PRELIMINARY OFFICIAL STATEMENT DATED JULY 21, 2026

New Issue – Book-Entry Only

RATINGS:
Moody's: "A3 (Stable Outlook)"
S&P: "A- (Stable Outlook)"

See "MISCELLANEOUS - Ratings" herein

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2026 Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), to the date of delivery of the Series 2026 Bonds, and such interest is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. Bond Counsel is also of the opinion that, under existing State of Georgia statutes, interest on the Series 2026 Bonds is exempt from the State of Georgia income tax. For a more complete description, see "LEGAL MATTERS – Tax Exemption."

$131,750,000*
PRIVATE COLLEGES AND UNIVERSITIES AUTHORITY
REVENUE BONDS
(MERCER UNIVERSITY PROJECT),
SERIES 2026

Maturities, Principal Amounts, Interest Rates, Yields, Prices and CUSIPs
are Shown on the Inside of the Front Cover

The Private Colleges and Universities Authority (the "***Authority***") is issuing its $131,750,000 * Revenue Bonds (Mercer University Project), Series 2026 (the "***Series 2026 Bonds***") pursuant to a Trust Indenture, dated as of February 1, 2012 (the "***Original Indenture***"), as supplemented from time to time and as supplemented by a Sixth Supplemental Trust Indenture, dated as of August 1, 2026 (the Original Indenture, as supplemented from time to time and as so supplemented, the "***Indenture***"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "***Trustee***").

The Authority will lend the proceeds of the sale of the Series 2026 Bonds to The Corporation of Mercer University (the "***University***"), a Georgia nonprofit corporation and an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, pursuant to a Loan Agreement dated as of February 1, 2012 (the "***Original Loan Agreement***"), as supplemented from time to time and as supplemented by a Sixth Supplemental Loan Agreement, dated as of August 1, 2026 (the Original Loan Agreement, as so supplemented, the "***Loan Agreement***"), between the Authority and the University.

The University will use the proceeds of the Series 2026 Bonds for (a) financing or refinancing all or a portion of the costs of the acquisition, construction, installation, equipping, expansion, or renovation of certain educational, academic, and recreational facilities, equipment, and infrastructure on Mercer's campuses located in Atlanta, Columbus, or Macon, Georgia (collectively, the "***Projects***"); (b) refunding all or a portion of the outstanding Private Colleges and Universities Authority Revenue Bonds (Mercer University Project), Series 2015 (the "***Series 2015 Bond***s" and the portion to be refunded, the "***Refunded Bonds***"); and (c) paying all or a portion of the costs of issuance of the Series 2026 Bonds. See "PLAN OF FINANCE."

Interest on the Series 2026 Bonds will be payable on April 1 and October 1 of each year, commencing October 1, 2026. The Series 2026 Bonds are issuable in the form of fully registered bonds in denominations of $5,000 and any integral multiple thereof. The Series 2026 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("***DTC***"). Purchases will be made in book-entry only form and no physical delivery of the Series 2026 Bonds will be made to Beneficial Owners (defined herein). Payment of principal of and interest on the Series 2026 Bonds will be made by the Trustee to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Direct Participants (defined herein) and thereafter to Beneficial Owners. See "THE SERIES 2026 BONDS" herein.

The Series 2026 Bonds are subject to redemption prior to maturity under certain circumstances described herein and as set forth in the Indenture. See "THE SERIES 2026 BONDS" herein.

THE SERIES 2026 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, TOGETHER WITH ANY OUTSTANDING PRIOR BONDS (DEFINED HEREIN) AND ADDITIONAL BONDS (DEFINED HEREIN) HERETOFORE OR HEREAFTER ISSUED, SOLELY FROM THE TRUST ESTATE PLEDGED TO THE TRUSTEE PURSUANT TO THE INDENTURE INCLUDING MONEYS AND REVENUES PAYABLE UNDER THE LOAN AGREEMENT. THE SERIES 2026 BONDS AND THE INTEREST THEREON WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND WILL NEVER CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF NOR WILL ANY SERIES 2026 BOND OR INTEREST THEREON BE A CHARGE AGAINST THE GENERAL CREDIT AND TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2026 BONDS, OR OTHER COSTS INCIDENTAL THERETO. THE AUTHORITY HAS NO TAXING POWER.

AN INVESTMENT IN THE SERIES 2026 BONDS IS SUBJECT TO CERTAIN RISKS. **SEE THE CAPTION "BONDOWNERS' RISKS" HEREIN. THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Series 2026 Bonds are offered when, as and if issued by the Authority and accepted by the Underwriter subject to approval of validity and enforceability by Butler Snow LLP, Atlanta, Georgia, as Bond Counsel to the University. Certain legal matters will be passed upon for the Authority by its counsel, Alston & Bird LLP, Atlanta, Georgia, for the University by Matthew R. Hall, Macon, Georgia, General Counsel to the University, and for the Underwriter by Murray Barnes Finister LLP, Atlanta, Georgia. The Authority expects to deliver the Series 2026 Bonds to the Trustee on behalf of DTC under the DTC FAST system of registration on or about August __, 2026.

STIFEL

Dated: July __, 2026

* Preliminary, subject to change.

$131,750,000*
PRIVATE COLLEGES AND UNIVERSITIES AUTHORITY
REVENUE BONDS
(MERCER UNIVERSITY PROJECT)
SERIES 2026

Dated: Date of Delivery **Due: October 1, as shown below**

MATURITIES, PRINCIPAL AMOUNT, INTEREST RATES, YIELDS, PRICES AND CUSIPS

October 1 of the Year*	Principal Amount*	Interest Rate	Yield	Price	CUSIP No.†
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					

$____________ ______% Term Bond due October 1, 20__, Priced at ________%, CUSIP No. _________†

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* Preliminary, subject to change.
† CUSIP is a registered trademark of the American Bankers Association. CUSIP data presented herein has been provided by FactSet Research Systems Inc. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and none of the Authority, the University, the Underwriter or their agents take responsibility for the accuracy of such data.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than the information and representations contained in this Official Statement, in connection with the offering of the Series 2026 Bonds and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority, the University or the Underwriter. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of fact, and no representation is made that any of the estimates, forecasts or matters of opinion will be realized. The information and expressions of opinion contained in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder shall, under the circumstances, create any implication that there has been no change in the affairs of the Authority, the University or others since the date hereof.

The information contained in this Official Statement has been obtained from representatives of the Authority, the University, public documents, records and other sources considered to be reliable. The Underwriter has provided the following sentence for inclusion in the Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. In making an investment decision, investors must rely on their own examination of the Authority and the University and the terms of the offering, including the merits and risks involved.

This Official Statement does not constitute an offer or solicitation of an offer in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

This Official Statement has been prepared only in connection with the original offering and sale of the Series 2026 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Authority has not reviewed or approved, and does not represent or warrant in any way, the accuracy or completeness of any of the information set forth in this Official Statement, including Appendices hereto, other than the statements set forth under the captions "THE AUTHORITY," "LEGAL MATTERS – Pending Litigation – *The Authority*" and "LEGAL MATTERS – Validation Proceedings," to the extent such information relates to the Authority.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2026 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES AGENCY. THE SERIES 2026 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Preliminary Official Statement has been deemed final for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Official Statement, including in "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY," contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "anticipate," "believe," "budget," "estimate," "expect," "intend," "plan," "project" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE AUTHORITY NOR THE UNIVERSITY EXPECTS OR INTENDS TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

The Authority has not reviewed or approved, and does not represent or warrant in any way, the accuracy or completeness of any of the information set forth in this Official Statement, including Appendices hereto other than the statements set forth under the captions "THE AUTHORITY" and "LEGAL MATTERS – Pending Litigation – *The Authority*" and " – Validation Proceedings."

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\$131,750,000*
PRIVATE COLLEGES AND UNIVERSITIES AUTHORITY
REVENUE BONDS
(MERCER UNIVERSITY PROJECT)
SERIES 2026

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and appendices, sets forth certain information concerning the Private Colleges and Universities Authority (the "***Authority***"), The Corporation of Mercer University (the "***University***") and the Authority's Revenue Bonds (Mercer University Project), Series 2026, in the aggregate principal amount of \$131,750,000* (the "***Series 2026 Bonds***"). Any capitalized terms used, but not otherwise defined herein, shall have the meanings assigned thereto in "APPENDIX C – SUMMARIES OF THE PRINCIPAL DOCUMENTS" unless the context or use clearly indicates otherwise.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should read the entire Official Statement. The offering of the Series 2026 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or otherwise to use it without the entire Official Statement.

An investment in the Series 2026 Bonds involves risk. Prospective investors are advised to read this entire Official Statement, including the appendices hereto. Special reference is made to "SECURITY FOR THE SERIES 2026 BONDS" and "BONDOWNERS' RISKS" for a discussion of certain risk factors that should be considered in connection with an investment in the Series 2026 Bonds.

Purpose of the Series 2026 Bonds

The proceeds from the sale of the Series 2026 Bonds will be loaned by the Authority to the University and will be used for (a) financing or refinancing all or a portion of the costs of the acquisition, construction, installation, equipping, expansion, or renovation of certain educational, academic, and recreational facilities, equipment, and infrastructure on Mercer's campuses located in Atlanta, Columbus, or Macon, Georgia (collectively, the "***Projects***"); (b) refunding all or a portion of the outstanding Private Colleges and Universities Authority Revenue Bonds (Mercer University Project), Series 2015 (the "***Series 2015 Bonds***" and the portion to be refunded, the "***Refunded Bonds***"), and (c) paying all or a portion of the costs of issuance of the Series 2026 Bonds. See "PLAN OF FINANCE" and "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – FINANCIAL AND RELATED INFORMATION – *Capital Campaign*."

Plan of Finance

The Authority previously issued its (a) Revenue Bonds (Mercer University Project), Series 2012B, currently outstanding in the aggregate principal amount of \$2,860,000 (the "***Series 2012B Bonds***"); (b) Series 2015 Bonds, currently outstanding in the aggregate principal amount of \$77,485,000; (c) Revenue Bonds (Mercer University Project), Series 2021, currently outstanding in the aggregate principal amount of \$55,055,000 (the "***Series 2021 Bonds***"); and (d) Revenue Bonds (Mercer University Project), Series 2022, currently outstanding in the aggregate principal amount of \$39,635,000 (the "***Series 2022 Bonds***" and, together with the Series 2012B Bonds, the Series 2015 Bonds, and the Series 2021 Bonds, the "***Prior Bonds***"), pursuant to a Trust Indenture, dated as of February 1, 2012 (the "***Original Indenture***"), as supplemented from time to time, between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "***Trustee***"). The proceeds of the Prior Bonds were loaned to the

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*Throughout this Preliminary Official Statement, an asterisk indicates that the information is preliminary and subject to change.

University pursuant to a Loan Agreement, dated as of February 1, 2012 (the "***Original Loan Agreement***"), as supplemented from time to time, between the Authority and the University. Upon the issuance of the Series 2026 Bonds and the refunding of the Refunded Bonds, only the Series 2012B Bonds, the unrefunded Series 2015 Bonds (if any), the Series 2021 Bonds, and the Series 2022 Bonds will continue to be outstanding under the Original Indenture (such outstanding prior obligations are collectively referred to herein as the "***Outstanding Prior Bonds***").

The Series 2026 Bonds will be issued pursuant to the Original Indenture, as supplemented by a Sixth Supplemental Trust Indenture, dated as of August 1, 2026 (the Original Indenture, as supplemented, the "***Indenture***"), between the Authority and the Trustee. The proceeds of the Series 2026 Bonds will be loaned to the University pursuant to the Original Loan Agreement, as supplemented by a Sixth Supplemental Loan Agreement, dated as of August 1, 2026 (the Original Loan Agreement, as so supplemented, the "***Loan Agreement***"), between the Authority and the University. The Loan Agreement requires the University to make payments sufficient to pay the principal of and interest on the Outstanding Prior Bonds and the Series 2026 Bonds when due. See "THE SERIES 2026 BONDS" and "APPENDIX C – SUMMARIES OF THE PRINCIPAL DOCUMENTS."

Security for the Series 2026 Bonds

General. THE SERIES 2026 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY AND, TOGETHER WITH THE OUTSTANDING PRIOR BONDS AND ANY ADDITIONAL BONDS HERETOFORE OR HEREAFTER ISSUED, ARE PAYABLE SOLELY FROM THE TRUST ESTATE HELD BY THE TRUSTEE PURSUANT TO THE INDENTURE HEREIN DESCRIBED, INCLUDING MONEYS AND REVENUES PAYABLE UNDER THE LOAN AGREEMENT. THE SERIES 2026 BONDS AND THE INTEREST THEREON WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND WILL NEVER CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF NOR WILL ANY SERIES 2026 BOND OR INTEREST THEREON BE A CHARGE AGAINST THE GENERAL CREDIT AND TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2026 BONDS. THE AUTHORITY HAS NO TAXING POWER.

Trust Indenture. On the date of issuance of the Series 2026 Bonds, the Outstanding Prior Bonds, the Series 2026 Bonds and any Additional Bonds will be ratably secured under the Indenture. Pursuant to the Indenture, the Authority will assign and pledge to the Trustee (a) all right, title and interest of the Authority in the Loan Agreement and any note issued by the University to evidence its obligation thereunder, and all payments received or receivable by the Authority from the University under the Loan Agreement (but excluding the Authority's rights to payment of its fees and expenses, to indemnification and as otherwise expressly set forth in the Loan Agreement) and such note, and (b) all moneys and securities from time to time held by the Trustee under the terms of the Indenture (the "***Trust Estate***").

The Authority may in the future issue Additional Bonds under certain conditions provided in the Indenture which, if issued, will rank equally and on a parity with the lien of the Outstanding Prior Bonds and the Series 2026 Bonds issued under the Indenture as to lien on the Trust Estate without preference, priority or distinction of any of the Bonds over any other Bonds as to lien on the Trust Estate. In connection with the issuance of any series of Additional Bonds, the University is required to supplement the Loan Agreement to extend the obligation of the University under the Loan Agreement to provide for the payment of amounts due on such Additional Bonds. The Outstanding Prior Bonds, the Series 2026 Bonds and any Additional Bonds hereafter issued are referred to herein as the "***Bonds***."

Loan Agreement. Under the Loan Agreement, the University is required to make payments that correspond in time and amount with the payment of principal of and interest on the Bonds, and such payments will be made by the University for the account of the Authority directly to the Trustee. **The obligations of the University under the Loan Agreement are general obligations of the University, payable from all legally available resources of the University. The obligations of the University under the Loan Agreement are not secured by a mortgage on or a security interest in any property of the University. Furthermore, there is no debt service reserve fund established for the Series 2026 Bonds.** The University has other general obligation debt outstanding and is not prohibited from incurring additional general obligation debt. See "SECURITY FOR THE SERIES 2026 BONDS" and "ESTIMATED DEBT SERVICE REQUIREMENTS" herein.

The Authority

The Authority is a public body corporate and politic created and existing under the Private Colleges and Universities Authority Act (O.C.G.A. Section 20-3-200 *et seq*.), as amended and upheld on July 8, 2019, by the Superior Court of Fulton County, Georgia, docketed at Civil Action File No. 2019CV322341 and pursuant to Act 399 adopted by the Georgia General Assembly (2024 Ga. Laws 399) (as so amended and upheld, the "***Act***"). See "THE AUTHORITY" herein.

The University

The University is a Georgia nonprofit institution of higher education and an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "***Code***"). The University, with approximately 8,945 students, has academic programs in liberal arts, business, engineering, education, medicine, music, nursing, pharmacy, theology, law, and health professions. Its main campus is located in Macon, Georgia. It also has campuses located in Atlanta, Columbus, McDonough, and Savannah, Georgia. See "THE UNIVERSITY" herein and "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY."

Description of the Series 2026 Bonds

Redemption. The Series 2026 Bonds are subject to redemption prior to maturity. See "THE SERIES 2026 BONDS – Redemption."

Denominations. The Series 2026 Bonds are issuable in denominations of $5,000 or any integral multiple of $5,000 in excess thereof. See "THE SERIES 2026 BONDS" herein.

Book-Entry Bonds. The Series 2026 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("***DTC***"). DTC will act as securities depository for the Series 2026 Bonds. Purchases will be made only in Book-Entry Form through the Direct Participants and Indirect Participants (as herein defined), and no physical delivery of the Series 2026 Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and interest on the Series 2026 Bonds will be made to Beneficial Owners by DTC through its Direct Participants and Indirect Participants. As long as Cede & Co. is the registered owner of the Series 2026 Bonds, as nominee of DTC, references herein to the holders of the Series 2026 Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2026 Bonds. See "THE SERIES 2026 BONDS – Book Entry System of Registration."

Registration, Transfers and Exchanges. The Series 2026 Bonds will be issued in fully registered form. When in Book Entry Form, ownership of Series 2026 Bonds held by DTC or its nominee, Cede & Co., may be registered as transferred and Series 2026 Bonds may be exchanged in accordance with the rules and procedures of DTC. When not in Book-Entry Form and subject to the conditions hereinafter described, ownership of any Series 2026 Bond may be registered as transferred upon surrender of such Series 2026 Bond to the Trustee, together with an assignment duly executed by the registered owner or his attorney. When not in Book-Entry Form and subject to the conditions hereinafter described, the Series 2026 Bonds are exchangeable for a like aggregate principal amount of Series 2026 Bonds of authorized denominations and of the same maturity. See "THE SERIES 2026 BONDS – Book-Entry System of Registration" and APPENDIX F – BOOK-ENTRY SYSTEM OF REGISTRATION.

Payments. Interest on the Series 2026 Bonds will be payable initially on October 1, 2026, and semiannually thereafter on April 1 and October 1 of each year until maturity (each an "***Interest Payment Date***"). Principal of the Series 2026 Bonds will be payable at the times and in the amounts shown on the inside front cover of this Official Statement. When in Book-Entry Form, payment of the principal of and interest on the Series 2026 Bonds will be made by the Trustee directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners of the Series 2026 Bonds. See "THE SERIES 2026 BONDS – Book-Entry System of Registration" and APPENDIX F – BOOK-ENTRY SYSTEM OF REGISTRATION.

When not in Book-Entry Form, interest on the Series 2026 Bonds is payable by check or draft mailed to the registered owners thereof at the addresses which appear on the bond registration books of the Trustee as of the close of business on the fifteenth calendar day of the month preceding each Interest Payment Date (the "***Record Date***"). When not in Book-Entry Form, the principal of the Series 2026 Bonds are payable at maturity upon presentation and surrender of the Series 2026 Bonds at the corporate trust office of the Trustee in Atlanta, Georgia. See "THE SERIES 2026 BONDS – Description."

Tax Exemption

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2026 Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "***Code***"), to the date of delivery of the Series 2026 Bonds, and such interest is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. Bond Counsel is also of the opinion that, under existing State of Georgia statutes, interest on the Series 2026 Bonds is exempt from the State of Georgia income tax. For a more complete description, see "LEGAL MATTERS – Tax Exemption."

See "APPENDIX D – FORM OF OPINION OF BOND COUNSEL" for the form of opinion Bond Counsel proposes to deliver in connection with the Series 2026 Bonds. For a more complete discussion of such opinion, the assumptions underlying such opinion, the limitations on such opinion and certain tax consequences incident to the ownership of the Series 2026 Bonds, see "LEGAL MATTERS – Tax Exemption" herein.

Trustee

U.S. Bank Trust Company, National Association, Atlanta, Georgia, will act as Trustee for the Series 2026 Bonds pursuant to the Indenture. U.S. Bank Trust Company, National Association's address in Atlanta is 2 Concourse Parkway, Suite 800, Atlanta, Georgia 30328, Attention: Global Corporate Trust.

Professionals Involved in the Offering

Certain legal matters pertaining to the authorization and issuance of the Series 2026 Bonds are subject to the approving opinion of Butler Snow LLP, Atlanta, Georgia, Bond Counsel to the University. Copies of such opinion will be available at the time of delivery of the Series 2026 Bonds, and a copy of the proposed form of such opinion is attached hereto as APPENDIX D. Certain legal matters will be passed on for the Authority by its counsel, Alston & Bird LLP, Atlanta, Georgia, for the University by Matthew R. Hall, Macon, Georgia, General Counsel to the University and for the Underwriter by its counsel, Murray Barnes Finister LLP, Atlanta, Georgia. Audited consolidated financial statements of the University and its subsidiaries for the Fiscal Years ended June 30, 2025 and 2024 are included in "APPENDIX B – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE UNIVERSITY AND ITS SUBSIDIARIES FOR FISCAL YEARS ENDED JUNE 30, 2025 AND 2024." See "MISCELLANEOUS – Independent Auditors."

Unaudited interim condensed consolidated financial statements for the University and its subsidiaries for the first nine months of the fiscal years ending June 30, 2026 and 2025 are also included in APPENDIX A herein under the heading "FINANCIAL AND RELATED INFORMATION – *Interim Condensed Consolidated Financial Statements*." Such interim condensed consolidated financial statements included in APPENDIX A have not been audited.

Authority for Issuance

The Series 2026 Bonds are being issued in accordance with and pursuant to the Constitution and laws of the State of Georgia, including the Act, the Bond Resolution and the Indenture. See "THE SERIES 2026 BONDS – Authority for Issuance."

Offering and Delivery of the Series 2026 Bonds

The Series 2026 Bonds are offered when, as and if issued by the Authority and accepted by the Underwriter, subject to prior sale, to the withdrawal or modification of the offer without notice, and subject to the approving opinion of Butler Snow LLP, Atlanta, Georgia, Bond Counsel to the University. The Series 2026 Bonds in definitive form are expected to be delivered through DTC, New York, New York on or about August __, 2026.

Bondowners' Risks

There are certain considerations and risks relating to an investment in the Series 2026 Bonds, which are set forth in this Official Statement under the caption "BONDOWNERS' RISKS" and which should be carefully reviewed by prospective purchasers of the Series 2026 Bonds.

Continuing Disclosure

Generally. The University will covenant for the benefit of the Bondholders and beneficial owners of the Series 2026 Bonds in a Continuing Disclosure Certificate (the "***Disclosure Certificate***") to provide certain financial information and operating data relating to the University on an annual basis and notice of the occurrence of certain enumerated events not in excess of 10 business days after the occurrence of any such event. A form of the Disclosure Certificate is included as APPENDIX E hereto.

The Prior Undertakings. The University has entered into prior written undertakings (collectively the "***Prior Undertakings***") in connection with the issuance of certain bonded indebtedness. There have been instances in the past five fiscal years in which the University has failed to fully comply with its obligations under the Prior Undertakings.

Specifically, with respect to the Series 2012B Bonds and the Series 2015 Bonds:

(1) the required semi-annual disclosure relating to "STUDENTS – Fall Student Headcount and FTE Enrollment" that was due on February 28, 2022 was filed one day late on March 1, 2022;

(2) the required semi-annual disclosure relating to "STUDENTS – Fall Student Headcount and FTE Enrollment" that was due on August 31, 2023 was filed 40 days late on October 10, 2023;

(3) the required semi-annual disclosure relating to "STUDENTS – Fall Student Headcount and FTE Enrollment" that was due on February 29, 2024 was filed 34 days late on April 3, 2024;

(4) the required semi-annual disclosure relating to "STUDENTS – Fall Student Headcount and FTE Enrollment" that was due on August 31, 2024 was filed 30 days late on September 30, 2024; and

(5) the required semi-annual disclosure relating to "STUDENTS – Fall Student Headcount and FTE Enrollment" that was due on August 31, 2025 was filed 36 days late on October 6, 2025.

Specifically, with respect to the Series 2021 Bonds and the Series 2022 Bonds:

(1) the required annual disclosure relating to "STUDENTS – …FTE Enrollment" that was due on December 31, 2024 was not filed but a corrective filing was made on July 10, 2026; and

(2) the required annual disclosure relating to "STUDENTS – …FTE Enrollment" that was due on December 31, 2025 was not filed but a corrective filing was made on July 10, 2026.

The University has reviewed the Prior Undertakings and has implemented procedures designed to facilitate timely compliance with its continuing disclosure obligations. The University's Senior Vice President for Administration and Finance is responsible for tracking the required disclosures and posting such information with EMMA.

University as Sole Obligated Person. The University is the sole obligated person for purposes of the Rule with respect to the Series 2026 Bonds. The Authority is not an obligated person with respect to the Series 2026 Bonds and will have no obligation to the bondholders or any other person with respect to the Rule.

Additional Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Authority, the University, the Series 2026 Bonds and the security and sources of payment for the Series 2026 Bonds. Definitions of certain words and terms and summaries of the Indenture, the Loan Agreement, constitutional provisions, statutes and other documents are included in the Official Statement and in "APPENDIX C – SUMMARIES OF THE PRINCIPAL DOCUMENTS." Such descriptions, information, definitions and summaries do not purport to be comprehensive or definitive, are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2026 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. Copies of the Indenture and the Loan Agreement and other documents and information are available, upon request and upon payment to the Trustee of a charge for copying, mailing and handling, from the Trustee at 2 Concourse Parkway, Suite 800, Atlanta, Georgia 30328, Attention: Global Corporate Trust, Telephone: (404) 898-8832. During the period of offering of the Series 2026 Bonds, copies of such documents are available, upon request and upon payment to the Underwriter of a charge for copying, mailing and handling, from Stifel, Nicolaus & Company, Incorporated, 1401 Lawrence St., Suite 900, Denver, Colorado, 80202, (303) 250-1112.

THE AUTHORITY

The Authority is a public body corporate and politic of the State of Georgia created under the Act. The Authority has the power under the Act to participate in the financing and refinancing of various approved projects for use by participating institutions for higher education within the State of Georgia. The Series 2026 Bonds are limited obligations of the Authority as described under "SECURITY FOR THE SERIES 2026 BONDS." The Authority has no taxing power.

THE UNIVERSITY

The University is a private, non–profit, tax–exempt institution of higher education comprised of co-educational schools and colleges. With campuses located in Macon, Savannah, Columbus, McDonough, and Atlanta, Georgia, the University enrolls approximately 8,945 students as of Fall 2025. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY" for more information about the University, its operations and its finances. See also "APPENDIX B – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE UNIVERSITY AND ITS SUBSIDIARIES FOR FISCAL YEARS ENDED JUNE 30, 2025 AND 2024" for copies of the audited consolidated financial statements of the University and its subsidiaries for Fiscal Years 2025 and 2024.

PLAN OF FINANCE

General

The University will use proceeds from the sale of the Series 2026 Bonds for (a) financing or refinancing all or a portion of the costs of the acquisition, construction, installation, equipping, expansion, or renovation of certain educational, academic, and recreational facilities, equipment, and infrastructure on Mercer's campuses located in Atlanta, Columbus, or Macon, Georgia, including a new medical school facility and a new student center replacing Connell Student Center (collectively, the "***Projects***"); (b) refunding all or a portion of the outstanding Private Colleges and Universities Authority Revenue Bonds (Mercer University Project), Series 2015 (the "***Series 2015 Bonds***") and the portion to be refunded, the "***Refunded Bonds***"); and (c) paying all or a portion of the costs of issuance of the Series 2026 Bonds.

Estimated Sources and Applications of Funds

The sources and applications of funds in connection with the issuance of the Series 2026 Bonds are estimated below.

Estimated Sources of Funds:	
Par Amount	$131,750,000*
Plus: Net Original Issue Premium*	
Total Sources of Funds	$
Estimated Application of Funds:	
Deposit to Redemption Fund to Redeem the Refunded Bonds	
Deposit to 2026 Project Account	
Costs of Issuance(1)	
Total Application of Funds	$

(1) Includes the Underwriter's discount, legal and accounting fees, initial Trustee fees, rating agency fees, printing costs, validation court costs, and other costs of issuance.

The Projects

A portion of the proceeds of the Series 2026 Bonds will be deposited into the 2026 Project Account of the Construction Fund established pursuant to the Indenture and invested pending disbursement in Permitted Investments. The moneys in the 2026 Project Account will be used for the payment of capital expenditures, including, but not limited to, acquiring, constructing, maintaining, enlarging, improving, and/or equipping one or more of the following: a new medical school facility and a new student center replacing Connell Student Center. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – FINANCIAL AND RELATED INFORMATION – *Capital Campaign*."

Medical School Facility. The University is constructing a new medical school facility on Riverside Drive in downtown Macon. The approximately 250,000-square-foot medical school facility, expected to open in fall 2028, will replace the existing 1982 building and accommodate continued growth. The new medical school facility will include three- and five-story wings and a 600-space parking deck. The project will provide updated instructional, research and support spaces, as well as modern equipment and technology. The estimated cost of the project is approximately $92,600,000.

New Student Center. The University is investing in a dynamic new student center on its historic Macon campus to further elevate campus life and strengthen a sense of belonging for current and future generations of students. The modern, reimagined gathering space, slated to open in August 2028, will replace Connell Student Center, which was demolished in July 2026. This new student center will house the University's primary dining hall, common areas, meeting spaces and student affairs offices. The estimated cost of the project is approximately $49,600,000.

Refunding of Refunded Bonds

To accomplish the refunding of the Refunded Bonds, a portion of the proceeds of the Series 2026 Bonds shall be transferred to the Trustee and deposited in the Redemption Fund established under the Indenture. Such proceeds deposited into the Redemption Fund shall be used to redeem the Refunded Bonds on the date of issuance of the Series 2026 Bonds.

Costs of Issuance

A portion of the proceeds of the Series 2026 Bonds will be deposited into the 2026 Costs of Issuance Account of the Construction Fund established pursuant to the Indenture. The moneys in the 2026 Costs of Issuance Account will be used to pay the costs of issuing the Series 2026 Bonds, applied as provided in the Indenture and with requisitions submitted from time to time by the University.

THE SERIES 2026 BONDS

Description

The Series 2026 Bonds will be issued pursuant to the Indenture and dated as of their date of issuance and will mature and bear interest (computed on the basis of a 360 day year of twelve 30-day months) at the respective annual interest rates as set forth on the inside front cover page of this Official Statement.

The Series 2026 Bonds will bear interest from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date and prior to the corresponding Interest Payment Date, in which case from such corresponding Interest Payment Date or unless their date of authentication is prior to the first Interest Payment Date in which case from their date of original issuance). The principal amount of the Series 2026 Bonds is payable at the times and in the amounts set forth on the inside front cover page of this Official Statement. Interest on the Series 2026 Bonds shall be payable in arrears on each Interest Payment Date, commencing October 1, 2026.

The Series 2026 Bonds shall initially be issued in Book-Entry Form. When in Book-Entry Form, payment of the principal of and interest on the Series 2026 Bonds will be made by the Trustee directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners of the Series 2026 Bonds. See "THE SERIES 2026 BONDS – Book-Entry System of Registration" and APPENDIX F.

Book-Entry System of Registration

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2026 Bond will be issued for each maturity and will be deposited with DTC.

The information in APPENDIX F concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the Trustee believe to be reliable, but the Authority and the Trustee take no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE (OTHER THAN IN THEIR CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (A) SENDING TRANSACTION STATEMENTS; (B) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (C) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON BOOK-ENTRY BONDS; (D) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF BOOK-ENTRY BONDS, OR (E) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE BOOK-ENTRY BONDS.

Authority for Issuance

The Series 2026 Bonds are being issued in accordance with and pursuant to the Constitution and laws of the State of Georgia, including in particular the Act and pursuant to the Indenture and certain resolutions of the Authority. A summary of the Indenture is set forth in APPENDIX C.

Redemption

Scheduled Mandatory Redemption. The Series 2026 Bonds maturing on October 1, 20__* are subject to scheduled mandatory redemption on October 1 each year, commencing October 1, 20__* in the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount thereof (the last such year being a maturity date rather than a redemption date):

Redemption Date (October 1)	Amount

At the option of the University, to be exercised by delivery of a certificate to the Trustee on or before the 45th day next preceding any scheduled mandatory redemption date, the University may (a) deliver to the Trustee for cancellation Series 2026 Bonds of the appropriate series and maturity subject to scheduled mandatory redemption on that date or portions thereof in Authorized Denominations or (b) specify a principal amount of Series 2026 Bonds or portions thereof in Authorized Denominations which prior to such date have been purchased or redeemed (otherwise than pursuant to this Section) and canceled by the Trustee at the request of the University and not theretofore applied as a credit against any scheduled mandatory redemption payment. Each Series 2026 Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at the principal amount thereof against the obligation of the Authority to redeem Series 2026 Bonds of such maturity and series on the scheduled mandatory redemption date or dates designated in writing to the Trustee by the Authorized Mercer Representative occurring at least 45 days after delivery of such designation to the Trustee, provided that if no such designation is made, such credit shall not be credited against such obligation.

Optional Redemption. The Series 2026 Bonds maturing on or prior to October 1, 2036* are not subject to optional redemption. The Series 2026 Bonds maturing on or after October 1, 2037* are subject to redemption prior to maturity, at the option of the Authority upon written direction from the University, on and after October 1, 2036* in whole or in part at any time at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date

Selection of Series 2026 Bonds for Redemption

The Series 2026 Bonds shall be redeemed in such denominations so that the Series 2026 Bonds remaining outstanding shall, to the extent possible, only be in $5,000 multiples of the principal amount thereof. Except in the case of mandatory redemption, if less than all Series 2026 Bonds are to be redeemed prior to maturity, the particular series and maturity of the Series 2026 Bonds to be redeemed shall be specified to the Trustee by the University, and the particular Series 2026 Bonds of such series and maturity to be redeemed shall be selected by the Trustee by such method as the Trustee, in its sole discretion, shall deem fair and appropriate.

