581	24,528	911,208,589	911,335,866
Total assets	40,429	62,969	624,929	927,768,888	928,497,215
Deferred Outflows of Resources					
Deferred amount on refunding	—	—	—	262,541	262,541
Deferred pension outflows	—	—	—	—	—
Total deferred outflows of resources	—	—	—	262,541	262,541
Total assets and deferred outflows of resources	$ 40,429	$ 62,969	$ 624,929	$ 928,031,429	$ 928,759,756
Liabilities					
Current Liabilities					
Bonds payable, net	$ —	$ —	$ 600,401	$ 21,073,385	$ 21,673,786
Notes payable	—	—	—	—	—
Accrued interest payable	—	—	—	2,549,621	2,549,621
Total current liabilities	—	—	600,401	23,623,006	24,223,407
Noncurrent Liabilities					
Bonds payable, net	—	—	—	910,538,661	910,538,661
Notes payable	—	—	—	—	—
Low income housing tax credit program unearned revenues	—	—	—	—	—
Grant fund unearned revenues	—	—	—	—	—
Net pension liability	—	—	—	—	—
Other liabilities and accrued expenses	—	—	—	70,446	70,446
Total noncurrent liabilities	—	—	—	910,609,107	910,609,107
Total liabilities	—	—	600,401	934,232,113	934,832,514
Deferred Inflows of Resources					
Deferred pension inflows	—	—	—	—	—
Total deferred inflows of resources	—	—	—	—	—
Total liabilities and deferred inflows of resources	$ —	$ —	$ 600,401	$ 934,232,113	$ 934,832,514
Net Position					
Net investments in capital assets	$ —	$ —	$ —	$ —	$ —
Restricted	40,429	62,969	24,528	(6,200,684)	(6,072,758)
Unrestricted	—	—	—	—	—
Total net position	$ 40,429	$ 62,969	$ 24,528	$ (6,200,684)	$ (6,072,758)

	HB530 Program	Down Payment Assistance Program	General Corporate Fund	Mississippi Affordable Housing Development Fund	Total
Assets					
Current Assets					
Cash and cash equivalents	$ —	$ 278,041	$ 7,022,790	$ —	$ 7,300,831
Restricted cash and cash equivalents	—	—	—	—	14,134,111
Accrued interest receivable	226	1,534	184,771	5,735	3,219,504
Total current assets	226	279,575	7,207,561	5,735	24,654,446
Noncurrent Assets					
Restricted cash and cash equivalents	2,069,627	—	26,568,330	3,442,130	171,754,773
Investments, at fair value	—	—	35,199,193	—	803,233,551
Mortgage loans receivable, net	122,589	467,859	40,420,162	2,127,437	46,571,465
Other assets	—	—	3,166,783	3,730,049	7,090,236
Due (to) from other funds	26,621	—	(24,373)	(2,248)	—
Total noncurrent assets	2,218,837	467,859	105,330,095	9,297,368	1,028,650,025
Total assets	2,219,063	747,434	112,537,656	9,303,103	1,053,304,471
Deferred Outflows of Resources					
Deferred amount on refunding	—	—	—	—	262,541
Deferred pension outflow	—	—	2,844,672	—	2,844,672
Total deferred outflows of resources	—	—	2,844,672	—	3,107,213
Total assets and deferred outflows of resources	$ 2,219,063	$ 747,434	$ 115,382,328	$ 9,303,103	$ 1,056,411,684
Liabilities					
Current Liabilities					
Bonds payable, net	$ —	$ —	$ —	$ —	$ 21,673,786
Notes payable	—	—	136,014	—	136,014
Accrued interest payable	—	—	6,087	—	2,555,708
Total current liabilities	—	—	142,101	—	24,365,508
Noncurrent Liabilities					
Bonds payable, net	—	—	—	—	910,538,661
Notes payable	—	—	1,450,420	—	1,450,420
Low income housing tax credit program unearned revenues	—	—	23,690,913	—	23,690,913
Grant fund unearned revenues	—	—	60,203,109	—	60,203,109
Net pension liability	—	—	14,577,202	—	14,577,202
Other liabilities and accrued expenses	1,312,658	4,063	2,639,186	14,094	4,040,447
Total noncurrent liabilities	1,312,658	4,063	102,560,830	14,094	1,014,500,752
Total liabilities	1,312,658	4,063	102,702,931	14,094	1,038,866,260
Deferred Inflows of Resources					
Deferred pension inflows	—	—	—	—	—
Total deferred inflows of resources	—	—	—	—	—
Total liabilities and deferred inflows of resources	$ 1,312,658	$ 4,063	$ 102,702,931	$ 14,094	$ 1,038,866,260
Net Position					
Net investments in capital assets	$ —	$ —	$ 1,504,769	$ —	$ 1,504,769
Restricted	906,405	—	—	9,289,009	4,122,656
Unrestricted	—	743,371	11,174,628	—	11,917,999
Total net position	$ 906,405	$ 743,371	$ 12,679,397	$ 9,289,009	$ 17,545,424

