

**THE MISSISSIPPI PREPAID
AFFORDABLE COLLEGE TUITION
PROGRAM**

**Annual Actuarial
And Financial Report**

**Fiscal Year 1998
July 1, 1997 - June 30, 1998**

State Treasury Department



**THE MISSISSIPPI PREPAID AFFORDABLE
COLLEGE TUITION PROGRAM**

550 High Street
Suite 503
Jackson, Mississippi 39201

P.O. Box 120
Jackson, MS 39205-0120

601.359.5255
fax 601.359.5234
Toll Free Number
1.800.987.4450
Internet Address
www.treasury.state.ms.us

Board of Directors:
Bobby J. Gaines, Chairman
Appointed by Governor
5th Congressional District

Roosevelt Daniels, II, Vice Chairman
Appointed by Governor
2nd Congressional District

Ron E. Allen
Appointed by Governor
3rd Congressional District

Marshall Bennett
State Treasurer

Dr. Thomas Layzell
Commissioner of
Higher Education

William T. "Dale" Patterson
Appointed by Governor
4th Congressional District

Dr. Edward L. Ranck
Executive Director
Department of Finance
& Administration

Dr. Olon Ray
Executive Director
Community & Junior College Board

Rebecca Browne Taylor
Appointed by Governor
1st Congressional District

Legislative Advisors:
Sen. Terry Burton
Sen. Billy Hawes, III
Rep. Norma Bourdeaux
Rep. Alfred L. Walker, Jr.

January 31, 1999

The Honorable Kirk Fordice
Governor of the State of Mississippi
Members of the Mississippi Legislature
Members of the Board of Trustees of State Institutions of Higher Learning
Members of the State Board for Community and Junior Colleges
Members of the State Board of Education
Citizens of Mississippi

In compliance with Section 37-155-9(cc), Mississippi Code Annotated, I am honored on behalf of the Board of Directors of the Mississippi Prepaid Affordable College Tuition (MPACT) Program to submit to you this second annual report of the MPACT Program.

MPACT was created by Senate Bill 2237 during the 1996 Mississippi Legislature. The MPACT Board believes this significant action to be one of the most pro-family pieces of legislation in many years. Major goals of the legislation were to provide a way for advance payment of college tuition as both a means and an incentive for the citizens of Mississippi to provide for the future college expenses of their children, and to encourage timely planning for higher education costs by the creation of prepaid tuition contracts. The MPACT Board believes that the program is accomplishing these goals.

Some significant achievements of the program during this year include the following:

- * Over 900 additional applications to the program were received on behalf of Mississippi's children during fiscal year 1998. Almost 1,600 applications have been received to date during fiscal year 1999, which brings the total enrollment to over 9,800.
- * Through the distribution throughout the state of over 100,000 enrollment booklets plus an additional 500,000 brochures, parents and grandparents were given the opportunity to provide for the future college educations of their children.
- * The Program received an unqualified financial audit opinion and a sound actuarial evaluation for the fiscal year.
- * As of December 31, 1998, over \$37 million in funds have been received from contracts sold during fiscal years 1997, 1998 and 1999, representing over \$162 million in future tuition payments. Currently, there is over \$41 million on deposit in the MPACT fund.

The MPACT Board of Directors is very pleased with the results of our second year of operations and remains committed to the long term success of this outstanding opportunity for the people of Mississippi.

Sincerely,

Marshall Bennett
State Treasurer and
Ex-Officio Member of the
MPACT Board of Directors

Guaranteed by the State of Mississippi



**MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION (MPACT) PROGRAM
ANNUAL FINANCIAL AND ACTUARIAL REPORT
AS OF JUNE 30, 1998**

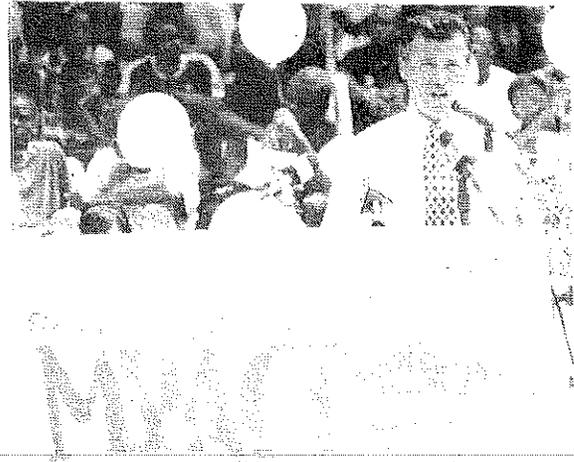
EXECUTIVE SUMMARY

Program Description and Activities

MPACT is a new program, begun in FY 1997, under which Mississippians may pay in advance for some of the costs associated with higher education for their children and grandchildren and receive a guarantee from the State as to the payment of tuition and fees at State-supported institutions at the time of college enrollment. It was authorized under S.B. 2237, Laws of 1996, Mississippi Code Annotated §37-155-1 et seq. The MPACT Program is administered within the State Treasury Department under policies established by the MPACT Board of Directors. During FY 1998 the program conducted its second enrollment period, began investment of the funds received from participants, managed the accounts for MPACT purchasers and paid tuition on behalf of 12 students at Mississippi colleges and universities.

Independent Auditor's Report

The financial statements of the MPACT Program as of the fiscal year ended June 30, 1998 were audited by the Jackson office of Deloitte & Touche, LLP. Our auditors issued an unqualified audit opinion that "such financial statements present fairly, in all material respects, the financial position of the Mississippi Prepaid Affordable College Tuition Program as of June 30, 1998, and the results of its operations and the cash flows of its component unit for the year then ended in conformity with generally accepted accounting principles." Complete copies of the auditors' report, the financial statements and accompanying notes are enclosed. A separate audit will be conducted for FY 1999, which runs from July 1, 1998 to June 30, 1999.



State Treasurer Marshall Bennett speaks at the "kick-off" press conference for the 1998 MPACT enrollment campaign.

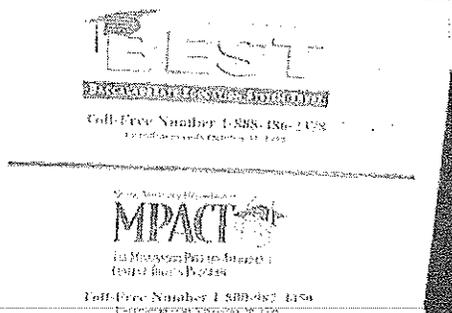
Independent Actuaries Report

An actuarial evaluation of the MPACT Program as of June 30, 1998 was performed by PriceWaterhouse Coopers, LLP. This evaluation concluded that the MPACT Trust Fund was actuarially sound, with an actuarial surplus of approximately \$1.2 million. It is the intention of the MPACT Board of Directors to treat accumulated actuarial surpluses as a contingency fund and apply such surpluses against any possible future actuarial losses as needed. A copy of the actuary's report is enclosed. A separate actuarial evaluation will be conducted for FY 1999 and each succeeding year.

Enrollment Results

MPACT held its second enrollment period from September 1, 1997 until October 31,

1997. During this period over 930 prepaid tuition contracts were sold.



State Treasurer Bennett (left) with Tennessee State Treasurer Steve Adams (right), announcing the enrollment periods for Tennessee's BEST and Mississippi's MPACT prepaid college plans.

A third enrollment period was held from September 1 until November 30, 1998. During this period approximately 1,600 additional contract applications were received, bringing total enrollment to approximately 9,800. Results from the fall 1998 enrollment period are not reflected in the financial statements as of June 30, 1998. The MPACT Board of Directors has established a policy to hold future enrollment periods annually in the fall of each year.

The majority of contracts sold were for a full four years of college, with 61% for four year universities and another 23% for two years at a community college followed by two years at a university. Contracts were fairly evenly distributed across expected matriculation years (1997 through 2016), the exception being a relatively few contracts with matriculation years of 1999 and earlier.

Financial Results

As of June 30, 1998 the MPACT Trust Fund had received tuition contract payments totaling over \$31 million. This amount, plus future payments due from participants under current contracts and investment earnings from the MPACT Trust Fund, will fund future tuition payments of approximately \$162 million.

Long-term investments of the MPACT Trust Fund totaled \$31.6 million as of June 30, 1998, with an additional 2.2 million in cash and short term instruments for a total invested balance of \$33.8 million. During fiscal year 1998 the fund earned a 10.8% rate of return as calculated by Merrill Lynch, The MPACT Board's Investment Evaluation Consultant. This rate of return was 2.7% over the Program's actuarial assumption of an 8.1% rate of return.