Notice of Redemption

Official notice of any such redemption shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the redemption date to each Registered

Owner of the Series 2026 Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee.

All official notices of redemption shall be dated and shall state: (a) the redemption date; (b) the redemption price; (c) if less than all Outstanding Bonds are to be redeemed, the identification number, series, maturity and the respective principal amounts to be redeemed of the Series 2026 Bonds to be redeemed; (d) subject to all conditions to such redemption being satisfied, that on the redemption date the redemption price will become due and payable upon each such Series 2026 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; (e) the place where such Series 2026 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of Series 2026 Bonds and (f) any conditions to such redemption.

So long as DTC is effecting book-entry transfers of the Series 2026 Bonds, the Trustee shall provide the notices specified above only to DTC. It is the responsibility of the Securities Depository to notify its Participants and through the Participants, the beneficial owners of the Series 2026 Bonds of any redemption in accordance with the practices of such Securities Depository. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Series 2026 Bond to notify the beneficial owner of the Series 2026 Bond so affected, shall not affect the validity of the redemption of such Series 2026 Bond.

Effect of Redemption

Notice of redemption having been given in the manner provided in the Indenture and amounts sufficient for the redemption being held by the Trustee for that purpose, the Series 2026 Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue and the holders of the Series 2026 Bonds so called for redemption shall thereafter no longer have any security or benefit under the Indenture, except to receive payment of the redemption price for such Series 2026 Bonds.

SECURITY FOR THE SERIES 2026 BONDS

General

The Bonds are payable solely from the Trust Estate held by the Trustee pursuant to the Indenture.

Limited Obligations

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, SOLELY FROM THE TRUST ESTATE PLEDGED TO THE TRUSTEE PURSUANT TO THE INDENTURE, INCLUDING MONEYS AND REVENUES PAYABLE UNDER THE LOAN AGREEMENT. THE SERIES 2026 BONDS AND THE INTEREST THEREON WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND WILL NEVER CONSTITUTE OR GIVE RISE TO PECUNIARY LIABILITY OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF NOR WILL ANY SERIES 2026 BOND OR INTEREST THEREON BE A CHARGE AGAINST THE GENERAL CREDIT AND TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2026 BONDS, OR OTHER COSTS INCIDENTAL THERETO. THE AUTHORITY HAS NO TAXING POWER.

The Loan Agreement

Under the Loan Agreement, the University is required to make payments that correspond in time and amount with the payment of principal of and interest on the Bonds, and such payments will be made by the University for the account of the Authority directly to the Trustee. **The obligations of the University under the Loan Agreement are general obligations of the University, payable from all legally available resources of the University. The**

obligations of the University under the Loan Agreement are not secured by a mortgage on or a security interest in any property of the University. The University has other general obligation debt outstanding and is not prohibited from incurring additional general obligation debt. See "SECURITY FOR THE SERIES 2026 BONDS" and "ESTIMATED DEBT SERVICE REQUIREMENTS" herein.

The Indenture

Under the Indenture, the Authority will pledge and assign to the Trustee the Trust Estate which consists of (a) all right, title and interest of the Authority in the Loan Agreement and any note issued by the University to evidence its obligation thereunder, and all payments received or receivable by the Authority from the University under the Loan Agreement (but excluding the Authority's rights to payment of its fees and expenses, to indemnification and as otherwise expressly set forth in the Loan Agreement) and such note, and (b) all moneys and securities from time to time held by the Trustee under the terms of the Indenture. See "APPENDIX C – SUMMARIES OF THE PRINCIPAL DOCUMENTS – SUMMARY OF THE INDENTURE."

Issuance of Additional Bonds

The Authority may in the future issue Additional Bonds under certain conditions provided in the Indenture which, if issued, except as expressly provided in the Supplemental Indenture relating thereto, will rank equally and on a parity with the lien of the Outstanding Prior Bonds, the Series 2026 Bonds and all other Bonds issued under the Indenture as to lien on the Trust Estate without preference, priority or distinction of any of the Bonds over any other Bonds as to lien on the Trust Estate. In connection with the issuance of any series of Additional Bonds, the University is required to supplement the Loan Agreement to extend the obligation of the University under the Loan Agreement to provide for the payment of principal and interest due on such Additional Bonds or provide for a separate note of the University evidencing such obligation.

No Credit Enhancement or Liquidity Facility

There is no credit enhancement securing the Authority's or the University's obligations with respect to the Series 2026 Bonds as initially issued, nor is there any requirement that the University ever provide credit enhancement for the Series 2026 Bonds.

No Debt Service Reserve Fund

The Indenture does not establish or fund a debt service reserve fund and there is no requirement that the Authority or the University establish or fund a debt service reserve fund.

Covenants of the University

In the Loan Agreement, the University will make certain covenants with respect to the maintenance of its existence as a tax-exempt, non-profit corporation and certain tax matters. In addition, the University will agree to the following covenants:

Accreditation. So long as the Series 2026 Bonds remain outstanding, the University will covenant to maintain its accreditation with the Southern Association of Colleges and Schools Commission on Colleges.

Limitation on Creation of Liens. The University agrees that it will not incur, create, assume or permit to exist any Lien upon the Trust Estate or upon any of its property including, without limitation, all proceeds thereof, whether cash or non-cash, now owned or hereafter acquired by it, other than Permitted Liens. See "APPENDIX C – SUMMARIES OF THE PRINCIPAL DOCUMENTS" for definitions of Liens and Permitted Liens.

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ESTIMATED DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service schedule for the Series 2026 Bonds and certain of the University's additional outstanding indebtedness during each fiscal year of the University. The following table includes the Series 2015 Bonds, all or a portion of which (the Refunded Bonds) will be refunded upon the issuance of the Series 2026 Bonds. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – FINANCIAL AND RELATED INFORMATION – *Outstanding Long-Term Debt*" for more information about the long-term indebtedness of the University.

Date (FY)	Series 2012B[1] Total	Series 2015 Total	Series 2021 Total	Series 2022 Total	Series 2026 Principal	Series 2026 Interest	Series 2026 Total	Total Bonds Debt Service	Notes[2]	Total Debt Service
2027	$ 764,344	$ 3,776,113	$ 6,859,325	$ 3,860,275				$ 15,260,057	$ 4,177,076	$ 19,437,133
2028	770,256	3,776,113	6,846,575	3,874,400				15,267,344	11,419,561	26,686,905
2029	770,144	3,776,113	6,847,200	3,877,900				15,271,357	3,348,503	18,619,860
2030	768,684	3,776,113	6,835,575	3,890,525				15,270,897	3,346,648	18,617,545
2031	—	3,776,113	2,424,200	3,906,650				10,106,963	3,344,748	13,451,711
2032	—	5,774,863	2,374,200	1,400,525				9,549,588	3,342,800	12,892,388
2033	—	6,384,113	2,324,200	1,400,525				10,108,838	3,340,804	13,449,642
2034	—	7,625,788	1,299,200	1,400,525				10,325,513	3,338,757	13,664,270
2035	—	7,624,313	1,299,200	1,400,525				10,324,038	3,336,659	13,660,697
2036	—	7,620,081	1,299,200	1,400,525				10,319,806	3,334,510	13,654,316
2037	—	7,595,125	1,299,200	1,400,525				10,294,850	3,332,306	13,627,156
2038	—	7,592,375	1,299,200	1,400,525				10,292,100	278,146	10,570,246
2039	—	7,582,500	1,299,200	1,400,525				10,282,225	—	10,282,225
2040	—	7,579,875	1,299,200	1,400,525				10,279,600	—	10,279,600
2041	—	7,568,875	1,299,200	1,400,525				10,268,600	—	10,268,600
2042	—	7,563,875	1,299,200	1,400,525				10,263,600	—	10,263,600
2043	—	7,554,125	1,299,200	1,768,025				10,621,350	—	10,621,350
2044	—	7,548,875	1,299,200	1,777,525				10,625,600	—	10,625,600
2045	—	7,542,250	1,299,200	2,305,425				11,146,875	—	11,146,875
2046	—	7,528,625	1,299,200	2,316,225				11,144,050	—	11,144,050
2047	—	—	7,169,400	3,976,325				11,145,725	—	11,145,725
2048	—	—	7,165,000	3,979,425				11,144,425	—	11,144,425
2049	—	—	7,165,700	3,978,838				11,144,538	—	11,144,538
2050	—	—	7,166,000	3,982,531				11,148,531	—	11,148,531
2051	—	—	7,165,500	3,982,431				11,147,931	—	11,147,931
2052	—	—	—	11,145,075				11,145,075	—	11,145,075
2053	—	—	—	—				—	—	—
2054	—	—	—	—				—	—	—
2055	—	—	—	—				—	—	—
2056	—	—	—	—				—	—	—
2057	—	—	—	—				—	—	—
2058	—	—	—	—				—	—	—
2059	—	—	—	—				—	—	—
2060	—	—	—	—				—	—	—
TOTAL	$3,073,428	$129,566,223	$87,232,475	$74,027,350				$293,899,476	$45,940,518	$339,839,994

(1) The Series 2012B Bonds were converted to a tax-exempt status in November 2015.

(2) Comprises two notes: (a) one that is fully secured by government lease and lease payments cover the entirety of the annual debt service and (b) a variable rate note payable to a lending institution with a variable rate of Fallback SOFR plus 0.75% through March 31, 2028.

BONDOWNERS' RISKS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2026 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2026 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in "APPENDIX C – SUMMARIES OF THE PRINCIPAL DOCUMENTS," copies of which are available as described herein under "INTRODUCTION – Additional Information."

General

The Series 2026 Bonds are limited obligations of the Authority payable by the Authority solely from the Trust Estate, including payments to be made by the University pursuant to the Loan Agreement and certain other funds held by the Trustee under the Indenture. No representation or assurance can be given that the University will realize revenues in amounts sufficient to make such payments under the Loan Agreement with respect to the Series 2026 Bonds. The realization of future revenues is dependent upon, among other things, the capabilities of the management of the University, government regulations, particularly those affecting student aid, and future changes in economic and other conditions that are unpredictable and cannot be determined at this time.

The University expects that revenues derived from its ongoing operations, together with other available sources, will at all times be sufficient to make the required payments on the Series 2026 Bonds, and the University has covenanted under the Loan Agreement to make all such payments when due. A number of factors including those set forth below, however, may adversely affect the University's ability to make timely payments on the Series 2026 Bonds.

A number of factors affect institutions of higher education in general, including the University, that could have an adverse effect on the University's financial position and its ability to make the payments required under the Loan Agreement. These factors include, without limitation: the ability of the University to continue to attract students; the University's focus with respect to undergraduate and certain graduate programs; the cost of tuition of the University; the failure to maintain or increase in the future the funds obtained by the University from other sources, including gifts and contributions from donors, grants or appropriations from governmental bodies and income from investment of endowment funds; and adverse results from the investment of endowment funds. The following discussion is not exhaustive, should be read in conjunction with all other parts of this Official Statement, and should not be considered as a complete description of all risks that could affect payments to be made with respect to the Series 2026 Bonds.

For more information on the University, see "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY."

Limited Obligations of the Authority

The Series 2026 Bonds and the interest thereon are limited obligations of the Authority and are payable solely from the Trust Estate and not from any other fund or source of the Authority as described herein. There is no credit enhancement securing the Series 2026 Bonds as initially issued, and there is no requirement that credit enhancement be added in the future. The Indenture does not establish or fund a debt service reserve fund with respect to the Series 2026 Bonds, and there is no requirement that a debt service reserve fund be added in the future. See "SECURITY FOR THE SERIES 2026 BONDS – Limited Obligations."

Unsecured General Obligations; Limited Use Assets

The obligations of the University under the Loan Agreement are general obligations of the University and are not secured by a mortgage on or a security interest in any property of the University. Thus, the timely payment of the University's debt service obligations is dependent upon the tuition revenue, government grant revenue, fundraising, the University's investment income and endowment as well as other sources. In addition, most of facilities of the University are specifically designed for educational purposes. Thus, the ability of the University to realize funds from the sale or rental of such facilities, except for educational purposes, may be limited.

Cyber Attacks

Despite the implementation of network security measures by the University, the information technology systems at the University may be vulnerable to breaches, hacker attacks, computer viruses, physical or electronic break-ins and other similar events or issues. The foregoing events or issues could lead to the inadvertent disclosure of confidential information, ransom attacks holding critical information hostage or could have an adverse effect on the University's ability to provide services.

Factors Generally Affecting the Financial Performance of the University

One or more of the following factors or events, or the occurrence of other unanticipated factors or events, could adversely affect the University's operations and financial performance to an extent that cannot be determined at this time.

1. Reliance on Financial Aid. Financial assistance is a significant factor in the decision of many students to attend a particular college or university. In the fall semester of the 2025-2026 academic year, approximately 94% of University undergraduate students and 78% of University graduate students received some form of financial assistance through a combination of grants, scholarships, loans, tuition discount and other financial aid. In recent years, an increasing percentage of the students at the University have received some form of scholarship or tuition discount, including many of whom are primarily dependent upon such financial aid to pay tuition and other costs of their education. Tuition discounts/scholarships are important in maintaining enrollment, but must be limited so as not to adversely affect revenues. Significant changes in the availability of federal loan programs and other forms of student aid could also adversely affect the ability of students to attend the University with a resultant adverse impact on the financial condition of the University and its ability to meet debt service on the Series 2026 Bonds. No assurance can be given that the historical level of financial aid will continue. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – STUDENTS – *Financial Aid*."

2. Student Enrollment. The adequacy of University revenues will depend on maintaining enrollment levels as well as being able to charge sufficient rates for tuition, housing, and other fees. Competition for students among colleges and universities remains intense and the University competes with other private colleges and universities, the public universities of Georgia, and local area community colleges. Generally, the tuition charged by public colleges and universities is significantly less than tuition charged by the University. There can be no assurance that the University can continue to enroll a sufficient number of students to generate revenues sufficient to pay the debt service on the Series 2026 Bonds. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – STUDENTS."

3. Competition. Competition for students among colleges and universities remains intense. The University competes for undergraduate students with a large number of state and private colleges and universities in the State and the region. Generally, the tuition charged by state colleges and universities is significantly less than tuition charged by the University. In addition, the University faces current and future competition from new, technology-driven educational methodologies, including increased nationwide availability of online instruction and flexible educational options delivered in electronic formats. If the University is unable to maintain its competitive position, its ability to earn revenues and to pay debt service on the Series 2026 Bonds may be impaired. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY - STUDENTS – *Competing Institutions*."

4. Accreditation. The University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools ("***SACSCOC***"). In order to attract students and to qualify under federal, state, and private student financial aid programs, the University must maintain its accreditation with SACSCOC or any successor accreditation agencies. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – ACCREDITATION."

5. Faculty. The ability of the University to attract and retain quality faculty members is an important factor in the University's academic reputation and its ability to attract students. Approximately 47% of the University's faculty members are tenured, and thus should any reduction of programs be necessitated by economic conditions, the University's ability to reduce the size of its faculty may be limited. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – FACULTY AND STAFF."

6. Endowment and Investment Income. The University plans its budget to include some spending from endowment and investment income each year. Such income is dependent upon a variety of economic conditions that are beyond the control of the University and may change in the future to an extent that cannot be presently determined. While the University believes that its investments are being managed prudently and has adopted policies designed to ensure the prudent management of its investments in the future, there can be no assurance that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – FINANCIAL AND RELATED INFORMATION."

7. Operating Costs. The University expects that it will experience increases in operating costs due to inflation, costs of health care insurance, retirement plans or other benefits offered by the University to its employees, increases in the costs of compliance with federal or state laws or regulations, or other increases in operating expenses. There is no assurance that cost increases will be matched by increased tuition and other charges in amounts sufficient to generate an excess of revenues over expenses at the levels experienced by the University.

8. Federal and State Grants and Contracts. The University's revenues include a wide variety of federal funds, including federal financial aid, Mercer Engineering Research Center federal research funding, and payments under contracts for services, grants, loans and other forms of federal assistance. The University believes it has complied with all material conditions and requirements of these various grants and contracts. Reduction in federal expenditures on such programs could have an adverse effect on the University. The State of Georgia has provided the School of Medicine an annual operating grant and capitation funds based on the number of Georgia residents enrolled in the School of Medicine. These funds amounted to approximately $35,913,118 million for Fiscal Year 2026, or approximately 37.7% of the School of Medicine's total budget. During the development of the School of Medicine, both houses of the Georgia General Assembly adopted a "Resolution of Continuing Support" expressing their desire to continue to provide funds for the School of Medicine, but these actions are not binding on future legislatures. This support has been renewed continuously since the establishment of the School of Medicine, but the University has no assurance that State funding will continue. Loss of State funding for the School of Medicine would have a material adverse effect on the University's financial condition.

9. Liabilities in Excess of Insurance. While the University is required by the Loan Agreement to have in effect at all times comprehensive general liability insurance and other types of insurance, if a claim or judgment against the University for an amount in excess of the limits of such insurance were to arise or for which insurance has not been or could not be obtained, such claim or judgment could adversely affect the ability of the University to make debt service payments on the Series 2026 Bonds.

10. Property Taxes. The University is presently exempt from ad valorem property taxation. Although the University believes that its property will continue to be exempt from ad valorem property taxation, no assurance can be given that existing exemptions will not be eliminated causing the University to pay ad valorem property taxes, which would reduce the University's revenues available to make payments under the Loan Agreement.

11. Changes in Administration. Future changes in the governing body or key administration personnel could affect the capability of the administration to effectively manage the University. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – MANAGEMENT – *Administration*."

12. Labor Risks. Labor costs constitute a significant portion of the operating expenses of the University. In the event of unionization of employees or other employee organization activities, there may be a risk of strikes by employees and other adverse labor actions and conditions that could result in reduced enrollment and increased costs and have an adverse effect on the financial condition of the University.

13. Gifts, Grants and Bequests. The University annually solicits gifts and bequests for both current operating purposes and other needs. There can be no assurance that the amount of gifts, grants and bequests received by the University will remain stable or increase in the future. Any adverse change in enrollment could adversely affect the amount of gifts, grants and bequests received by the University, which could adversely affect the University's financial position and results of operations.

Early Redemption

Purchasers of Series 2026 Bonds, including those who purchase Series 2026 Bonds at a price in excess of their principal amount or who hold Series 2026 Bonds trading at a price in excess of par, should consider the fact that the Series 2026 Bonds maturing on or after October 1, 2037* are subject to optional redemption at a redemption price equal to their principal amount plus accrued interest in the event such Series 2026 Bonds are redeemed prior to maturity. See herein "THE SERIES 2026 BONDS – Optional Redemption."

Outstanding Prior Bonds; Additional Bonds

The Authority has previously issued the Outstanding Prior Bonds pursuant to the Indenture and loaned the proceeds of the Outstanding Prior Bonds to the University pursuant to the Loan Agreement. The Outstanding Prior Bonds rank equally and on a parity with the Series 2026 Bonds as to lien on the Trust Estate. Moreover, the Authority may in the future issue Additional Bonds under certain conditions provided in the Indenture which, if issued, except as expressly provided in the Supplemental Indenture relating thereto, will rank equally and on a parity with the lien of the Outstanding Prior Bonds, the Series 2026 Bonds and all other Bonds issued under the Indenture as to lien on the Trust Estate without preference, priority or distinction of any of the Bonds over any other Bonds as to lien on the Trust Estate. In connection with the issuance of any series of Additional Bonds, the University is required to supplement the Loan Agreement to extend the obligation of the University under the Loan Agreement to provide for the payment of principal and interest due on such Additional Bonds or provide for a separate note of the University evidencing such obligation. There is no assurance that the ability of the University to make the necessary payments to repay the Series 2026 Bonds will not be materially adversely affected by the existence of the (a) Outstanding Prior Bonds as parity debt obligations or (b) any Additional Indebtedness, or that the security for the Series 2026 Bonds would not be diluted by the incurrence of such Additional Indebtedness. There is no financial ratio or similar test required in connection with the issuance of Additional Bonds or other additional debt.

Amendment of the Indenture and Loan Agreement

Under the Indenture, certain amendments to the Indenture and the Loan Agreement may be made without the consent of the holders of a majority in aggregate principal amount of the outstanding Bonds and certain other amendments may be made with the consent of the holders of a majority in aggregate principal amount of the outstanding Bonds. Such amendments may adversely affect the security of the Bondowners, and such percentage may be composed wholly or partially of the holders of Bonds other than the Series 2026 Bonds.

Environmental Matters

The University is not aware of any releases of pollutants or contaminants at the University's campuses that would give rise to enforcement actions under applicable state or federal environmental statutes. However, there could be other such releases not known to the University on any of the campuses of the University as of the date of this Official Statement.

The University is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants on its campuses. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the

University could be liable for the costs of removing or otherwise treating pollutants or contaminants located at any of the campuses.

Enforcement of Remedies

Enforcement of the remedies under the Loan Agreement and the Indenture may be limited or restricted by state laws concerning the use of assets of charitable corporations and by federal and state laws relating to bankruptcy, fraudulent conveyances, and rights of creditors and by application of general principles of equity applicable to the availability of specific performance, and may be substantially delayed in the event of litigation or statutory remedy procedures. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

Bankruptcy

The ability of the Trustee to exercise rights under the Loan Agreement and the Indenture may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles related to or affecting the enforcement of creditors' rights generally. In the event the University becomes a debtor under the United States Bankruptcy Code, 11 U.S.C. 10 *et seq*., payments under the Loan Agreement may be stayed or under certain circumstances subject to avoidance and the interests of the Trustee with respect to payments on the Series 2026 Bonds may not extend to payments acquired after the commencement of such a bankruptcy case. Furthermore, if the bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the University, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable equivalent" and "adequate protection" under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the Loan Agreement and the Indenture that make bankruptcy and related proceedings by the University an event of default thereunder.

Changes in Bond Ratings

The lowering or withdrawal of the ratings initially assigned to the Series 2026 Bonds could adversely affect the market price for the Series 2026 Bonds. There is no requirement that the University maintain the ratings initially assigned to the Series 2026 Bonds, and no assurance can be given that the ratings initially assigned to the Series 2026 Bonds will remain unchanged for any given period of time or that the ratings will not be revised downward or withdrawn entirely.

Unaudited Interim Condensed Consolidated Financial Statements, First Nine Months of Fiscal Years Ending June 30, 2026 and 2025

Unaudited interim condensed consolidated statements of activities for the first nine months of the fiscal years ended June 30, 2026 and 2025 have been provided by the University and are referred to in "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – FINANCIAL AND RELATED INFORMATION – *Interim Condensed Consolidated Financial Statements*" hereto. No assurance can be given that there will not be changes and variations in the interim condensed consolidated financial statements of the University and its subsidiaries for the 2026 fiscal year when audited consolidated financial statements are issued by the University with the accompanying independent auditors' report. Such changes or variations could be material and adverse. Audited consolidated financial statements for the fiscal years ended June 30, 2025 and 2024 are attached hereto in APPENDIX B.

Tax-Exempt Status of the University

The Internal Revenue Service (the "***IRS***") has issued a determination letter, dated June 30, 2016, to the effect that the University is an organization described in Section 501(c)(3) of the Code and therefore is exempt from federal income taxation. In addition, the University is generally exempt from ad valorem property taxation. As a charitable organization, the University is subject to a number of requirements affecting its operations.

The failure of the University to remain qualified as a tax-exempt organization could affect the amount of funds available to pay debt service on the Series 2026 Bonds. Such failure, as well as failure to comply with certain legal requirements (see the caption "LEGAL MATTERS – Tax Exemption" herein), could cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. In such event, the maturity of the Series 2026 Bonds may be accelerated, at the discretion of the Trustee. The Indenture does not provide for the payment of any additional interest or penalty in the event of the taxability of the interest on the Series 2026 Bonds. The University has covenanted to take no action which would adversely affect the exemption from federal income taxation of interest paid on the Series 2026 Bonds.

The possible modification or repeal of certain existing federal income tax laws or property tax laws or other loss by the University of the present advantages of such laws, or any legislation imposing additional conditions on tax-exempt organizations, could adversely impact the financial position of the University.

Taxation of Series 2026 Bonds

An opinion of Butler Snow LLP, Bond Counsel, has been obtained to the effect that under existing law, assuming compliance with certain tax covenants, the interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Code. See "LEGAL MATTERS – Tax Exemption" herein. No application for a ruling from the IRS regarding the tax-exempt status of the interest on the Series 2026 Bonds has been made, and an opinion of counsel is not binding upon the IRS. The opinion of Butler Snow LLP is based upon certain representations by the University including that the University is an entity described in Section 501(c)(3) of the Code and that none of the assets financed or refinanced with the proceeds of the Series 2026 Bonds are used in an "unrelated trade or business" as described in the Code. If these representations are incorrect, or if the University loses its status as an entity described in Section 501(c)(3) of the Code or uses the facilities financed with the proceeds of the Series 2026 Bonds in a manner inconsistent with the rules under Sections 103 and 141-150 of the Code relating to obligations the interest on which is excluded from gross income for federal income tax purposes, then interest on the Series 2026 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. The opinion of Bond Counsel is not a guarantee of result and is subject to the condition that the Authority and the University comply with all requirements of the Code, compliance with which subsequent to the issuance of the Series 2026 Bonds is necessary in order that the interest thereon be, and continue to be, excludable from the gross income of the owners thereof for federal income tax purposes. There can be no guarantee that the University will not violate such requirements and thereby cause interest on the Series 2026 Bonds to become includable in gross income for federal income tax purposes, in some cases retroactive to the date of issuance of the Series 2026 Bonds. In addition, there can be no guarantee that the present advantageous provisions of the Code or the rules and regulations thereunder will not be adversely amended or modified, thereby rendering the interest earned on the Series 2026 Bonds includable in gross income for federal income tax purposes. Bond Counsel has not agreed or undertaken to monitor compliance by the University with any such covenants, and has not undertaken to notify the University, the Trustee, the Authority or the owners of the Series 2026 Bonds of any change in law or fact after the date of issuance of the Series 2026 Bonds which might adversely affect the tax status of interest on the Series 2026 Bonds. Bond Counsel has expressed no opinion regarding any other federal tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the ownership of, the Series 2026 Bonds. For a description of certain collateral federal income tax consequences to certain taxpayers who are owners of the Series 2026 Bonds, see "LEGAL MATTERS – Tax Exemption" herein.

Bond Audit Risk

The IRS has established a general audit program to determine whether issuers of tax-exempt obligations, such as the Series 2026 Bonds, are in compliance with the requirements of the Code that must be satisfied in order for the interest of those obligations to be, and continue to be, excluded from gross income for federal income tax purposes. Under current IRS procedures, in the initial stages of an audit with respect to the Series 2026 Bonds the University would be treated as the taxpayer, and the owners of the Series 2026 Bonds may have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2026 Bonds could adversely affect the market value and liquidity of the Series 2026 Bonds, even though no final determination about the tax-exempt status has been made. If an audit results in a final determination that the Series 2026 Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2026 Bonds.

Secondary Market

It is the present practice of the Underwriter to make a secondary market in the bond issues that it offers. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular bond issue, these secondary marketing practices in connection with a particular bond issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially lower than the original purchase price. While there can be no guarantee or assurance that its present secondary marketing practices will always be continued, the Underwriter presently intends to make a secondary market in the Series 2026 Bonds, subject to the foregoing limitations. Nevertheless, there can be no guarantee that there will be a secondary market for the Series 2026 Bonds or, if a secondary market exists, that the Series 2026 Bonds can be sold for any particular price should they need or wish to do so.

Other Debt and Additional Debt

The University has other general obligation debt outstanding, including the bank debt and capital leases described below. As of June 30, 2026, the University has approximately $39,454,158 in outstanding principal amount of secured and unsecured promissory notes and approximately $2,453,733 in outstanding principal amount of capital leases and other obligations. The University is not prohibited from incurring additional general obligation debt. See "SECURITY FOR THE SERIES 2026 BONDS" and "ESTIMATED DEBT SERVICE REQUIREMENTS" herein.

Bank Debt Acceleration

The University has made certain covenants in connection with the promissory notes. An event of default under the related documents, including, but not limited to a covenant default, gives the lenders the right to accelerate the principal amount of the loans. The University has made certain financial covenants. See "APPENDIX A – THE CORPORATION OF MERCER UNIVERSITY – FINANCIAL AND RELATED INFORMATION – *Debt Covenant Calculations*."

Other Risk Factors

There are many diverse risks not within the University's control, which may have a substantial effect on the ability of the University to generate revenues sufficient to pay debt service on the Series 2026 Bonds. Such risks include possible adverse use of adjoining land, changes in administration or key personnel, fire, flood, tornado or other natural disaster, condemnations, changes in demand for such facilities, decline in the neighborhood and general economic conditions, and changing governmental regulations.

LEGAL MATTERS

General

The Series 2026 Bonds are offered subject to prior sale, when, as and if accepted by the Underwriter, and subject to an opinion as to the validity and tax exemption by Butler Snow LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Alston & Bird LLP, Atlanta, Georgia, for the University by its General Counsel, Matthew R. Hall, Esquire, Macon, Georgia, and for the Underwriter by Murray Barnes Finister LLP, Atlanta, Georgia.

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction. The rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

Pending Litigation

The Authority. To our actual knowledge, there is no litigation now pending, other than judicial validation proceedings related to the Series 2026 Bonds, or threatened, against the Authority for which service has been perfected and actual notice has been received by the Authority (i) seeking to restrain or enjoin the issuance or delivery of the Series 2026 Bonds, or (ii) questioning or affecting: the validity of the Series 2026 Bonds, the proceedings and authority under which the Series 2026 Bonds are being issued, or the powers of the Authority, including but not limited to its power to issue, sell or secure the Series 2026 Bonds in accordance with the provisions of the Indenture or its power to enter into the Loan Agreement.

The University. The University, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its operations. The University, after reviewing the current status of all pending and threatened litigation with its counsel believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the University or its officials in such capacity are adequately covered by insurance or that the ultimate resolution of these litigation matters will not have a material effect on the future operations or financial position of the University.

No litigation, investigations or proceedings are now pending or, to the University's knowledge, threatened against the University which would in any manner challenge or adversely affect the corporate existence or powers of the University to enter into and carry out the transactions described in or contemplated by, or the execution, delivery, validity or performance by the University of, the Loan Agreement, or the use of the proceeds of the Series 2026 Bonds or which questions or contests the validity of the Series 2026 Bonds or the proceedings and authority under which they are to be issued, or the status of the University as a tax-exempt organization. Neither the creation, organization, nor existence of the University, nor the title of the present members or other officials of the Board or the University to their respective offices, is being contested or questioned.

Tax Exemption

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions, and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2026 Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986 (the "***Tax Code***"), as amended, and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion described above assumes the accuracy of certain representations and compliance by the Authority and the University with covenants designed to satisfy the requirements of the Tax Code that must be met subsequent to the issuance of the Series 2026 Bonds. Failure to comply with such requirements could cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds. The Authority and the University will covenant to comply with such requirements.

The accrual or receipt of interest on the Series 2026 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2026 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2026 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Tax Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2026 Bonds.

Bond Counsel is also of the opinion that, under existing State of Georgia statutes, interest on the Series 2026 Bonds is exempt from the State of Georgia income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2026 Bonds under the laws of the State of Georgia or any other state or jurisdiction.

Original Issue Discount. The Series 2026 Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "***Discount Bonds***"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the "adjusted issue price" of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Premium. The Series 2026 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "***Premium Bonds***"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Series 2026 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2026 Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Tax Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this sub-heading "Tax Exemption" or adversely affect the market value of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2026 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2026 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2026 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2026 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2026 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2026 BONDS AS TO THE IMPACT OF THE TAX CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2026 BONDS.

Validation Proceedings

Prior to the issuance of the Series 2026 Bonds and in accordance with the procedures set forth in the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*), as amended, the Superior Court of Fulton County, Georgia will enter a final order validating and confirming the Series 2026 Bonds. Under Georgia law, the judgment of validation is final and conclusive with respect to the validity of the Series 2026 Bonds. Any judgment entered by the Superior Court of Fulton County in connection with the validation of the Series 2026 Bonds also adjudicates the validity of the Loan Agreement and the payments made thereunder as security for the payment of the Series 2026 Bonds. The final judgment of validation is a condition to the issuance of the Series 2026 Bonds and the Underwriter's obligation to purchase the Series 2026 Bonds.

Closing Certificates

The Authority and the University will deliver to the Underwriter a certificate that no litigation is pending or threatened against it which would have a material effect on the issuance or validity of the Series 2026 Bonds or its respective financial condition. In addition, the Authority and the University will represent to the Underwriter in the Bond Purchase Agreement (hereinafter defined) that the information contained in this Official Statement does not contain any misrepresentation of a material fact and does not omit or state any material fact necessary to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

MISCELLANEOUS

Ratings

Moody's ("***Moody's***") Investor Service has assigned the Series 2026 Bonds a rating of "A3 (Stable Outlook)" and S&P Global Ratings ("***S&P***") has assigned the Series 2026 Bonds a rating of "A- (Stable Outlook)". Both ratings and outlooks reflect only the views of Moody's and S&P, and an explanation of the significance of each rating may be obtained from Moody's and S&P, respectively. There is no assurance that such ratings or outlooks will remain unchanged for any given period of time or that the ratings and outlooks will not be revised downward or withdrawn entirely by Moody's or S&P, if, in the judgment of either rating agency, that circumstances so warrant. Any such downward revision of either rating or outlook or withdrawal of such ratings may have an adverse effect on the liquidity and market price of the Series 2026 Bonds. Neither the Authority nor the University has undertaken any responsibility to oppose any such revision, suspension or withdrawal.