Mississippi Home Corporation
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

	1995CD Program	1995IJ Program	2002 Lease Purchase Program	2009 Resolution	Total Bond Program
Operating Revenues					
Interest income					
Cash and cash equivalents	$ 360	$ 351	$ 30,129	$ 4,175,225	$ 4,206,065
Mortgage-backed securities	4,485	5,284	—	28,795,154	28,804,923
Other investments	—	—	—	—	—
Mortgage loans	—	—	—	749	749
Total Interest Income	4,845	5,635	30,129	32,971,128	33,011,737
Net increase (decrease) in fair value of investments	(84)	110	—	(9,166,276)	(9,166,250)
Low income housing tax credit program	—	—	—	—	—
Grant fund revenues	—	—	—	—	—
Program fees	—	—	—	—	—
Other income	—	—	—	850,094	850,094
Total Operating Revenues	4,761	5,745	30,129	24,654,946	24,695,581
Operating Expenses					
Interest expense	—	—	—	24,212,160	24,212,160
Bond issuance costs	—	—	—	4,695,356	4,695,356
Salaries and related benefits	—	—	—	—	—
Grant fund expenses	—	—	—	—	—
(Reversal of) provision for mortgage loan losses	—	—	—	3,021	3,021
Other	—	—	—	450,561	450,561
Total Operating Expenses	—	—	—	29,361,098	29,361,098
Operating Income (Loss)	4,761	5,745	30,129	(4,706,152)	(4,665,517)
Transfers In (Out)	(63,220)	(60,250)	—	2,309,462	2,185,992
Net Position, Beginning of Year	98,888	117,474	(5,601)	(3,803,994)	(3,593,233)
Net Position, End of Year	$ 40,429	$ 62,969	$ 24,528	$ (6,200,684)	$ (6,072,758)

	HB530 Program	Down Payment Assistance Program	General Corporate Fund	Mississippi Affordable Housing Development Fund	Total
Operating Revenues					
Interest income					
Cash and cash equivalents	$ 18,515	$ 35,729	$ 808,317	$ 141,535	$ 5,210,161
Mortgage-backed securities	—	—	—	—	28,804,923
Other investments	70,418	—	1,413,136	—	1,483,554
Mortgage loans	7,327	24,994	145,672	96,738	275,480
Total Interest Income	96,260	60,723	2,367,125	238,273	35,774,118
Net Increase (decrease) in fair value of investments	—	—	633,241	—	(8,533,009)
Low income housing tax credit program	—	—	2,790,845	—	2,790,845
Grant fund revenues	—	—	44,182,405	—	44,182,405
Program fees	—	—	46,475	—	46,475
Other income	287	—	561,691	533	1,412,605
Total Operating Revenues	96,547	60,723	50,581,782	238,806	75,673,439
Operating Expenses					
Interest expense	—	—	18,126	—	24,230,286
Bond issuance costs	—	—	—	—	4,695,356
Salaries and related benefits	—	—	7,013,899	—	7,013,899
Grant fund expenses	—	—	42,397,838	—	42,397,838
(Reversal of) provision for mortgage loan losses	(6,642)	(9,074)	(58,771)	(5,721)	(77,187)
Other	6,476	7,189	2,288,733	40,285	2,793,244
Total Operating Expenses	(166)	(1,885)	51,659,825	34,564	81,053,436
Operating Income (Loss)	96,713	62,608	(1,078,043)	204,242	(5,379,997)
Transfers In (Out)	1,871	(895,711)	(1,296,441)	4,289	—
Net Position, Beginning of Year	807,821	1,576,474	15,053,881	9,080,478	22,925,421
Net Position, End of Year	$ 906,405	$ 743,371	$ 12,679,397	$ 9,289,009	$ 17,545,424