As of December 31, 1998, the invested balance of the MPACT Trust Fund exceeded \$41 million.



Treasurer Bennett (right), with Alabama State Treasurer Lucy Baxley (left) and an unidentified Alabama State Trooper, at a joint press conference promoting the two State's prepaid college plans.

BOARD OF DIRECTORS
MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION
PROGRAM

Mr. Bobby J. Gaines
Chairman
5th Congressional District

Dr. Edward Ranck
Executive Director,
Department of Finance &
Administration

Mr. Roosevelt Daniels, II
Vice Chairman
2nd Congressional District

Dr. Olon Ray
Executive Director,
Community and Junior College
Board

Mr. Ron Allen
3rd Congressional District

Ms. Rebecca Browne Taylor
1st Congressional District

The Honorable Marshall Bennett
State Treasurer

Dr. Thomas Layzell
Commissioner of Higher
Education

Legislative Advisors:

Senator Terry Burton
Senator Billy Hewes, III
Rep. Norma Bourdeaux
Rep. Alfred Walker

Mr. William T. "Dale" Patterson
4th Congressional District

**THE MISSISSIPPI PREPAID AFFORDABLE
COLLEGE TUITION PROGRAM**

Financial Statements and
Independent Auditors' Report

Year Ended June 30, 1998



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mississippi Prepaid Affordable College Tuition Program
Jackson, Mississippi

We have audited the accompanying financial statements of the Mississippi Prepaid Affordable College Tuition Program (the "Program") as of and for the years ended June 30, 1998. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the financial statements present only the Mississippi Prepaid Affordable College Tuition Program, and are not intended to present fairly the financial position and results of operations of the State of Mississippi, in conformity with generally accepted accounting principles.

In our opinion, such financial statements presents fairly, in all material respects, the financial position of the Mississippi Prepaid Affordable College Tuition Program as of June 30, 1998, and the results of its operations and the cash flows of its component unit for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 1998 on our consideration of the Program's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Deloitte & Touche LLP

September 25, 1998

**MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
BALANCE SHEET
AT JUNE 30, 1998**

| | Trust Fund | Administrative Fund | Total |
|--|---------------------|------------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$1,661,355 | \$720,599 | \$2,381,954 |
| Short-term investments | 530,000 | | 530,000 |
| Interest receivable | 13,993 | | 13,993 |
| Total current assets | <u>2,205,348</u> | <u>720,599</u> | <u>2,925,947</u> |
| NONCURRENT ASSETS | | | |
| Investments | 31,664,517 | | 31,664,517 |
| Furniture & fixtures, net of accumulated depreciation of \$16,334 | -0- | 10,578 | 10,578 |
| Total noncurrent assets | <u>31,664,517</u> | <u>10,578</u> | <u>31,675,095</u> |
| Total assets | <u>\$33,869,865</u> | <u>\$731,177</u> | <u>\$34,601,042</u> |
| LIABILITIES AND TRUST EQUITY (DEFICIT) | | | |
| CURRENT LIABILITIES | | | |
| Warrants payable | \$39,912 | \$25,926 | \$65,838 |
| Vouchers payable | | 93,707 | 93,707 |
| Due to other funds | | 500,000 | 500,000 |
| Tuition benefits and expense payable | \$1,725,171 | | 1,725,171 |
| Total current liabilities | <u>1,765,083</u> | <u>619,633</u> | <u>2,384,716</u> |
| LONG-TERM LIABILITIES | | | |
| Tuition benefits and expense payable | 31,501,048 | | 31,501,048 |
| Due to other funds | | 754,205 | 754,205 |
| Compensated absences | | 12,970 | 12,970 |
| Total long-term liabilities | <u>31,501,048</u> | <u>767,175</u> | <u>32,268,223</u> |
| Total liabilities | <u>33,266,131</u> | <u>1,386,808</u> | <u>34,652,939</u> |
| CONTINGENCIES (Note 8) | | | |
| TRUST EQUITY (DEFICIT) | | | |
| Retained earnings (deficit) | 603,734 | (655,631) | (51,897) |
| Total liabilities and trust equity (deficit) | <u>\$33,869,865</u> | <u>\$731,177</u> | <u>\$34,601,042</u> |

The accompanying notes are an integral part of these financial statements.

**MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 1998**

| | Trust Fund | Administrative Fund | Total |
|--|---------------|------------------------|-------------|
| Operating Revenues | | | |
| Investment income | \$916,837 | | \$916,837 |
| Administrative fees | 210,666 | | 210,666 |
| Donations | | \$4,316 | 4,316 |
| Net increases in fair value of investments | 2,144,544 | | 2,144,544 |
| Excess of tuition receipts over present value of related benefits payable | (2,495,265) | | (2,495,265) |
| Total operating revenues | 776,782 | 4,316 | 781,098 |
| OPERATING EXPENSES | | | |
| Salaries and travel | | 144,765 | 144,765 |
| Contractual services | | 814,420 | 814,420 |
| Commodities and supplies | | 15,540 | 15,540 |
| Depreciation | | 1,750 | 1,750 |
| Tuition payments | 28,008 | | 28,008 |
| Total operating expenses | 28,008 | 976,475 | 1,004,483 |
| Operating income (loss) | 748,774 | (972,159) | (223,385) |
| OPERATING TRANSFERS | (733,380) | 733,380 | -0- |
| NET INCOME (LOSS) | 15,394 | (238,779) | (223,385) |
| RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR | 588,340 | (416,852) | 171,488 |
| RETAINED EARNINGS (DEFICIT) AT END OF YEAR | \$603,734 | (\$655,631) | (\$51,897) |

The accompanying notes are an integral part of these financial statements.

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1998

| | Trust Fund | Administrative Fund | Total |
|--|------------------|------------------------|------------------|
| OPERATING ACTIVITIES | | | |
| Contract payments received | \$19,429,372 | | \$19,429,372 |
| Administrative fees received | \$210,666 | | \$210,666 |
| Cash payments for tuition | (\$28,007) | | (\$28,007) |
| Cash payments to suppliers for goods and services | | (\$842,883) | (842,883) |
| Income received on tuition payments | 1,257,896 | | 1,257,896 |
| Cash payments to employees for services | | (123,842) | (123,842) |
| Net cash from (used for) operating activities | 20,869,927 | (966,725) | 19,903,202 |
| NONCAPITAL FINANCING ACTIVITIES | | | |
| Operating transfers | (733,380) | 733,380 | -0- |
| Loans from other funds | | 754,205 | 754,205 |
| Net cash from (used for) noncapital financing activities | (733,380) | 1,487,585 | 754,205 |
| CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | | (6,839) | (6,839) |
| Net cash from (used for) capital and related financing activities | -0- | (6,839) | (6,839) |
| INVESTING ACTIVITIES | | | |
| Purchase of investments | (20,494,564) | | (20,494,564) |
| Net cash from (used for) investing activities | (20,494,564) | -0- | (20,494,564) |
| INCREASE IN CASH AND CASH EQUIVALENTS | (358,017) | 514,021 | 156,004 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 2,019,372 | 206,578 | 2,225,950 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$1,661,355 | \$720,599 | \$2,381,954 |

The accompanying notes are an integral part of these financial statements.

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- A. General Description of the Mississippi Prepaid Affordable College Tuition Program (MPACT). MPACT operates a prepaid college tuition program. The program enters into a contract with a purchaser which provides that, in return for a specified actuarially determined payment, MPACT will provide the contract beneficiary's undergraduate tuition and mandatory fees (up to 128 semester hours) at any Mississippi public university or community college. If the contract beneficiary attends an out-of-state or private accredited institution, MPACT will pay to that school an amount up to, but not in excess of, the average tuition and mandatory fees at Mississippi's public universities or community colleges. The purchase amount is based on several factors, including tuition costs, the beneficiary's age and grade in school, anticipated investment earnings, and anticipated tuition rate increases. The MPACT Program's obligations to Contract Purchasers, beneficiaries or others are backed by the full faith and credit of the State of Mississippi. In the event of cancellation, purchasers will receive a refund of principal paid into the program, plus an amount of interest not less than the prevailing rates of interest paid by bank savings accounts.