Underwriting

The Series 2026 Bonds are being purchased for re-offering by the Underwriter pursuant to a Bond Purchase Agreement among Stifel, Nicolaus & Company, Incorporated (the "***Underwriter***"), the Authority and the University (the "***Bond Purchase Agreement***"). The Underwriter has agreed to purchase the Series 2026 Bonds at a purchase price of $________________ (which represents the par amount of the Series 2026 Bonds of $131,750,000* plus net original issue premium* in the amount of $________________, less an Underwriter's discount in the amount of $__________________________).

The Bond Purchase Agreement provides that the Underwriter is obligated to take and pay for all of the Series 2026 Bonds if any are purchased, subject to certain terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel and certain other conditions. In the Bond Purchase Agreement, the University has agreed to indemnify the Underwriter against certain civil liabilities, including certain liabilities under the federal securities laws to the extent permitted by applicable law.

The Underwriter intends to offer the Series 2026 Bonds to the public at the offering prices stated on the inside cover page hereof. After the initial public offering, the public offering price or prices may be varied from time to time by the Underwriter. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2026 Bonds to the public. The Underwriter may offer and sell Series 2026 Bonds to certain dealers (including dealers depositing Series 2026 Bonds into investment trusts) at prices lower than the public offering prices.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the University and to persons and entities with relationships with the University, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority or the University (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority or the University.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority or the University.

Independent Auditors

The consolidated financial statements of The Corporation of Mercer University as of June 30, 2025 and 2024, and for the years then ended, included in this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in their report appearing in APPENDIX B herein.

Additional Information

Use of the words "shall" or "will" in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds. The agreements of the Authority with the owners of the Series 2026 Bonds are fully set forth in the Indenture, and neither any advertisement of the Series 2026 Bonds nor this Official Statement are to be construed as constituting an agreement with the purchasers of the Series 2026 Bonds.

The cover page hereof and the appendices hereto are integral parts of this Official Statement and must be read together with all of the foregoing statements.

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CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Authority and the University; provided, however, that the Authority has consented to the distribution of this Official Statement only insofar as it relates to the Authority. The Authority neither has nor will assume responsibility as to the accuracy and completeness of the information in this Official Statement except that contained under the headings "THE AUTHORITY" and "LEGAL Matters – Pending Litigation – *The Authority*" and "– Validation Proceedings," and then only to the extent that such information relates to the Authority. The University has supplied and reviewed the information contained herein which relates to its property and operations and has approved all such information for use within this Official Statement.

PRIVATE COLLEGES AND UNIVERSITIES AUTHORITY

By:____
Chairman

THE CORPORATION OF MERCER UNIVERSITY

By:____
Senior Vice President for Administration and Finance

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APPENDIX A

THE CORPORATION OF MERCER UNIVERSITY

THE CORPORATION OF MERCER UNIVERSITY

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THE CORPORATION OF MERCER UNIVERSITY

The information relating to The Corporation of Mercer University (the "University," "Mercer University," or "Mercer") set forth below has been furnished by the University. No representation is made by the Authority or the Underwriter as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date thereof.

INTRODUCTION

The University is a private, non-profit institution of higher education which is recognized as a tax-exempt organization from the Internal Revenue Code of 1986, as amended (the "Code"). The University is composed of twelve co-educational schools and colleges located primarily in Macon, Savannah, Columbus, and Atlanta, Georgia, and enrolls approximately 8,945 students on a headcount basis as of Fall 2025.

The University was founded in Penfield, Georgia, in 1833 as a boys' preparatory school and was named for Jesse Mercer, a prominent Baptist leader who provided a founding endowment and served as the first chairman of the Board of Trustees. The University was endowed as a "collegiate institution" pursuant to an Act of the General Assembly of the State of Georgia in 1838. The University moved to its current campus in Macon, Georgia, in 1871. The University maintained an affiliation with the Georgia Baptist Convention from 1833 to 2006. The University ended its affiliation with the Georgia Baptist Convention due to certain philosophical differences effective January 1, 2006. The University still has ties to many Baptist churches, primarily through its James and Carolyn McAfee School of Theology, which is affiliated with the Cooperative Baptist Fellowship.

The University's College of Liberal Arts and Sciences, the Walter F. George School of Law, the School of Medicine, the Stetson-Hatcher School of Business, the Tift College of Education, the School of Engineering, the Townsend School of Music, along with programs of the College of Professional Advancement and the College of Health Professions, are located in Macon, Georgia.

The University's Cecil B. Day Graduate and Professional Campus in Atlanta houses the College of Nursing, College of Pharmacy, College of Health Professions, the James and Carolyn McAfee School of Theology, and graduate programs of the Stetson-Hatcher School of Business, School of Engineering, Tift College of Education, and College of Professional Advancement. The University also operates Regional Academic Centers in suburban Henry County, Georgia and Douglas County, Georgia, which primarily offer degree programs from the Stetson-Hatcher School of Business, Tift College of Education, and College of Professional Advancement. Savannah, Georgia is home to a campus of Mercer's four-year M.D. program in the School of Medicine. In 2012, the School of Medicine opened a clinical site in Columbus, Georgia for third- and fourth-year medical students which was expanded in 2021 to a full four-year campus of the medical school.

The College of Liberal Arts and Sciences is the oldest of the University's schools and remains the cornerstone of its educational program. The University established the School of Law in 1873, making it one of the oldest law schools in the country. The College of Pharmacy began as an independent college (the Southern School of Pharmacy) in 1903 and became a part of the University through a merger in 1959. The School of Medicine accepted its first students in 1982. The University established the Stetson-Hatcher School of Business in 1984 and the School of Engineering in 1985. The College of Professional Advancement was founded in the mid-1980s as the College of Continuing Education. The University founded the Tift College of Education in 1995 and the James and Carolyn McAfee School of Theology in 1996. The independent Georgia Baptist College of Nursing – the oldest nursing school in the state – merged with the University in January 2001. In 2006, the University organized the Townsend School of Music, and in 2013, the University organized the College of Health Professions.

MISSION

Mercer University's mission is to teach, to learn, to create, to discover, to inspire, to empower and to serve. In fulfilling this mission, the University supports undergraduate, graduate, and professional learning as well as basic research and its application in service to others.

MANAGEMENT

Board of Trustees. The University is governed by a Board of Trustees (the "Board") consisting of 45 regular members, each serving a five-year term, one-fifth of which are elected each year, plus four current Life Members who have voting privileges. In addition, the President of the University serves as an *ex officio* member. With the exception of Life Members, no member of the Board is eligible for re-election after the expiration of his or her term of service until she or he has been in retirement from the Board for at least one year. The Board has two regular meetings each year, one in the spring and one in the fall.

Conflict of Interest Policy. The Board has established a "Conflict of Interest Policy for Trustees, Officers and Key Employees." The purpose of the Conflict of Interest Policy is to prevent insider dealings and to serve as guidance among all persons employed or elected by the University in positions of significant responsibility. Under the policy, a member of the Board is considered to have a conflict if the Board member, or a family member, has existing or potential financial or other interests that impair or appear to impair the Board member's independent, unbiased judgment in the discharge of the Board member's responsibilities. All members of the Board must disclose conflicts or potential conflicts to the Board at the earliest practical time and abstain from voting on any matters relating to such conflicts or potential conflicts.

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Board Membership. The current membership of the Board is as follows:

[1] Life Members

Standing Committees. The Board has established nine standing committees. The Executive Committee possesses and exercises all powers of the Board in management and direction of the University during intervals between meetings of the Board. The Committee on Finance, Investment and Property is responsible for reviewing annual budgets, exercising oversight of investments of University funds, and reviewing plans, costs, and financing for new facilities and major renovations. The Audit Committee oversees both internal and external audit matters. The Committees on Educational Policy, Development, University Honors, University Athletics, University Marketing and Executive Compensation review matters in these areas of the University's operations and make recommendations to the Board with respect to them. The chairs of the Board committees are as follows:

Executive Committee	Mr. Thad Warren, III
Finance, Investment and Property	Ms. Liza Guy Chapman
Audit	Mr. David E. Linch
Educational Policy	Dr. Stanley Jones
Development	Mr. Eli Morgan
University Honors	Dr. Barbara Brown Taylor
University Athletics	Ms. Mary Diane Owens
University Marketing	Mr. Jerry Wilson
Executive Compensation	Ms. Cathy Callaway Adams

Administration. The President of the University is the chief executive officer of the University and is appointed by, and serves at the pleasure of, the Board. The positions of Secretary and Treasurer are voted upon by the Board following nominations by the President.

During fiscal year 2026, the University completed a planned leadership transition. Dr. Penny L. Elkins became the University's 19th President following the retirement of President William D. Underwood. Julie T. Davis was appointed Senior Vice President for Administration and Finance following the retirement of Dr. James S. Netherton, and Dr. Lisa Lundquist was appointed Provost. These transitions were part of the University's planned succession process.

The current principal officers of the University are the following:

Dr. Penny L. Elkins, Ph.D., *President.* President Elkins became the University's 19th President effective January 1, 2026. She is the first Mercer graduate to serve as president since Rufus Harris (1960-79) and the first Double Bear to serve since George Connell (1953-59). She also is the first female president in the University's nearly 200-year history. In October 2023, Dr. Elkins was appointed Executive Vice President, and in February 2025, also assumed leadership for the Provost's Office as Interim Provost. Previously, Dr. Elkins for 12 years served as Senior Vice President for Enrollment Management. During that period, she led the University in achieving record-breaking enrollment growth, including an 80% increase in freshman enrollment and 47% increase in the total residential undergraduate student population, which is reflective of both the size of the entering first-year class and the number of students retained through graduation. During the same period of time, Mercer enrolled its most academically qualified entering classes in the University's history. At Mercer, Dr. Elkins has led cross-functional and interdisciplinary initiatives, including the University's Center for Leadership, Ethics, and Service and the McDonald Center for the Advancement of Global Education. She holds the academic rank of Professor in Mercer's Tift College of Education, and in 2007, was appointed as the Fred L. Miles Endowed Chair of Educational Leadership. Prior to being named Senior Vice President for Enrollment Management in 2011, Dr. Elkins served as Senior Vice Provost for Strategic Initiatives, Vice President for the Atlanta Campus, and Associate Dean and Department Chair for both Teacher Education and Educational Leadership in the Tift College of Education. She led the creation of the Department of Educational Leadership and the first doctoral program in the College of Education, the Ph.D. in Educational Leadership and Higher Education Leadership. A lifelong educator, Dr. Elkins began her career as a third–grade teacher and elementary school administrator. President Elkins holds two degrees from Mercer, a bachelor's degree summa cum laude, with majors in Christianity and education, and a master's degree in education. She also holds an education specialist degree in education, administration and supervision from Georgia College and State University and a Ph.D. in educational leadership from Georgia State University.

Julie T. Davis, M.B.A., CPA, *Senior Vice President for Administration and Finance*. Ms. Davis has served as Senior Vice President for Administration and Finance at Mercer since July 1, 2025. She previously served for more than 20 years as Associate Vice President for Finance and Treasurer and Vice President for Finance and Treasurer, overseeing the University's external audits, accounts payable, bursar, grants and contracts, student loans, purchasing and the treasurer's office. In her current role, she is responsible for budget and analysis, human resources, payroll and benefits, physical plant, information technology, auxiliary services, the University Center, and Mercer Engineering Research Center. Ms. Davis joined the University in January 1996 as an auditor in the Internal Audit Department and served in various other financial roles at the University. During her tenure, she has been instrumental in the implementation of various financial accounting standards and implemented the University's first federally approved facilities and administrative rate. She has bachelor's and master's degrees in accounting from Georgia College and State University and is a Certified Public Accountant. Julie has served on the board of the Southern Association for College Business Officers (SACUBO) and is a frequent speaker at professional meetings for SACUBO and Financial Research Administrators (FRA). She has also been active in the Middle Georgia community as coach on various youth sports teams and a former board member of Junior League of Macon.

Lisa Murphey Lundquist, Ph.D., *Provost*. Dr. Lundquist, professor and founding dean of the College of Health Professions, is Mercer University's executive vice president for academic affairs and provost. She was appointed to the position on January 5, 2026. In this role, she leads the University's 12 schools and colleges, the Mercer Health Sciences Center, the Division of Student Life, University libraries, research, institutional effectiveness, international programs, registrar, academic and advising services, and Mercer University Press, among other units. Dr. Lundquist joined Mercer in 2006 and since that time, has served as a faculty member in the College of Pharmacy, assistant and associate dean of the College of Pharmacy, and senior vice provost for the University. She is the recipient of numerous awards, including the College of Pharmacy's Distinguished Educator Award in 2008 and Professor of the Year in 2011 from the Rho Chi chapter in the College of Pharmacy. Dr. Lundquist is a member of Phi Kappa Phi, Omicron Delta Kappa Society, Order of Omega, Phi Lambda Sigma Pharmacy Leadership Society, and Pi Alpha Physician Assistant Honor Society. She has authored or co-authored more than 90 scholarly articles and abstracts and has made numerous presentations at academic conferences. She also was named a Distinguished Fellow in the National Academies of Practice in 2025. Dr. Lundquist earned her Doctor of Pharmacy degree from Samford University, completed a postgraduate residency in primary care, and is a board-certified pharmacotherapy specialist. Prior to coming to Mercer, she served on the faculty at the University of Mississippi School of Pharmacy and practiced clinically in Alabama, Mississippi and Georgia.

Matthew R. Hall, J.D., *Senior Vice President, General Counsel and Secretary.* Matthew Hall was named Senior Vice President, General Counsel and Secretary to the Corporation on June 9, 2023. He previously served as Interim General Counsel since January 2022. Mr. Hall is a native of Blackshear, Georgia and earned his B.A. (1996) and J.D. (2000) from Mercer University. Mr. Hall joined the Office of General Counsel as Assistant General Counsel in 2019 and was promoted to Associate General Counsel in 2020. As the chief legal officer of the University, he is responsible for managing a broad spectrum of legal issues relating to the University's strategic direction and operations. Mr. Hall is in his second term at Mercer, having previously served as Associate Vice President of Development. He is active in the Middle Georgia community, having served as chairman of the board of The Salvation Army of Greater Macon, as a board member for the Central Georgia Autism Foundation and Court Appointed Special Advocates (CASA).

FACILITIES AND PROPERTIES

Macon. The University's registered office and main campus are located in Macon, Bibb County, Georgia. The City of Macon is located approximately 90 miles south of Atlanta, Georgia and has a population of approximately 150,000. Macon has served as the University's home since 1871, when the University moved from its original campus in Penfield, Georgia. The City of Macon is the educational, medical and commercial hub of central Georgia. The Macon campus consists of approximately 141 acres in the central part of Macon. The Walter F. George School of Law is located on six acres approximately one mile from the Macon campus. The University also owns and leases several office buildings in the central business district of Macon. The Macon campus consists of 122 buildings comprising nearly 2.41 million gross square feet of space. Recent enhancements to the campus include Phases I, II, III, V and VII of *The Lofts at Mercer Village* which opened in 2011, 2012, 2014, 2016, and 2019 respectively. These were constructed and are operated by a private developer on land leased from the University. The first floor of Lofts II contains *The Center for Collaborative Journalism*, funded by a $4.6 million grant from the John S. and James L. Knight Foundation. The Center has a joint newsroom shared by the *Macon Telegraph*, Georgia Public Broadcasting, and the University's Journalism and Media Studies Program. A portion of the first floor of Lofts V was purchased to provide office space for Advancement, Human Resources and Marketing. The University completed the Homer and Ruth Drake Field House in 2012 and the Five Star Stadium, home to football and men's and women's lacrosse, in 2013. The University also completed Cruz Plaza, a large gathering area in the center of campus, in 2013. Renovations of the historic Bell House as the new home for the McDuffie Center for Strings and a historic church as the Tattnall Square Center for the Arts, home to the University's Theatre Arts Program, were both completed in 2014. The University also completed Legacy Hall, an on-campus residence hall, and the Godsey Science Center in Fall of 2016 with proceeds from the Series 2015 Bonds. Other campus enhancements since 2015 have included an additional medical education space in Macon, a rural medicine innovation center, a new music studio for the music program, the Stembridge Center for Student Success, renovations to the Willet Science Center, expansion of physician assistant education space, the construction of the McEachern Art Center, a Civil Engineering Lab, an Intramural Complex, and a new pharmacy school facility located in Atlanta, Georgia. In fall 2024, Mercer University opened an elementary school for dyslexic students. The school uses the Orton-Gillingham approach for teaching dyslexic children how to read. Utilizing this approach, children are taught to read well enough to return to mainstream schools and thrive without additional assistance within three years. The University's maximum enrollment of the school is not to exceed 88 students. The University has a philanthropic pledge to support this initiative and will receive the final payment in August 2026. The gift funds provided funding for construction, equipping the building, and establishment of an endowment for ongoing support. The school runs an annual operating deficit, however, the established endowment and its annual returns fund the operating deficit. The tuition charged for the school is approximately a third of that charged by the two competing schools for children with dyslexia in Atlanta, GA. If necessary, capacity exists to raise tuition so that the school does not operate a deficit after endowment income and providing some scholarship assistance to needy families. The University is constructing a *New Medical School Facility* on Riverside Drive in downtown Macon. The approximately 250,000-square-foot medical school facility, expected to open in fall 2028, will replace the existing 1982 building and accommodate continued growth. The new medical school facility will include three- and five-story wings and a 600-space parking deck. The project will provide updated instructional, research and support spaces, as well as modern equipment and technology. The estimated cost of the project is approximately $92,600,000 and will be partially financed with the Series 2026 Bonds. The University is investing in a dynamic new *Student Center* on its historic Macon campus to further elevate campus life and strengthen a sense of belonging for current and future generations of students. The modern, reimagined gathering space, slated to open in August 2028, will replace Connell Student Center, which was demolished in July 2026. This new student center will house the University's primary dining hall, common areas, meeting spaces and student affairs offices. The estimated cost of the project is approximately $49,600,000 and will be partially financed with the Series 2026 Bonds.

Atlanta. The University also owns approximately 274 acres of property in DeKalb County, Georgia. This campus is home to the College of Pharmacy, the School of Theology, the College of Nursing, the

College of Health Professionals, Penfield College of Mercer University, the Business School, and the College of Education. The campus is near the intersection of Interstates 85 and 285, approximately two miles from a rapid transit station and approximately 15 miles northeast of downtown Atlanta. The Atlanta campus consists of 16 separate buildings comprising more than 623,707 gross square feet of space. In recent years, renovations have provided space for the Physician Assistant Program, the Doctor of Physical Therapy Program, and the Master of Public Health Programs. In addition, two buildings were constructed on this campus by the same housing developer as in Macon and opened in August 2021. The University purchased the first floor of one building for office space. In 2022, the University also constructed a new pharmacy school facility on campus.

Savannah. The University opened a campus in Savannah, Georgia in 2008. This campus is home to a four-year M.D. program of the School of Medicine. The School of Medicine is located on the campus of Memorial Health University Medical Center. In 2014, the University expanded the Hoskins Building to allow a fifty percent increase in the number of medical students on this campus.

Columbus. In 2012, the School of Medicine opened a clinical site in Columbus for third- and fourth-year medical students. In 2021, it was expanded to a full four-year campus of the medical school on its 80,352-square-foot campus.

Regional Centers. The University has regional academic centers in the western and southern suburbs of Atlanta (Henry County, Georgia and Douglas County, Georgia).

Other. The University operates four libraries and four extended education centers. The Jack Tarver Library is located on the Macon campus, and the Monroe F. Swilley Jr. Library serves the Atlanta campus. The Medical School and Law School also have substantial libraries. Each library houses thousands of books, research publications and other periodicals as well as having a modern computer and electronic databases. The University also operates the Grand Opera House in downtown Macon as a Performing Arts Center, as well as Mercer Music at Capricorn, a recording studio, museum and music incubator. The Grand Opera House is listed in the National Register of Historic Places. The University also operates the Mercer Engineering Research Center in Warner Robins. Finally, the University owns and operates student housing on the Macon and Atlanta campuses.

The University's new medical school building will be located in Macon, GA. While the University has six medical campuses, the Macon campus is the main or home campus. Since opening in 1982, the current medical school building has supported two four-year MD programs in Savannah and Columbus and two clinical campuses in Valdosta and Cartersville, Georgia. The School of Medicine will also open a new clinical campus in Carrollton, Georgia in Fall 2026 in partnership with Tanner Medical Center. The City of Carrollton invited the University to establish a new clinical campus within the city, and the community fully funded the clinic's construction, without the use of any University debt. The larger facility in Macon will serve the medical school's other degree programs which include PhD's in rural health and biomedical sciences. The medical school also offers Macon based Masters of Family Therapy, Masters of Preclinical Sciences, Ph.D. Biomedical Sciences, and Ph.D. in Rural Health Sciences.

The new building in Macon will serve as home base for multiple rural Mercer medical clinics, the faculty medical practice, the Georgia Rural Health Innovation Center, the NIH Center of Excellence in rural health, and the Mercer Center for Intellectual and Developmental Disabilities. The new facility and campus will offer increased vivarium space and clinical space and an advanced anatomy lab.

COLLEGES, SCHOOLS AND SPECIAL PROGRAMS

The University is a comprehensive university, offering numerous undergraduate, graduate and professional degrees. The University has consistently been ranked among the top ten regional colleges and universities in the South by *U.S. News and World Report*. In addition, *The Princeton Review* ranked the

University as one of the 'Best Colleges' nationwide for the 23rd consecutive year. The University's academic units include:

College of Liberal Arts and Sciences. The College of Liberal Arts and Sciences, founded in 1833, is the oldest of the University's schools. It offers a full array of baccalaureate programs and majors in over 30 areas of study in the humanities, fine arts, social sciences, and sciences on the main campus in Macon. In 2025, the largest majors in the College of Liberal Arts and Sciences were biology, psychology, neuroscience, biochemistry & molecular biology, and computer sciences.

Tift College of Education. The Tift College of Education (the "College of Education"), whose programs were previously part of the College of Liberal Arts and Sciences, was established as a separate school in 1995. The College offers undergraduate and graduate degrees through courses on the Macon and Atlanta campuses and at the Henry County and Douglas County Regional Academic Centers. The College of Education is the largest private preparer of teachers in the state.

Walter F. George School of Law. The Walter F. George School of Law (the "Law School") was established in 1873. In 1947, the University named the Law School after Walter F. George, a distinguished alumnus and United States Senator. The Law School offers the Juris Doctor (J.D.) degree. The Law School is one of five accredited law schools in the state. The Law School is located on a separate campus in the historic district of Macon. The Law School is the beneficiary of two substantial trusts established by donors, the Walter F. George School of Law Foundation and the George W. Woodruff Trust.

College of Pharmacy. The College of Pharmacy was founded in 1903 as an independent college and became a part of the University by a merger in 1959. The College of Pharmacy currently offers the Doctor of Pharmacy (Pharm.D.) degree as its sole professional degree. The College also awards the Doctor of Philosophy (Ph.D.) degree in pharmaceutical sciences, the highest graduate degree offered by the University. Clinical research programs, sponsored by the government and by pharmaceutical companies, are an important and increasing component of the College's mission.

School of Medicine. The School of Medicine admitted its first class of students in 1982. In addition to the Doctor of Medicine (M.D.) degree, the School offers master's degrees in biomedical sciences, preclinical sciences and family therapy and a post-master's certificate program in marriage and family therapy. The School of Medicine offers classes at its Macon, Savannah, and Columbus campuses. Its primary teaching hospitals are Atrium Navicent Health (formerly the Medical Center of Central Georgia) in Macon, Memorial University Medical Center in Savannah, and St. Francis Hospital and Piedmont Columbus Regional Hospital in Columbus. Since its inception, the School of Medicine has partnered with the State of Georgia to educate physicians to meet the health care needs of rural and other under-served areas of the state. The School of Medicine provides a problem-based medical education program that provides early patient care experiences. The School of Medicine is one of four medical schools in the state. The School of Medicine opened a clinical site in Columbus for third- and fourth-year students in 2012. In 2021, it expanded to a full four-year campus of the medical school. The University's Series 2021 Bonds contributed to the construction of the new medical school facility on the Columbus campus. The medical building provides classrooms, laboratories and office space in support of the programs in Mercer's School of Medicine.

The State of Georgia (the "State") provides the University with an annual operating grant, as well as capitation funds based on the number of Georgia residents enrolled in the School of Medicine. Together, these state funds amounted to $35.92 million for fiscal year 2025, or approximately 37.7% of the School of Medicine's total budget. The following chart shows the amount of funds received from the State for the School of Medicine for the last six fiscal years and approved legislation for the current fiscal year:

Fiscal Year	Amount of State Contribution
2027	$35,925,685
2026	35,988,118
2025	35,922,914
2024	33,250,641
2023	33,021,462
2022	31,544,111
2021	26,217,420

As a matter of policy and in keeping with its mission, the School of Medicine enrolls only Georgia students as candidates for the Doctor of Medicine degree. The School of Medicine had a total of 813 students for fall 2025 across its various degree programs. In total, there were 679 M.D. students; 220 in Macon, 223 in Savannah, 206 in Columbus, and 30 in Valdosta.

The Doctor of Medicine degree is a four-year program. The master's degrees in Marriage and Family Therapy, Biomedical Sciences or Pre-Clinical Sciences are one and two-year programs. The Ph.D. in Rural Health is a three-year program. In conjunction with Atrium Health Navicent, Piedmont Macon Medical Center, South Georgia Medical Center Valdosta, St. Francis Hospital Columbus, and HCA Memorial University Medical Center, the School of Medicine sponsors graduate medical education programs (residency training) in family practice, internal medicine, pediatrics, radiology, psychiatry, emergency medicine, obstetrics and gynecology, and general surgery, as well as continuing medical education for practicing physicians. Research programs sponsored by governmental and private agencies, as well as with School of Medicine and hospital resources, are conducted in the basic and clinical sciences, population health, health equity and disparities, sustainable models of rural healthcare delivery, and medical education methodology.

Stetson-Hatcher School of Business. The Stetson-Hatcher School of Business (the "Business School") was established as a separate school in 1984, and in 2019 was named after Eugene W. Stetson, a distinguished alumnus of the University, and his grandson, Robert F. Hatcher, a Mercer Life Trustee and Macon businessman. The Business School offers the Bachelor of Business Administration (B.B.A.), the Master of Business Administration (M.B.A.), the Executive Master of Business Administration (E.M.B.A.), Master of Accountancy and Master of Science in Business Analytics degrees. The undergraduate programs of the Business School are concentrated in Macon. The Business School's programs at the Atlanta Graduate and Professional Center are primarily at the graduate level, are held in the evenings and on weekends and are focused on the needs of working adult students and international students.

The School of Engineering. The School of Engineering opened in the fall of 1985. Its undergraduate programs are located on the Macon campus, and its graduate programs are offered on the Atlanta campus and at Robins Air Force Base, in Warner Robins, Georgia. The School of Engineering offers Bachelor of Science (B.S.), Bachelor of Science in Engineering (B.S.E.), Master of Science (M.S.) and Master of Science in Engineering (M.S.E.) degrees. The School of Engineering has established a number of articulation agreements with colleges throughout the Southeast that have pre-engineering programs. In addition, the School of Engineering has an active program in high schools to increase student interest in engineering.

Mercer Engineering Research Center. The Mercer Engineering Research Center (MERC), a research institute of The Corporation of Mercer University, was established in 1987 and is the applied research arm of the University. In a 113,000 square foot facility located in Warner Robins, Georgia, MERC provides engineering, scientific services, and specialized technical skills to primarily support the U.S. Department of Defense and the defense industrial base, both nationally and internationally. Today, with over 230 engineers, scientists, and business analysts, MERC also provides support to commercial entities. MERC currently has a $213,720,524 million Indefinite Delivery Indefinite Quantity (IDIQ) contract vehicle with Robins Air Force Base and is on several Multiple Award Contract enterprise-wide contract vehicles with the Department of Defense and the General Services Administration. MERC is a CMMI Level 3 approved entity and MERC's cybersecurity certification is in process.

James and Carolyn McAfee School of Theology. The James and Carolyn McAfee School of Theology (the "School of Theology") is located on the Atlanta campus and opened in August 1996. The School of Theology offers the Master of Divinity (M.Div.) degree and graduated its first class in the spring of 1999. The School of Theology is affiliated with the Cooperative Baptist Fellowship but its curriculum is not directed by the Georgia Baptist Convention. The Cooperative Baptist Fellowship provides funding for operational costs, scholarships and collaborative projects.

Georgia Baptist College of Nursing. The Georgia Baptist College of Nursing (the "Nursing School") in Atlanta, founded in 1902, merged with the University in 2001. The Nursing School offers the Bachelor of Science in Nursing (B.S.N.), Master of Science in Nursing (M.S.N.), Doctor of Nursing Practice (D.N.P.), and Doctor of Philosophy (Ph.D.) degrees. The Nursing School is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools and received full approval from the Georgia Board of Nursing in 1994. The Full National League for Nursing awarded accreditation to the Nursing School in 1995, retroactive to November 1993.

College of Professional Advancement. The College of Professional Advancement dates back to the mid-1980s when it was known as the College of Continuing Education. In 2003, it assumed responsibility for the programs of the Division of Extended Education and programs previously offered by the College of Education that are unrelated to teacher education. The College of Professional Advancement is devoted to serving the educational needs of working adults, has added a number of programs over its history. Instruction is offered on the Macon and Atlanta campuses and at the Regional Academic Centers in Henry County and Douglas County, as well as online. Its degrees span the baccalaureate to the Ph.D. levels.

Townsend School of Music. The Townsend School of Music (the "Music School") in Macon, founded in 2006, developed from the Department of Music in the College of Liberal Arts. In addition to its undergraduate degrees, the Music School offers graduate music programs through the Townsend-McAfee Institute for Graduate Church Music Studies. The Music School is also home to the Robert McDuffie Center for Strings and the Robert McDuffie and Friends Labor Day Festival for Strings, which gives exceptionally talented high school string musicians the opportunity to study with some of the nation's master concert artists.

College of Health Professions. The College of Health Professions became operational on July 1, 2013. The College of Health Professions is part of the Mercer Health Sciences Center and is composed of five disciplines: physical therapy, physician assistant studies, public health, clinical psychology, and athletic training. The College offers Doctor of Physical Therapy (D.P.T.) and Doctor of Psychology (Psy.D.) degrees and master's degrees in physician assistant studies (M.M.Sc.), public health (M.P.H.) and athletic training (M.A.T.). In addition, the College offers post-professional residencies and fellowships. The College of Health Professions allows for the addition of future health sciences programs as well as the expansion of existing programs on multiple University campuses.

Mercer University Press. Mercer University Press was established in 1979 and has published more than 1,600 books. Mercer University Press publishes 35-40 titles, not including reprints, every year. It is a scholarly press publishing works of academic interest, primarily in areas of Southern history and culture, philosophy, and religion. Like most academic presses, it cannot sustain itself entirely from sales of its books and requires additional funding from gifts or general University sources.

ACCREDITATION

As a comprehensive institution, the University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACSCOC), the regional accrediting body for the

Southeastern United States. The University received its latest reaffirmation of accreditation review from SACSCOC in 2015. The University completed the reaffirmation process in February and March of 2026. The SACSCOC onsite visit ended with no findings from the peer review committee. The Schools of Law, Pharmacy, Medicine, Engineering, and Theology, and the Colleges of Nursing, Education and Health Professions each hold full accreditation from their respective professional accrediting bodies.

FACULTY AND STAFF

General. Mercer University employs over 1,900 full-time and part-time employees. The University is an equal opportunity and affirmative action employer. The number of part-time, full-time, and tenured faculty for the past five academic years is shown in the following table.

Faculty and Staff[1]

	2021	2022	2023	2024	2025
Full-time faculty:					
Tenured	186	181	191	214	226
Tenure-track	100	109	93	137	125
Temporarily not eligible for tenure or tenure not applicable to College/School	112	111	120	231	240
Subtotal	398	401	404	582	591
Part-time faculty	381	374	374	226	239
Full-time faculty with advanced degrees	373	376	396	550	559
Part-time faculty with advanced degrees	228	226	216	131	155
Total faculty with advanced degrees	601	602	612	681	714
Faculty with administrative roles	49	47	43	58	61
Total non-faculty employees	899	866	891	892	912
Full-time	853	813	868	841	883
Part-time	46	53	23	51	29

[1]Numbers are based on instructional faculty following the Common Data Set methodology. The School of Medicine is excluded.

Employee Benefits. The University has a defined contribution retirement plan for all regular full-time employees, under which it contributes a percentage (based upon the employee's length of service) of the employee's regular monthly compensation to annuity contracts issued by Teachers Insurance Annuity Association of America and the College Retirement Equities Fund. An employee is eligible for University contributions to the retirement plan after two years of service. For more information concerning post-retirement health benefits, see Note 16 in "APPENDIX B – Audited Consolidated Financial Statements of the University."