Mississippi Home Corporation
Combining Schedule of Cash Flows
Year Ended June 30, 2024

	1995CD Program	1995IJ Program	2002 Lease Purchase Program	2009 Resolution	Total Bond Program
Operating Activities					
Loan principal payments received	$ —	$ —	$ —	$ 24,429	$ 24,429
Loan interest payments received	—	—	—	150	150
Loan disbursements	—	—	—	(2,420,000)	(2,420,000)
Payments to employees	—	—	—	—	—
Grant funds expended	—	—	—	—	—
Payments to vendors	(675)	(1,100)	—	(501,704)	(503,479)
Fee income received	—	—	—	—	—
Grant funds received	—	—	—	—	—
Other income received	—	—	—	850,095	850,095
Net cash provided by (used in) operating activities	(675)	(1,100)	—	(2,047,030)	(2,048,805)
Noncapital Financing Activities					
Proceeds from issuance of bonds	—	—	—	319,987,330	319,987,330
Principal repayment of bonds	—	—	—	(46,051,083)	(46,051,083)
Principal repayment of notes	—	—	—	—	—
Interest paid	—	—	—	(25,733,096)	(25,733,096)
Bond issuance costs paid	—	—	—	(4,695,356)	(4,695,356)
Due (from) to other programs	—	—	—	—	—
Net cash provided by (used in) noncapital financing activities	—	—	—	243,507,795	243,507,795
Capital and Related Financing Activities					
Property and equipment additions	—	—	—	—	—
Net cash used in capital and related financing activities	—	—	—	—	—
Investing Acivities					
Purchase of investments	—	—	—	(210,861,024)	(210,861,024)
Redemption of investments	57,958	54,226	—	41,455,681	41,567,865
Interest received on investments	5,896	7,071	30,129	33,544,145	33,587,241
Net cash provided by (used in) investing activities	63,854	61,297	30,129	(135,861,198)	(135,705,918)
Transfers	(63,220)	(60,250)	—	2,309,462	2,185,992
Net Increase (Decrease) in Cash and Cash Equivalents	(41)	(53)	30,129	107,909,029	107,939,064
Cash and Cash Equivalents, Beginning of Year	85	117	594,800	45,274,731	45,869,733
Cash and Cash Equivalents, End of Year	$ 44	$ 64	$ 624,929	$ 153,183,760	$ 153,808,797

Mississippi Home Corporation
Combining Schedule of Cash Flows
Year Ended June 30, 2024 (Continued)

	HB530 Program	Down Payment Assistance Program	General Corporate Fund	Mississippi Affordable Housing Development Fund	Total
Operating Activities					
Loan principal payments received	$ 275,907	$ 215,694	$ 425,985	$ 644,674	$ 1,586,689
Loan interest payments received	7,536	26,004	144,611	99,728	278,029
Loan disbursements	(220,559)	—	(181,818)	(10,839)	(2,833,216)
Payments to employees	—	—	(5,844,010)	—	(5,844,010)
Grant funds expended	—	—	(42,398,510)	—	(42,398,510)
Payments to vendors	(356,428)	(7,718)	(2,493,531)	(34,876)	(3,396,032)
Fee income received	—	—	1,978,804	533	1,979,337
Grant funds received	—	—	9,373,219	—	9,373,219
Other income received	288	35,729	1,936,786	141,535	2,964,433
Net cash provided by (used in) operating activities	(293,256)	269,709	(37,058,464)	840,755	(38,290,061)
Noncapital Financing Activities					
Proceeds from issuance of bonds	—	—	—	—	319,987,330
Principal repayment of bonds	—	—	—	—	(46,051,083)
Principal repayment of notes	—	—	(134,492)	—	(134,492)
Interest paid	—	—	(18,560)	—	(25,751,656)
Bond issuance costs paid	—	—	—	—	(4,695,356)
Due (from) to other programs	225	—	(225)	—	—
Net cash provided by (used in) noncapital financing activities	225	—	(153,277)	—	243,354,743
Capital and Related Financing Activities					
Property and equipment additions	—	—	(48,552)	—	(48,552)
Net cash used in capital and related financing activities	—	—	(48,552)	—	(48,552)
Investing Activities					
Purchase of investments	—	—	(7,714,143)	(229,232)	(218,804,399)
Redemption of investments	70,418	—	5,682,243	—	47,320,526
Interest received on investments	18,515	—	999,176	—	34,604,932
Net cash provided by (used in) investing activities	88,933	—	(1,032,724)	(229,232)	(136,878,941)
Transfers	1,871	(895,711)	(1,296,441)	4,289	—
Net Increase (Decrease) in Cash and Cash Equivalents	(202,227)	(626,002)	(39,589,458)	615,812	68,137,189
Cash and Cash Equivalents, End of Year	2,271,854	904,043	73,180,578	2,826,318	125,052,526
Cash and Cash Equivalents, End of Year	$ 2,069,627	$ 278,041	$ 33,591,120	$ 3,442,130	$ 193,189,715