The MPACT Program operates under the provisions of Mississippi Code Ann., §37-155-1 through §37-155-27. The effective date of the enabling legislation was July 1, 1996. MPACT is administratively located within the Mississippi Treasury Department. The program is governed by a nine-member board of directors consisting of the following members: the State Treasurer, the Commissioner of Higher Education, the Executive Director of the Community and Junior College Board, the Department of Finance and Administration Executive Director and one (1) member from each congressional district as appointed by the Governor with the advice and consent of the Senate.

- B. Reporting Entity - The MPACT Program is a part of the State of Mississippi's reporting entity and is reported as an enterprise fund in the State of Mississippi Comprehensive Annual Financial Report (CAFR). The notes accompanying these financial statements relate directly to the Mississippi Prepaid Affordable College Tuition Program.
- C. Basis of Accounting - The financial statements contained in this report are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when services or benefits are received.
- D. Cash and Cash Equivalents - For purposes of the statement of cash flows, MPACT defines cash equivalents as demand deposit accounts and cash in the State Treasury.

- E. Investment Securities - MPACT follows GASB Standard No. 31, "Accounting and Reporting for Certain Investments and for External Investment Pools", which requires that investments in equity securities with readily determinable fair values, all investments in debt securities and open-end mutual funds, and certain investments in interest-earning investment contracts be reported at fair value with gains and losses included as a component of revenues and expenses.
- F. Determination Of Fair Values Of Financial Investments - Fair value for cash, short-term investments, receivables and payables approximates carrying value. Fair values for investment securities are based on quoted market prices, where available. Otherwise, fair values are based on quoted market prices of comparable instruments.
- G. Furniture and Fixtures - Furniture and fixtures are reported at cost less allowances for depreciation. Depreciation is recorded on the straight-line method over the estimated useful lives of the assets.
- H. Tuition Benefits and Expenses Payable - Tuition benefits and expenses payable represents the current and long-term portions of the actuarially determined present value of future tuition obligations and program expenses.
- I. Interfund Transactions - During the course of normal operations, the MPACT funds show numerous transactions between funds. These transactions are reflected as operating transfers or as interfund receivables and payables. Management's intent to reimburse determines whether or not the interfund transactions is recorded as a transfer or a receivable.
- J. Due to Other Funds - Due to other funds represent interest-free loans appropriated from another fund within the State Treasury and are classified as current and long-term based on the repayment dates stipulated in the appropriation.
- K. Accounting and Reporting - Under Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Fund Accounting, The MPACT Program has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.
- L. Use of Estimates - The financial statements are prepared in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.



NOTE 2 - CASH AND SHORT-TERM INVESTMENTS

Governmental Accounting Standards Board (GASB) Statement No. 3 requires certain disclosures regarding policies and practices with respect to deposits and investments and the credit risk associated with them.

At fiscal year end the carrying amount of the Program's deposits was \$2,911,954 and the bank balance was \$2,911,954, including all bank accounts, funds in the State Treasury, and short-term investments. Deposits of the program are entirely insured or collateralized with securities.

NOTE 3 - INVESTMENT SECURITIES

MPACT funds are invested according to the relevant statutes and the investment policies adopted by the Board of Directors. Mississippi law authorizes the MPACT Trust Fund to invest in bonds or other general obligations of the State of Mississippi and its political subdivisions, obligations of the U.S. Treasury, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes, debentures or obligations guaranteed by the U.S. Government, Bonds of the Tennessee Valley Authority, bonds of other states, corporate bonds of investment grade, and other fixed income investments. Additionally, the Trust Fund is permitted to invest in equity securities, including covered call or put options on securities traded on a regulated exchange, that are determined by the Board of Directors to be consistent with the investment statutes and policies. The statute sets limits in terms of the percentage of the total investments of the Trust Fund that may be placed in any one category or type of investment. For a complete description of allowable investments, see Mississippi Code Ann., §37-155-9(v).

Investments consisted of the following at June 30, 1998:

| | <u>Cost</u> | <u>Fair Value</u> |
|--|---------------------|---------------------|
| U.S. Treasuries and Agencies | \$6,124,534 | \$ 6,274,837 |
| Mortgage and Other Asset Backed Securities | 2,381,671 | 2,382,667 |
| Corporate Debt Securities | 1,086,905 | 1,086,669 |
| Corporate Equity Securities | | |
| Domestic | 15,052,628 | 16,726,899 |
| Foreign | <u>5,228,826</u> | <u>5,193,445</u> |
| Total | <u>\$29,874,564</u> | <u>\$31,664,517</u> |

Investments of the program are entirely uninsured and unregistered and are held by third parties in MPACT's name.

NOTE 4 - TUITION BENEFITS AND EXPENSES PAYABLE - NET

Tuition benefits and expenses payable, net, represents the current and long-term portions of the actuarially determined present value of future tuition obligations and program expenses, net of the present value of future payments expected to be made to the Trust Fund by installment contract purchasers. Recording future tuition obligations at the actuarially determined present value results in the recognition of tuition benefit expense and a corresponding increase in tuition benefits payable.

Actuarially Determined Funding Status - Presented below is the total tuition benefits obligation of the Program. The standardized measurement is the actuarial present value (A.P.V.) of the future tuition obligation. This valuation method reflects the present value of estimated tuition benefits that will be paid in future years and is adjusted for the effects of projected tuition increases. The tuition benefits obligation was determined as part of the latest available actuarial valuation. Significant actuarial assumptions used and results from the most recent valuation are as follows:

Date of latest actuarial valuation: June 30, 1998

Assumptions:

| | |
|---------------------------------------|--|
| Rate of return on investments | 8.1% |
| Future tuition increases | 7% |
| Payment of tuition and mandatory fees | 128 credit hours utilization; payments will occur twice annually |

Results:

| | |
|---|----------------------|
| A.P.V. of future benefits and expense payable | |
| Current | \$ 1,725,171 |
| Long-term | <u>31,501,048</u> |
| Total | \$ <u>33,226,219</u> |
| Net assets available for benefits (before due to other funds liability) at market value | \$ <u>34,430,919</u> |
| Net assets in excess of tuition benefits and expenses payable, net | \$ <u>1,204,700</u> |
| Net assets (before due to other funds liability) as percentage of tuition benefits and expenses payable | <u>3.6%</u> |



Tuition benefits and expenses payable, net
includes the following as of June 30, 1998:

| | | |
|---|----|---------------------|
| Actuarial present value of future payments to be made for tuition, fees, expenses and contract cancellations for all contracts sold | \$ | 65,730,518 |
| Actuarial present value of future payments to be received from installment contract purchasers | \$ | <u>(32,504,299)</u> |
| Tuition benefits and expenses payable, net at end of year | \$ | <u>33,226,219</u> |

NOTE 5 - FAIR VALUE DISCLOSURES

The carrying values and estimated fair values of MPACT's financial instruments as of June 30, 1998 were as follows:

| | <u>Carrying Value</u> | <u>Estimated Fair Value</u> |
|---------------------------|---------------------------|---------------------------------|
| Cash and cash equivalents | \$ 2,381,954 | \$ 2,381,954 |
| Short-term investments | 530,000 | 530,000 |
| Investments | 31,664,517 | 31,664,517 |
| Current Liabilities | 2,384,716 | 2,384,716 |
| Long-term liabilities | 32,268,223 | 32,268,223 |

The carrying amounts for cash and cash equivalents, short-term investments and current liabilities are considered a reasonable estimate of fair value. The fair value of investments (including foreign currency exchange contracts) is determined by quoted market prices. Both the carrying value and market value of long-term liabilities are determined based on the discounted value of contractual cash flows.

The estimated fair values are significantly affected by assumptions used, principally the timing of future cash flows, the discount rate, judgements regarding current economic conditions, risk characteristics of various financial instruments and other factors. Because assumptions are inherently subjective in nature, the estimated fair values cannot be substantiated by comparison to independent quotes and, in many cases, the estimated fair values could not necessarily be realized in an immediate sale or settlement of the investment.

NOTE 6 - CURRENCY RATE MANAGEMENT

Certain investments of MPACT are exposed to continuing fluctuations in currency rates, which are recorded as an adjustment of realized and unrealized gains and losses. MPACT addresses

this risk through a controlled program of risk management that includes the use of foreign currency exchange contracts. Such contracts are initiated within the guidelines of investment statutes and policies and do not create risk because resulting gains and losses offset gains and losses on the investment being hedged. MPACT does not hold or issue financial instruments for trading purposes. Foreign currency exchange contracts outstanding at June 30, 1998 aggregated \$1,375,338 at carrying value and \$1,470,600 at market value, with market value determined based on quoted market prices.