The University offers other benefits to University employees including cancer insurance, dental insurance, dependent care assistance, medical care expense reimbursement, disability insurance, life insurance and medical insurance. Additionally, employees may attend classes without charge and children of employees may enroll at the University without charge.

Current Labor Issues. No employees of the University are represented by labor organizations or are covered by collective bargaining agreements, and the University is not aware of any union organizing efforts at the present time. The University believes that its employee relations are good.

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STUDENTS

Enrollment. Mercer University's fall student enrollment for the past five academic years is shown below.

Fall Student Headcount Enrollment(1)

	2021	2022	2023	2024	2025
Undergraduate	5,010	4,918	4,849	4,724	4,727
Graduate/Professional	4,135	4,081	4,390	4,591	4,305
College of Liberal Arts	1,941	1,868	1,902	1,833	1,836
School of Business	1,416	1,344	1,505	1,477	1,370
Tift College of Education	795	905	1,110	1,197	951
School of Engineering	730	696	703	684	679
College of Professional Advancement	1,412	1,340	1,222	1,300	1,337
School of Music	80	74	72	90	95
College of Nursing	457	415	358	321	348
School of Law	369	380	399	423	425
School of Medicine	652	694	708	784	813
College of Pharmacy	493	439	388	335	297
College of Health Professions	605	687	707	720	714
School of Theology	144	152	148	136	136
Unduplicated Total	9,033	8,926	9,164	9,232	8,945

In addition to the information provided above, Mercer University's fall student enrollment for the past five academic years is shown below, broken out by location.

Fall Student Headcount Enrollment(1)

	2021	2022	2023	2024	2025
Macon Undergraduate	3,452	3,397	3,441	3,328	3,348
Macon Graduate/Professional	878	913	1,022	1,163	1,052
Atlanta Undergraduate	586	555	492	475	420
Atlanta Graduate/Professional	2,244	2,148	2,166	2,087	1,782
Savannah Graduate/Professional	219	225	233	227	229
Columbus Graduate/Professional	69	108	137	172	209
Valdosta Graduate/Professional				33	30
Regional Centers Undergraduate	361	329	362	315	202
Regional Centers Graduate/Professional	95	70	64	76	48
Online Undergraduate	553	599	532	606	757
Online Graduate/Professional	576	582	715	846	961
Unduplicated Total	9,033	8,926	9,164	9,232	8,945

(1) When disaggregated by college and level, headcounts may be duplicated as students who are dually enrolled in more than one academic program are counted in each enrolled college by level. Therefore, the sum of students by college may be greater than the overall total.

Mercer University Fall student full time enrollment ("FTE") for the past five academic years is shown below.

Fall Student Full Time Equivalent Enrollment

	2021	2022	2023	2024	2025
Undergraduate FTE	4,635	4,540	4,644	4,826	4,661
Graduate/Professional FTE	3,609	3,605	3,967	4,312	3,955
Total FTE	8,244	8,145	8,611	9,138	8,616

Applications. The University has consistently received freshman applications exceeding the number of students it can accept and thus correlates enrollment with other planning decisions. The University also enrolls numerous transfer students who have started their academic careers at other institutions. Undergraduate, transfer, and professional applications, acceptances, and matriculations for the University are set forth below for the current as well as the previous four academic years.

The University has a diversity of graduate programs sponsored by the Schools of Business, Education, Engineering, Medicine, and Pharmacy. Admissions are program-specific, but are, for the most part, "open enrollment" for students meeting program qualifications. Some of these graduate programs establish tuition rates at levels that are intended to control demand.

The University's methodology for counting applications for admission is consistent with the "applicant" definition used by the Integrated Postsecondary Education Data System (IPEDS). The IPEDS instructions read: "Applicants should include only those students who fulfilled all requirements for consideration for admission and who have been notified of one of the following actions: admission, non-admission, placement on a wait list, or application withdrawn (by applicant or institution)."

Set forth below is certain application data for the past five academic years. Where applicable, data specific to the traditional undergraduate program on the Macon campus is denoted as such.

Application Data

First Year Undergraduates[(1)]

Fall Semester	Applications Received	Accepted	Ratio of Acceptances to Applications	Enrolled	Ratio of Enrollments to Acceptances
2021	7,205	5,434	75.4%	950	17.5%
2022	7,556	5,643	74.7%	899	15.9%
2023	11,135	7,348	66.0%	1,015	13.8%
2024	9,745	6,706	68.8%	823	12.3%
2025	10,839	6,971	64.3%	1,016	14.6%

(1) Traditional Macon campus program.

Transfer[1]

Fall Semester	Applications Received	Accepted	Ratio of Acceptances to Applications	Enrolled	Ratio of Enrollments to Acceptances
2021	230	206	89.6%	90	43.7%
2022	263	238	90.5%	90	37.8%
2023	358	237	66.2%	103	43.5%
2024	284	235	82.7%	99	42.1%
2025	297	243	81.8%	110	45.3%

(1) Traditional Macon campus program.

Law

Fall Semester	Applications Received	Accepted	Ratio of Acceptances to Applications	Enrolled	Ratio of Enrollments to Acceptances
2021	1,058	371	35.1%	119	32.1%
2022	973	439	45.1%	151	34.4%
2023	930	428	46.0%	148	34.6%
2024	1,087	463	42.6%	137	29.6%
2025	1,193	446	37.4%	156	35.0%

Medicine – MD Program

Fall Semester	Applications Received	Accepted	Ratio of Acceptances to Applications	Enrolled	Ratio of Enrollments to Acceptances
2021	1,515	180	11.9%	151	83.9%
2022	1,410	189	13.4%	161	85.2%
2023	1,351	170	12.6%	154	90.6%
2024	1,211	226	18.7%	174	77.0%
2025	1,246	222	17.8%	176	79.3%

Pharmacy – Doctor of Pharmacy

Fall Semester	Applications Received	Accepted	Ratio of Acceptances to Applications	Enrolled	Ratio of Enrollments to Acceptances
2021	336	203	60.4%	98	48.3%
2022	239	148	61.9%	54	36.5%
2023	217	140	64.5%	50	35.7%
2024	230	152	66.1%	54	35.5%
2025	262	151	57.6%	63	41.7%

Theology – Master's Program

Fall Semester	Applications Received	Accepted	Ratio of Acceptances to Applications	Enrolled	Ratio of Enrollments to Acceptances
2021	77	53	68.8%	46	86.8%
2022	39	33	84.6%	26	78.8%
2023	44	44	100.0%	33	75.0%
2024	39	30	76.9%	25	83.3%
2025	36	35	97.2%	19	54.3%

SAT Scores and GPAs. Mean Educational Testing Service Scholastic Aptitude Test (SAT) scores for the traditional Macon campus entering freshman class for the past five academic years are set forth below.

SAT Scores – Traditional Macon Campus First Year Undergraduate Students

Fall Semester	The University	National Average[1]	% of National Average
2021	1306	1060	123.2%
2022	1281	1051	121.9%
2023	1267	1028	123.2%
2024	1256	1024	122.7%
2025	1247	1029	121.2%

(1) Source: College Board.

Composition and Retention. The composition of the undergraduate, degree-seeking, population (headcount) on all Mercer campuses for the past five academic years is set forth below.

Composition

	2021	2022	2023	2024	2025
Freshmen	1,074	1,061	1,141	1,137	1,272
Sophomores	991	984	1,010	1,073	989
Juniors	1,279	1,237	1,183	1,163	1,220
Seniors	1,425	1,337	1,369	1,351	1,246
	4,769	4,619	4,703	4,724	4,727

The University maintains an active student retention program designed to assist the student body in adjusting to life at the University. Although the University believes its efforts are generally successful, students do decide to leave the University for a variety of reasons.

For the past five academic years, the University's one year student retention rates for all full-time, first-time bachelor's (or equivalent) degree-seeking students, on all Mercer campuses, were as follows:

Retention

Period	One Year Retention Rate
Entering Fall 2020, Returning Fall 2021	86.0%
Entering Fall 2021, Returning Fall 2022	85.5%
Entering Fall 2022, Returning Fall 2023	82.4%
Entering Fall 2023, Returning Fall 2024	82.0%
Entering Fall 2024, Returning Fall 2025	83.0%

Geographic Distribution. In the Macon undergraduate programs, 88% of the students come from Georgia, 6% come from other U.S. southeastern states, and the remaining 6% come from outside the Southeast (domestic and international students). In the School of Law, 80% of the students are from Georgia. In the School of Pharmacy, 89% of the students are from Georgia. The School of Medicine restricts enrollment to Georgia residents. The University's graduate, Atlanta, and undergraduate Extended Education programs serve Georgia residents, although approximately 11% of graduate students and 8% of undergraduate students enrolled in the School of Business are international.

Tuition. The following table shows regular tuition rates for the previous four academic years (fall semester of the listed year to spring semester of the following year) and the current academic year (assuming a full course load for those schools where tuition is on an hourly rate). A full course load for an undergraduate student assumes 12 credit hours a semester:

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	Tuition				
	2021	2022	2023	2024	2025
Undergraduate					
Macon	$38,446	$39,408	$40,590	$42,012	$43,270
Atlanta/Centers	$497/hour	$510/hour	$525/hour	$549/hour	$561/hour
Graduate					
Graduate MBA	$805/hour	$826/hour	$851/hour	$885/hour	$912/hour
MAcc	$805/hour	$826/hour	$851/hour	$885/hour	$912/hour
Master's Engineering	$950/hour	$970/hour	$999/hour	$1039/hour	$1070/hour
Music	$770/hour	$790/hour	$790/hour	$790/hour	$820/hour
Master's CoPA	$615/hour	$631/hour	$650/hour	$676/hour	$753/hour
Master's Education	$630/hour	$646/hour	$665/hour	$692/hour	$710/hour
Education Specialist	$655/hour	$672/hour	$692/hour	$720/hour	$740/hour
PhD (Education/CoPA)	$765/hour	$785/hour	$809/hour	$842/hour	$867/hour
School of Law					
JD	$41,168	$41,992	$42,832	$43,688	$44,782
Pharmacy	$39,109	$40,087	$41,290	$41,290	$41,290
School of Medicine					
MD	$42,286	$43,556	$43,556	$44,864	$44,864
Master's					
Master's MFT	$960/hour	$998/hour	$998/hour	$1028/hour	$1028/hour
Master's Biomedical Science	$762/hour	$792/hour	$792/hour	$816/hour	$816/hour
PhD Rural Health			$1035/hour	$1066/hour	$1066/hour
College of Health Professions					
MPH/DrPH	$1009/hour	$1009/hour	$1009/hour	$1019/hour	$1029/hour
Physician Assistant	$24,982	$25,982	$26,500	$29,298	$27,844
DPT	$21,754	$22,190	$22,412	$22,636	$23,316
PhD/PsyD	$1058/hour	$1079/hour	$1100/hour	$1123/hour	$1145/hour
Theology					
MA/Master of Divinity	$495/hour	$515/hour	$525/hour	$525/hour	$545/hour
Doctor of Ministry	$475/hour	$500/hour	$500/hour	$500/hour	$524/hour
Nursing					
Undergraduate	$24,825	$25,570	$25,570	$25,570	$27,259
RN to BSN	$361/hour	$361/hour	$361/hour	$361/hour	$361/hour
Master's	$20,252	$20,860	$20,860	$20,860	$20,860
DNP	$14,400	$14,832	$14,832	$15,426	$15,426
PhD	$22,022	$22,022	$22,022	$22,022	$22,022

(1) A blank indicates that the program was not offered that year.

Financial Aid. The University offers comprehensive guidance resources for need-based financial aid, merit-based scholarships, and other financing strategies. The University estimates that approximately 94% of undergraduate students and 76% of graduate students attending the University receive financial aid from one or more sources. The University offers grants, scholarships, student and parent loans, federal work study programs and tuition discounts to undergraduate students.

Federal scholarships and grants (Pell Grant and Supplemental Educational Opportunity Grant) totaling $12,383,046 were awarded to students at the University in the current academic year. In addition, scholarships and fellowships from University funds (restricted and unrestricted) were awarded in the amount of $112,237,766. The University awarded over $1,982,740 in loans in the last academic year (from federal funds such as Nursing Faculty, Nursing Student, and Health Professions Student Loan Programs), and the discount rate for tuition for first-time undergraduate students was 63%.

The State makes Tuition Equalization Grants ("TEG") to Georgia residents who are full-time undergraduate students at private accredited colleges and universities in the state. The grants are made to eligible students each academic year, in an amount specified in appropriations acts of the General Assembly. For the current academic year, the amount of this grant was $1,100 per student per year, and the University received $3,634,592 from the TEG program for fiscal year 2025.

The following table summarizes the sources of financial aid available to students at the University in the past five academic years. No assurance can be given that the level of assistance in the past will continue.

Total Financial Aid

	2021	2022	2023	2024	2025
Donor	$3,866,836	$3,865,206	$4,962,743	$6,034,381	$5,283,054
Institutional/Discount	85,661,117	89,004,242	88,441,734	93,348,757	97,687,670
Federal Direct Loans	123,540,306	122,704,982	127,439,264	127,420,536	131,048,740
Pell	8,312,639	8,630,012	9,213,833	10,048,486	12,356,188
SEOG, Federal Work Study, & Other Federal Aid	5,332,104	9,971,414	3,745,875	5,154,229	5,116,726
Georgia TEG	2,923,940	2,936,520	3,031,199	3,395,560	3,614,603
Total	$229,636,942	$237,112,376	$236,834,648	$245,401,949	$255,106,981

The median grant per student (i.e., median scholarship/grant per student for all students receiving grants/scholarships) was $24,052 for the fiscal year ended June 30, 2025. The default rate on federal Perkins student loans for University students for the fiscal year ended June 30, 2025 was 6.06%.

Housing. The University offers 2,071 beds on the Macon campus, of which 1,432 are residence hall beds, 489 are apartment beds, and 150 are fraternity/sorority beds. Mercer also offers 179 apartment beds on the Atlanta campus. The University requires freshmen, sophomores and juniors that attend the Macon campus to live on campus. Occupancy rates for the Macon campus and the Atlanta campus for the last academic year were 96% and 55%, respectively. All University housing is furnished, and a majority of University housing has private bedrooms and bathrooms.

On-campus room and board charges vary according to housing and meal plan selections. The following table shows the costs incurred by undergraduate students in Macon during a nine-month academic year for on-campus room and board for the last five academic years and for the upcoming academic year.

	2021	2022	2023	2024	2025	2026
Room (Low)	$2,875	$2,950	$3,040	$3,140	$3,240	$3,360
Room (High)	4,250	4,360	4,500	4,580	4,870	5,070
Board[(1)]	6,858	7,118	7,376	7,744	7,758	7,866

(1) Represents the "unlimited plus" meal plan on the Macon campus. The University also offers lower-priced plans.

In Atlanta, semester housing varies from $4,220 to $5,960 per semester. Four meal plans are offered each semester: a block of 25 meals for $274, a block of 25 meals for $370, a block of 75 meals for $845, and a block of 75 meals for $895.

Athletics. The University is a member of the National College Athletic Association (NCAA) and the Southern Conference. The University offers 18 intercollegiate teams including men's football, basketball, baseball, golf, tennis, lacrosse, cross-country, and soccer. The University began competing in college football in the fall of 2013, ending a 70-year hiatus for the sport at the University. Women compete in basketball, beach volleyball, cross-country, golf, soccer, lacrosse, softball, tennis, track and field, and volleyball. The University offers intramural sports and other recreation to all students.

The University offers modern facilities for its sports programs. In 2003, the University renovated Claude Smith Field, the home of the University's baseball team. In 2005, the University opened the University Center, which houses a 3,200 seat arena which is home to men's and women's basketball and women's volleyball. The University Center also houses the offices of the University's athletic department, an indoor pool, work-out facilities, a food court and numerous other facilities. In 2006, the University completely rebuilt Sikes Field, the home of women's softball. In 2011, the University constructed a 6,000 seat football stadium. As part of the construction of the football stadium complex, the University constructed the Homer and Ruth Drake Field House which includes a sports medicine clinic, physical therapy services and facilities, meeting rooms, offices and training and locker rooms.

In the 2025-2026 academic year, Mercer placed 373 student-athletes on the Southern Conference academic honor roll, the most in the conference, and the grade point average for all student athletes was 3.546.

Student Life. The University offers over 140 undergraduate student organizations including academic, pre-professional, religious, special interest and social organizations. The University offers 17 Greek organizations, a campus newspaper, a closed circuit student operated television studio and a student operated internet radio station.

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Competing Institutions. The University believes the following colleges and universities are its main competitors for students. Tuition and fees shown are for in-state students for academic year 2026-2027.

Undergraduate

Name	Location	Tuition & Fees
Public Universities		
Georgia Institute of Technology	Atlanta, Georgia	$12,134
University of Georgia	Athens, Georgia	11,628
Private Universities		
Emory University	Atlanta, Georgia	71,448
Furman University	Greenville, South Carolina	63,288
Wofford College	Spartanburg, South Carolina	60,580
Elon University	Elon, North Carolina	51,368
Mercer University	**Macon, Georgia**	**45,284**
Samford University	Samford, Alabama	43,790

Graduate and Professional

Name	Location	Tuition	Fees
University of Georgia			
Law	Athens, Georgia	$18,240	$1,494
Business	Athens, Georgia	14,064	1,494
Medical College of Georgia (Augusta University)	Augusta, Georgia	15,024	1,013
Georgia Institute of Technology			
Business	Atlanta, Georgia	30,246	1,496
Emory University			
Law	Atlanta, Georgia	71,940	952
Business	Atlanta, Georgia	79,900	4,904
Medicine	Atlanta, Georgia	62,000	1,542

(1) Data was sourced from each individual College or University website

(2) Please view the cost for Mercer University's Graduate and Professional programs detailed on A-19. Some of the University's Graduate and Professional programs do not have minimum credit hour requirements, so a direct competitor comparison would not be relevant.

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FINANCIAL AND RELATED INFORMATION

Summary Financial Information. Set forth below is a summary of the University's Consolidated Statements of Activities for the last five fiscal years.

Consolidated Statements of Activities

	2021	2022	2023	2024	2025
Change in net assets without donor restrictions:					
Operating revenue and other support:					
Undergraduate tuition and fees	$155,493,421	$161,790,226	$163,141,677	$164,644,983	$168,765,759
Graduate tuition and fees	98,014,259	100,015,324	103,175,809	110,060,000	112,295,519
Institutional aid	(85,661,117)	(89,004,242)	(88,441,734)	(93,348,757)	(97,687,670)
Scholarships	(9,198,940)	(13,836,620)	(8,708,618)	(11,188,610)	(10,399,780)
Net tuition and fees	$158,647,623	$158,964,688	$169,167,134	$170,167,616	$172,973,828
Government contracts	90,236,347	79,594,972	78,195,151	81,093,777	94,136,174
Private gifts and contracts	6,850,408	6,525,566	6,254,107	5,488,172	6,684,610
Sales and services of auxiliary enterprises	48,769,960	53,466,899	56,602,575	59,737,123	59,614,974
Investment income, net	6,586,967	8,216,463	7,425,656	4,404,974	4,404,954
Other revenue	1,806,846	1,302,041	313,716	2,264,989	2,376,027
Net assets released from restrictions	16,866,301	15,810,194	13,497,931	20,936,142	14,620,251
Total operating revenue and other support	$329,764,452	$323,880,823	$331,456,270	$344,092,793	$354,810,818
Operating expenses:					
Instruction	$108,651,199	$115,949,238	$120,637,888	$127,187,476	$129,946,027
Research	45,215,907	44,826,927	41,425,064	44,331,263	45,721,288
Public service	2,345,817	2,537,164	2,869,754	4,573,637	4,307,226
Academic support	28,369,014	30,356,443	31,457,222	34,848,107	37,549,897
Student services	27,300,610	30,045,304	30,746,765	31,825,212	32,718,846
Institutional support	23,480,195	23,313,304	21,014,589	20,688,861	20,211,559
Auxiliary enterprises	63,299,628	68,413,360	73,175,105	80,077,989	80,003,664
Total operating expenses	$298,662,370	$315,441,740	$321,326,387	$343,532,545	$350,458,507
Change in Net Assets From Operating Activities	$31,102,082	$8,439,083	$10,129,883	$560,248	$4,352,311
Nonoperating revenue (expenses):					
Net realized gains (losses) on investments	$6,107,616	$7,764,178	$2,915,737	-	-
Net realized and unrealized gains (losses) on investments	28,526,467	(4,057,179)	14,244,648	12,418,798	13,931,971
Postretirement benefit income	48,970	-	-	-	-
Change in fair value of interest rate swaps, net	955,780	1,586,613	483,215	(55,369)	(38,000)
Loan administration and other expenses	(2,118,204)	(2,427,377)	(1,914,859)	(2,327,066)	(1,624,286)
Amortization of bond premium/discount and issuance costs	175,742	111,910	1,216,633	387,410	565,270
Loss on disposal of fixed assets	(7,164)	(80,956)	(472,019)	(14,902)	(42,635)
Other	(145,630)	130,620	258,413	(79,468)	58,726
Change in Net Assets From Nonoperating Activities	$33,543,577	$3,027,809	$16,731,768	$10,329,403	$12,851,046
Change in net assets without donor restrictions	$64,645,659	$11,466,892	$26,861,651	$10,889,651	$17,203,357
Change in net assets with donor restrictions	$84,958,875	($32,206,528)	$26,672,599	$45,220,874	$51,766,461
Net Assets at Beginning of Year	$479,526,997	$629,131,531	$608,391,895	$661,926,145	$718,036,670
Net Assets at End of Year	$629,131,531	$608,391,895	$661,926,145	$718,036,670	$787,006,488

Set forth below is a summary of the University's Consolidated Statements of Financial Position for the last five fiscal years.

Consolidated Statements of Financial Position

	2021	2022	2023	2024	2025
Assets:					
Cash and cash equivalents	$51,402,212	$57,020,104	$68,245,364	$49,523,221	$92,141,025
Restricted cash	608,135	930,760	-	-	-
Bond project fund	-	4,749,461	11,804,959	1,988,987	-
Accrued interest receivable	1,085,930	1,030,953	1,186,673	1,291,742	1,292,251
Accounts receivable	14,506,083	14,169,639	15,850,417	21,036,463	17,141,720
Inventories	848,869	767,987	777,068	776,884	780,464
Contributions receivable, net	2,037,552	1,913,898	1,856,753	1,480,461	1,278,923
Student loans receivable, net	9,418,740	9,055,640	8,196,220	8,251,484	8,955,261
Due from related entity, net	175,423	473,227	409,875	339,304	266,149
Notes receivable from related entities, net	3,804,585	3,798,394	3,792,239	3,778,506	3,238,250
Note receivable	12,250,000	12,250,000	12,250,000	12,250,000	-
Investments	387,824,514	369,346,583	406,187,637	404,073,246	439,956,501
Remainder interest trusts	6,874,392	6,213,228	6,033,520	6,213,347	6,366,412
Beneficial interests in perpetual trusts	87,177,911	73,502,381	75,353,423	80,715,989	85,455,950
Other assets	7,212,013	9,673,009	9,765,735	10,226,335	10,736,180
Property and equipment, net	390,244,208	404,923,926	426,607,170	436,604,380	435,002,867
Total assets	$975,470,567	$969,819,190	$1,048,317,053	$1,038,550,349	$1,102,611,953
Liabilities:					
Accounts payable, deposits, and accrued expenses	$20,337,608	$22,207,800	$23,498,699	$21,075,106	$19,879,997
Accrued postretirement benefits	826,158	691,184	593,585	737,463	784,487
Deferred revenue	12,843,189	12,722,482	11,481,748	11,510,665	13,607,571
Finance and capital lease obligations	-	-	-	-	-
Lease obligations	4,175,090	3,950,263	3,380,460	2,912,787	2,753,356
Notes payable	69,034,015	53,105,349	60,472,601	57,578,482	42,498,377
Due to related entity	-	-	-	-	-
Annuity obligations	3,039,230	2,945,484	2,830,761	2,754,618	2,557,177
Asset retirement obligations	4,452,846	4,322,226	4,063,813	3,999,403	3,750,154
Interest rate swaps	2,331,459	744,846	261,631	317,000	355,000
Bonds payable, net	218,172,834	247,483,257	266,244,944	203,351,983	196,296,709
Other liabilities	-	-	-	-	-
Advances from federal government and others	11,126,607	13,254,404	13,562,666	16,276,172	33,122,637
Advances from state government	-	-	-	-	-
Total liabilities	$346,339,036	$361,427,295	$386,390,908	$320,513,679	$315,605,465
Net Assets:					
Without donor restrictions	$259,256,474	$270,723,366	$297,585,017	$308,474,668	$325,678,025
With donor restrictions	369,875,057	337,668,529	364,341,128	409,562,002	461,328,463
Total net assets	629,131,531	608,391,895	661,926,145	718,036,670	787,006,488
Total liabilities and net assets	$975,470,567	$969,819,190	$1,048,317,053	$1,038,550,349	$1,102,611,953

Interim Financial Statements. Set forth below are the unaudited, internal, cash-basis consolidated financial statements of the University for the first nine months of fiscal years 2025 and 2026.

	March 31, 2025	March 31, 2026
Revenue:		
Tuition and Fees	$263,096,126	$269,149,080
Student Insurance fee	3,770,413	3,857,680
Scholarship	(96,696,477)	(98,488,712)
Net Tuition and Fees	170,170,062	174,518,048
Federal/State Appropriation	26,608,106	26,600,759
Indirect Cost Recovery	7,352,647	7,612,556
Private Gifts and Contracts	1,815,450	1,536,931
Endowment Income	7,938,886	7,746,935
Other Sources	1,887,149	2,097,806
Sub Total	215,772,300	220,113,035
Auxiliary Enterprises	46,241,384	52,022,852
Total Revenue	$262,013,684	$272,135,887
Expense:		
Salaries and Wages	$88,008,246	$91,985,737
Benefits	26,293,812	27,670,064
Supplies & Contracted Services	45,405,723	46,893,679
Travel	1,918,483	1,783,735
Equipment/Project	3,286,393	4,402,712
Capital Allocation	375,000	375,000
Debt Service Allocation	13,523,065	12,335,265
Other Allocations	(419,027)	(392,003)
Reserve for Contingency	-	-
Sub Total	178,391,695	185,054,189
Auxiliary Enterprise	50,834,595	55,709,929
Total Expense	$229,226,290	$240,764,118
Surplus/(Deficit)	$32,787,394	$31,371,769

Management's Discussion and Analysis of Financial Condition and Results of Operations

The University has had solid operating performance for the past five fiscal years, and University management anticipates similar performance going forward. Since 2006, the University has finished every fiscal year with an operating surplus.

The University relies heavily on tuition revenue. Net tuition and fees as a percentage of "Total Operating Revenue and Other Support" in the audited consolidated financial statements was 48.8% and 49.5% in fiscal years 2025 and 2024, respectively. The University has experienced a slight drop in headcount enrollment in the past five fiscal years with total enrollment headcount of 8,945 in Fall 2025. The diversified nature of the University's programs gives stability to this source of revenue. The University has four discrete components, each serving distinct student populations: a traditional, residential undergraduate program in Macon; undergraduate and graduate programs for working professionals in Atlanta, Macon, and the Henry and Douglas regional academic centers; undergraduate and graduate programs emphasizing the health sciences in Macon, Atlanta, Columbus, and Savannah; traditional graduate programs in Law, Music, Education, and Engineering in Macon; and a traditional graduate program in Theology in Atlanta.

Over the past five years, growth in net tuition and fees along with positive operating performance significantly strengthened the institution. Total liquidity available to meet general expenditures within one year (excluding restrictions and self-imposed restrictions) increased from \$53.5 million in fiscal year 2020 to \$104.3 million in fiscal year 2025.

The University has improved its competitive position in the higher education marketplace by being disciplined regarding tuition increases. Tuition growth has averaged 3.1% over the past five years, which is well below the average in higher education.

The traditional undergraduate program, through a combination of initiatives, has experienced very positive recruitment and admission results. The entering freshman class in fall 2021 was 950. That number has stayed relatively stable since — 899 in fall 2022, 1,015 in fall 2023, 823 in fall 2024, and 1,016 in fall 2025. These results were made more impressive by the fact that the quality of the student academic profile also increased each year while the tuition discount rate for traditional undergraduates remained steady. Additionally, the University was able to maintain a steady freshman class over the five-year period through fall 2025.

Operating Budget

Development of the operating budget is facilitated by the Office of Budget and Analysis. A Budget Calendar is developed and distributed annually in early September. Preliminary estimates of individual revenue sources and major expense categories are developed in September and October. A preliminary budget model is presented to the management team in early November and decisions are made regarding guidelines for budget development and submission. These guidelines are distributed to all budget heads and the budget system is opened for submission of proposed budgets.

The University is closed in mid-December through the end of the calendar year and summaries of budget requests are provided to the management team. A budget strategy is determined and then individual consultations for each budget center are held in January and February to explore requests and needs in light of the overall strategy. Final decisions are incorporated in the budget in early March, followed by a period of review by the management team. Once the budget receives final approval from the President, it is submitted for approval by the Board of Trustees.

In late March or early April of each year, a joint meeting of the Finance, Investment and Property Committee (the “Finance Committee”) and the Executive Committee of the Board of Trustees is held and the budget is presented. The Finance Committee first considers the budget and makes recommendations. A vote is taken to recommend the budget to the Executive Committee. The Executive Committee then votes to recommend the budget to the full Board of Trustees. The Board of Trustees meets in April of each year for the purpose of considering the budget for the next fiscal year. Upon approval by the Board of Trustees, the University has a budget in place for the fiscal year beginning the following July 1.

The following table sets forth the University's budgeted revenues and expenses for the fiscal years ending June 30, 2025 and 2026, as follows:

Mercer University Budgets

	2025 Actuals	2026 Budget	Percent of Total (FY 2026)[1]
Revenue:			
Tuition and Fees	$276,475,530	$289,588,761	
Student Insurance fee	3,788,428	3,857,680	
Scholarship	(98,533,805)	(92,114,722)	
Net Tuition and Fees	181,730,153	201,331,719	60.33%
Federal/State Appropriation	35,922,914	35,988,118	10.78%
Indirect Cost Recovery	10,976,028	9,898,909	2.97%
Private Gifts and Contracts	2,654,298	2,876,427	0.86%
Endowment Income	11,978,066	9,825,469	2.94%
Other Sources	2,906,262	3,611,887	1.08%
Sub Total	246,167,721	263,532,529	
Auxiliary Enterprises	53,824,679	70,195,504	21.03%
Total Revenue	$299,992,400	$333,728,033	100.00%
Expense:			
Salaries and Wages	$119,143,045	$131,273,483	39.34%
Benefits	34,470,191	40,327,815	12.08%
Supplies & Contracted Services	56,948,631	65,177,711	19.53%
Travel	2,662,008	3,168,336	0.95%
Equipment/Project	5,308,403	5,897,104	1.77%
Capital Allocation	500,000	500,000	0.15%
Debt Service Allocation	17,869,000	16,530,753	4.95%
Other Allocations	(778,191)	(1,395,920)	-0.42%
Reserve for Contingency	-		0.00%
Sub Total	236,123,087	261,479,282	
Auxiliary Enterprise	63,275,777	72,248,751	21.65%
Total Expense	$299,398,864	$333,728,033	100.00%
Surplus/(Deficit)	$593,536	-	

[1]May not sum to 100% due to rounding

Investments. The fair market value of investments as of March 31, 2026 are set forth below. These amounts do not include assets contained in remainder trusts or beneficial interests in perpetual trusts.

Investments	Fair Value[(1)]
Global Public Equity	$250,217,112
Private Equity	43,059,716
Flexible Capital	50,481,526
Real Assets	50,560,596
Fixed Income	24,521,550
Liquid Capital	16,894,602
Flexible Capital Stub Positions	4,545
Total Investments	$435,739,647

(1) Unaudited.

The University is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the University. The University has legally enforceable rights or claims to such assets, including the sole right to income therefrom.

Walter F. George School of Law Foundation. The Walter F. George Foundation (the "WFG Foundation") was formed in 1947. According to its charter, the WFG Foundation was formed "to accept contributions, gifts, bequests and devises which shall be held by it as a permanent endowment fund and the income only therefrom shall be used in such manner as the trustee may determine for the benefit of the Walter F. George School of Law at Mercer University." Since its inception in 1947, the WFG Foundation has contributed millions of dollars in support of the Law School. The trustees of the WFG Foundation make all decisions as to the investment of gifts received and the disbursement of earnings to the University in support of the Law School. As of March 31, 2026, the WFG Foundation assets were valued at $20,340,415. The corpus must be used for the School of Law and is not available to the University for general purposes, unlike the assets within the George W. Woodruff Trust.