	1995CD Program	1995IJ Program	2002 Lease Purchase Program	2009 Resolution	Total Bond Program
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	$ 4,761	$ 5,745	$ 30,129	$ (4,706,152)	$ (4,665,517)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Interest paid	—	—	—	25,733,096	25,733,096
Bond issuance costs paid	—	—	—	4,695,356	4,695,356
Amortization of bond premium	—	—	—	(2,503,747)	(2,503,747)
Amortization of bond discount	—	—	—	1,959	1,959
Amortization of investment premium	—	—	—	1,477,476	1,477,476
Amortization of bond refunding	—	—	—	168,021	168,021
Net (increase) decrease in fair value of investments	84	(110)	—	9,166,276	9,166,250
Realized loss on investments	—	—	—	—	—
Interest received on investments	(5,896)	(7,071)	(30,129)	(33,544,145)	(33,587,241)
Changes in assets and liabilities					
(Increase) decrease in mortgage loans receivable, net	—	—	—	(2,392,550)	(2,392,550)
(Increase) decrease in accrued interest receivable	376	336	—	(904,309)	(903,597)
(Increase) decrease in other assets	—	—	—	(57,253)	(57,253)
(Increase) decrease in deferred pension outflow	—	—	—	—	—
Increase (decrease) in accrued interest payable	—	—	—	812,831	812,831
Increase (decrease) in low income housing tax credit program unearned revenues	—	—	—	—	—
Increase (decrease) in grant fund unearned revenues	—	—	—	—	—
Increase (decrease) in net pension liability	—	—	—	—	—
Increase (decrease) in other liabilities and accrued expenses	—	—	—	6,111	6,111
Total adjustments	(5,436)	(6,845)	(30,129)	2,659,122	2,616,712
Net cash provided by (used in) operating activities	$ (675)	$ (1,100)	$ —	$ (2,047,030)	$ (2,048,805)

Mississippi Home Corporation
Combining Schedule of Cash Flows
Year Ended June 30, 2024

(Continued)

	HB530 Program	Down Payment Assistance Program	General Corporate Fund	Mississippi Affordable Housing Development Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	$ 96,713	$ 62,608	$ (1,078,043)	$ 204,242	$ (5,379,997)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Interest paid	—	—	18,560	—	25,751,656
Bond issuance costs paid	—	—	—	—	4,695,356
Amortization of bond premium	—	—	—	—	(2,503,747)
Amortization of bond discount	—	—	—	—	1,959
Amortization of investment premium	(70,418)	—	(396,366)	—	1,010,692
Amortization of bond refunding	—	—	—	—	168,021
Net (increase) decrease in fair value of investments	—	—	(633,241)	—	8,533,009
Realized loss on investments	—	—	(5,506)	—	(5,506)
Gain on sale of fixed assets	—	—	—	—	—
Interest received on investments	(18,515)	—	(999,176)	—	(34,604,932)
Changes in assets and liabilities:					
(Increase) decrease in mortgage loans receivable, net	48,706	206,318	124,920	624,958	(1,387,648)
(Increase) decrease in accrued interest receivable	209	1,010	(18,655)	2,990	(918,043)
(Increase) decrease in other assets	—	—	289,436	—	232,183
(Increase) decrease in deferred pension outflow	—	—	(723,757)	—	(723,757)
Increase (decrease) in deferred pension inflow	—	—	—	—	—
Increase (decrease) in accrued interest payable	—	—	(434)	—	812,397
Increase (decrease) in low income housing tax credit program unearned revenues	—	—	(445,572)	—	(445,572)
Increase (decrease) in grant fund unearned revenues	—	—	(35,036,841)	—	(35,036,841)
Increase (decrease) in net pension liability	—	—	1,855,896	—	1,855,896
Increase (decrease) in other liabilities and accrued expenses	(349,951)	(227)	(9,685)	8,565	(345,187)
Total adjustments	(389,969)	207,101	(35,980,421)	636,513	(32,910,064)
Net cash provided by (used in) operating activities	$ (293,256)	$ 269,709	$ (37,058,464)	$ 840,755	$ (38,290,061)