NOTE 7 - TAX STATUS

The Board of the Trust Fund has, based on the opinion of tax counsel, held the view that the Trust Fund is exempt from federal income taxation. The basis upon which the Board has taken the position that the Trust Fund is tax-exempt is its relationship and position as an agency and instrumentality of the State of Mississippi. The Mississippi statutes which establish the Trust Fund (§§37-155-1-27) specify that it is a state "agency and instrumentality" as confirmed by an official Attorney General's opinion. State agencies are not subject to income taxation under general principles of federal tax law.

In 1996, Congress passed the Small Business Job Protection Act of 1996. Section 1806 of the 1996 Act added Section 529 to the Internal Revenue Code of 1986. Code Section 529 provides that a "qualified state tuition program" is exempt from all federal income taxation except that imposed by Code Section 511 relating to unrelated business income (which is unlikely to apply to the MPACT Program given its current investment policies because the Program's sources of revenue do not include unrelated business income). The term "qualified state tuition program" is defined generally in Code Section 529 as a program established and maintained by a state or agency and instrumentality thereof under which, among other things, a person may make cash contributions to an account established solely for meeting the qualified higher education expenses of the designated beneficiary of the account. To the extent necessary and applicable, the Trust Fund documents are being or have been amended to include the qualification criteria required by Section 529. In March of 1998 the Board received an official ruling from the Internal Revenue Service that the MPACT Program qualifies under Section 529 and is thus exempt from federal taxation. Accordingly, no provision has been made in these financial statements for accrual of income taxes for the year ended June 30, 1998.

NOTE 8 - CONTINGENCIES

The prepaid college tuition plan operated by the State of Florida is defending an alleged patent infringement claim resulting from the operation and administration of that prepaid plan. Losses, if any, could include recovery of past damages as well as injunctive relief. The ultimate resolution of this litigation can not be predicted but the outcome could potentially affect other states, including the State of Mississippi and MPACT. Allegations against the State of Mississippi and MPACT are preliminary and therefor no range of potential loss, if any, can be estimated. Therefore, no liability for loss has been accrued in the accompanying financial statements.

THE MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM

Actuarial Valuation and
Independent Actuaries' Report

Year Ended June 30, 1998

October 6, 1998

Board of Directors
Mississippi Prepaid Affordable College
Tuition Program
State Treasury Department
Suite 210
625 North State Street
Jackson, Mississippi 39201

To the Board:

This report presents the results of the June 30, 1998 actuarial valuation of the program. The valuation compares the value of the assets of the program to the value of expected future tuition payments to beneficiaries. The following pages summarize the actuarial evaluation of the trust fund performed by PricewaterhouseCoopers as of June 30, 1998.

A comparison of the assets and liabilities of the trust fund shows that as of June 30, 1998 there is a reserve of approximately \$1,205,000. It is our understanding that the Board intends to apply the reserve against future actuarial losses as needed.

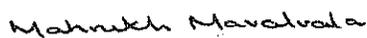
The actuarial valuation was performed based upon generally accepted actuarial principles, and tests were performed as considered necessary to ensure the accuracy of the results. We certify that the amounts presented in the following pages have been appropriately determined according to the actuarial assumptions stated herein.

Respectfully submitted,

PRICEWATERHOUSECOOPERS L.L.P.



Richard M. Kaye
Fellow of the Society of Actuaries
Enrolled Actuary Number 96-1348



Mahrukh Mavalvala
Associate of the Society of Actuaries
Enrolled Actuary Number 96-5999

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- F Tuition - Community and Junior Colleges

EXECUTIVE SUMMARY

Valuation Results

- As of June 30, 1998 the trust has a surplus of \$1,204,700 (the value of assets, including the value of future payments by contract purchasers, exceed the expected liabilities of the trust by that amount). We understand that the intent of the Board is to apply the surplus against future actuarial losses, if any, as needed. The liability amounts are based upon actuarial assumptions chosen by the Board and information provided by Intuition as to contracts sold to date. Asset information was provided by the Mississippi Prepaid Affordable College Tuition (MPACT) Program staff.

Contract Sales

- Currently there are over 7,300 participants enrolled in the MPACT program.
- The majority of the current contracts are for a full four years of college, with 61% for four-year universities and another 23% for two years at junior or community college followed by two years at a four-year university.
- Contracts were fairly evenly distributed across expected matriculation years (1997 through 2015), the exception being a relatively few contracts with matriculation years of 1999 and earlier.

Weighted Average Tuition

The Weighted Average Tuition (WAT) is the average of tuition and fees for in-state schools weighted in proportion to the number of Mississippi resident students attending the schools.

- WAT for four-year universities increased from \$2,570 for the Fall of 1997 to \$2,862 for the Fall of 1998, an increase of 11.4% compared to the assumed 7% increase.
- The Junior College WAT increased from \$962 for the Fall of 1997 to \$973 Fall of 1998, an increase of 1.1% compared to the assumed 7% increase.

Actuarial Assumptions

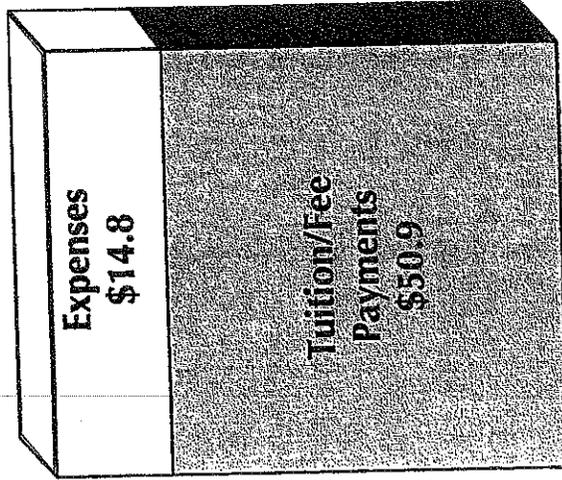
- Tuition is assumed to increase at 7%, however, we have assumed that there will be no tuition increase for the four-year schools for the three year period commencing with the 1999-2000 school year. Investments are expected to earn 8.1% per annum. The actuarial assumptions and methods are fully described in the following section of this report.

Funded Status

The value of assets of the trust fund as of June 30, 1998 (including the value of future payments by contract purchasers) exceeds the expected liabilities of the trust fund by \$1.2 million. The funded ratio, assets divided by liabilities, is equal to 101.8%. The assumptions used to perform the actuarial valuation of the fund are described in Section 2. The primary assumptions are:

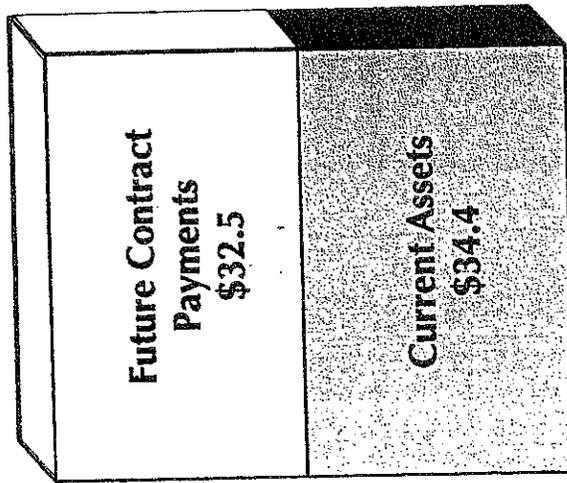
| | |
|-------------------|----------------|
| Tuition Increases | 7.0% per annum |
| Investment Return | 8.1% per annum |