George W. Woodruff Trust. In December 1987, the University received a gift in excess of $14,000,000 from the estate of George W. Woodruff. The gift was directed to be placed in a trust "...for the benefit of the Walter F. George School of Law of Mercer University, in Macon, Georgia." Mr. Woodruff's Will provided further that "[t]he trustees of each of the above trusts shall, at all times, be Trust Company Bank and two persons appointed by the person who, from time to time, is the chief executive officer of the institution ... A majority vote by the trustees ... shall be required in deciding all questions regarding the management, care and disposition of the trust ... the Trustees, in their sole and uncontrolled discretion, shall be authorized to distribute some or all of the principal of each such trust to the charitable beneficiary thereof, if they deem such distribution to be in the best interest of the beneficiary." Since its inception, the George W. Woodruff Trust (the "Woodruff Trust") has contributed several million dollars in support of the Law School. As of March 31, 2026, the Woodruff Trust assets were valued at $56,968,370.

See Notes 1(h) and 5 in the Audited Consolidated Financial Statements of the University attached hereto as APPENDIX B for more information about the University's Beneficial Interests in Perpetual Trusts.

Investment Policy. Upon the recommendation of the Administration of the University and the Finance Committee of the Board of Trustees, the Board of Trustees has adopted the following general investment policy: "Mercer University invests its endowment funds in a manner that seeks to assure both a continuing growth in endowment corpus and spendable income, defined by a spending policy that financially supports the programs and purposes of the University."

Authority for Investment Management. In accordance with the Bylaws of the University, the Board of Trustees has delegated to the Finance Committee the authority to act in place of the Board in the investment and reinvestment of institutional funds, including endowment funds in accordance with the general policy of the Board. The Finance Committee in turn selects outside professional investment managers who make specific investment decisions within the goals and guidelines developed by the Finance Committee and whose performance is reviewed and monitored on a regular basis by the Finance Committee.

Pooled Endowment Funds. Unless otherwise prescribed by a donor, the University's endowment funds are invested in a pooled fund, under which the funds are commingled for investment purposes. The pooled endowment funds include:

(1) True endowment funds, which are designated by the donor as endowment. These funds reside in perpetuity in the permanent endowment of the University.

(2) Quasi-endowment funds, which could be expended on a current basis under the terms of the applicable gift instrument but which the Administration of the University or the Board of Trustees has elected to place in the endowment pool and treat as endowment. These funds may be removed from the endowment pool and expended currently, by action of the Administration or the Board of Trustees, as the case may be.

Some true endowment funds and some quasi-endowment funds may be designated by the donor for particular uses or purposes within the University. All distributions from such funds are used for the particular uses or purposes designated.

Investment Managers and Guidelines. The Finance Committee has adopted an Endowment Investment Policy and an Asset Allocation Model. An investment management consulting firm assists the University in managing the investment of endowment funds in accordance with these guidelines. The Asset Allocation Model is reviewed by the Finance Committee on a regular basis, and is modified periodically as market conditions warrant. As of March 31, 2026, the University's investments were classified into the following categories:

Asset Allocation of Investments

	Actual	Target	Range
Global Equity	56.3%	56.0%	46.0 – 66.0%
Private Equity	9.7	12.0	7.0 – 17.0
Flexible Capital	11.4	12.0	7.0 – 17.0
Real Assets	11.4	12.0	7.0 – 17.0
Fixed Income(1)	7.5	8.0	3.0 – 13.0
Cash	3.8	—	0.0 – 5.0

(1) Includes notes receivable.

Total Return on Pooled Endowment Funds. The primary goal of the University's investment policy is to provide for maximum long-term return on the pooled endowment funds, taking into account appreciation as well as dividends, interest, and other ordinary income. The acceptance of the total return concept has been reflected in the Uniform Management of Institutional Funds Act, as adopted in Georgia. Under the Act, the University may appropriate all or part of the net appreciation, realized and unrealized, in the endowment funds for expenditure on a current basis, subject to a standard of prudence. The total return concept encourages a continuous investment strategy that enables the corpus of the endowment to grow at least at the rate of inflation while providing a predictable flow of expenditures to support the current operations of the University.

The following chart shows the calendar year percentage return on the University's investments for the last three fiscal years and the nine month period ending March 31, 2026:

	Investment Return Fair Value March 31, 2026	2025	2024	2023
Global Public Equity	$250,217,112	14.3%	19.0%	15.3%
Private Equity	43,059,716	5.7%	7.5%	(2.0%)
Flexible Capital	50,481,526	11.0%	11.0%	5.7%
Real Assets	50,560,596	6.7%	4.8%	5.2%
Fixed Income	24,521,550	6.0%	1.5%	(1.2%)
Liquid Capital	16,894,602	4.5%	5.1%	3.6%
Flexible Capital Stub Positions	4,545	0.0%	0.0%	0.0%
Total	$435,739,647	11.2%	14.0%	9.3%

Spending Policy. The Board, on the recommendation of the Finance Committee, has adopted the following spending policy, which governs the annual distributions from the pooled endowment funds that may be expended for current operations: "The Administration of the University is authorized to distribute from its pooled endowment funds an amount equal to 4.75% of the three-year average market value of those pooled endowment funds. The average value shall be computed as an average of the current year plus the two previous years."

Investment Income. For the fiscal years ending June 30, 2023, 2024, and 2025, the University reported the following amounts of investment income:

	2023	2024	2025
Investment income	$7,425,656	$4,404,974	$4,404,954
Realized / unrealized gains on investments, net	17,160,385	12,418,798	13,931,971
Net change in beneficial interests in perpetual trusts	1,851,042	5,346,190	4,739,962
Total	$26,437,083	$22,169,962	$23,076,887

Liquidity of Total Cash and Investments. The following table shows the University's monthly liquidity, annual liquidity, and liquidity with lockup of greater than one year for the past three fiscal years as of June 30.

Liquidity of Total Cash and Investments

	2023	2024	2025
Daily	$214,014,316	$189,476,132	$233,875,276
Weekly	12,510,576	16,898,043	18,753,578
Quarterly	58,425,915	68,791,960	73,061,121
Annually	8,880,001	10,065,029	11,709,939
Illiquid	65,332,060	66,090,293	62,702,327
Total cash and investments	$359,162,868	$351,321,457	$400,102,241

(1) Includes all the University's cash and investments, including restricted funds.

Gifts, Grants, and Bequests. The private gifts, grants, and bequests for the past five fiscal years and the current fiscal year to date through March 31, 2026 are set forth below.

Gifts, Grants and Bequests[1]

	2021	2022	2023	2024	2025	2026 YTD (03/31/2026)
Types of gifts:						
Cash	$79,217,438	$80,517,846	$76,187,945	$78,979,163	$110,718,839	$64,445,929
Securities / property	4,128,591	4,492,609	866,274	1,201,290	1,174,713	7,219,973
Gift-in-kind	2,724	27,436	159,250	68,937	147,480	172,289
Gift held by others[2]	—	718,858	—	—	—	2,526,702
Total	$83,348,754	$85,756,749	$77,213,469	$80,249,390	$112,041,032	$74,364,893
Gift restrictions:						
Unrestricted cash	$2,894,926	$3,460,240	$4,501,186	$2,950,516	$3,083,024	$2,003,346
Unrestricted non-cash	68,611	179,836	150,663	237,404	109,515	154,034
Restricted	80,385,216	82,116,673	72,561,620	77,061,470	108,848,493	72,207,514
Total	$83,348,754	$85,756,749	$77,213,469	$80,249,390	$112,041,032	$74,364,893
Foundation	$17,916,915	$5,745,788	$5,452,812	$3,911,225	$4,778,726	$6,275,457
Corporation	4,579,291	2,109,026	2,329,653	1,391,446	1,431,611	792,764
School / Non-profit / Church / Other	2,313,781	3,038,443	7,805,203	6,155,591	6,651,906	9,631,711
Estates	886,931	4,773,527	1,813,727	451,782	620,047	3,234,535
Individuals	6,648,916	10,522,250	8,744,717	13,548,297	14,145,878	11,493,488
Government	51,000,196	59,540,279	50,908,107	54,722,112	84,265,384	42,764,650
Gifts-in-kind	2,724	27,436	159,250	68,937	147,480	172,289
Total	$83,348,754	$85,756,749	$77,213,469	$80,249,390	$112,041,032	$74,364,893

(1) Totals may not sum or match due to rounding.
(2) These funds are not in-house.

Capital Campaign. Following the conclusion of a 16-year capital campaign in December 2008, the University took several years to study its needs and to identify project priorities for the next campaign. The University worked with both internal and external audiences to evaluate those priorities. During 2013 and 2014, the Board's Development Committee solidified the identification of the campaign's priorities and presented their findings to the full Board which approved the recommendations. Following that work, the Board's Marketing Committee joined the Development Committee in shaping the campaign's positioning statement, adopted by the Board: "Mercer University, rooted in its heritage and driven by a commitment to serve, *aspires* to shape a better world. Aspire, The Campaign for Mercer University, seeks to secure financial resources that will empower Mercer, already emerging among the Southeast's elite private research universities, to become an international leader in deploying its intellectual capital to better serve the needs of humankind. By engaging its alumni and friends to join in this effort, the University will achieve a stronger endowment, enhance its facilities, and expand its capacity to teach, to learn, to create, to discover, to inspire, to empower and to serve."

In October 2014, the Mercer University Board of Trustees approved and launched "Aspire: The Campaign for Mercer University" focusing its efforts on capital, operations/special academic initiatives and endowment projects. The $400 million campaign goal has three major goal components (Endowment - $206.8 million; Capital Projects - $109.6 million; and Operations - $83.6 million). The campaign exceeded its goal by 26%, achieving $506 million in donor contributions.

The University raised more than $153 million for scholarships that continue to provide vast opportunities for Mercer students and to advance programs across the University. More than 400 endowed or expendable scholarships and funds were created that will support generations of students, and an array of endowed professorships and chairs were created during the campaign to attract and retain top faculty. Planned gifts have also provided additional support for endowed funds that will make education more affordable and accessible for students now and in years to come.

Major capital projects in the campaign included a new undergraduate sciences building on the Macon campus, a new theatre on the Macon campus, a new pharmacy building on the Atlanta campus, the renovation of a historic home in Macon to house the Center for Strings, medical education buildings in Savannah and Columbus, a new baseball stadium in Macon, a new welcome/admissions center in Macon, a football/lacrosse complex in Macon, and the renovation of a large administrative building on the Atlanta campus.

Nearly one-third of the funds raised in the campaign, more than $154 million, were designated to Mercer's School of Medicine and have helped build new campuses and clinical sites for rural and medically underserved communities. With the addition to the medical education building in Savannah, construction of the medical complex in Columbus and new rural health clinics, the School of Medicine is well positioned to lead the state in educating physicians and health professionals who will meet the critical health care needs of rural Georgia.

After the Aspire Campaign concluded, the University started fundraising for its new Medical School project and new student union/campus living room/dining hall project, separate from the $154 million raised through the Aspire Campaign. Both projects will ultimately be part of the next comprehensive campaign.

The future campaign and its priorities will arise from decisions made by Mercer's Board and campus leadership following the conclusion of the current strategic plan in April 2028 and then adopting its next strategic plan later that year.

When the University concluded the current academic year at the end of June 2026, the University will celebrate its most successful fundraising year in history, in terms of support.

Outstanding Long-Term Debt. The University's outstanding long-term indebtedness as of June 30, 2026 is summarized below:

1) Notes Payable – The University has executed various secured and unsecured promissory notes. The outstanding balance of such notes was $39,454,158 as of June 30, 2026. See Note 7 in the Audited Consolidated Financial Statements of the University attached hereto as APPENDIX B for more information about the notes payable. Please reference footnotes 1(f) in APPENDIX B – Audited Consolidated Financial Statements of the University.

2) Bonds Payable –The following chart shows the University's outstanding bonded indebtedness before and after the issuance of the Series 2026 Bonds.

				Pre-Series 2026 Issuance	Post-Series 2026 Issuance
Bond Issue	Interest Rate	Final Maturity	Original Par Amount	Outstanding Par as of June 30, 2026	Outstanding Par Post-Series 2026 Issuance(1)
Series 2012B	Fixed: 4% to 5.25%	Oct. 1, 2029	$9,790,000	$2,860,000	$2,860,000
Series 2015	Fixed: 4.25% to 5.00%	Oct. 1, 2045	$77,485,000	$77,485,000	—
Series 2021	Fixed: 4.00% to 5.00%	Oct. 1, 2050	$71,265,000	$55,055,000	$55,055,000
Series 2022	Fixed: 4.00% to 5.25%	Oct. 1, 2051	$46,740,000	$39,635,000	$39,635,000
Series 2026(1)	(TBD)	Oct. 1, 2045	$131,750,000	—	$131,750,000
Total				$175,035,000	$229,300,000

(1)Preliminary and subject to change

For more information about the outstanding bonded indebtedness of the University, see Note 8 of the Audited Consolidated Financial Statements of the University attached hereto as APPENDIX B and "ESTIMATED DEBT SERVICE REQUIREMENTS" in the front part of this Official Statement. The University entered into an interest rate swap relating to the Series 2013-1 Bonds that are no longer outstanding. See "Swaps" below and see Note 9 of the Audited Consolidated Financial Statements of the University attached hereto as APPENDIX B.

Swaps. The University previously entered into one swap with Deutsche Bank (the "Deutsche Bank Swap") in connection with its Series 2013-1 Bonds in the notional amount of $6,000,000 and a termination date of October 1, 2036. The Series 2013-1 Bonds have been repaid, and the related Deutsche Bank Swap is therefore no longer associated with any outstanding indebtedness of the University. Accordingly, the Deutsche Bank Swap is effectively a stand-alone obligation and is not currently hedging any outstanding debt of the University. As of June 30, 2026, the estimated fair value of the Deutsche Bank Swap is approximately ($251,000), and such amount is reported as a liability in the University's consolidated financial statements. Additional information on the Deutsche Bank Swap is disclosed in Note 9 in the APPENDIX B – Audited Consolidated Financial Statements of the University.

Debt Policy. The University has adopted a Debt and Derivatives Management Policy which specifies certain management goals and strategic objectives regarding debt (particularly variable interest rate debt) and an Interest Rate Swap Debt/Derivative Continuing Disclosure Policy which specifies best practices relating to recordkeeping, investments and arbitrage compliance, monitoring of private business use, interest rate derivative reporting and continuing disclosure. As part of its Debt and Derivative Continuing Disclosure Policy, the University set a goal, as circumstances permit, to migrate to a long-term debt profile of 75% traditional fixed rate debt and 25% variable rate debt. Mercer University's publicly offered bonded indebtedness consists solely of fixed-rate bonds.

Insurance. The University carries standard industry insurance policies, including commercial property, commercial auto, commercial general liability, commercial umbrella liability, educators legal liability, physicians and surgeons professional liability, workers compensation, nursing professional liability, media liability, directors and officers liability, limited professional liability, crime, and trustee travel accident coverage, as well as a postal surety bond, all in amounts deemed appropriate by University officials. As of March 31, 2026, the total insured replacement value of the University's buildings, contents and improvements was approximately $967.5 million.

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APPENDIX B

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE UNIVERSITY AND ITS SUBSIDIARIES FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

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THE CORPORATION OF MERCER UNIVERSITY
AND ITS SUBSIDIARIES

Consolidated Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 800
500 W 5th St
Winston-Salem, NC 27101

Independent Auditors' Report

The Board of Trustees
The Corporation of Mercer University:

Opinion

We have audited the consolidated financial statements of The Corporation of Mercer University and its subsidiaries (the University), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2025 and 2024, and the results of its activities and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 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 consolidated financial statements.

KPMG

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 University'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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.

KPMG LLP

Winston-Salem, North Carolina
October 13, 2025

THE CORPORATION OF MERCER UNIVERSITY
AND ITS SUBSIDIARIES

Consolidated Statements of Financial Position

June 30, 2025 and 2024

Assets		**2025**	**2024**
Cash and cash equivalents	$	92,141,025	49,523,221
Bond project fund		—	1,988,987
Accrued interest receivable		1,292,251	1,291,742
Accounts receivable, less allowance for uncollectible accounts of $2,543,901 and $3,117,441 at June 30, 2025 and 2024, respectively		17,141,720	21,036,463
Inventories		780,464	776,884
Contributions receivable, net (note 2)		1,278,923	1,480,461
Student loans receivable, net (note 3)		8,955,261	8,251,484
Due from related entity, net (note 18)		266,149	339,304
Notes receivable from related entities ,net (note 18)		3,238,250	3,778,506
Note receivable (note 1(f))		—	12,250,000
Investments (note 4)		439,956,501	404,073,246
Remainder interest trusts		6,366,412	6,213,347
Beneficial interests in perpetual trusts		85,455,950	80,715,989
Other assets		10,736,180	10,226,335
Property and equipment, net (notes 6 and 10)		435,002,867	436,604,380
Total assets	$	1,102,611,953	1,038,550,349
Liabilities and Net Assets			
Accounts payable, deposits, and accrued expenses	$	19,879,997	21,075,106
Accrued postretirement benefits (note 17)		784,487	737,463
Deferred revenue		13,607,571	11,510,665
Lease obligations (note 10)		2,753,356	2,912,787
Notes payable (note 7)		42,498,377	57,578,482
Annuity obligations		2,557,177	2,754,618
Asset retirement obligations (note 6)		3,750,154	3,999,403
Interest rate swaps (note 9)		355,000	317,000
Bonds payable, net (note 8)		196,296,709	203,351,983
Advances from federal government and others		33,122,637	16,276,172
Total liabilities		315,605,465	320,513,679
Net assets:			
Without donor restrictions		325,678,025	308,474,668
With donor restrictions (note 14)		461,328,463	409,562,002
Total net assets		787,006,488	718,036,670
Total liabilities and net assets	$	1,102,611,953	1,038,550,349

See accompanying notes to consolidated financial statements.

THE CORPORATION OF MERCER UNIVERSITY
AND ITS SUBSIDIARIES

Consolidated Statements of Activities

Years ended June 30, 2025 and 2024

	2025	2024
Changes in net assets without donor restrictions:		
Operating revenue and other support:		
Tuition and fees	$ 172,973,828	170,167,616
Government contracts	94,136,174	81,093,777
Private gifts and contracts	6,684,610	5,488,172
Sales and services of auxiliary enterprises	59,614,974	59,737,123
Investment income, net	4,404,954	4,404,974
Other revenue	2,376,027	2,264,989
Net assets released from restrictions (note 15)	14,620,251	20,936,142
Total operating revenue and other support	354,810,818	344,092,793
Operating expenses (note 13):		
Instruction	129,946,027	127,187,476
Research	45,721,288	44,331,263
Public service	4,307,226	4,573,637
Academic support	37,549,897	34,848,107
Student services	32,718,846	31,825,212
Institutional support	20,211,559	20,688,861
Auxiliary enterprises	80,003,664	80,077,989
Total operating expenses	350,458,507	343,532,545
Operating income	4,352,311	560,248
Nonoperating revenue (expenses):		
Net realized and unrealized gains on investments	13,931,971	12,418,798
Change in fair value of interest rate swaps, net (note 9)	(38,000)	(55,369)
Loan administration and other expenses	(1,624,286)	(2,327,066)
Amortization of bond premium/discount and issuance costs	565,270	387,410
Loss on disposal of fixed assets	(42,635)	(14,902)
Other	58,726	(79,468)
Total nonoperating revenue	12,851,046	10,329,403
Change in net assets without donor restrictions	17,203,357	10,889,651

(Continued)

THE CORPORATION OF MERCER UNIVERSITY
AND ITS SUBSIDIARIES

Consolidated Statements of Activities

Years ended June 30, 2025 and 2024

		2025	2024
Change in net assets with donor restrictions:			
Private gifts, grants, and contracts	$	16,033,616	16,395,868
Net change in beneficial interests in perpetual trusts		4,739,962	5,346,190
Income on investments		7,758,543	6,328,565
Other transfers		1,511,837	739,947
Change in split-interest obligations		197,441	60,936
Net realized and unrealized gains on investments		36,145,313	37,285,510
Net assets released from restrictions		(14,620,251)	(20,936,142)
Change in net assets with donor restrictions		51,766,461	45,220,874
Total change in net assets		68,969,818	56,110,525
Net assets at beginning of year		718,036,670	661,926,145
Net assets at end of year	$	787,006,488	718,036,670

See accompanying notes to consolidated financial statements.

THE CORPORATION OF MERCER UNIVERSITY
AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 68,969,818	56,110,525
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,291,151	22,887,516
Net realized and unrealized gains on investments	(49,734,982)	(49,704,308)
Net change in split-interest agreements	(153,065)	(179,827)
Net change in beneficial interests in perpetual trusts	(4,739,961)	(5,362,566)
Change in fair value of interest rate swaps	38,000	55,369
Private gifts restricted for long-term use	(8,716,797)	(3,831,073)
Loss on disposal of property and equipment	42,365	14,902
Amortization of bond discount/premium	(632,809)	(632,809)
Amortization of bond issuance costs	67,535	245,400
Receipt of agency funds (Federal Direct Student Loans)	131,048,740	127,420,536
Disbursement of agency funds (Federal Direct Student Loans)	(131,048,740)	(127,420,536)
Changes in assets and liabilities:		
Increase in accrued interest receivable	(509)	(105,069)
Decrease (increase) in accounts receivable	3,894,743	(5,186,046)
Increase (decrease) in inventories	(3,580)	184
Decrease in contributions receivable	201,538	376,292
Decrease in due from related entities	613,411	84,304
Increase in other assets	(509,845)	(460,600)
Decrease in accounts payable, deposits, and accrued expenses	(1,410,816)	(3,967,394)
Increase in advances from state government	16,500,000	—
Increase in accrued postretirement benefits	47,024	143,878
Increase in deferred revenue	2,096,906	28,917
Decrease in asset retirement obligation	(249,249)	(64,410)
Net cash provided by operating activities	50,610,878	10,453,185
Cash flows from investing activities:		
Purchases of property and equipment	(22,863,452)	(31,355,827)
Proceeds from sale of property and equipment	258,159	—
Student loans awarded	(2,621,127)	(1,741,209)
Proceeds from student loan repayments and repayments of notes receivable	14,167,350	1,685,945
Proceeds from sales of investments	42,561,726	58,653,111
Purchases of investments	(28,709,999)	(6,834,412)
Net cash provided by investing activities	2,792,657	20,407,608

(Continued)

THE CORPORATION OF MERCER UNIVERSITY
AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2025 and 2024

		2025	2024
Cash flows from financing activities:			
Payments on finance lease obligations	$	—	(29,435)
Decrease of right of use assets		190,523	—
Payments on other liabilities/financing obligation		(260,957)	(438,238)
Payments on bonds payable		(6,490,000)	(62,505,552)
Payments on notes payable		(15,080,105)	(2,894,119)
Receipts from advances from federal government and others, net		346,465	2,713,506
Proceeds from private gifts and grants restricted for long-term investment		8,716,797	3,831,073
Payments on annuity obligations, net		(197,441)	(76,143)
Net cash used in financing activities		(12,774,718)	(59,398,908)
Net increase (decrease) in cash & cash equivalents		40,628,817	(28,538,115)
Cash, cash equivalents, and restricted cash at beginning of year		51,512,208	80,050,323
Cash, cash equivalents, and restricted cash at end of year	$	92,141,025	51,512,208
Reconciliation of cash, cash equivalents, and restricted cash:			
Cash and cash equivalents	$	92,141,025	49,523,221
Bond project fund		—	1,988,987
Total cash, cash equivalents, and restricted cash	$	92,141,025	51,512,208
Supplemental disclosure:			
Cash paid for interest	$	10,802,593	13,773,526
Noncash activities:			
Property and equipment purchases included in accounts payable	$	1,759,508	1,543,801

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Description of the University

The Corporation of Mercer University (the University) is a multicampus, private, faith-based, coeducational, not-for-profit institution of higher education and research. The University's programs include liberal arts, business, engineering, education, medicine, nursing, pharmacy, law, theology, music, and health professions.

The accompanying consolidated financial statements include the accounts of the University and its wholly owned subsidiaries. Significant intercompany balances and transactions have been eliminated in consolidation.

The University is the sole member of Mercer GSA, LLC, which was formed as a single-member limited liability company on September 30, 2015 to facilitate the assumption of debt and transfer of property and equipment that is described in more detail in note 6.

The University is the sole member of Historic Capricorn Studios Manager, LLC, which was formed as a single-member limited liability company on April 13, 2017 to manage, maintain, invest in, and operate the Historic Capricorn Studios property through a 1% ownership interest in Historic Capricorn Studios, LLC (HCS), in such a manner that it qualifies for the Historic Tax Credit.

The University is the sole member of Historic New York Café Manager, LLC, which was formed as a single-member limited liability company on February 15, 2018 to manage, maintain, invest in, and operate the Historic New York Café property through a 1% ownership interest in Historic New York Café, LLC (HNYC), in such a manner that it qualifies for the Historic Tax Credit.

(b) Basis of Presentation

Net assets and revenue, expenses, gains, and losses of the University are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations and include revenue, gains, and losses that are not restricted by donors; all expenses are reported as decreases in net assets without donor restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the University and/or the passage of time. Net assets included in this class include unconditional gifts for restricted purposes or time restrictions and donor-restricted endowment funds.

Generally, donor-imposed restrictions of endowment funds permit the University to use all or part of the income earned on related investments only for certain general or specific purposes. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the consolidated statements of activities.

(c) Revenue Recognition

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, revenue is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services (i.e., the transaction price).

The University's operating revenue is primarily derived from academic programs provided to students, including undergraduate, graduate, and professional degree granting programs. Tuition and fees revenue is earned by the University for these educational services delivered during an academic term. Tuition is charged at different rates depending on the program in which the student is enrolled. As part of a student's course of instruction, certain fees, such as technology fees and laboratory fees, are billed to students. Tuition and fees are earned over the applicable academic term.

Tuition and fees consisted of the following for the years ended June 30, 2025 and 2024:

		2025	2024
Undergraduate tuition and fees at stated rates	$	168,765,759	164,644,983
Graduate tuition and fees at stated rates		112,295,519	110,060,000
Institutional aid		(97,687,670)	(93,348,757)
Scholarships		(10,399,780)	(11,188,610)
Total	$	172,973,828	170,167,616

Tuition scholarships awarded by the University represent a reduction of the tuition transaction price. The University awards both need-based and merit-based scholarships. Scholarships are generally awarded for the academic year and are applied to the students' account during each academic term.

Students pay tuition and fees (net of scholarships) through a variety of funding sources, including federal loan and grant programs, state grant programs, institutional payment plans, employer reimbursement, Veterans' Administration and other military funding and grants, private and institutional scholarships and borrowings, and cash payments.

Revenue from student education, residence, and dining services is reflected net of reductions from institutional student aid and is recognized as the services are provided over the academic year, which generally aligns with the University's fiscal year. Aid in excess of a student's tuition and fees is either reflected as a reduction of residence and dining charges or provided as a refund to the student. Scholarship disbursements made directly to students for living or other costs are reported as an expense.

Auxiliary enterprises revenue consisted of the following for the years ended June 30, 2025 and 2024:

		2025	2024
Residence and dining services, net of scholarships	$	26,987,475	28,196,075
Athletics and retail operations		5,542,069	5,364,392
General Services Administration lease income (note 6)		5,778,347	5,719,898
Clinic revenue		10,115,035	9,343,636
Bookstore		3,162,357	2,834,952
Telehealth		2,694,091	1,738,579
Other		5,335,600	6,539,591
Total	$	59,614,974	59,737,123

Other auxiliary sales and services include revenue from telecommunications and other miscellaneous activities. Such revenue is recognized when goods or services are provided to customers.

Revenue from contracts entered into specifically with the U.S. Department of Defense is treated as exchange transactions as each party is receiving and sacrificing approximately commensurate value.

Revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed purpose or time restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation, time, or by law.

(d) Contribution Revenue

Grants and contracts awarded by federal agencies and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. The University has elected the simultaneous release policy available under Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized.

All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met. Contributions are initially recorded at their estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risks involved to reflect the estimated present value of future cash flows.

Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based on management's judgment and analysis, including such factors as prior collection history, type of contribution, and other relevant factors.

(e) Inventories

Inventories consist primarily of books published by the University and are stated at the lower of cost or market.

(f) Note Receivable

The University is the 50% owner of Century Center Holdings, LLC (CCH), which was formed on January 28, 2019 with LaGrange College (LaGrange), the other 50% owner of the entity, solely for the purpose of holding land that was jointly received as part of a gift from an estate. The real estate assets from the gift were transferred into CCH on February 13, 2019, and the University has recorded its proportional share of the land at fair value of the underlying real estate assets in investments.

During fiscal year 2020, the University purchased LaGrange's 50% membership interest and then subsequently sold the 50% membership interest acquired from LaGrange to an unrelated third party in exchange for cash of $250,000 and a note receivable in the amount of $12,250,000 bearing interest at a rate of 2% per annum. All accrued and unpaid interest on the note was due and payable in installments on the first day of each month commencing on May 1, 2020, and all accrued and unpaid interest and principal on the note was due and payable on March 26, 2030. The note was paid in full during fiscal year 2025.

(g) Investments

Marketable securities are carried at fair value, as determined by quoted market prices. Real estate investments are carried at fair value based on appraised value as of the financial reporting date. Nonmarketable securities are those for which there is no public market. Nonmarketable securities, primarily partnerships, are reported using the estimated net asset value (NAV) as a practical expedient as determined by the general partner of the partnership using the latest available information at the valuation date. Factors considered in valuing individual securities include the financial condition and operating results of the portfolio companies, the nature and duration of restriction on disposition of the securities, changes in the circumstances and prospects of the issuer, and any other factors which the general partner considers to be relevant. These factors are assessed by the University. Due to inherent uncertainty of valuing these types of securities, the general partners' estimates of fair value may differ significantly from the values that would have been used had ready markets existed for the securities, and the difference could be material. The net realized and unrealized gains and losses on investments are reflected in the consolidated statements of activities.

(h) Beneficial Interests in Perpetual Trusts and Remainder Interest Trusts

The University is the beneficiary of various trusts created by donors, the assets of which are not in the possession of the University. The University has legally enforceable rights or claims to such assets, including the sole right to income therefrom. The change in value of beneficial interests in perpetual

(Continued)

trusts is reported as a change in net assets with donor restrictions in the consolidated statements of activities. The fair value of the trust is measured using the fair value of the underlying trust assets.

The University is the remainder beneficiary under agreements for certain trusts. At the time of receipt, a contribution is recorded based on the fair value of assets donated, less the estimated annuity payment liability. The liability is recognized at the present value of projected future distributions to be paid to the donor or other designee. The remainder interest of such gifts has been classified within net assets based on the existence or absence of donor restrictions.

(i) Property and Equipment

Property and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. Property and equipment owned by the federal government and used by the University for certain grants are not included in the accompanying consolidated financial statements. The University capitalizes interest cost as a component of construction in progress during the construction of its qualifying projects.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. A summary of depreciable lives is as follows:

Buildings, residences, and other structures	70 Years
Building components (roofing, HVAC, and other)	10–20 Years
Equipment, software, furniture, and other assets	5–20 Years

(j) Leases

The University is a lessee in several noncancelable (1) operating leases, primarily for medical and office equipment and office space and (2) finance leases for medical equipment.

The University accounts for leases in accordance with FASB ASC Topic 842, *Leases* (note 10). The University determines if an arrangement is or contains a lease at contract inception and recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date and as of June 30, respectively. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases and is subsequently measured at amortized cost using the effective-interest method. The rate implicit in the lease or the incremental borrowing rate for the related term is used to discount lease payments based on information available at lease commencement. Generally, the University uses its incremental borrowing rate as the discount rate for its leases.

Key estimates and judgments include how the University determines the discount rate it uses to discount the unpaid lease payments to present value, lease term, and lease payments.

(Continued)

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the University or the University is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

ROU assets for operating and finance leases are periodically reduced by impairment losses. The University uses the long-lived assets impairment guidance in ASC Subtopic 360-10, *Property, Plant, and Equipment – Overall*, to determine whether an ROU asset is impaired, and if so, the amount of the impairment loss to recognize. See note 1(k).

Under the short-term lease exemption under ASC 842, the University has elected not to recognize ROU assets and lease liabilities for short-term leases of office equipment and advertising structures that have a lease term of 12 months or less. The University recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other University leases.

The University made an election to establish a recognition threshold under ASC 842 when recording a lease in the consolidated financial statements. If an ROU asset is determined to be less than the lease threshold of $75,000, the lease payments for the life of the lease are all expensed in the period that they are paid, and the ROU asset is not reflected on the consolidated statement of financial position.

(k) Impairment of Long-Lived Assets

The University periodically assesses the realizability of its long-lived assets and evaluates such assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. For assets to be held, impairment is determined to exist if estimated future cash flows, undiscounted, and without interest charges are less than the carrying amount. There were no impairment losses for the years ended June 30, 2025 or 2024.

(l) Asset Retirement Obligations

The University has asset retirement obligations primarily related to regulatory requirements to remove and dispose of asbestos when certain buildings are renovated and/or demolished. The University records an asset retirement obligation when the liability is incurred at fair value and subsequently adjusts the asset retirement obligation for accretion expense and changes in the amount or timing of the estimated cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related building and depreciated over the building's useful life.

(m) Income Tax Status

The University is recognized as an organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The University's management has reviewed its tax positions and determined that it does not have material unrecognized tax positions that should be reflected in the consolidated financial statements for fiscal years 2025 or 2024.