Mississippi Home Corporation
Schedule of Employer Contributions and the Proportionate Share of the Net Pension Liability – PERS Pension Plan
Year Ended June 30, 2024

SCHEDULE OF EMPLOYER CONTRIBUTIONS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required employer contribution	$ 740,322	$ 745,732	$ 740,317	$ 730,466	$ 708,860	$ 599,151	$ 561,233	$ 569,264	$ 555,561	$ 517,835
Contributions in relation to the statutorily required contributions	(740,322)	(745,732)	(740,317)	(730,466)	(708,860)	(599,151)	(561,233)	(569,264)	(555,561)	(517,835)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 4,254,717	$ 4,285,813	$ 4,254,773	$ 4,198,079	$ 4,073,906	$ 3,804,137	$ 3,563,384	$ 3,614,376	$ 3,527,365	$ 3,287,839
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

This schedule reflects the information provided by PERS.

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.057958%	0.061803%	0.063139%	0.061181%	0.058411%	0.055800%	0.056342%	0.055139%	0.052627%	0.054883%
Proportionate share of the net pension liability (asset)	$ 14,577,202	$ 12,721,306	$ 9,332,220	$ 11,843,931	$ 10,275,647	$ 9,281,198	$ 9,365,953	$ 9,849,201	$ 8,135,098	$ 6,661,791
Covered-employee payroll	$ 4,285,813	$ 4,254,773	$ 4,198,079	$ 4,073,906	$ 3,804,137	$ 3,563,384	$ 3,614,376	$ 3,527,365	$ 3,287,839	$ 3,353,630
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	340%	299%	222%	291%	270%	260%	259%	279%	247%	199%
Plan fiduciary net position as a percentage of the total pension liability	56%	60%	70%	59%	62%	63%	61%	57%	62%	67%

* The amounts presented for each fiscal year were determined as of June 30

Changes of Assumptions

2023

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

2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

    - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
    - For females, 84% of female rates up to age 72, 100% for ages above 76.
    - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:

    - For males, 134% of male rates at all ages.
    - For females, 121% of female rates at all ages.
    - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

    - For males, 97% of male rates at all ages.
    - For females, 110% of female rates at all ages.
    - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

2019

- The expectation of retired life mortality was changed to PubS.H-2010(B) Retiree Table with the following adjustments:
    - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
    - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
    - Projection scale MP-2018 will be used to account for future improvements in life expectancy generationally.

- The expectation of disabled mortality was changed to Pub T.H.-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
    - For males, 137% of male rates at all ages.
    - For females, 115% for female rates at all ages.
    - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB TO 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2016

- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to reflect actual experience more closely.
- Assumed rates of salary increase were adjusted to reflect actual and anticipated experience more closely.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Changes in Benefit Provisions

2016

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by *The Wall Street Journal* on December 31 of each preceding year, with a minimum rate of one percent and a maximum rate of five percent.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* – Independent Auditor's Report

Board of Directors
Mississippi Home Corporation
Jackson, Mississippi

We have audited, 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 combined financial statements of Mississippi Home Corporation (Corporation), which comprise the combined statement of net position as of June 30, 2024, and the related combined statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 11, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's combined financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Jackson, Mississippi
December 11, 2024