Total: \$65.7 million



Liabilities

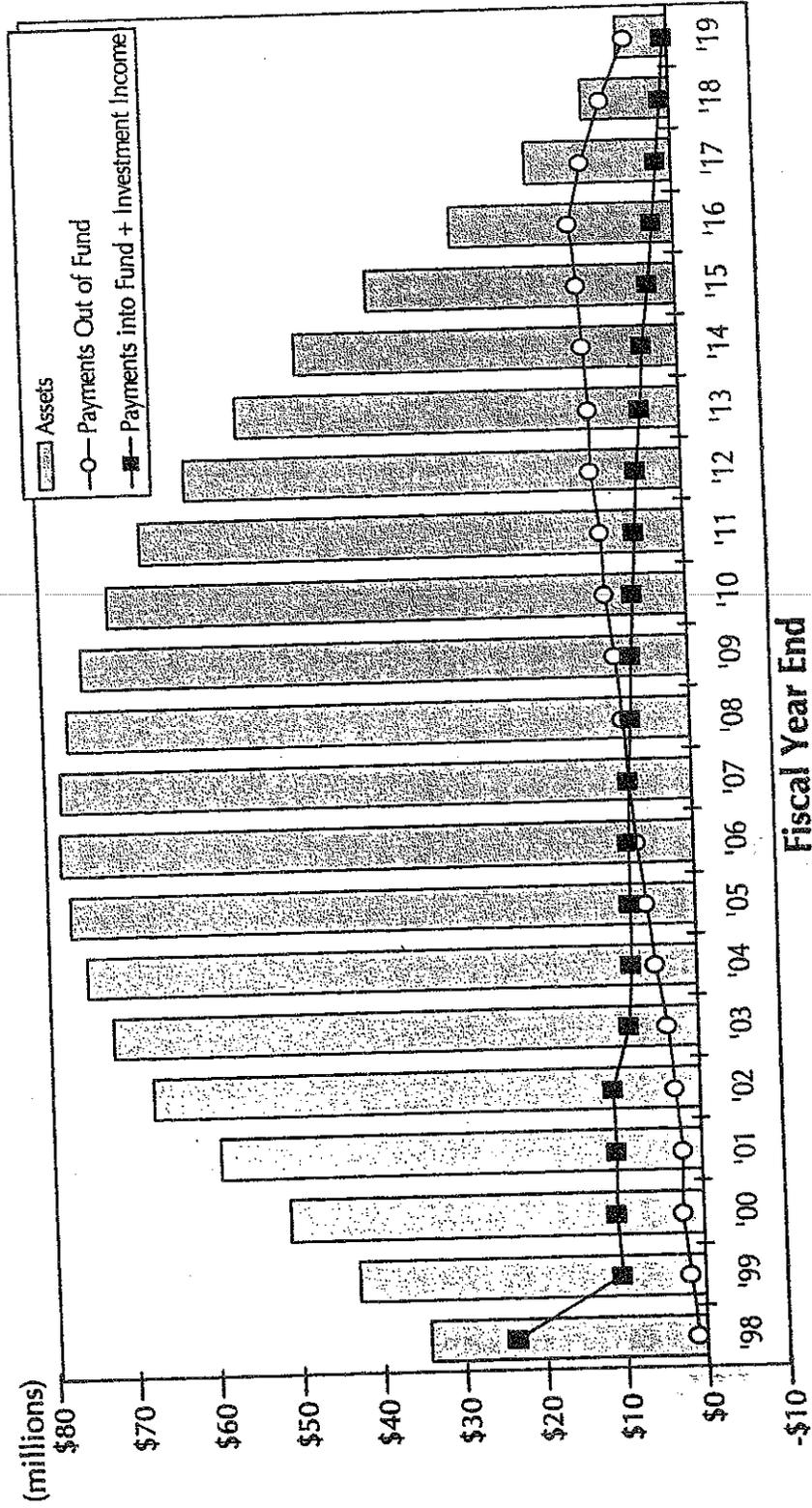
Total: \$66.9 million



Assets

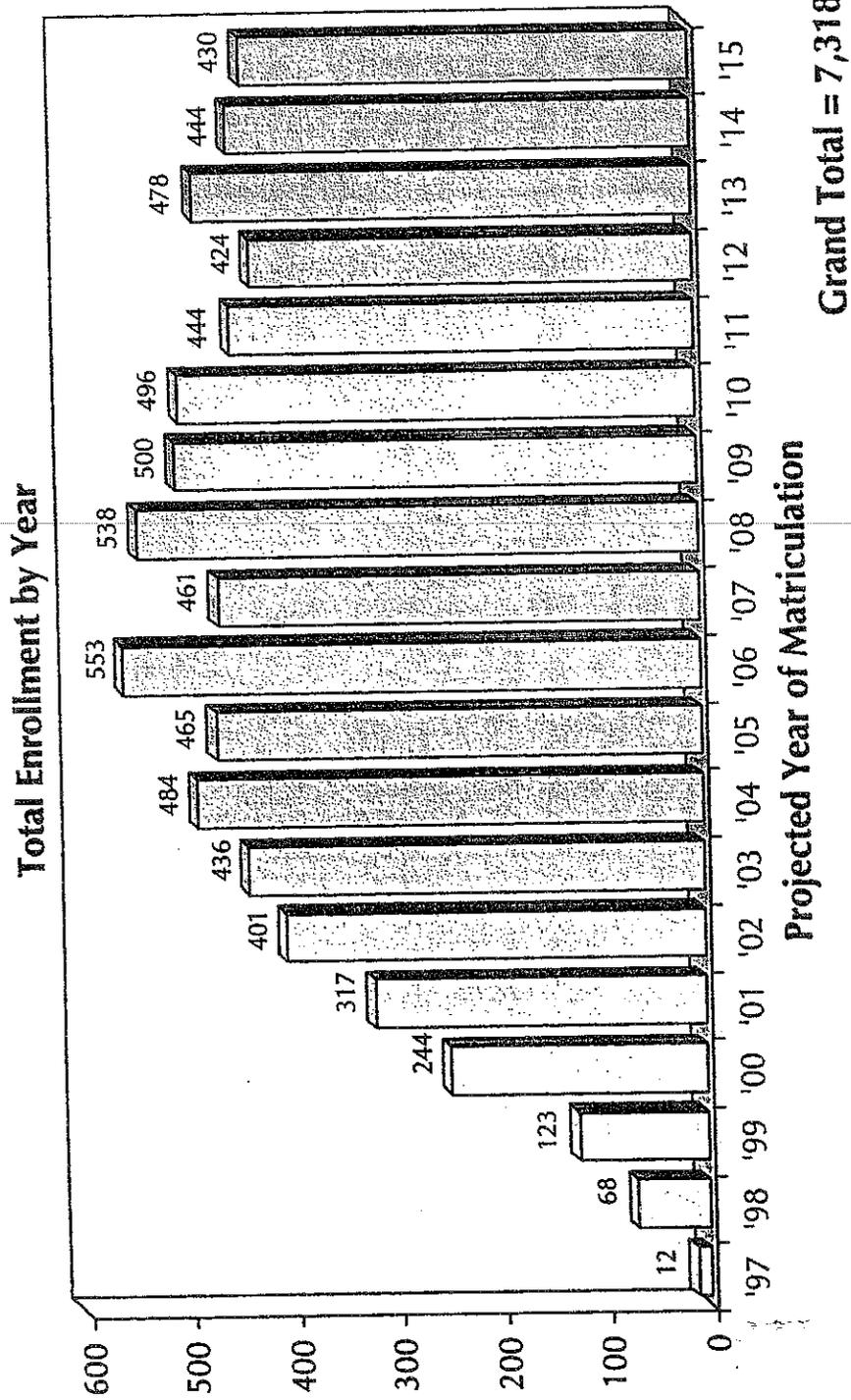
Cash Flow Projection

The expected income and disbursements of the trust fund, based on the assumptions used in the actuarial valuation, and the current group of contract beneficiaries, are shown below. These amounts are cash amounts, not present value amounts.