(n) Derivative Financial Instruments

The University will, from time to time, utilize interest rate swaps to hedge interest rate market exposure of the underlying debt. The University does not use derivative financial instruments for speculative or trading purposes. The University uses the accrual method to account for the interest rate swaps in connection with the underlying debt. The difference between amounts paid and received under such agreements is reported in interest expense on a functional basis in the accompanying consolidated statements of activities. Changes in the fair value of these swaps are recognized as changes in net assets without donor restrictions in the accompanying consolidated statements of activities.

(o) Cash, Cash Equivalents, and Bond Project Fund

The University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Bond project fund represents cash equivalents held for capital projects identified in the 2022 bond series.

(p) Deferred Revenue

Tuition and fee revenue are recognized on a pro rata basis proportional to the number of days of the related academic term that pertain to each fiscal year. Revenue is recognized in the period in which the related performance obligations are met. Deferred revenue consists primarily of tuition related to the second and third summer sessions, which occur subsequent to the University's fiscal year-end.

(q) Use of Estimates

Management of the University has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenue and expenses, and the disclosure of contingent assets and liabilities to prepare the consolidated financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates. Significant estimates include the assumptions used in the determination of the fair value of certain investments without readily determinable fair values, fair value of interest rate swaps, beneficial interests in perpetual trusts, allowances for receivables, and accruals for asset retirement obligations.

(r) Operating Results

Operating results in the accompanying consolidated statements of activities reflect all transactions that impact net assets without donor restrictions, except investment gains or losses, change in fair value of interest rate swaps, loan administration costs, and certain other nonoperating items.

(2) Contributions Receivable

Contributions receivable are summarized as follows at June 30, 2025 and 2024:

		2025	2024
Contributions receivable, gross	$	3,525,000	3,800,000
Less:			
Allowance for doubtful accounts		(2,015,000)	(2,015,000)
Unamortized discount		(231,077)	(304,539)
Net unconditional promises to give	$	1,278,923	1,480,461
Unconditional promises expected to be collected in:			
One year	$	275,000	300,000
Two to five years		1,000,000	1,000,000
More than five years		2,250,000	2,500,000
	$	3,525,000	3,800,000

The University discounts contributions expected to be received after one year. Accretion of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions on the contributions. Estimated future cash flows to be received after one year were discounted at June 30, 2025 and 2024 at a rate of 1.5%, respectively.

At June 30, 2025 and 2024, one donor’s outstanding pledge balance represented 99% and 98%, respectively, of the University’s gross contributions receivable.

(3) Student Loans Receivable

Advances from the federal government under the Perkins student loan program are distributable to the federal government upon liquidation of the program and, thus, are reflected as a liability in the accompanying consolidated statements of financial position. At June 30, 2025 and 2024, the University has allowances for uncollectible Perkins student loan accounts of $259,966 and $374,197, respectively, and general allowances for other student loans of $1,593,394 and $1,353,429, respectively.

Student loans receivable consist of the following at June 30, 2025 and 2024:

		2025	2024
Perkins loans receivable	$	1,426,811	2,078,871
Other student loans receivable		9,381,810	7,900,239
		10,808,621	9,979,110
Less allowance for doubtful accounts		(1,853,360)	(1,727,626)
	$	8,955,261	8,251,484

(4) Investments

Investments are recorded at fair value. The fair value and historical cost of investments at June 30, 2025 and 2024 are as follows:

		2025		2024	
		Fair value	Cost	Fair value	Cost
Cash and cash equivalents	$	13,494,943	13,494,943	10,788,543	10,788,543
Fixed income		27,212,962	28,453,942	21,346,965	24,168,609
Domestic equities		140,775,051	40,570,410	121,665,667	37,737,670
Global equities		119,278,491	90,117,297	100,380,221	80,704,620
Hedged equity funds of funds		40,086,503	23,050,685	36,337,022	22,945,641
Private equity and venture capital funds		50,613,458	28,002,480	51,258,552	28,330,397
Real assets		44,267,493	31,037,096	60,277,423	43,725,285
Miscellaneous investments		4,227,600	4,400,781	2,018,853	1,749,717
Total investments	$	439,956,501	259,127,634	404,073,246	250,150,482

Cash and cash equivalents classified as investments are excluded from cash and cash equivalents in the consolidated statements of cash flows as these funds are not used for operations.

Investment securities are exposed to a number of risks, including, but not limited to, the following:

Liquidity risk – Liquidity risk represents the possibility that the University may not be able to rapidly adjust the size of its portfolio holdings in times of high volatility and financial stress at a reasonable price. If the University was compelled to dispose of an illiquid investment at an inopportune time, it may be required to do so at a substantial discount to fair value.

The University invests in alternative investments that can be highly illiquid. Under adverse market or economic conditions, the secondary market for certain of these alternative investments could further contract. As a result, the University could find it more difficult to sell these securities or may only be able to sell the securities at prices lower than if such securities were more widely traded.

Interest rate and credit risks – The University's investment portfolio is subject to interest rate and credit risks for certain securities whose valuation would be impacted by changes in interest rates. The portfolio is also subject to the risk that the issuer of the security may not be able to pay interest or repay principal when due.

Market price risk – The value of securities held by the University may decline in response to certain economic events, including those events impacting entities whose securities are owned and included in the investment portfolio. Those events impacting valuation may include (but are not limited to) economic and regulatory changes; market fluctuations; global and political instability; and currency, interest rate, and commodity price fluctuations. The University attempts to manage this risk through diversification, ongoing due diligence of fund managers, and monitoring of economic conditions.

Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the University's consolidated financial statements.

Investment management fees are included in the accompanying consolidated statements of activities as a reduction of investment income.

As of June 30, 2025 and 2024, the estimated fair value of the University's alternative investments to which the University applied net asset value (NAV) or its equivalent as a practical expedient relative to the determination of fair value totaled $164,165,642 and $159,627,006, respectively. The limitations and restrictions on the University's ability to redeem or sell these investments vary by investment type. Based on the terms and conditions in effect at June 30, 2025 and 2024, these investments can be redeemed or sold as follows:

	2025	2024	Unfunded commitments at June 30, 2025	Redemption frequency (if currently eligible)	Redemption notice period
Fixed income:					
U.S. and global core fixed-income funds (a)	$ —	3,929,694	—	Daily to monthly	15 Days
Domestic equities:					
Collective trusts (b)	43,301,645	37,679,350	—	Daily to quarterly	0–60 Days
Global equities:					
Developed markets (c)	18,753,578	16,898,040	—	Daily to monthly	0–10 Days
Hedge strategies:					
Long-/short-equity strategy (d)	21,838,891	19,414,354	—	Daily to annual	0–90 Days
Distressed and event driven (e)	12,805,234	11,864,477	—	Quarterly to annual	45–90 Days
Private equity and venture capital funds (f)	50,036,930	50,684,462	19,540,957	N/A	N/A
Real assets:					
Real asset and real estate investment trusts (g)	12,740,718	12,406,738	9,738,351	N/A	N/A
Commodities (h)	4,688,646	6,749,891		Monthly to illiquid	5 Days
	$ 164,165,642	159,627,006	29,279,308		

(a) Investments in funds that invest both in domestic and global corporate bonds.

(b) Investments in collective trusts that invest in U.S. common stocks. Management of the common and commingled trusts has the ability to shift investments from small to large capitalization stocks and from a growth to value strategy.

(c) Investments in stocks within developed foreign economies and markets, targeted based on a value and growth strategy.

(d) Investments in hedge funds that invest both long and short in primarily U.S. common stocks. Management of the hedge funds has the ability to shift investments from small to large capitalization stocks and from a net long to a net short position. These investments include restrictions that do not allow for redemption during the first month or quarter after acquisition.

(e) Investments in hedge funds that invest in debt securities and securities in companies before or after a corporate event, such as mergers and acquisitions.

(f) Includes a number of private equity and venture capital funds investing in a variety of companies. Distributions are received through the liquidation of the underlying assets of the fund, and it is estimated that the underlying assets of the fund will be liquidated over the next 10 to 12 years.

(g) Investments in real estate trust funds that invest in domestic and global real estate securities.

(h) Investments in funds that invest in derivatives and domestic, exchange-traded futures contracts.

(5) Financial Assets and Liquidity Resources

		2025	2024
Financial assets:			
Cash and cash equivalents	$	92,141,025	49,523,221
Bond project fund		—	1,988,987
Accounts and student loans receivable		26,096,981	29,287,947
Endowment and other long-term investments		439,136,546	396,262,614
Beneficial interest trusts		85,455,950	80,715,989
Total		642,830,502	557,778,758
Less amounts not available for general expenditures within one year due to restrictions:			
Bond project fund		—	1,988,987
Federal and institutional student loans		8,955,261	8,251,484
Donor-restricted endowment		334,700,401	289,596,752
Resources without donor restriction invested as endowment		109,363,517	111,593,235
Beneficial interest trusts		85,455,950	80,715,989
Total		538,475,129	492,146,447
Total financial assets available to meet general expenditures within one year (excludes donor restrictions and self-imposed restrictions)	$	104,355,373	65,632,311

Total financial assets available to meet general expenditures within one year noted above are available to support ordinary operations of the University. However, the University also has an additional source of liquidity not included in total financial assets available to meet general expenditures within one year that could be utilized to address financial challenges. This additional source of liquidity is a beneficial interest in perpetual trust where the donor considered that a time might arise where the University as the beneficiary of the trust might need access to some or all of the principal of the trust. The donor's will provide that "[t]he trustees of each of the above trusts shall, at all times, be Trust Company Bank and two persons appointed by the person who, from time to time, is the chief executive officer of the institution. A majority vote by the trustees shall be required in deciding all questions regarding the management, care, and disposition of the trust. *The Trustees, in their sole and uncontrolled discretion, shall be authorized to distribute some or all of the principal of each such trust to the charitable beneficiary thereof, if they deem such distribution to be in the best interest of the beneficiary."* The fair market value of this beneficial interest in perpetual trust as of June 30, 2025 and 2024 was $54,657,734 and $51,587,154, respectively.

(6) Property and Equipment

Property and equipment are summarized as follows at June 30, 2025 and 2024:

	2025	2024
Land and improvements	$ 71,925,887	63,023,432
Buildings	619,351,015	601,265,447
Equipment	148,981,319	144,518,260
Construction in progress	9,231,109	19,228,250
	849,489,330	828,035,389
Less accumulated depreciation	(414,486,463)	(391,431,009)
Property and equipment, net	$ 435,002,867	436,604,380

Depreciation expense totaled $24,291,152 and $22,887,516 in 2025 and 2024, respectively.

Right of use assets totaled $443,694 and $532,730 in 2025 and 2024, respectively.

During December 2015, the University (through Mercer GSA, LLC) entered into a ground lease with FD GSA Mercer, LLC, an unrelated third party that was formed solely to develop and finance (through the issuance of a note payable) the construction of a building on the University's Atlanta campus that FD GSA Mercer, LLC intended to lease to the General Services Administration once completed. Construction of the building was completed, and it was subsequently occupied by the General Services Administration in September 2017. Effective November 15, 2018, the University (through Mercer GSA, LLC) was assigned 100% of the membership interests of FD GSA Mercer, LLC, which had the effect of transferring the aforementioned building constructed on the University's Atlanta campus, the related building lease with the General Services Administration, the related note payable that financed construction of the building (note 7), and the related ground lease back to the University through Mercer GSA, LLC.

The amount of debt (notes payable) assumed in conjunction with this transaction was $45,602,690, and the net book value of the assets acquired was $44,955,935 and was included in property and equipment in the accompanying statements of financial position. As of June 30, 2025 and 2024, the remaining principal was $32,778,628 and $34,921,232, respectively, and is included in notes payable in the accompanying consolidated statements of financial position. As of June 30, 2025 and 2024 the net book value of the related building was $35,063,807 and $36,957,379, respectively.

(7) Notes Payable

Notes payable consist of the following at June 30, 2025 and 2024:

	2025	2024
Payable to a lending institution with a fixed rate of 3.75% through July 29, 2024, (November 29, 2024, as amended) the note is secured by certain assets.	$ —	12,250,000
Payable to a lending institution with a variable rate of SOFR plus .75% (5.25% and 6.08% at June 30, 2025 and 2024, respectively) through September 30, 2025, (November 30, 2024, as amended) the note requires monthly payments and is secured by certain real property and investments.	9,719,749	10,407,250
Payable to a lending institution with a fixed rate of 3.573% through July 15, 2037; the note is secured by certain real property (note 6).	32,778,628	34,921,232
	$ 42,498,377	57,578,482

Interest expense related to notes payable totaled $2,002,699 and $2,329,007 in 2025 and 2024, respectively.

At June 30, 2025, aggregate maturities of notes payable are as follows:

Year ending June 30:	
2026	$ 3,043,720
2027	3,122,556
2028	10,448,961
2029	2,463,788
2030	2,551,390
Thereafter	20,867,962
	$ 42,498,377

(8) Bonds Payable

Bonds payable consist of the following at June 30:

Series	Interest rate	Final maturity date	Original principal amount	Outstanding principal at June 30 2025	Outstanding principal at June 30 2024
2012B	Fixed: 4.00% to 5.25%	October 1, 2032	$ 9,790,000	3,500,000	4,105,000
2015	Fixed: 4.25% to 5.00%	October 1, 2045	77,485,000	77,485,000	77,485,000
2021	Fixed: 5.00%	October 1, 2050	71,265,000	59,375,000	63,500,000
2022	Fixed: 5.00%	October 1, 2051	46,740,000	41,495,000	43,255,000
				181,855,000	188,345,000
Less unamortized bond issuance costs				(1,648,882)	(1,716,417)
Plus unamortized bond premiums, net				16,090,591	16,723,400
				$ 196,296,709	203,351,983

On July 6, 2022, the University borrowed principal of $46,740,000 through a public market offering and utilized the proceeds from the issuance of the 2022 series to (a) refund the University's 2012C series, maturing on October 1, 2023, October 1, 2027, and October 1, 2030, (b) finance the acquisition, construction, installation, equipment, and renovation of certain educational, academic, and recreational facilities on the University's campus, and (c) pay a portion of the cost of issuance for the series 2022 bonds. Principal and interest is due each October 1 with an interest rate of 5%. Final maturity date is October 1, 2051.

On July 6, 2021, the University borrowed principal of $71,265,000 through a public market offering and utilized the proceeds from the issuance of the 2021 series to (a) refund the University's 2012A series, maturing on October 1, 2032, (b) finance the acquisition, construction, installation, equipment, renovation, of certain educational, academic, and recreational facilities on the University's campus, and (c) pay a portion of the cost of issuance for the series 2021 bonds. Principal and interest is due each October 1 with an interest rate of 5%. Final maturity date is October 1, 2050.

On July 1, 2015, the University borrowed principal of $77,485,000 through a public market offering and utilized the proceeds from the issuance of the 2015 series for the construction of new buildings, capital improvements to the University's Atlanta and Macon campuses, financing capitalized interest on the bonds, and to pay certain costs of issuance on the bonds.

During 2012, the University borrowed principal of $125,690,000 through a public market offering and utilized the proceeds to defease the 2003 and 2006B series bonds. The remaining principal of the 2012D series bonds in the original amount of $5,850,000 were repaid during fiscal year 2020. The remaining principal of the 2012A series bonds in the original amount of $77,545,000 were repaid during fiscal year 2022.

Interest expense related to bonds payable totaled $8,737,332 and $11,289,800 in 2025 and 2024, respectively.

At June 30, 2025, aggregate maturities of bonds payable are as follows:

Year ending June 30:		
2026	$	6,820,000
2027		7,175,000
2028		7,545,000
2029		7,925,000
2030		8,320,000
Thereafter		144,070,000
	$	181,855,000

(9) Derivative Financial Instruments

The University had three interest rate swap agreements outstanding during the years ended June 30, 2025 and 2024:

Related-debt issue	2013-1	2013-2	2013-5
Effective date	May 2, 2006	December 4, 2018	December 4, 2018
Counterparty	Deutsche Bank	BB&T Bank	BB&T Bank
Notional amount	$ 6,000,000	7,190,000	10,437,064
Termination date	October 1, 2036	February 1, 2024	February 1, 2024
Rate paid by the University	3.854 %	2.460 %	2.460 %
Rate paid by the counterparty	68.85% fallback SOFR	79% overnight SOFR	79% overnight SOFR

The following table summarizes the University's interest rate swaps not designated as hedging instruments as of and for the years ended June 30, 2025 and 2024:

		2025		2024	
		Fair value [1]	Change in fair value [2]	Fair value [1]	Change in fair value [2]
May 2, 2006 interest rate swap (2013-1)	$	(355,000)	(38,000)	(317,000)	128,107
December 4, 2018 interest rate swap (2013-2)		—	—	—	(86,031)
December 4, 2018 interest rate swap (2013-5)		—	—	—	(97,445)
	$	(355,000)	(38,000)	(317,000)	(55,369)

[1] Reported as interest rate swaps in the accompanying consolidated statements of financial position

[2] Reported as change in fair value of interest rate swaps in the accompanying consolidated statements of activities

The University is exposed to interest rate risk driven by factors influencing the spread between the taxable and tax-exempt market interest rates on its basis.

(10) Leases

(a) Operating Leases

The University has several noncancelable operating leases, primarily for office equipment and office space that expire over the next 12 years. These leases contain various renewal options for periods ranging from one to five years.

The components of lease cost for the years ended June 30, 2025 and 2024, which are included in operating expenses in the accompanying consolidated statement of activities, were as follows:

		2025	2024
Operating lease cost	$	88,123	174,890
Finance lease cost:			
Amortization of ROU assets		215,904	473,118
Interest on lease liabilities		41,706	63,449
Total finance lease cost		257,610	536,567
Total lease cost	$	345,733	711,457

(b) Other Lease Disclosures

Other information related to leases as of and for the years ending June 30, 2025 and 2024 was as follows:

	2025	2024
Supplemental cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flow from operating leases	345,267	769,493
Operating cash flow from finance leases	21,131	23,258
Financing cash flow from finance leases	70,435	96,586
ROU assets obtained in exchange for lease obligations:		
Operating leases	163,254	115,200
Weighted average remaining lease term (in years):		
Operating leases	3.90	3.66
Finance leases	21.00	22.00
Weighted average discount rate:		
Operating leases	6.39 %	6.39 %
Finance leases	1.80	1.80

Amounts disclosed for ROU assets obtained in exchange for lease obligations include amounts added to the carrying amount of ROU assets resulting from lease modifications and reassessments.

For the years ended June 30, 2025 and 2024, ROU assets held under operating leases totaled $443,733 and $532,730, respectively, and are included in other assets in the accompanying consolidated statements of financial position.

Aggregate future payments under noncancelable operating and finance leases as of June 30, 2025 are as follows:

		Operating leases	Finance leases
2026	$	191,752	94,313
2027		134,252	97,143
2028		131,052	100,057
2029		49,440	103,059
2030		46,418	106,150
Thereafter		—	2,047,324
Total lease payments		552,914	2,548,046
Less amounts representing interest		(109,181)	(259,556)
Total obligations	$	443,733	2,288,490

(c) *Savannah Center for Medical Education and Research*

In September 2014, the University entered into a 30-year lease agreement with the Savannah Center for Medical Education and Research (SCMER) for the Savannah property, which is owned and operated by SCMER. SCMER maintains title of the real property, or structural assets, during the construction phase of the SCMER property renovations. Due to certain structural elements installed and enhancements of the space being leased and the University's equity interest in SCMER, the University is required to be treated, for accounting purposes only, as the "owner" of the SCMER property even though the University does not own the assets and does not control the operations of SCMER. Accordingly, the costs of construction paid by the University through their investment in SCMER are recorded as a purchase of property and equipment, and the costs of the real property and construction not paid by the University was reflected as a noncash investing activity in the 2015 consolidated statement of cash flows.

As a result, during 2015, the University recorded additions of property and construction totaling $21,392,659, where $5,990,852 was paid by the University through its investment in SCMER and $6,955,000 was paid by the University through a note receivable to Chase NMTC Mercer Investment Fund, LLC (the Bank), a third party. In accordance with the notes receivable fund loan agreement, the proceeds of the notes receivable were used by the Bank primarily to make an equity contribution to Partnerships of Hope X, LLC (Hope LLC) and CNMC Sub CDE 58, LLC (CNMC LLC). In October 2014, Hope LLC and CNMC LLC utilized the proceeds of the equity contributions to fund a promissory note payable to SCMER, where the amount received was used to perform renovations of the Savannah property in connection with the New Market Tax Credit program. During 2025 and 2024, the University did not record any additions of property and construction. As a result, $2,309,622 and $2,380,057 represents the remaining lease obligation of the University as of June 30, 2025 and 2024, respectively, and is included in lease obligations in the accompanying consolidated statements of financial position.

(11) Fair Value of Financial Instruments

The University's estimates of fair value for financial assets and liabilities are based on a framework that considers the inputs used in valuation and gives the highest priority to quoted prices in active markets and requires observable inputs to be used in the valuations when available. The disclosure of assets and liabilities in the fair value hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the University's significant market assumptions. The three levels of hierarchy are as follows:

Level 1 – Valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets at fiscal year-end.

Level 2 – Valuations are based on pricing inputs that are other than quoted prices in active markets, which are either directly or indirectly observable for substantially the full term of the asset or liability.

Examples include quoted prices in active markets of the underlying assets, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in an inactive market, or valuations based on models where significant inputs are observable or can be corroborated by observable market data.

Level 3 – Valuations are based on unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and require significant professional judgment in determining the fair value assigned to such assets or liabilities.

The hierarchy requires the use of observable market data when available. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The categorization of an investment not at NAV as a practical expedient within the hierarchy is based upon the pricing transparency of the investment to the investor and does not necessarily correspond to the perceived risk of that investment. The University uses inputs in applying various valuation techniques that are assumptions, which market participants would use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, operating statistics, specific and broad credit data, liquidity statistics, recent transactions, earnings forecasts, future cash flows, market multiples, discount rates, and other factors.

Underlying fund investments made directly by the University whose values are based on quoted market prices in active markets and are, therefore, classified within Level 1 include actively traded common and preferred stock, U.S. government fixed-income instruments, and non–U.S. government fixed-income instruments. Level 1 investments may also include listed mutual funds, exchange-traded funds, and money market funds.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs, which are classified within Level 2 and are redeemable within 90 days of the financial reporting date. Alternative pricing sources include quotations from market participants and pricing models, which are based on accepted industry modeling techniques. These investments include U.S. investment-grade and below investment-grade debt securities and international corporate bonds.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all, and are not redeemable within 90 days of the financial reporting date. Level 3 investments include private placement investments, oil and gas royalty trusts, and certain commingled fund investments. Inputs used may include the original transaction price, recent transactions in the same or similar market, completed or pending third-party transactions in the underlying investment or comparable issuers, and subsequent rounds of financing. When observable prices are not available, these investments are valued using one or more valuation techniques described below:

- Market approach: This approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach: This approach determines a valuation by discounting future cash flows.
- Cost approach: This approach is based on the principle of substitution and the concept that a market participant would not pay more than the amount that would currently be required to replace the asset.

Although a secondary market exists for these investments, its activity is generally limited and individual transactions are typically not observable.

In accordance with ASC Subtopic 820-10, *Fair Value Measurement – Overall*, certain investments that are measured at fair value using NAV as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

The following tables summarize the University's financial instruments recorded at fair value on a recurring basis by major category in the fair value hierarchy as of June 30, 2025 and 2024, as well as related strategy:

	June 30, 2025				
Assets	**Level 1**	**Level 2**	**Level 3**	**Investments measured at NAV**	**Total**
Cash and cash equivalents	$ 92,141,025	—	—	—	92,141,025
Investments:					
Cash and cash equivalents	13,494,943	—	—	—	13,494,943
Fixed income:					
U.S. and global core fixed-income funds	27,212,962	—	—	—	27,212,962
Domestic equities:					
Traditional equity mutual funds and collective trusts	69,581,720	—	—	43,301,645	112,883,365
Stock	27,891,686	—	—	—	27,891,686
	97,473,406	—	—	43,301,645	140,775,051
Global equities:					
Developed markets	89,547,997	—	—	18,753,578	108,301,575
Emerging markets	10,976,916	—	—	—	10,976,916
	100,524,913	—	—	18,753,578	119,278,491
Hedged equity funds of funds:					
Long/short equity strategy	—	—	—	21,838,891	21,838,891
Distressed and event driven	5,442,378	—	—	12,805,234	18,247,612
	5,442,378	—	—	34,644,125	40,086,503
Private equity and venture capital funds	—	—	576,528	50,036,930	50,613,458
Real assets:					
Real asset fund	24,416,770	—	—	12,740,718	37,157,488
Land	—	—	303,450	—	303,450
Commodities	—	—	—	4,688,646	4,688,646
Commodities – oil and gas royalty trusts	—	—	2,117,909	—	2,117,909
	24,416,770	—	2,421,359	17,429,364	44,267,493
Miscellaneous investments	—	—	4,227,600	—	4,227,600
Total investments	268,565,372	—	7,225,487	164,165,642	439,956,501
Beneficial interests in perpetual trusts	—	80,610,358	4,845,592	—	85,455,950
Remainder interest trusts	—	6,366,412	—	—	6,366,412
Total	$ 360,706,397	86,976,770	12,071,079	164,165,642	623,919,888
Liabilities					
Interest rate swaps	$ 355,000	—	—	—	355,000

	June 30, 2024				
Assets	**Level 1**	**Level 2**	**Level 3**	**Investments measured at NAV**	**Total**
Cash and cash equivalents	$ 49,523,221	—	—	—	49,523,221
Bond project fund	1,988,987	—	—	—	1,988,987
Investments:					
Cash and cash equivalents	10,788,543	—	—	—	10,788,543
Fixed income:					
U.S. and global core fixed-income funds	17,417,271	—	—	3,929,694	21,346,965
Domestic equities:					
Traditional equity mutual funds and collective trusts	58,977,793	—	—	37,679,350	96,657,143
Stock	25,008,524	—	—	—	25,008,524
	83,986,317	—	—	37,679,350	121,665,667
Global equities:					
Developed markets	73,993,087	—	—	16,898,040	90,891,127
Emerging markets	9,489,094	—	—	—	9,489,094
	83,482,181	—	—	16,898,040	100,380,221
Hedged equity funds of funds:					
Long/short equity strategy	—	—	—	19,414,354	19,414,354
Distressed and event driven	5,058,191	—	—	11,864,477	16,922,668
	5,058,191	—	—	31,278,831	36,337,022
Private equity and venture capital funds	—	—	574,090	50,684,462	51,258,552
Real assets:					
Real asset fund	20,310,219	—	—	12,406,738	32,716,957
Land	—	—	18,433,450	—	18,433,450
Commodities	—	—	—	6,749,891	6,749,891
Commodities – oil and gas royalty trusts	—	—	2,377,125	—	2,377,125
	20,310,219	—	20,810,575	19,156,629	60,277,423
Miscellaneous investments	—	—	2,018,853	—	2,018,853
Total investments	221,042,722	—	23,403,518	159,627,006	404,073,246
Beneficial interests in perpetual trusts	—	76,306,423	4,409,566	—	80,715,989
Remainder interest trusts	—	6,213,347	—	—	6,213,347
Total	$ 272,554,930	82,519,770	27,813,084	159,627,006	542,514,790
Liabilities					
Interest rate swaps	$ —	317,000	—	—	317,000

The following table presents activity for assets classified in Level 3 for the years ended June 30, 2025 and 2024:

Level 3 rollforward		Private equity and venture capital funds	Real assets	Beneficial interests in perpetual trusts	Miscellaneous investments	Total
Fair value at June 30, 2023	$	574,090	21,728,247	5,232,112	122,407	27,656,856
Purchases		—	—	—	1,970,000	1,970,000
Sales		—	(303,019)	—	—	(303,019)
Transfers to (from) Level 3		—	—	—	—	—
Gains (losses)		—	(614,653)	(822,546)	(73,566)	(1,510,765)
Fair value at June 30, 2024		574,090	20,810,575	4,409,566	2,018,841	27,813,072
Purchases		—	—	—	2,300,000	2,300,000
Sales		—	(29,952,905)	—	—	(29,952,905)
Transfers to (from) Level 3		2,438	—	—	(2,773)	(335)
Gains (losses)		—	11,563,689	436,026	(88,468)	11,911,247
Fair value at June 30, 2025	$	576,528	2,421,359	4,845,592	4,227,600	12,071,079

As of June 30, 2025 and 2024, real assets classified in Level 3 primarily consist of the University's ownership interest in CCH recorded at fair value based on a combination of the income capitalization approach (ground rent capitalization) and the sales comparison approach.

The carrying amounts of accounts receivable and accounts payable approximate fair value due to the short maturity of these financial instruments. Cash and cash equivalents, restricted cash, bond project fund, investments, beneficial interests in perpetual trusts, remainder interest trusts, and interest rate swaps are reflected in the accompanying consolidated financial statements at fair value. The fair value of annuity obligations approximates carrying value due to discount rates and actuarial assumptions used in the calculation of the University's liability. The carrying amounts of note receivable, due from related entity, and notes receivable from related entities approximate fair value in all material respects.

Contributions receivable for current year gifts are initially measured at fair value in the year the receivable is recorded based on the present value of future cash flows discounted at a rate commensurate with risks involved, which is an application of the income approach.

Asset retirement obligations are initially measured at fair value when the liability is incurred based on the expected present value of future cash flows discounted at a rate commensurate with the risks involved.

A reasonable estimate of the fair value of notes receivable from students under government loan programs and advances from federal government for student loans could not be made because the notes receivable are not marketable and can only be assigned to the U.S. government or its designees. The fair value of notes receivable from students under the University's loan programs approximates carrying value.

(Continued)

(12) Endowments

The University has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted in Georgia, as providing, among other things, expanded spending flexibility by allowing, subject to a standard of prudence, the institution to spend from an endowment fund without regard to the book value of the corpus of the fund. This flexibility under UPMIFA allows an expenditure that lowers the value of the corpus of an endowment fund below its book value, which was previously not allowed. As a result of this interpretation, the University classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The donor-restricted endowment fund is classified as net assets with donor-imposed restriction until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed in UPMIFA. If the fair value of assets associated with individual donor-restricted endowment funds falls below the level that UPMIFA requires the University to retain as donor restricted, these deficiencies are reported in net assets with donor restrictions. These deficiencies generally result from unfavorable market fluctuations that occurred shortly after the investment of recent donor-restricted contributions and continued appropriation for certain programs that are deemed prudent by the Board of Trustees. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level are classified as an increase in net assets with donor restrictions. There were no such deficiencies as of June 30, 2025 or 2024.

In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the University and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- The investment policies of the University.

The Board of Trustees, on the recommendation of the Finance, Investment, and Property Committee, has adopted a spending policy that governs the annual distributions from the pooled endowment funds that may be expended for current operations. This policy authorizes the University’s administration to distribute from its pooled endowment funds a specified percentage, to be determined by the Board of Trustees from time to time, of the three-year average market value of those pooled endowment funds. The average value is computed as an average of the current year plus the two previous years. For the fiscal years ended June 30, 2025 and 2024, the Board of Trustees authorized the distribution and expenditure of 4.75% of a three-year average of pooled endowment market value for fiscal year 2025 and 4.75% for fiscal year 2024.

While board-designated funds function as endowment funds, they are presented as endowment funds without donor restrictions because they are not subject to donor-imposed restrictions, although the approval of the Board of Trustees upon recommendation of its Finance, Investment, and Property Committee is required to spend from or otherwise alter the designated principal of these funds. These board-designated endowment funds without donor restrictions are generally restricted to supporting scholarships and institutional aid, funding capital projects and other departmental operating needs, and supporting the general activities of the University.

Endowment funds consisted of the following as of June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$ —	420,156,352	420,156,352
Board-designated endowment funds	109,363,517	—	109,363,517
Total endowment funds	$ 109,363,517	420,156,352	529,519,869

Endowment funds consisted of the following as of June 30, 2024:

	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$ —	370,312,741	370,312,741
Board-designated endowment funds	111,593,235	—	111,593,235
Total endowment funds	$ 111,593,235	370,312,741	481,905,976

Changes in endowment funds for the year ended June 30, 2025 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment funds, June 30, 2024	$ 111,593,235	370,312,741	481,905,976
Investment return, net of fees (includes changes in beneficial interests in trusts that are donor restricted)	14,220,533	45,200,242	59,420,775
Contributions	—	9,147,322	9,147,322
Appropriation of endowment assets for expenditure	(12,352,506)	(4,809,358)	(17,161,864)
Transfers to board-designated endowment funds and other activity	(4,097,745)	305,405	(3,792,340)
Endowment funds, June 30, 2025	$ 109,363,517	420,156,352	529,519,869

Changes in endowment funds for the year ended June 30, 2024 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment funds, June 30, 2023	$ 156,474,603	323,470,334	479,944,937
Investment return, net of fees (includes changes in beneficial interests in trusts that are donor restricted)	12,241,536	45,863,017	58,104,553
Contributions	—	4,169,492	4,169,492
Appropriation of endowment assets for expenditure	(12,553,102)	(3,563,310)	(16,116,412)
Transfers to board-designated endowment funds and other activity	(44,569,802)	373,208	(44,196,594)
Endowment funds, June 30, 2024	$ 111,593,235	370,312,741	481,905,976

(13) Operating Expenses

The University’s primary program services are academic support, instruction, research, and public service. Student services, auxiliary services, and institutional support expenses are incurred in support of primary activities and are considered integral to the delivery of these primary programs. Costs related to the operation and maintenance of property and equipment, including depreciation, are allocated to operating programs and supporting activities based on estimates of facility usage. Interest expense on external debt is allocated to the activities that have most directly benefited from the proceeds of the related external debt.

Operating expenses, by natural and functional classification, for the year ended June 30, 2025 are as follows:

	Instruction	Research	Public service	Academic support	Student services	Institutional support	Auxiliary enterprises	Total
Operating:								
Salaries and wages	$ 66,654,612	26,610,558	1,986,389	16,544,020	12,154,558	14,955,930	17,757,138	156,663,205
Benefits	20,893,760	7,213,935	519,213	5,387,898	4,946,420	359,952	5,863,733	45,184,911
Supplies and contractual agreements	26,555,389	9,629,965	1,499,675	9,972,090	11,824,750	873,401	44,875,062	105,230,332
Travel	3,113,653	394,620	301,949	404,788	443,152	396,892	3,162,477	8,217,531
Depreciation	7,830,327	1,600,052	—	5,177,599	2,401,978	1,957,569	5,323,626	24,291,151
Interest	4,898,286	272,158	—	63,502	947,988	1,667,815	3,021,628	10,871,377
Total operating expenses	$ 129,946,027	45,721,288	4,307,226	37,549,897	32,718,846	20,211,559	80,003,664	350,458,507

Operating expenses, by natural and functional classification, for the year ended June 30, 2024 are as follows:

	Instruction	Research	Public service	Academic support	Student services	Institutional support	Auxiliary enterprises	Total
Operating:								
Salaries and wages	$ 64,916,109	26,093,653	1,972,387	15,940,731	11,771,997	14,545,998	17,763,558	153,004,433
Benefits	20,285,059	6,812,358	528,352	4,973,615	4,716,774	170,899	6,454,386	43,941,443
Supplies and contractual agreements	26,508,732	8,838,616	1,826,753	8,603,534	11,283,800	1,354,936	43,730,743	102,147,114
Travel	2,889,238	416,750	246,145	384,905	462,383	368,990	2,919,703	7,688,114
Depreciation	7,350,070	1,501,915	—	4,860,040	2,254,657	1,837,504	5,083,330	22,887,516
Interest	5,238,268	667,971	—	85,282	1,335,601	2,410,534	4,126,269	13,863,925
Total operating expenses	$ 127,187,476	44,331,263	4,573,637	34,848,107	31,825,212	20,688,861	80,077,989	343,532,545

Operation and maintenance of plant expense for the years ended June 30, 2025 and 2024 totaled $23,305,152 and $21,203,501, respectively. Total fundraising expense for the years ended June 30, 2025 and 2024 totaled $3,474,071 and $3,519,531, respectively, and is included in institutional support in the accompanying consolidated statements of activities.

(14) Net Assets

Net assets with donor restrictions at June 30, 2025 and 2024 are available for the following purposes:

	2025	2024
Trusts funds held by others	$ 85,455,950	80,715,989
Investment income held for distribution	93,978,416	70,708,273
Endowment funds invested for scholarships	96,829,285	74,386,086
Endowment funds invested for instruction and other support	143,892,701	144,502,393
Total endowment funds with donor restrictions	420,156,352	370,312,741
Gifts available for scholarships	11,570,672	8,354,613
Gifts available for capital	3,631,489	6,723,344
Gifts available for instruction and support	22,926,001	21,066,636
Split-interest agreements, net	1,318,936	1,213,172
Donor-restricted loan funds	446,089	444,903
Contributions receivable	1,278,923	1,446,593
Total net assets with donor restrictions	$ 461,328,463	409,562,002

Earnings on net assets with donor restrictions are available for the University's operations, scholarships, and various other programs.

(15) Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Net assets released from restrictions consist of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Instructional grants and gifts	$ 2,592,850	2,471,332
Public service and research grants and gifts	235,223	246,643
Academic support gifts	435,608	396,787
Student service gifts	245,462	112,707
Institutional support gifts	557,500	1,435,823
Equipment and other capital purchases	5,227,373	11,130,793
Scholarships	5,326,235	5,142,057
	$ 14,620,251	20,936,142

(16) Pension Plan

The University maintains defined-contribution retirement plans covering substantially all full-time and some part-time employees, under which the majority of contributions are made to the Teacher's Insurance and Annuity Association and College Retirement Equities Fund for the purchase of retirement annuities for employees. Total pension expense under this plan for the years ended June 30, 2025 and 2024 totaled $10,922,035 and $10,428,938, respectively.

(17) Postretirement Benefit Plan

During fiscal year 1999, the University approved a two-year pilot program for a retiree medical coverage plan and a retiree life insurance coverage plan, with the premium costs of these plans being paid at least in part by the University if the retiring benefit-eligible employee has a minimum of 10 years of service with the University prior to retirement (Group 1). A new postretirement plan was introduced in fiscal year 2005 that was valid for University employees retiring between July 1, 2004 and June 30, 2005 (Group 2). The Group 1 plan was terminated effective June 30, 2000, and the Group 2 plan was terminated effective June 30, 2005. Any remaining obligations will be paid from general assets of the University.

At June 30, 2025 and 2024, the University has recorded an accumulated postretirement benefit obligation of $784,487 and $737,463, respectively as accrued postretirement benefits in the accompanying consolidated statements of financial position. During 2025, the change in the accumulated postretirement benefit obligation of $47,024 resulted from interest cost of $34,287 and an actuarial gain of $101,958 offset by benefits paid of $90,221, which includes claims and insurance premiums. During 2024, the decrease in the accumulated postretirement benefit obligation of $143,878 resulted from interest cost of $37,190 and an actuarial gain of $199,758 offset by benefits paid of $93,070, which includes claims and insurance premiums.

Since the plans are unfunded, employer contributions consist of amounts paid to third-party carriers for insurance for the participants and benefits paid consist of expenses incurred over and above insurance claims, which are paid by the University.

The weighted average discount rate used in determining the accumulated postretirement obligation for both plans was 4.86% and 5.11% at June 30, 2025 and 2024, respectively. The annual rate of increase in the per capita cost of covered healthcare benefits was assumed to be 6.25% at June 30, 2025, with a ratable annual reduction until an ultimate rate of 4.50% is reached in 2031. Increasing or decreasing the assumed healthcare cost trend rate by 1% point in each year and holding all other assumptions constant would not have a material effect on the accumulated postretirement benefit obligation as of June 30, 2025 or 2024.

The benefits expected to be paid in connection with the plans in each of the years ending June 30, 2026 - 2030 are $109,607, $103,611, $95,770, $90,074, and $83,990, respectively. The aggregate benefits expected to be paid during the five year period beginning July 1, 2026 total $310,171. These expected benefits are based on the same assumptions used to measure the University's benefit obligation at June 30, 2025.

(Continued)

(18) Related-Party Transactions

(a) Notes Receivable from Related Entities

The University has entered into various related-party transactions. These transactions related to several notes receivable agreements and amounts paid on behalf of the related parties. Such transactions are included in notes receivable due from related entities, net in the accompanying consolidated statements of financial position.

(i) Historic New York Café, LLC

The University had mortgage and operating deficit loans receivable due from HNYC. The $847,245 mortgage loan agreement bears interest at a fixed rate of 3%, with terms from December 2018 through December 2048. The note requires annual principal and interest payments of $43,226. At June 30, 2025 and 2024, the remaining principal balance due to the University totaled $0 and $555,178, respectively.

The Operating Agreement allows for an operating deficit loan, which shall be treated as a subordinated loan at such amounts to allow Historic New York Café, LLC to cover accrued accounts payable on a 60-day current basis. This loan bears no interest and shall be repaid only if the University is not in default with respect to obligations under the Operating Agreement. At both June 30, 2025 and 2024, the outstanding loan balance due to the University totaled $0. As of June 30, 2025 and 2024, the University has a payable to Historic New York Café, LLC, which is netted against notes receivable from related entities in the consolidated statements of financial position.

Historic New York Café, LLC was dissolved on October 23, 2024.

(ii) Historic Capricorn Studios, LLC

The University has operating deficit loans receivable due from HCS. The Operating Agreement allows for an operating deficit loan, which shall be treated as a subordinated loan at such amounts to allow HCS to cover accrued accounts payable on a 60-day current basis. This loan bears no interest and shall be repaid only if the University is not in default with respect to obligations under the Operating Agreement. At June 30, 2025 and 2024, the outstanding loan balance due to the University totaled $3,238,250 and $3,223,328, respectively.

(b) Due from Related Entity

The University has lease payments due to or from SCMER under a lease agreement between the University and SCMER that began August 1, 2015. At June 30, 2025 and 2024, rental income distributed to the University by its equity method investee (SCMER) was less than payments made by the University on behalf of SCMER by a net amount of $266,149 and $339,304, respectively. The amounts are included in the consolidated statements of financial position as due from related entity, net.

(19) Commitments and Contingencies

(a) Federal Audits

Federally funded programs are routinely subject to special audit. Such audits could result in claims against the resources of the University. Management believes that there are no claims arising from such audits that would have a material adverse effect on the consolidated financial position of the University.

(b) Legal Matters

The University is involved in legal proceedings and claims that have arisen in the ordinary course of business that have not been fully adjudicated. The ongoing litigation of the University, when fully concluded and determined, will not, in the opinion of management, have a material adverse effect upon the consolidated financial position of the University.

The University is continuing to monitor and assess proposed legislation, administrative actions, and judicial decisions for any potential financial or operational exposure.

(20) Subsequent Events

The University management has evaluated subsequent events occurring subsequent to the financial reporting date of June 30, 2025 through October 13, 2025, the date on which the consolidated financial statements were issued, and determined there were no additional subsequent events requiring disclosure.

APPENDIX C

SUMMARIES OF THE PRINCIPAL DOCUMENTS

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SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary does not purport to be complete and is qualified by express reference to the provisions of the Indenture, copies of which are available upon request. See "INTRODUCTION-Additional Information."

Issuance of Bonds; Assignment and Pledge

The amount of Bonds that may be issued by the Authority from time to time under the Indenture is unlimited. Under the terms of the Indenture, all right, title and interest of the Authority in the Loan Agreement, any note issued by Mercer to evidence its obligations thereunder and the payments received or receivable by the Authority from Mercer under the Loan Agreement (except for certain indemnification payments and certain fees and expenses) and under such note, all moneys and securities from time to time held by the Trustee under the terms of the Indenture (excluding moneys held for the purchase of Bonds in the Purchase Fund created under the Indenture), subject to the provisions of the Indenture permitting the application of such amounts for the purposes and on the terms and conditions set forth in the Indenture, and any and all other property (real, personal or mixed), transferred, pledged or assigned to the Trustee as security under the Indenture (collectively, the "**Trust Estate**"), will be assigned and pledged to the Trustee in order to secure the payment of the principal of, premium (if any), and interest on the Bonds and the performance by the Authority of its obligations under the indenture. All Bonds will be equally and ratably secured by the Indenture and by the pledge of the Trust Estate without preference or distinction by reason of priority in the issuance thereof, provided that any Credit Facility or Liquidity Facility which by its terms provides for the payment of specific Bonds may only be used for the payment of such Bonds. A "Credit Facility" includes a municipal bond insurance policy, letter of credit or other similar facility (other than an obligation of Mercer) providing assurance for the payment of principal and interest on the Bonds of a series when due. A "Liquidity Facility" is an agreement by a Liquidity Facility Provider to pay the purchase price of Bonds in a variable rate mode (as described under the Indenture) on the applicable purchase dates, which may take the form of a standby bond purchase agreement, letter of credit, line of credit, insurance policy or other similar agreement and any related reimbursement agreement among the Liquidity Facility Provider and Mercer, as the same may from time to time be amended or supplemented. There is no Credit Facility or Liquidity Facility relating to the Bonds.

Creation of Funds

Debt Service Fund

(a) The Indenture provides for the creation of the "Private Colleges and Universities Authority Debt Service Fund-Mercer University" into which the Trustee will make deposits and credits, as and when received, as set forth below:

(i) all Loan Payments payable by Mercer to the Authority specified in the Loan Agreement or pursuant to any related note;

(ii) the balance of the Net Proceeds of condemnation awards, sale under threat of condemnation or insurance received by the Trustee pursuant to the Loan Agreement;

(iii) interest earnings and other income on Investment Obligations required to be deposited in the Debt Service Fund pursuant to the Indenture;

(iv) all other moneys received by the Trustee under the Loan Agreement or any other Bond Document as defined in the Indenture, when accompanied by written directions from the Person depositing such moneys that such moneys are to be paid into the Debt Service Fund; and

(v) all moneys received by the Trustee from drawings on any Credit Facility, which moneys shall be deposited into a special account in the Debt Service Fund for the series of Bonds secured by such Credit Facility.

(b) Except as otherwise provided in the Indenture, moneys in the Debt Service Fund will be expended solely as follows: (i) to pay interest on the Bonds as the same becomes due; (ii) to pay principal of the Bonds as the same mature or become due upon mandatory sinking fund redemption; (iii) to pay principal of and redemption premium, if any, on the Bonds as the same become due upon redemption (other than mandatory sinking fund redemption) prior to maturity; (iv) to pay all amounts due on the Bonds upon an acceleration of the Bonds; and (v) to reimburse the Credit Facility Provider for draws on a Credit Facility to make such payments. Moneys in a special account in the Debt Service Fund received from a draw on a Credit Facility relating to a specific series of the Bonds may only be applied to the payment of amounts due on the Bonds to which such Credit Facility relates, and in determining the amount available for the payment of all Bonds which are due and payable, such amounts in such special account shall be disregarded. If the Credit Facility is in the form of a direct pay letter of credit, then moneys received from draws on such Credit Facility shall be applied to the payment of principal and interest on the Bonds secured thereby prior to any other moneys from any other source as provided in the Indenture.

(c) The Authority has authorized and directed the Trustee to withdraw sufficient funds from the Debt Service Fund to pay principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity, acceleration or upon redemption and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest. To the extent payments are made with proceeds of a draw on a Credit Facility, and Mercer does not timely reimburse the Credit Facility Provider, the Trustee shall, upon written notification from the Credit Facility Provider, promptly reimburse the Credit Facility Provider from funds on deposit in the Debt Service Fund.

(d) Whenever there is on deposit in the Debt Service Fund moneys sufficient to redeem all or a portion of the Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, the Trustee will, upon written request of a Responsible Officer of Mercer, take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by Mercer. Any moneys in the Debt Service Fund may be used to redeem a part of the Bonds Outstanding, in accordance with the Indenture, so long as Mercer is not in default with respect to any payments under the Loan Agreement and to the extent said moneys are in excess of the amounts required to be on deposit therein pursuant to the Loan

Agreement and the amount required for payment of the Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment.

(e) After payment in full of the principal of and redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in the Indenture), all rebatable arbitrage to the United States and the fees, charges and expenses of the Trustee, any Paying Agent and the Authority, and any other amounts required to be paid under the Indenture and the Loan Agreement, all amounts remaining in the Debt Service Fund shall be paid to Mercer upon the expiration or sooner termination of the Loan Agreement.

Redemption Fund. The Indenture provides for the creation of the "Private Colleges and Universities Authority Redemption Fund-Mercer University" (the "**Redemption Fund**"). Moneys in the Redemption Fund shall be applied to the payment of principal and interest on Bonds or other obligations of the Authority or Mercer being refunded by a series of Bonds issued under the Indenture, and payments of costs associated with the issuance of such refunding Bonds or of redeeming the obligations being refunded. The Trustee shall deposit moneys into an account in the Redemption Fund upon receipt of written instructions from Mercer as to the account into which such moneys should be deposited and as to the obligations to be paid therefrom. Moneys in the Redemption Fund may be invested as provided in "SUMMARY OF THE INDENTURE - Permitted Investments." Moneys received from the investment of moneys in any account in the Redemption Fund will be deposited into the account in the Redemption Fund to which such investments relate and will be used to pay principal and interest on the refunded obligations as the same becomes due or other costs associated therewith as directed by Mercer. After payment in full of the refunded obligations, including all amounts owed to the Credit Facility Provider under any Credit Facility and any credit agreement, reimbursement agreement or similar agreement pursuant to which the Credit Facility was issued, the Trustee is authorized to apply all remaining investment proceeds in the Redemption Fund for use in accordance with the written instructions of Mercer. In the event moneys in the Redemption Fund are insufficient to redeem any refunded obligation on its redemption date, Mercer will pay the amount of the deficiency.

Permitted Investments

Moneys held in each of the funds and accounts under the Indenture will, pursuant to the written direction of the Authorized Mercer Representative, be invested and reinvested by the Trustee in accordance with the provisions of the Indenture in Investment Obligations which mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed.

Defaults and Remedies

Events of Default. Each of the following events constitutes an "Event of Default" under the Indenture:

(a) failure to make due and punctual payment of any interest on any Bond when the same becomes due and payable;

(b) failure to make due and punctual payment of the principal of or redemption premium (if any) on any Bond when the same becomes due and payable, whether at stated maturity or accelerated maturity thereof; or upon proceedings for redemption thereof;

(c) failure to make due and punctual payment of the purchase price of any Bond when the same becomes due and payable if Mercer has obligated itself to pay the Purchase Price;

(d) the Authority shall for any reason be rendered incapable of fulfilling its obligations under the Indenture, or default by the Authority in the due and punctual performance of any other of its covenants, conditions, agreements and provisions under the Indenture or in the Bonds, and such incapacity or failure shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and Mercer by the Trustee (which notice may be given by the Trustee in its discretion and shall be given at the written request of the Credit Facility Provider or the owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding), provided that, if any such default shall be correctable but is such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or Mercer within such period and diligently pursued until the default is corrected;

(e) the occurrence and continuance of an Event of Default under the Loan Agreement that has not been waived;

(f) receipt by the Trustee of written notice from the Credit Facility Provider that an "Event of Default" has occurred and is continuing under a Credit Facility or any credit agreement, reimbursement agreement or similar agreement pursuant to which such Credit Facility was issued, accompanied by a demand by the Credit Facility Provider that the Trustee declare the Bonds to be immediately due and payable; or

(g) certain events of bankruptcy, dissolution, liquidation or reorganization by Mercer.

Acceleration. Upon the occurrence of an Event of Default under clause (a) or clause (b) above as to any one or more series of Bonds, the Trustee must declare the principal and accrued interest on each such series of Bonds as to which such failure occurred immediately due and payable; provided, however, that if any such series shall be secured by a Credit Facility, then such series of Bonds shall not be declared due and payable without the prior written consent of the Credit Facility provider for such series of Bonds.

Upon the occurrence of an Event of Default under clause (c) above as to any one or more series of Bonds, the Trustee must declare the principal and accrued interest on each such series of Bonds as to which such failure occurred immediately due and payable, anything in the Bonds or in the Indenture to the contrary notwithstanding.

Upon the occurrence of an Event of Default under clause (d), (e) or (g) above, the Trustee may, and if requested by the owners of not less than 25% in aggregate principal amount of all Bonds Outstanding, the Trustee shall, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, but only with the prior written consent of the Credit Facility Provider, so long as the Credit Facility Provider has not defaulted on the payment of amounts due under the Credit Facility. Upon any such declaration of acceleration, the Trustee is required to immediately declare the Loan Payment under the Loan Agreement to be immediately due and payable as provided in the Loan Agreement.

If an Event of Default under clause (f) above occurs, at the direction of the Credit Facility Provider, so long as the Credit Facility Provider has not defaulted on the payment of amounts due under the Credit Facility, the Trustee shall declare the Bonds immediately due and payable.

Notwithstanding anything herein to the contrary, interest shall cease to accrue on the Bonds on the date that the Trustee declares that the principal and accrued interest on each such series of Bonds is immediately due and payable.

In the event that all such Events of Default are cured before the entry of final judgment in any suit instituted on account of such acceleration or before the completion of enforcement of any other remedy under the Indenture and certain other requirements under the Indenture are met, the acceleration of such series of Bonds and the consequences of such acceleration will be annulled or rescinded, but no such annulment or rescission shall extend to or affect any subsequent acceleration of the Bonds, or impair any right consequent thereon. A rescission of a declaration of acceleration of the Bonds under the Indenture and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under the Loan Agreement and a rescission and annulment of its consequences, including any acceleration of the payments due under the Loan Agreement; provided that no such waiver or rescission shall extend to or affect any subsequent or other default under the Loan Agreement or impair any right consequent thereon. See "SUMMARY OF THE LOAN AGREEMENT-Remedies."

Upon rescission of any declaration of acceleration of any series of Bonds, the Authority, the Trustee, Mercer and the bondowners will be restored to their former respective positions and rights under the Indenture but no such rescission will extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

Exercise of Remedies by Trustee. If any Event of Default under the Indenture has occurred and is continuing, the Trustee may, and upon (i) written request of the owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding and (ii) receipt of indemnity satisfactory to it, the Trustee shall be obligated to (a) pursue any available remedy at law or equity by suit, action, mandamus or other proceeding (including any rights of a secured party under the Georgia Uniform Commercial Code) to enforce the payment of the principal and purchase price of, redemption premium, if any, and interest on the Bonds then Outstanding or to any series thereof to realize on or to foreclose any of its interests or liens under the Indenture or under any other of the Bond Documents; (b) exercise any rights or remedies available to the Trustee to enforce and compel the performance of the duties and obligations of the Authority under the Indenture and to enforce or preserve any other rights or interests of the Trustee under the Indenture with respect to the Trust Estate or otherwise existing at law or in equity.

Limitations on Exercise of Remedies by Bondowners. No owner of the Bonds will have any right to institute any proceeding for the enforcement of the Indenture unless (i) the Trustee is notified of a default, (ii) such default becomes an Event of Default, (iii) the owners of not less than 25% in aggregate principal amount of each series of Bonds as to which an Event of Default has occurred request the Trustee to exercise the powers granted to it by the Indenture or to institute such proceedings, and offer to the Trustee indemnity, and (iv) the Trustee thereafter fails or refuses to exercise such powers or to institute such proceedings in its own name. Nothing contained in the Indenture will, however, affect or impair any right of any owner of the Bonds to enforce the payment of the principal of, purchase price and premium (if any) and interest on any Bond, at and after the maturity or due date thereof.

Rights of Bondholders to Direct Proceeding. Except as provided in "Limitations on Exercise of Remedies by Bondowners" above, upon the occurrence of an Event of Default as to one or more, but not all series of Bonds, the owners of a majority in aggregate principal amount of each series of Bonds as to which such Event of Default has occurred will have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture; provided, however, that such direction must be in accordance with the provisions of law and of the Indenture and provided, further, that the Trustee will have the right to decline to follow any such direction if the Trustee in good faith determines that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

Except as provided in “Limitations on Exercise of Remedies by Bondowners” above, upon the occurrence of an Event of Default as to all series of Bonds, the owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver, custodian or any other proceedings under the Indenture, provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith determines that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

Application of Moneys in Event of Default. Any moneys held or received by the Trustee (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or premium, if any, Purchase Price or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(i) First: To the payment of all amounts due the Trustee under the Indenture;

(ii) Second: To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal, Purchase Price and premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal and premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal, premium, if any, Purchase Price, and interest, without any preference or priority, ratably according to the aggregate amount so due; provided that, payments of principal and interest with respect to Bonds held by Mercer or Pledged Bonds shall be paid only after payments of principal and interest with respect to all other Bonds Outstanding have been paid;

(iii) Third: To the payment of obligations to the Credit Facility Provider under any Credit Facility or any credit agreement, reimbursement agreement or similar agreement pursuant to which such Credit Facility was issued; and

(iv) Fourth: To the payment of the remainder, if any, to Mercer or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied as noted above, such moneys shall be applied at such times and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid as described above, and all fees, expenses and charges of the Trustee and the Authority, including attorneys' fees, costs and expenses, have been paid, any balance remaining in the Debt Service Fund shall be paid to Mercer.

Notwithstanding anything in the Indenture to the contrary, the Trustee shall not have a lien on any remarketing proceeds of the Bonds. Furthermore, funds received from a Credit Facility may only be applied to the payment of principal and interest on the Bonds secured thereby, and accordingly, the Trustee shall not have a lien on such funds.

Waivers of Events of Default. In the case of an Event of Default as to one or more, but not all series of the Bonds, the Trustee will waive any Event of Default relating to such series of Bonds under the Indenture and its consequences and rescind any declaration of acceleration of principal of any particular series of such Bonds upon the written request of the owners of at least a majority in aggregate principal amount of each such series of Bonds, provided that the Trustee has first received the written consent of the Credit Facility Provider, if any with respect to such series of Bonds, and further provided that there shall not be waived without the owners of all Bonds of a series affected (i) an Event of Default in the payment of the principal or purchase price on such series of Bonds at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on such series of Bonds unless, prior to such waiver or rescission of the Event of Default referred to in (i) or (ii) above, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by such series of Bonds on overdue installments of interest in respect to which such default has occurred, and all arrears of payments of principal or purchase price on such series when due, as the case may be, and all expenses of the Trustee in connection with such default must have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default has been discontinued or abandoned or determined adversely, then the Authority, Mercer, the Trustee and the bondowners of such series will be restored to their former positions, rights and obligations under the Indenture, respectively, but no such waiver or rescission will extend to any subsequent or other default, or impair any right consequent thereon.

In the case of an Event of Default as to all series of the Bonds, the Trustee shall waive any Event of Default under the Indenture and its consequences and rescind any declaration of acceleration of principal upon the written request of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding, provided that the Trustee has first received the written consent of the

Credit Facility Provider, with respect to any series of Bonds secured by a Credit Facility, and further provided that there shall not be waived without the Owners of all the Bonds Outstanding (i) an Event of Default in the payment of the principal of or Purchase Price of any Outstanding Bonds at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission of the Event of Default referred to in (i) or (ii) above, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal and Purchase Price when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every case the Authority, Mercer, the Trustee and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Supplemental Indentures

The Indenture permits the Authority and the Trustee without the consent of, or notice to, any bondowners, to enter into a supplemental indenture for the following purposes: (i) to provide for the issuance of Bonds as provided in the Indenture, including specifying additional or different interest rate modes or determination methods, redemption provisions, tender provisions, or other terms for the Bonds authorized in such supplemental indenture; (ii) to cure any ambiguity, defect or omission in the Indenture; (iii) to grant or confer upon the Trustee for the benefit of the bondowners any additional rights, remedies, powers or authorities; (iv) to subject to the pledge of the Indenture additional revenues, property or collateral; (v) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended, or any federal statute hereafter in effect, in either case, lawfully made applicable to the Indenture; (vi) to provide for the refunding or advance refunding of any Bonds; (vii) to evidence the appointment of a separate trustee or the succession of a new trustee under the Indenture; (viii) to evidence the appointment of a Liquidity Facility Provider, Credit Facility Provider or Remarketing Agent, and in connection therewith to make administrative changes necessary to accommodate such change, such as changing any times of day specified herein by which any action must be taken; (ix) to make such other changes to the terms of the Bonds of a series or to the Indenture provided that such changes will not be effective until after a mandatory tender for purchases of the Bonds so effected unless there are inadequate funds for the purchase of such tendered Bonds; (x) in connection with any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the bondowners (in making such determination, the Trustee shall be entitled to rely conclusively upon an Opinion of Counsel); and (xi) to make any other change in connection with a conversion to a different Interest Rate Period.

The Indenture also permits the Authority and the Trustee to enter into other supplemental indentures with the written consent of the owners of not less than a majority of the principal amount of the Bonds then Outstanding and Credit Facility Consent, provided that, without the written consent of the owners of all of the Bonds then Outstanding and each Credit Facility provider (if any), the Authority and the Trustee may not enter into any supplemental indenture relating to the Bonds that has the effect of permitting (a) an extension of the maturity date, purchase date or mandatory sinking fund redemption date for payment of the principal of or interest on any Bond; (b) a reduction in the principal amount of, the purchase price of, the rate of interest on, or the premium payable upon the redemption of, any Bond; (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or (d) a reduction in the aggregate principal amount of the Bonds the owners of which are required for consent to a supplemental indenture relating to the Bonds. “Credit Facility Consent” means the consent of Credit Facility providers representing a majority in aggregate principal amount of Bonds secured at the time by a Credit Facility.

Supplemental Loan Agreement

The Indenture allows the Trustee without the consent of any bondowners to consent to any supplement of the Loan Agreement as may be required (i) in connection with the issuance of a series of Bonds under the Indenture; (ii) for the purpose of curing any ambiguity, defect or omission in the Loan Agreement; (iii) in connection with any other change which, in the opinion of the Trustee does not materially adversely affect the interests of the bondowners (in making such determination, the Trustee shall be entitled to rely conclusively upon an Opinion of Counsel); or (iv) in connection with the issuance of Bonds under the Indenture, to add such provisions as may be required in connection with any Credit Facility or Liquidity Facility applicable thereto. The Indenture also permits the Trustee to consent to any supplement of the Loan Agreement with the written consent of the bondowners of not less than a majority of the principal amount of the Bonds then Outstanding and Credit Facility Consent, provided that, without the written consent of the owners of all of such Bonds then Outstanding and each Credit Facility provider (if any), the Trustee may not consent to any supplement to the Loan Agreement which permits (a) an extension of the date of payment of any Loan Payment payable under the terms of the Loan Agreement or (b) a reduction in the amount of any Loan Payment payable under the terms of the Loan Agreement.

Discharge of Lien

If the principal of and redemption premium (if any) and interest on all of the Bonds then Outstanding shall be paid or provision has been made for such payment as set forth in the Indenture, and provision shall also be made for paying all other sums payable, including the Trustee’s fees and expenses relating thereto, then the lien on the Trust Estate will cease, terminate and become void and be discharged and satisfied, and thereupon the Trustee, upon receipt by the Trustee of an opinion of Bond Counsel stating that all conditions precedent to the satisfaction and discharge of the Indenture have been complied with, and upon Written Request, will discharge and release the Indenture and will execute, acknowledge and deliver to the Authority and Mercer such instruments of satisfaction and discharge or release as shall be reasonably requested to evidence such release and the satisfaction and discharge of the Indenture and shall assign and deliver to the Authority, Mercer or any other Person entitled thereto so much of the Trust Estate as may be in its possession or subject to its control, other than moneys or obligations held by the Trustee for the payment of the principal and interest and redemption premium, if any, due or to become due on the Bonds.

Any Bond, Bonds or any series of Bonds will be deemed to be paid and no longer Outstanding under the Indenture and shall cease to be entitled to any lien, benefit or security under the Indenture if the Authority shall pay or provide for the payment of such Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest thereon, as and when the same become due and payable;

(b) by delivering and surrendering to the Trustee, for cancellation by it, such Bond or Bonds; or

(c) by depositing with the Trustee, in trust, (1) cash or noncallable Government Obligations or both in such amounts and with maturities as the Trustee shall determine will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem such Bond or Bonds at or before their respective maturity dates and to pay the interest thereon as it comes due, (ii) in the case of Bonds which do not mature or will not be redeemed within 90 days of the deposit referred to in (i) above, a verification report of a nationally recognized independent certified public accounting firm as to the adequacy of the trust funds to fully pay such Bonds deemed to be paid, and (iii) with respect to Bonds other than Bonds bearing interest at a non-variable interest rate to maturity, delivering to the Trustee a letter from each Rating Agency then maintaining a short-term rating for the Bonds to the effect that such deposit will not result in a reduction or withdrawal of its short-term rating on the Bonds (unless the requirement for such letters is waived by that Rating Agency). If a forward supply contract is employed in connection with a refunding of Bonds, (A) the verification report described in clause (ii) above shall expressly state that the adequacy of the escrow to accomplish the refunding relies solely on the initial escrowed investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (B) the applicable escrow agreement shall provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement (or the Indenture, if no separate escrow agreement is executed in connection with such refunding), the terms of the escrow agreement or the Indenture, as applicable, shall be controlling.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under the immediately preceding subparagraph (c) shall be deemed a payment of such Bonds until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, official notice of such redemption shall have been given in accordance with the Indenture.

"Government Obligations" means (i) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (ii) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and premium (if any) and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form in the name of the Trustee only on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par by anyone other than the holder, or (iii) any certificates or any other evidences of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in (i) or (ii) which have been stripped by the Department of Treasury. Neither the specified Government Obligations nor the moneys deposited with the Trustee pursuant to the provisions of the Indenture nor the principal or interest payments on such specified Government Obligations will be withdrawn or used for any purpose other than, and such Government Obligations and such moneys will be held in trust for, the payment of the principal of and redemption premium (if any) and interest on, the Bonds being defeased.