Contract Sales

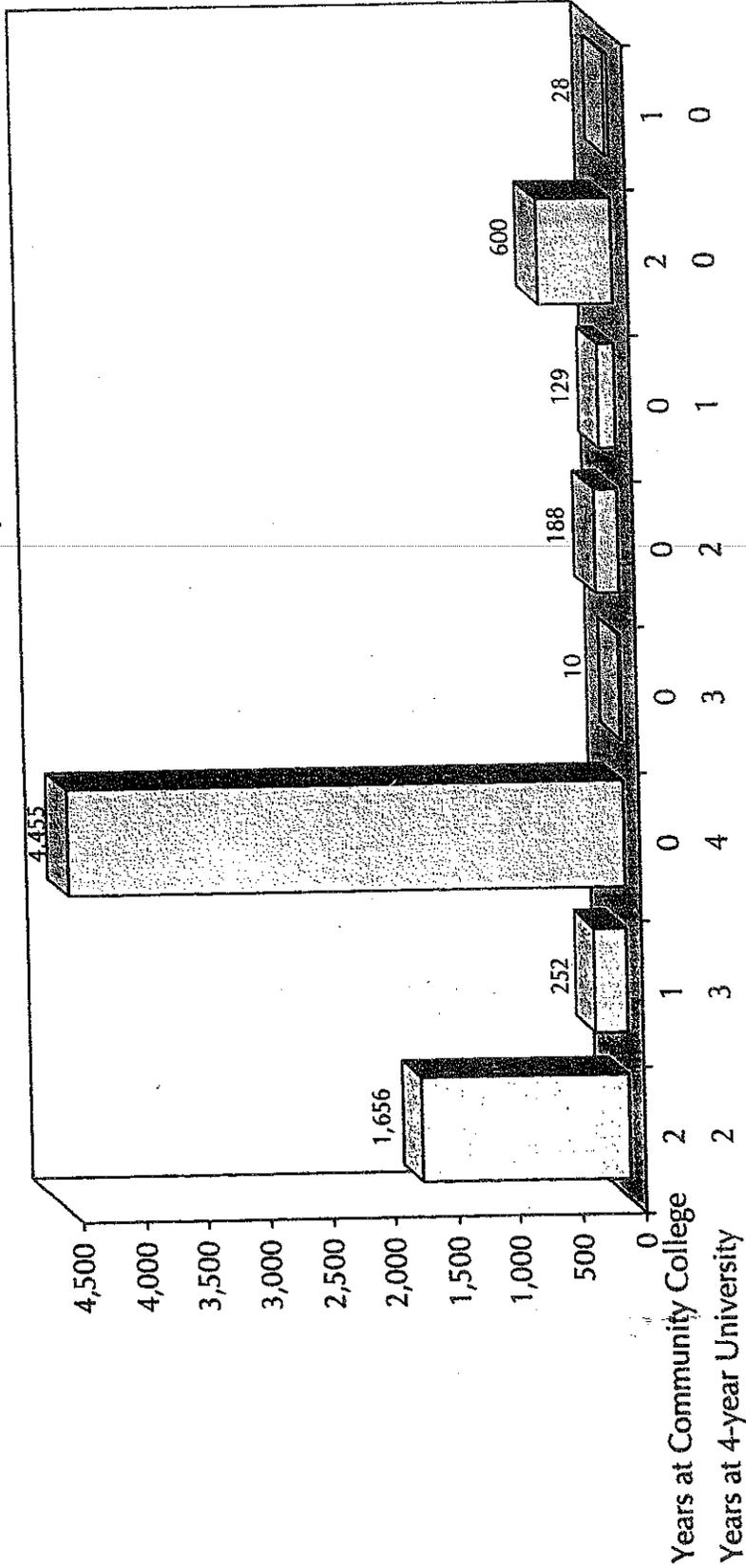
Contracts can be purchased for a wide range of ages from infants up through high school seniors. The chart below illustrates the total number of active contracts by expected year of college or university matriculation.



Contract Sales

Contracts can be purchased for a variety of plans, from one year to four years of tuition and for community college or 4-year university. The chart below illustrates the total number of active contracts by type of plan.

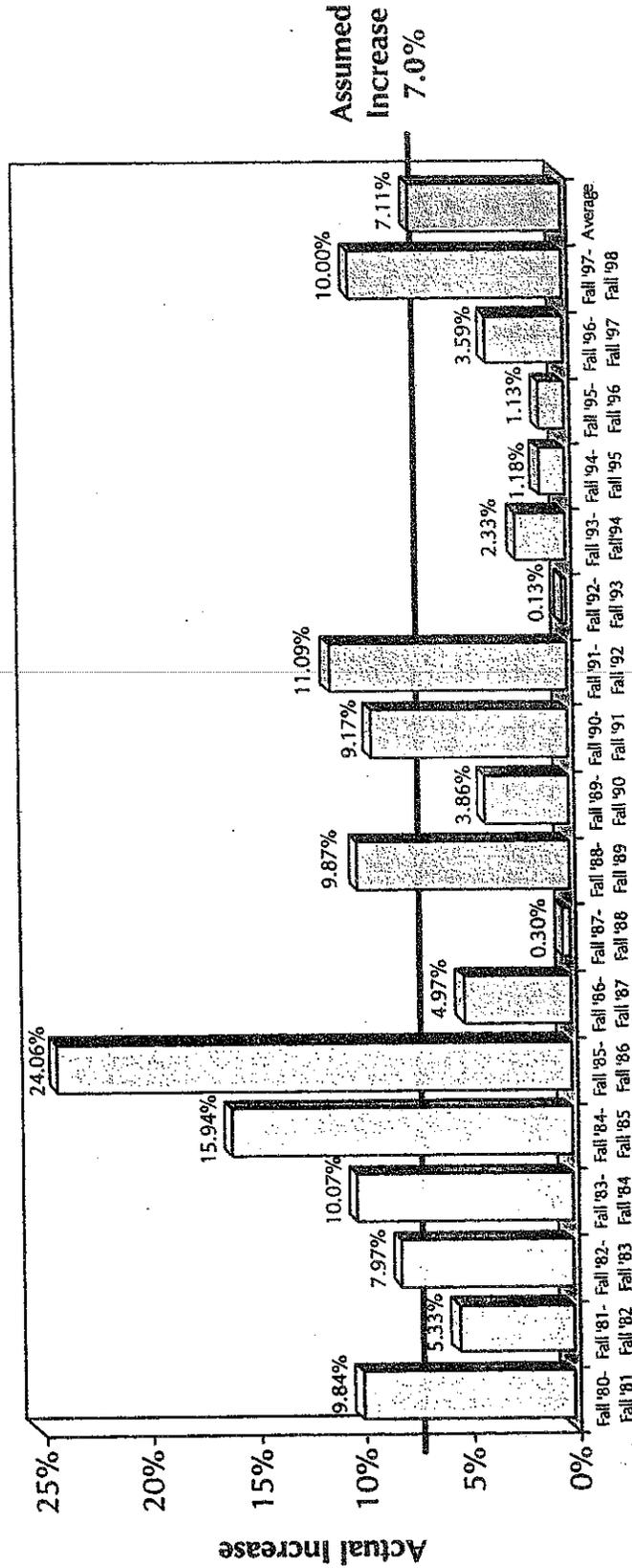
Total Enrollment by Year



Grand Total = 7,318

Historical Tuition/Fee Increases

The average tuition for four-year universities is assumed to increase 7.0% per year. The actual increase from the fall of 1997 to the fall of 1998 was 10% (the weighted average tuition, weighted by in-state enrollment, increased 11.4% over the same period from 2,570 to 2,862). The chart below illustrates the actual increases since 1980.



Historical Comparison: Four-Year Universities

| | | | | | |
|----------|-------|----------|---------|----------|---------|
| Fall '80 | \$803 | Fall '86 | \$1,588 | Fall '92 | \$2,314 |
| Fall '81 | 882 | Fall '87 | 1,667 | Fall '93 | 2,317 |
| Fall '82 | 929 | Fall '88 | 1,672 | Fall '94 | 2,371 |
| Fall '83 | 1,003 | Fall '89 | 1,837 | Fall '95 | 2,399 |
| Fall '84 | 1,104 | Fall '90 | 1,908 | Fall '96 | 2,426 |
| Fall '85 | 1,280 | Fall '91 | 2,083 | Fall '97 | 2,513 |
| | | | | Fall '98 | 2,764 |

***Valuation Assumptions
And
Methods***

ACTUARIAL ASSUMPTIONS

The assumptions used in the actuarial valuation of the trust fund are described below. In our opinion, the assumptions are reasonable for projecting the expected financial results of the trust fund.

Tuition Increases The Weighted Average Tuition (WAT) for four-year universities and junior/community colleges is projected to increase 7% per annum. However, there will be no tuition increases for the four-year schools for the three year period commencing with the 1999-2000 school year.

Investment Return The actuarial valuation of the trust fund was determined using an 8.1% rate of return. The trust fund is exempt from federal income tax.

Administrative Expenses It was assumed that \$1,350,000 of administrative expenses will be paid from the investment earnings of the fund. Other administrative expenses of the program are assumed to be paid through fees assessed on purchasers. It was assumed that administrative expenses will increase at the rate of 3% per annum. An additional loan repayment expense of \$500,000 for fiscal year 1999 and \$754,205 for fiscal year 2000 has been assumed.