Issuance of Additional Bonds

Pursuant to a Supplemental Indenture and in accordance with the provisions of the Indenture, the Authority may from time to time provide for the issuance of Bonds for the purpose of (i) refunding all or any portion of any one or more of the maturities of any one or more series of Bonds or any other obligations issued by the Authority for the benefit of Mercer or by Mercer then outstanding ("**Refunding Bonds**") or (ii) financing or refinancing capital projects or other eligible projects under the Act for the benefit of Mercer ("**New Money Bonds**"). The Authority may execute and deliver to the Trustee, and the Trustee shall authenticate and deliver Bonds of a series upon receipt by the Trustee of the following:

(i) A written statement or certificate signed by an Authorized Mercer Representative approving the terms, purchase price of, and use of the proceeds of the sale of such series of Bonds;

(ii) A copy, duly certified by the Secretary of the Authority, of the resolution adopted and approved by the Authority authorizing the issuance of such series of Bonds;

(iii) An executed counterpart of the Supplemental Indenture providing for the terms of such Bonds;

(iv) An executed counterpart of a Supplemental Loan Agreement between the Authority and Mercer providing for the use of the proceeds of the sale of such Bonds and extending the payment provisions of the Loan Agreement to specifically provide for the payment of such Bonds or providing for a separate note of Mercer evidencing such obligation;

(v) A certified copy of the transcript of judicial proceedings providing for the validation of such series of Bonds;

(vi) An opinion of a firm of nationally recognized Bond Counsel satisfactory to the Trustee to the effect that (i) the issuance of such series of Bonds has been duly authorized and the terms thereof comply with the requirements of the Indenture and the Constitution and laws of the State of Georgia; (ii) all conditions precedent provided for in the Indenture relating to the authentication and delivery of such series of Bonds have been satisfied; (iii) the Supplemental Indenture providing for the issuance of such series of Bonds has been duly authorized, executed and delivered and the Indenture, as supplemented by such Supplemental Indenture, remains in full force and effect and is a valid and binding obligation of the parties thereto; and (iv) the Bonds of such series are valid and binding limited obligations of the Authority entitled to the benefits of, and are secured by, the Indenture, as supplemented;

(vii) An opinion of Counsel for Mercer as to the authorization, execution, and delivery of the Supplemental Loan Agreement (and note, if applicable) providing for the disposition of such series of Bonds and for the obligation of Mercer under the Loan Agreement to pay amounts due thereon and its validity and binding effect upon Mercer;

(viii) A written request and authorization to the Trustee on behalf of the Authority and signed by the Chairman or Vice Chairman of the Authority to authenticate and deliver such Additional Bonds to the purchaser or purchasers therein identified upon payment of a specified sum, and providing for the disposition thereof.

In addition to the requirements above, prior to the issuance of Refunding Bonds:

(a) An Authorized Mercer Representative shall give written direction to the Trustee describing the Bonds or other obligations to be refunded and authorizing all necessary action in connection with the refunding thereof pursuant to the provisions of the Indenture, including but not limited to the disposition of the proceeds of such Refunding Bonds; and

(b) In the event that any of the Bonds or other obligations being refunded are to be redeemed on any date prior to their maturity, irrevocable instructions to redeem such Bonds or other obligations on such date and evidence satisfactory to the Trustee that notice of redemption of the Bonds or other obligations to be redeemed has been published or authorizing the Trustee to give such notice.

In addition to the requirements above, prior to the issuance of New Money Bonds:

(a) the Trustee shall be provided with a Supplemental Loan Agreement specifying the Project or Projects to be financed in whole or in part with the proceeds of such Bonds;

(b) the Trustee shall receive an authentication order from the Authority as to the disposition of the proceeds of the New Money Bonds; and

(c) the Supplemental indenture relating to such series of the Bonds shall establish an account in the Construction Fund into which the proceeds of such Bonds to be used to finance the Project shall be deposited.

Except as expressly provided in the Indenture or in the Supplemental Indenture relating thereto, each of such Bonds of whatever series shall rank equally and on a parity with the lien of all other Bonds issued under the Indenture as to lien on the Trust Estate without preference, priority or distinction of any of the Bonds over any other Bonds as to lien on the Trust Estate; provided, however, any such series of Bonds shall not be on parity with respect to any Credit Facility or Liquidity Facility which shall provide for payments only with respect to a particular series of Bonds (or a portion thereof).

Trustee

Resignation and Removal of Trustee. The Trustee may resign at any time by giving written notice thereof to the Authority, Mercer, any Credit Facility Provider and each Owner of Bonds Outstanding as their names and addresses appear in the Bond Register maintained by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of Mercer, petition any court of competent jurisdiction for the appointment of a successor Trustee.

Mercer (so long as Mercer is not in default under the Indenture and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) may remove the Trustee at any time for any reason by an instrument or concurrent instruments in writing delivered to the Trustee, the Authority, the Liquidity Facility Provider and the Credit Facility Provider. The Authority, Mercer, the Credit Facility Providers or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee as specified in the Indenture.

The successor Trustee shall give notice of such resignation or such removal of the Trustee and such appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office. No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the acceptance of appointment by the successor Trustee.

Appointment of Successor Trustee. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any cause, Mercer (so long as no Event of Default and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default under the Indenture or under the Loan Agreement has occurred and is continuing) with written consent of the Credit Facility Provider (which consent shalt not be unreasonably withheld), by an instrument or concurrent instruments in writing delivered to the Authority and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Authority or the Bondowners. If a successor Trustee shall be appointed in the manner provided in the Indenture, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, no successor Trustee shall have been so appointed and accepted appointment in the manner provided in the Indenture, Mercer (so long as no Event of Default under the Indenture or under the Loan Agreement has occurred and is continuing and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) or the Owners of a majority in principal amount of Bonds Outstanding may appoint, or the Authority, the Credit Facility Providers, Mercer or the retiring Trustee, at the expense of Mercer, or any Bondowner may petition any court of competent jurisdiction for the appointment of, a temporary successor Trustee, until a successor shall have been appointed. The temporary successor so appointed shall immediately and without further act be superseded by any successor appointed. Every such successor Trustee appointed shall be a bank or national banking association with trust powers or trust company in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements described in the Indenture.

Acceptance of Appointment by Successor. Every successor Trustee appointed under the Indenture shall execute, acknowledge and deliver to the Authority, Mercer and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee, but, on reasonable written request of the Authority, Mercer or the successor Trustee, such retiring Trustee shall, upon payment of its fees and charges, execute and deliver an instrument conveying and transferring to such successor Trustee all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee under the Indenture, subject nevertheless to its lien, if any, provided for in the Indenture and thereupon, all duties and obligations of the retiring Trustee under the Indenture shall cease and terminate. Upon request of any such successor Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts. No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under the Indenture.

SUMMARY OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. This summary does not purport to be complete and is qualified by express reference to the provisions of the Loan Agreement, copies of which are available upon request. See “INTRODUCTION-Additional Information.”

Loan Payment Obligation of Mercer

Mercer has covenanted and agreed to pay to the Trustee, as assignee and pledgee of and for the account of the Authority, the following amounts:

(a) on or before each Interest Payment Date, a sum which will equal the interest on each series of the Bonds coming due on such Interest Payment Date;

(b) on or before any maturity date for each series of the Bonds (including any date on which the principal amount of the Bonds is due because such amount is accelerated under the Indenture), a sum which will equal the principal amount of such Bonds due on such date;

(c) on or before any redemption date for any series of the Bonds, a sum equal to the principal of, and redemption premium (if any) and interest on, the Bonds which are to be redeemed on such date;

(d) on or before any date on which the Bonds are optionally tendered by the Holders thereof pursuant to the Indenture, a sum equal to the Purchase Price of all such Bonds required to be purchased on such date; and

(e) if Mercer has obligated itself to do so, on or before any date on which any Bonds are required to be purchased pursuant to the Indenture, a sum equal to the Purchase Price of all such Bonds required to be purchased on such date.

Mercer has agreed to make prompt payment to the Trustee for the account of the Authority of all amounts payable under subparagraphs (a) through (d) above when due; provided, however, that if for any reason the amounts paid by Mercer under the Loan Agreement, together with any other amounts available in the Debt Service Fund created under the Indenture, are not sufficient to pay the principal of and interest on any series of the Bonds when due, Mercer agrees to pay the amount required to make up such deficiency. The aggregate of the amounts payable by Mercer described in subparagraphs (a) through (d) above is hereinafter referred to as the “Loan Payment”.

Other Payment Obligations

Mercer is obligated under the Loan Agreement to pay the fees and expenses of the Trustee and all fees and expenses of the Authority in connection with the transactions contemplated by the Loan Agreement and the Indenture. Mercer is also obligated to indemnify the Authority and the Trustee from any liability, loss, damage, cost, expense (including reasonable attorney’s fees, costs and expenses actually incurred), cause of action, suit, claim, demand or judgment arising out of or relating to the Loan Agreement, the Indenture, the Projects or the issuance of the Bonds.

Term of Loan Agreement

The term of the Loan Agreement continues until the principal of and premium (if any) and interest on all of the Bonds and all other amounts required to be paid by Mercer under the Loan Agreement have been paid in full.

Obligations of Mercer Unconditional

So long as any Bonds remain Outstanding, the obligation of Mercer to make the payments required to be made under the Loan Agreement and to perform and observe the other agreements on its part contained in the Loan Agreement will be absolute and unconditional and will not be abated, rebated, set-off, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever, regardless of any rights of set-off, recoupment or counterclaim that Mercer might otherwise have against the Authority or the Trustee or any other party or parties and regardless of any contingency, act of God, event or cause whatsoever.

Maintenance of Corporate Existence and Assignment

Mercer agrees that during the term of the Loan Agreement, it will maintain its corporate existence and will not dissolve or otherwise dispose of all or substantially all of its assets nor consolidate with or merge into another corporation, unless (i) the resulting entity (if other than Mercer) agrees in writing (which writing must be delivered to the Trustee) to assume the obligations of Mercer in the Loan Agreement and any and all other agreements or instruments executed in connection with the issuance of each series of the Bonds, (ii) if Mercer is not the resulting entity, the Trustee and the Authority are furnished on the effective date of such transaction with an opinion of counsel to the resulting entity satisfactory to the Trustee to the effect that such assumption is a valid and binding obligation of such resulting entity, and that the obligations under the Loan Agreement are enforceable against such resulting entity in accordance with the terms of the Loan Agreement, (iii) the Trustee and the Authority are advised of such merger, consolidation or transfer not later than 60 days before its consummation, and (iv) the Trustee is presented with a Favorable Opinion of Bond Counsel satisfactory to the Trustee stating that the merger, consolidation or transfer will not result in the interest on each series of tax-exempt Bonds becoming includable in gross income for federal income tax purposes. No transfer of all or substantially all of Mercer's assets to another Person shall relieve Mercer of its obligations under the Loan Agreement or under any related notes unless Mercer has received prior written consent of the Authority, the Trustee and the Credit Facility Provider to such transfer. Under certain conditions, Mercer may assign its interest in the Loan Agreement with the consent of the Trustee, which consent shall not be unreasonably withheld, but such assignment will not relieve Mercer from primary liability for any of its obligations under the Loan Agreement.

Events of Default

The Loan Agreement provides that the occurrence of one or more of the following events will constitute an "Event of Default" thereunder:

(a) failure by Mercer to pay when due any installment of the Loan Payment;

(b) failure to make any payment of the fees and expenses of the Authority or the Trustee as required by the Loan Agreement, which failure continues for a period of 30 days after written notice thereof will have been given to Mercer by the Authority or the Trustee;

(c) failure by Mercer to observe or perform any other of its covenants, conditions or agreements under the Loan Agreement, other than the events in clauses (a) and (b) above, for a period of 60 days after written notice from the Authority or the Trustee, specifying such failure and requesting that it be remedied, unless such period is extended by agreement in writing of the Authority and the Trustee, provided, however, if the failure stated in the notice can be corrected but not within the applicable period, the Authority and the Trustee will not unreasonably withhold their consent to an extension of such period if corrective action is instituted by Mercer within the applicable period and diligently pursued until the failure is corrected;

(d) Mercer shall file a petition in bankruptcy or be adjudicated as bankrupt or insolvent, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of its property, or shall institute proceedings for its reorganization or proceedings instituted by others for its reorganization shall not be dismissed within 60 days after service thereof upon Mercer;

(e) appointment of a receiver or liquidator of Mercer or of any substantial portion of its property and the order appointing such receiver or liquidator is not vacated within 60 days; or

(f) the occurrence of an event of default under the Indenture.

The Event of Default in clause (c) above is subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States of America or the State of Georgia or any of their departments, agencies, political subdivisions or officials, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, partial or entire failure of utilities, or any other cause or event not reasonably within the control of Mercer, Mercer will not be deemed in default during the continuance of such inability. Mercer agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing Mercer from carrying out its agreements; provided, however, that the settlement of strikes, lockouts and other labor disturbances will be entirely within the discretion of Mercer, and Mercer will not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of Mercer, unfavorable to Mercer.

Remedies

Upon the occurrence and continuance of an Event of Default, the Trustee, as assignee and pledgee of the Authority, (i) shall by written notice to Mercer, upon the acceleration of any series of the Bonds, declare the Loan Payment relating to such series of Bonds to be immediately due and payable and (ii) may take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Loan Agreement, or to enforce the performance and observance of any obligation, agreement or covenant of Mercer under the Loan Agreement. Any declaration of acceleration of the Loan Payment relating to any series of the Bonds will be rescinded upon rescission of any declaration of acceleration of such series of the Bonds. See "SUMMARY OF THE INDENTURE-Defaults and Remedies."

Any amounts collected pursuant to action taken upon the occurrence of an Event of Default will be paid into the Debt Service Fund and applied in accordance with the provisions of the Indenture.

SUMMARY OF THE SIXTH SUPPLEMENTAL LOAN AGREEMENT

The following is a summary of certain provisions of the Sixth Supplemental Loan Agreement. This summary does not purport to be complete and is qualified by express reference to the provisions of the Sixth Supplemental Loan Agreement, copies of which are available upon request. See "INTRODUCTION-Additional Information."

The Sixth Supplemental Loan Agreement supplements the Original Loan Agreement to provide for the issuance of the Series 2026 Bonds, extends Mercer's payment obligations to the Series 2026 Bonds, provides for the application of the Series 2026 Bond proceeds, and contains certain additional covenants applicable to the Series 2026 Bonds.

Definitions

"Guaranty" means any obligation of Mercer guaranteeing, directly or indirectly, any obligation of any other person which would constitute Indebtedness.

"Indebtedness" means any Guaranty and any obligation of Mercer (a) for repayment of borrowed money, (b) with respect to finance or capital leases or (c) under installment sale agreements.

"Lien" means any mortgage or pledge of, or security interest in, or lien or encumbrance on, any property of Mercer (i) which secures any Indebtedness or any other obligation of Mercer or (ii) which secures any obligation of any person other than Mercer, and excluding liens applicable to property in which Mercer has only a leasehold interest unless the lien secures Indebtedness of Mercer.

"Nonrecourse Indebtedness" means any Indebtedness which is not a general obligation of the obligor of such Indebtedness and which is secured by a Lien on property, plant and equipment acquired or constructed with the proceeds of such Indebtedness, liability for which is effectively limited to the property, plant and equipment subject to such Lien with no recourse, directly or indirectly, to any other property of Mercer absent extraordinary events such as fraud, insolvency or waste.

"Permitted Liens" means Liens that Mercer may create or permit under the Sixth Supplemental Loan Agreement. Mercer agrees not to create or permit Liens except for Permitted Liens, including customary liens arising in the ordinary course of business, purchase money liens, existing liens, tax liens, and other customary liens. For the complete definition of "Permitted Liens," see the Sixth Supplemental Loan Agreement, copies of which are available upon request.

Affirmative and Negative Covenants

Maintenance of Accreditations by Mercer. Mercer covenants to maintain institutional accreditation by the Southern Association of Colleges and Schools Commission on Colleges while the Series 2026 Bonds remain outstanding.

Limitations on Creation of Liens. Mercer will agree that it will not incur, create, assume or permit to exist any Lien upon the Trust Estate or upon any of its property including, without limitation, all proceeds thereof, whether cash or non-cash, now owned or hereafter acquired by it, other than Permitted Liens.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

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August __, 2026

Private Colleges and Universities Authority
Atlanta, Georgia

RE: $[PAR AMOUNT] Private Colleges and Universities Authority Revenue Bonds (Mercer University Project), Series 2026 (the "**Series 2026 Bonds**")

Ladies and Gentlemen:

We have acted as bond counsel to The Corporation of Mercer University ("**Mercer**") in connection with the issuance of the above captioned Series 2026 Bonds. In such capacity, we have examined such law, certified proceedings, and other documents as we have deemed necessary to render this opinion, including the judgment of validation, as filed in the Superior Court of Fulton County, Georgia.

The Series 2026 Bonds are issued pursuant to the Private Colleges and Universities Authority Act, O.C.G.A. Section 20-3-200 *et seq*., as amended, the Revenue Bond Law, O.C.G.A. Section 36-82-60 *et seq*., as amended, and a resolution (the "**Bond Resolution**") duly adopted by the board of directors of the Private Colleges and Universities Authority (the "**Authority**"). The Series 2026 Bonds are being issued under a Trust Indenture, dated as of February 1, 2012 (the "**Original Indenture**"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), as supplemented by a Sixth Supplemental Trust Indenture, dated as of August 1, 2026 (the "**Sixth Supplemental Indenture**," and collectively with the Original Indenture, the "**Indenture**"). The Authority and Mercer, a Georgia nonprofit corporation, have entered into a Loan Agreement, dated as of February 1, 2012 (the "**Original Loan Agreement**"), as supplemented by a Sixth Supplemental Loan Agreement, dated as of August 1, 2026 (the "**Sixth Supplemental Loan Agreement**," and collectively with the Original Loan Agreement, the "**Loan Agreement**"), pursuant to which Mercer has agreed to pay to the Authority such loan payments as will always be sufficient to pay the principal of, premium, if any, and interest on the Series 2026 Bonds as the same become due. The Series 2026 Bonds are payable solely from the Trust Estate (as such term is defined in the Indenture).

With respect to the status of Mercer as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), we refer you to, and have relied upon, the opinion of Matthew R. Hall, General Counsel to Mercer, dated the date hereof on that subject (the "**Borrower Counsel Opinion**").

Reference is also made to an opinion letter of Alston & Bird LLP dated the date hereof, relating, among other matters, to the existence and creation of the Authority.

As to questions of fact material to our opinions, we have relied upon (a) certified representations of the Authority and Mercer, (b) certified proceedings and other certifications of public officials furnished to us, and (c) certifications furnished to us by or on behalf of Mercer (including certifications made in the Tax Regulatory Agreement and No-Arbitrage Certificate (the

"**Tax Agreement**") between the Authority and Mercer, and acknowledged by the Trustee, dated as of August __, 2026, which are material to Paragraph 4 below), without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate. With respect to matters of fact relevant to our legal opinions herein, we have relied, without independent verification of the accuracy or completeness of the matters set forth therein, on the representations and warranties of the parties thereto set forth in the documents and instruments pursuant to which the Series 2026 Bonds are being issued and secured, as well as in certificates of officers of the Authority and Mercer delivered in connection with the issuance of the Series 2026 Bonds.

In our capacity as Bond Counsel, we have not been engaged or undertaken to express and we do not express any opinion (other than as may be expressly set forth herein) with respect to (a) the legal existence or the due authorization, execution, or delivery by or enforcement against Mercer of any instrument or agreement in connection with the project financed or refinanced with the proceeds of the Series 2026 Bonds (the "**Project**"), (b) title to the Project or compliance with zoning, land use, and related laws, or (c) the status of any lien or matter of record or security interest purported to be created in connection with the foregoing. As to such matters, we refer you to the Borrower Counsel Opinion.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing statutes, regulations, rulings, and court decisions, as follows:

(1) The Authority is validly existing as a public body and corporate duly created and existing under the laws of the State of Georgia (the "**State**") with the power and authority to (a) adopt the Bond Resolution and perform the agreements on its part contained therein, (b) issue, sell, and deliver the Series 2026 Bonds and use the proceeds thereof upon the terms and conditions and for the purposes set forth in the Loan Agreement and in the Indenture, (c) enter into and perform its obligations under the Loan Agreement and the Indenture, and (d) create the assignment, pledge, and security interest under the Indenture in favor of the owners of the Series 2026 Bonds.

(2) The Bond Resolution has been duly adopted by the Authority, and the Loan Agreement and the Indenture have been duly authorized, executed, and delivered by the Authority and constitute valid and binding obligations of the Authority enforceable upon the Authority. The Indenture creates a valid lien on the Trust Estate.

(3) The Series 2026 Bonds (a) have been duly authorized, executed, and issued by the Authority and delivered to the Trustee for authentication and (b) assuming the due authentication thereof by the Trustee, are valid and binding special limited obligations of the Authority payable solely from the Trust Estate.

(4) Under existing laws, regulations, rulings, and judicial decisions, and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Series 2026 Bonds is excludable from gross income under federal income tax

laws pursuant to Section 103 of the Internal Revenue Code of 1986 (the "**Code**"), as amended, and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion described above assumes the accuracy of certain representations and compliance by the Authority and Mercer with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2026 Bonds. Failure to comply with such requirements could cause interest on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds.

(5) Under existing State of Georgia statutes, interest on the Series 2026 Bonds is exempt from the State of Georgia income tax.

Except as expressly stated above, we express no opinion as to any other federal or any other state income tax consequences of acquiring, carrying, owning, or disposing of the Series 2026 Bonds. Owners of the Series 2026 Bonds should consult their tax advisors as to the applicability of any collateral tax consequences of ownership of the Series 2026 Bonds, which may include purchase at a market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

It is to be understood that the rights of the owners of the Series 2026 Bonds and the enforceability of the Series 2026 Bonds, the Indenture, and the Loan Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Preliminary Official Statement or the Official Statement relating to the Series 2026 Bonds, or regarding the perfection or priority of the lien on the Trust Estate. We note that, unless perfected, the lien on the Trust Estate may not be effective.

No attorney-client relationship has existed or exists between us and anyone other than Mercer in connection with the issuance of the Series 2026 Bonds by virtue of this opinion letter, and this letter does not establish an attorney-client relationship between the addressee and this firm or between beneficial owners of the Series 2026 Bonds and this firm in connection with the issuance of the Series 2026 Bonds. In connection with the issuance of the Series 2026 Bonds, the addressee has been represented by independent counsel.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. This letter is given as of the date hereof and we assume no obligation to update, revise, or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. This letter is given solely for the use and benefit of the addressee hereof, and only in connection with the issuance and delivery of the Series 2026 Bonds and may not be used or relied upon by any other person or in connection with any other transaction, except with express consent of this firm.

Very truly yours,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "***Disclosure Certificate***") is executed and delivered by The Corporation of Mercer University (the "***University***"), a Georgia nonprofit corporation, as the obligated person on behalf of the Private Colleges and Universities Authority (the "***Authority***"), pursuant to this Disclosure Certificate. The Authority is issuing its Revenue Bonds (Mercer University Project), Series 2026 (the "***Series 2026 Bonds***"), pursuant to a Trust Indenture, dated as of February 1, 2012, as supplemented from time to time, including by a Sixth Supplemental Trust Indenture, dated as of August 1, 2026 (as supplemented, the "***Indenture***"), each between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "***Trustee***").

The proceeds of the Series 2026 Bonds are being loaned to the University pursuant to a Loan Agreement, dated as of February 1, 2012, as supplemented from time to time and as supplemented by a Sixth Supplemental Loan Agreement, dated as of August 1, 2026 (as supplemented, the "***Loan Agreement***"), each between the Authority and the University. The University hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the University for the benefit of the Beneficial Owners of the Series 2026 Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The University acknowledges that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Certificate, and has no liability to any person, including any Beneficial Owner, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Disclosure Certificate, the following capitalized terms shall have the following meanings:

"***Annual Financial Information and Operating Data***" shall mean information for the preceding Fiscal Year of the type set forth in APPENDIX A to the Official Statement in the tables under the following headings: "FACULTY AND STAFF –Faculty and Staff," "STUDENTS – Fall Student Headcount" for both the Fall of the prior fiscal year as well as the then current fiscal year, " – Application Data," " – SAT Scores," " – Composition," " – Retention," " – Tuition," and " – Total Financial Aid," and "FINANCIAL AND RELATED INFORMATION – Asset Allocation of Investments, " – Investment Return" and " – Gifts, Grants and Bequests."

"***Annual Report***" shall mean any Annual Report provided by the University pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"***Beneficial Owner***" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

"***Dissemination Agent***" shall mean any Dissemination Agent designated in writing by the University and which has filed with the University a written acceptance of such designation, and initially shall mean the University.

"***EMMA***" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for the purposes of the Rule as further described herein.

"***Financial Obligation***" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) of this definition. The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"***Fiscal Year***" shall mean any period of twelve consecutive months adopted by the University as the fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

"***Listed Events***" shall mean any of the events listed in Section 10(a) of this Disclosure Certificate.

"***MSRB***" shall mean the Municipal Securities Rulemaking Board or any successor thereto.

"***Official Statement***" shall mean the Official Statement of the University relating to the Series 2026 Bonds.

"***Participating Underwriter***" shall Stifel, Nicolaus & Company, Incorporated.

"***Rule***" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"***SEC***" means the United States Securities and Exchange Commission.

"***State***" shall mean the State of Georgia.

SECTION 3. Provision of Annual Reports.

(a) The University shall, or shall cause the Dissemination Agent, (if any) to, not later than December 1 following the end of the University's Fiscal Year (the "***Annual Reporting Date***"), commencing with the Fiscal Year ending June 30, 2026, provide to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. On or before the Annual Reporting Date, the University shall provide the Annual Report to the Dissemination Agent (if any). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that (i) the Fall Student Headcount for the then current fiscal year may be submitted separately from the balance of the Annual Report (*i.e.*, in the event that such information is not available by the Annual

Reporting Date) but no later than December 31 of each calendar year) and (ii) the audited financial statements of the University may be submitted separately from the balance of the Annual Report (*i.e.*, in the event that the audited financial statements have not been completed by the Annual Reporting Date). In such event, the University's audited financial statements will be submitted no later than 30 days after their public release. In the event that the University's audited financial statements are not available at the time of the Annual Reporting Date and will be submitted at a later date, the University shall include the unaudited financial statements (excluding notes) of the University in the information provided to the MSRB in its Annual Report and the University shall indicate in the Annual Report the date on which the audited financial statements will be submitted. The audited financial statements of the University, when available, will be provided to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA).

(b) The University or the Dissemination Agent (if any) shall also:

(i) determine each year prior to the Reporting Date the appropriate electronic format prescribed by the MSRB for filing with the MSRB, the proper form of such filing and the proper location for such filing (which, as of the date hereof, is EMMA);

(ii) if the Annual Report (or the audited financial statements which were to be separately submitted) is not distributed/filed by the date required in subsection (a), send a notice to the MSRB, in a timely manner, in electronic format prescribed by the MSRB (which as of the date hereof is EMMA) in substantially the form attached hereto as **Exhibit A**; and

(iii) if the Dissemination Agent is other than the University, within ten (10) days after the Annual Report is filed with the MSRB in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA) file a report with the University certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and the date provided.

SECTION 4. Content of Annual Reports. The University's Annual Reports shall contain or incorporate by reference the following:

(a) the audited financial statements of the University for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as in effect from time to time, and which shall be accompanied by an opinion letter, if available at the time of submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards;

(b) to the extent not included in the audited financial statements (including the notes thereto) of the University, the Annual Financial Information and Operating Data;

(c) to the extent not included in the audited financial statements (including the notes thereto) of the University, if generally accepted accounting principles have changed since the last Annual Report submitted pursuant to Section 3(a) hereof and if such changes are material to the University, a narrative explanation describing the impact of such changes on the University; and

(d) if the University's Fiscal Year has changed, a statement indicating the University's new Fiscal Year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the University is an "obligated person" (as defined by the Rule), which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB in an electronic format prescribed by the MSRB (which, as of the date hereof, is EMMA). The University shall clearly identify each such other document so incorporated by reference.

SECTION 5. Provision of Annual Budget.

(a) The University shall, or shall cause the Dissemination Agent, (if any) to, not later than June 1, 2027 (the "***Budget Reporting Date***"), and on or before the one-year anniversary of the Budget Reporting Date thereafter, provide to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) an annual budget of the University demonstrating that the Income Available for Debt Service is sufficient to pay all Indebtedness for the Fiscal Year covered in such budget. The University or the Dissemination Agent (if any) shall also:

(i) determine each year prior to the Budget Reporting Date the appropriate electronic format prescribed by the MSRB for filing with the MSRB, the proper form of such filing and the proper location for such filing (which, as of the date hereof, is EMMA);

(ii) if the Annual Budget is not distributed/filed by the date required in subsection (a), send a notice in a timely manner to the MSRB in electronic format prescribed by the MSRB (which as of the date hereof is EMMA) in substantially the form attached hereto as **Exhibit A**; and

(iii) if the Dissemination Agent is other than the University, within ten (10) days after the Annual Budget is filed with the MSRB in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA) file a report with the University certifying that the Annual Budget has been provided pursuant to this Disclosure Certificate and the date provided.

SECTION 6. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of any of the following Listed Events with respect to the Series 2026 Bonds, the University or the Dissemination Agent (if any) shall file a notice of such occurrence with the MSRB in an electronic format prescribed by the MSRB (which, as of the date hereof, is EMMA):

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers, or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or a Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds, or other events affecting the tax status of the Series 2026 Bonds.

(vii) Modification to rights of the Beneficial Owners of the Series 2026 Bonds, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the Series 2026 Bonds, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar event of the University, including any of the following: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University.

(xiii) Consummation of a merger, consolidation, acquisition involving the University, or sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change in name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the University, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the University, any of which affect Beneficial Owners, if material.

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a Listed Event shall be determined by the University and shall be in substantially the form attached hereto as **Exhibit B**.

(c) The University confirms that, as of the date hereof, it is the only "obligated person" (as defined by the Rule) with respect to the Series 2026 Bonds.

SECTION 7. Termination of Reporting Obligation. The University's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Series 2026 Bonds. If the University's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the University.

SECTION 8. Dissemination Agent. The University may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the University may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees).

SECTION 10. Amendment; Waiver. This Disclosure Certificate may be amended only upon receipt of an opinion to the University rendered by independent counsel experienced in securities law matters to the effect that the amendment does not violate the provisions of the Rule taking into account any subsequent change in or official interpretation of the Rule.

In the event that this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be qualitative. A notice of the change in the accounting principles shall be filed with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) on or before the effective date of any such amendment or waiver.

SECTION 11. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the University chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the University shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 12. Default. In the event of a failure of the University to comply with any provision of this Disclosure Certificate, any Beneficial Owner may take such actions, to the extent and in such manner as may be allowed by applicable law, as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the University to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate will not be deemed an "Event of Default" under the Indenture or the Loan Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the University to comply with this Disclosure Certificate will be an action to compel performance. A court may in its discretion decide not to order the specific performance of the covenants contained in this Disclosure Certificate.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the University, the Authority, the Participating Underwriter, and the Beneficial Owners and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

SECTION 16. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be considered and enforced as if such illegal or invalid provision had not been contained herein.

[Remainder of Page Intentionally Left Blank]

Date: August __, 2026

THE CORPORATION OF MERCER UNIVERSITY

By: ______________________________

Senior Vice President for Administration and Finance

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE [ANNUAL REPORT/ANNUAL BUDGET]

Name of Obligated Person:	The Corporation of Mercer University
Name of Issuer:	Private Colleges and Universities Authority
Name of Bond Issue:	$131,750,000* Private Colleges and Universities Authority Revenue Bonds (Mercer University Project), Series 2026
Date of Issuance:	August __, 2026

NOTICE IS HEREBY GIVEN that The Corporation of Mercer University (the "***University***") has not provided its [Annual Report/Annual Budget] with respect to the above-named Series 2026 Bonds as required by the Continuing Disclosure Certificate dated August ____, 2026. The University anticipates that the [Annual Report/Annual Budget] will be filed by ______________.

Dated:__________________

EXHIBIT B

NOTICE TO MSRB
Relating to
$131,750,000*
PRIVATE COLLEGES AND UNIVERSITIES AUTHORITY
REVENUE BONDS (MERCER UNIVERSITY PROJECT),
SERIES 2026

CUSIP NUMBERS[1]

NOTICE IS HEREBY GIVEN that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(ix) shall include the following:

> The Corporation of Mercer University (the "***University***") hereby expressly reserves the right to direct the Private Colleges and Universities Authority (the "***Authority***") to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.
>
> OR
>
> The University hereby covenants not to exercise any optional or extraordinary redemption provisions under the Indenture; however, the sinking fund provision will survive the defeasance.
>
> AND
>
> The Series 2026 Bonds have been defeased to [maturity/the first call date, which is __________]. This notice does not constitute a notice of redemption and no bonds should be delivered to the University, the Authority or the Trustee as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _______ to _______ days prior to the redemption date.]

Dated:_____________________

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[1] No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

APPENDIX F

BOOK-ENTRY SYSTEM OF REGISTRATION

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BOOK-ENTRY SYSTEM OF REGISTRATION

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry-only system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Authority or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates for each maturity of the Series 2026 Bonds are required to be printed and delivered to DTC.

The Authority or the Trustee may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates for each maturity of the Series 2026 Bonds will be printed and delivered to DTC.

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

NEITHER THE AUTHORITY NOR THE TRUSTEE (OTHER THAN IN THEIR CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (A) SENDING TRANSACTION STATEMENTS; (B) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (C) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON BOOK-ENTRY BONDS; (D) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF BOOK-ENTRY BONDS, OR (E) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE BOOK-ENTRY BONDS.

PRIVATE COLLEGES AND UNIVERSITIES AUTHORITY • REVENUE BONDS (MERCER UNIVERSITY PROJECT), SERIES 2026

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