Enrollment of MPACT Beneficiaries It was assumed that beneficiaries will attend college/university full time commencing with their expected matriculation date (the Fall following high school graduation). Contract beneficiaries are assumed to attend the various colleges and universities in the same proportion as the headcount information that was used to determine 1998-1999 Weighted Average Tuition with a 3% load added for four-year universities to allow for a bias toward matriculation at more expensive schools by beneficiaries as opposed to the general public.

Contract Cancellations Contract cancellation decrements were not used.

Future Contract Sales For the purpose of attribution of administrative expenses to current contracts on a pro-rata basis, it was assumed that there will be a minimum number of active contracts in the future. We have assumed 500 additional active contracts each year for the next 5 years with 25% of the administrative expense being variable. This assumption has not been used to project future purchaser payments to the fund or tuition payments from the fund.

Deaths and Disabilities Mortality and disability decrements were not used.

ACTUARIAL METHODS

The actuarial valuation of the trust fund is based on projections of the tuition and mandatory fee amounts expected to be paid from the trust fund to colleges and universities, and the expected amounts to be paid into the trust fund by contract purchasers. The actuarial valuation is based on the data summarized below which was obtained through the following sources:

- Tuition/Fee Amounts at Four-Year Universities Mississippi Institutions of Higher Learning
- Headcount at Four-Year Universities Mississippi Institutions of Higher Learning
- MPACT Purchasers In Tuition
- Tuition/Fee Amounts at Junior and Community Colleges State Board of Community & Junior Colleges
- Headcount at Junior and Community Colleges State Board of Community & Junior Colleges

MPACT Beneficiaries (Appendix D) The future payments expected to be made to and from the trust fund have been determined based on the number of contracts shown in Appendix D. This information reflects cancellations, deaths and disabilities that had occurred as of the valuation date.

Weighted Average Tuition: Four-Year Universities (Appendix E) The Weighted Average Tuition (WAT) for public four-year universities in Mississippi is the average of tuition and mandatory fees at each of the four-year universities, weighted by resident enrollment headcount at each university.

Resident enrollment headcount is the number of undergraduate students eligible to pay in-state tuition at Mississippi four-year universities. A three year average (1995 - 1997) was used to determine the WAT.

Weighted Average Tuition: Junior and Community Colleges (Appendix F) The Weighted Average Tuition (WAT) for junior and community colleges was determined using the same methodology used in the determination of WAT for four-year universities, except the weighting was based on the average full-time headcounts at each college for the 1995 and 1997 fall quarters.

Appendices

Funded Status

Appendix A

| | |
|--|--------------------|
| a. Market Value of Assets | \$34,430,919 |
| b. Actuarial present value of future payments expected to be made to the fund by contract purchasers | <u>32,504,299</u> |
| c. Subtotal (a + b) | \$66,935,218 |
| d. Actuarial present value of future payments expected to be made from the trust fund to universities for tuition and mandatory fees, and to purchasers upon contract cancellation | <u>65,730,518</u> |
| e. Surplus as of June 30, 1998 (c - d) | <u>\$1,204,700</u> |

Appendix B

Trust Assets

| | Book Value | Market Value |
|---|-----------------------|-----------------------|
| Summary of Assets | | |
| Cash | \$2,925,947 | \$2,925,947 |
| Investments | 29,874,564 | 31,664,517 |
| Accrued Interest | 0 | 0 |
| Accounts Receivable | 0 | 0 |
| Fixed Assets (net of accumulated depreciation) | 10,578 | 10,578 |
| Total Assets | \$32,811,089 | \$34,601,042 |
| Accounts Payable | 0 | 0 |
| Vouchers Payable | 93,707 | 93,707 |
| Warrants Payable | 65,838 | 65,838 |
| Fixed Assets | 10,578 | 10,578 |
| Accrual for Compensated Absences and Salaries Payable | 0 | 0 |
| Balance as of June 30, 1998 | \$32,640,966 * | \$34,430,919 * |

* Includes Administrative Fund balance of \$600,966.

The above information was provided by the MPACT office.

Appendix B

Trust Assets

| Receipts and Disbursements | Book Value | Market Value |
|------------------------------|--------------|--------------|
| Balance as of July 1, 1997 | \$12,019,338 | \$12,019,338 |
| Payments by Contract Holders | 19,518,460 | 19,518,460 |
| Application and Other Fees | 210,666 | 210,666 |
| Other | 754,205 | 754,205 |
| Interest Income | 733,956 | 733,956 |
| Dividends | 182,881 | 182,881 |
| Gain on Sale of Investments | 354,591 | 354,591 |
| Unrealized Gain/(Loss) | N/A | 1,789,953 |
| Tuition Payments | (28,008) | (28,008) |
| Refunds | (128,999) | (128,999) |
| Other | 0 | 0 |
| Asset Management Fees | 0 | 0 |
| Administrative Expenses | (976,124) | (976,124) |
| Balance as of June 30, 1998 | \$32,540,966 | \$34,430,919 |

* Includes Administrative Fund balance of \$600,966.

The above information was provided by the MPACT office.

Appendix C

Cash Flow Projection

(amounts are shown in 1,000s)

| <u>Fiscal Year End</u> | <u>Payments Into Trust Fund</u> | <u>Payments Out of Trust Fund</u> | <u>Investment Income</u> | <u>Assets at End of Year</u> |
|----------------------------|-------------------------------------|---------------------------------------|------------------------------|----------------------------------|
| 06 / 30 / 1998 | | | | \$34,431 |
| 06 / 30 / 1999 | \$7,245 | \$1,792 | \$3,003 | 42,887 |
| 06 / 30 / 2000 | 7,159 | 2,584 | 3,650 | 51,112 |
| 06 / 30 / 2001 | 6,364 | 2,225 | 4,294 | 59,545 |
| 06 / 30 / 2002 | 6,005 | 2,943 | 4,926 | 67,533 |
| 06 / 30 / 2003 | 3,068 | 3,893 | 5,409 | 72,118 |
| 06 / 30 / 2004 | 2,424 | 5,042 | 5,698 | 75,198 |
| 06 / 30 / 2005 | 2,182 | 6,071 | 5,886 | 77,196 |
| 06 / 30 / 2006 | 2,002 | 6,937 | 5,998 | 78,259 |
| 06 / 30 / 2007 | 1,689 | 7,883 | 6,025 | 78,090 |
| 06 / 30 / 2008 | 1,394 | 8,377 | 5,975 | 77,083 |
| 06 / 30 / 2009 | 1,211 | 9,170 | 5,847 | 74,971 |
| 06 / 30 / 2010 | 909 | 9,960 | 5,625 | 71,544 |
| 06 / 30 / 2011 | 725 | 10,407 | 5,318 | 67,180 |
| 06 / 30 / 2012 | 578 | 11,207 | 4,919 | 61,471 |
| 06 / 30 / 2013 | 427 | 11,321 | 4,446 | 55,023 |
| 06 / 30 / 2014 | 278 | 11,828 | 3,893 | 47,365 |
| 06 / 30 / 2015 | 140 | 12,338 | 3,242 | 38,409 |
| 06 / 30 / 2016 | 24 | 13,059 | 2,476 | 27,850 |
| 06 / 30 / 2017 | 0 | 11,189 | 1,714 | 18,375 |
| 06 / 30 / 2018 | 0 | 8,495 | 1,082 | 10,962 |
| 06 / 30 / 2019 | 0 | 5,415 | 636 | 6,183 |

Appendix D

MPACT Beneficiaries

All Enrollment Scenarios

| Projected Enrollment Year | Plan Type | | | | | | | | | | | | Total Enrollment By Year | Percent of Total | |
|---------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--------------------------|------------------|-------|
| | 2 YRS. @ Jr. College 2 YRS. @ 4-YR. Univ. | 1 YRS. @ Jr. College 3 YRS. @ 4-YR. Univ. | 0 YRS. @ Jr. College 4 YRS. @ 4-YR. Univ. | 0 YRS. @ Jr. College 3 YRS. @ 4-YR. Univ. | 0 YRS. @ Jr. College 2 YRS. @ 4-YR. Univ. | 0 YRS. @ Jr. College 1 YRS. @ 4-YR. Univ. | 2 YRS. @ Jr. College 0 YRS. @ 4-YR. Univ. | 1 YRS. @ Jr. College 0 YRS. @ 4-YR. Univ. | 0 YRS. @ Jr. College 0 YRS. @ 4-YR. Univ. | 1 YRS. @ Jr. College 0 YRS. @ 4-YR. Univ. | 2 YRS. @ Jr. College 0 YRS. @ 4-YR. Univ. | 3 YRS. @ Jr. College 0 YRS. @ 4-YR. Univ. | | | |
| 1997-1998 | 1 | 0 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 0.16% |
| 1998-1999 | 14 | 3 | 39 | 1 | 2 | 4 | 5 | 8 | 0 | 0 | 0 | 0 | 0 | 68 | 0.93% |
| 1999-2000 | 21 | 2 | 81 | 0 | 5 | 6 | 8 | 24 | 3 | 0 | 0 | 0 | 0 | 123 | 1.68% |
| 2000-2001 | 50 | 10 | 146 | 1 | 5 | 5 | 5 | 27 | 0 | 0 | 0 | 0 | 0 | 244 | 3.33% |
| 2001-2002 | 73 | 4 | 188 | 2 | 15 | 8 | 8 | 40 | 0 | 0 | 0 | 0 | 0 | 317 | 4.33% |
| 2002-2003 | 85 | 24 | 239 | 1 | 10 | 2 | 2 | 37 | 1 | 0 | 0 | 0 | 0 | 401 | 5.48% |
| 2003-2004 | 96 | 13 | 276 | 0 | 6 | 7 | 7 | 51 | 1 | 0 | 0 | 0 | 0 | 436 | 5.96% |
| 2004-2005 | 107 | 10 | 292 | 1 | 11 | 11 | 11 | 48 | 1 | 0 | 0 | 0 | 0 | 484 | 6.61% |
| 2005-2006 | 105 | 19 | 265 | 1 | 17 | 9 | 9 | 51 | 1 | 0 | 0 | 0 | 0 | 465 | 6.36% |
| 2006-2007 | 113 | 25 | 341 | 0 | 9 | 8 | 8 | 44 | 2 | 0 | 0 | 0 | 0 | 553 | 7.56% |
| 2007-2008 | 122 | 11 | 256 | 2 | 16 | 12 | 12 | 36 | 2 | 0 | 0 | 0 | 0 | 461 | 6.30% |
| 2008-2009 | 130 | 14 | 331 | 1 | 12 | 10 | 10 | 37 | 2 | 0 | 0 | 0 | 0 | 538 | 7.35% |
| 2009-2010 | 118 | 19 | 302 | 0 | 11 | 4 | 4 | 39 | 3 | 0 | 0 | 0 | 0 | 500 | 6.83% |
| 2010-2011 | 113 | 19 | 307 | 0 | 14 | 6 | 6 | 30 | 0 | 0 | 0 | 0 | 0 | 496 | 6.78% |
| 2011-2012 | 93 | 13 | 286 | 0 | 12 | 7 | 7 | 21 | 1 | 0 | 0 | 0 | 0 | 444 | 6.07% |
| 2012-2013 | 111 | 10 | 261 | 0 | 13 | 4 | 4 | 37 | 0 | 0 | 0 | 0 | 0 | 424 | 5.79% |
| 2013-2014 | 115 | 20 | 287 | 0 | 15 | 12 | 12 | 35 | 5 | 0 | 0 | 0 | 0 | 478 | 6.53% |
| 2014-2015 | 101 | 16 | 270 | 0 | 10 | 5 | 5 | 30 | 0 | 0 | 0 | 0 | 0 | 444 | 6.07% |
| 2015-2016 | 88 | 20 | 277 | 0 | 10 | 5 | 5 | 30 | 0 | 0 | 0 | 0 | 0 | 430 | 5.88% |
| Totals | 1,656 | 252 | 4,455 | 10 | 188 | 129 | 129 | 600 | 28 | 600 | 28 | 600 | 7,318 | 100.00% | |
| Percentage of Total | 22.63% | 3.44% | 60.88% | 0.14% | 2.57% | 1.76% | 8.20% | 0.38% | 8.20% | 1.76% | 8.20% | 0.38% | 100.00% | | |

Appendix E

Tuition

Mississippi Four Year Universities

Annual Tuition and Fees

| | ASU | DSU | JSU | MSU | MUW | MVSU | UM | USM | Average | Weighted Average |
|-----------|--------|--------|--------|--------|--------|--------|--------|--------|---------|------------------|
| 1980-1981 | \$ 768 | \$ 720 | \$ 750 | \$ 930 | \$ 729 | \$ 750 | \$ 954 | \$ 826 | \$ 803 | |
| 1981-1982 | 825 | 770 | 832 | 1,030 | 800 | 800 | 1,085 | 916 | 882 | |
| 1982-1983 | 825 | 770 | 900 | 1,132 | 800 | 800 | 1,167 | 1,040 | 929 | |
| 1983-1984 | 875 | 800 | 972 | 1,238 | 825 | 850 | 1,321 | 1,140 | 1,003 | |
| 1984-1985 | 975 | 900 | 1,072 | 1,358 | 925 | 975 | 1,401 | 1,226 | 1,104 | |
| 1985-1986 | 1,250 | 1,130 | 1,172 | 1,492 | 1,075 | 1,200 | 1,517 | 1,401 | 1,280 | |
| 1986-1987 | 1,650 | 1,480 | 1,472 | 1,700 | 1,475 | 1,600 | 1,727 | 1,600 | 1,588 | |
| 1987-1988 | 1,650 | 1,600 | 1,500 | 1,778 | 1,580 | 1,760 | 1,780 | 1,684 | 1,667 | |
| 1988-1989 | 1,670 | 1,600 | 1,500 | 1,794 | 1,580 | 1,760 | 1,790 | 1,684 | 1,672 | |
| 1989-1990 | 1,820 | 1,734 | 1,726 | 1,987 | 1,780 | 1,825 | 1,987 | 1,834 | 1,837 | |
| 1990-1991 | 1,870 | 1,846 | 1,786 | 2,061 | 1,840 | 1,850 | 2,059 | 1,948 | 1,908 | |
| 1991-1992 | 2,068 | 2,000 | 2,029 | 2,223 | 2,053 | 1,952 | 2,221 | 2,120 | 2,083 | |
| 1992-1993 | 2,376 | 2,194 | 2,223 | 2,473 | 2,239 | 2,164 | 2,435 | 2,404 | 2,314 | |
| 1993-1994 | 2,376 | 2,194 | 2,230 | 2,473 | 2,239 | 2,164 | 2,456 | 2,404 | 2,317 | |
| 1994-1995 | 2,389 | 2,294 | 2,380 | 2,498 | 2,244 | 2,189 | 2,546 | 2,429 | 2,371 | |
| 1995-1996 | 2,389 | 2,294 | 2,380 | 2,591 | 2,244 | 2,278 | 2,546 | 2,468 | 2,399 | |
| 1996-1997 | 2,389 | 2,294 | 2,380 | 2,631 | 2,284 | 2,278 | 2,631 | 2,518 | 2,426 | \$2,501 |
| 1997-1998 | 2,441 | 2,360 | 2,444 | 2,743 | 2,324 | 2,405 | 2,775 | 2,609 | 2,513 | \$2,570 |
| 1998-1999 | 2,685 | 2,596 | 2,688 | 3,017 | 2,556 | 2,646 | 3,053 | 2,870 | 2,764 | \$2,862 |

Abbreviation/Key:

- ASU Alcorn State University
- DSU Delta State University
- JSU Jackson State University
- MSU Mississippi State University
- MUW Mississippi University for Women
- MVSU Mississippi Valley State University
- UM University of Mississippi
- USM University of Southern Mississippi

Appendix E (cont.)

Tuition

Mississippi Four Year Universities

Annual Tuition and Fee Increases

| | ASU | DSU | JSU | MSU | MUW | MYSU | UM | USM | Average |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 1980-1981 | | | | | | | | | |
| 1981-1982 | 7.42% | 6.94% | 10.93% | 10.75% | 9.74% | 6.67% | 13.73% | 10.90% | 9.84% |
| 1982-1983 | 0.00% | 0.00% | 8.17% | 9.90% | 0.00% | 0.00% | 7.56% | 13.54% | 5.33% |
| 1983-1984 | 6.06% | 3.90% | 8.00% | 9.36% | 3.13% | 6.25% | 13.20% | 9.62% | 7.97% |
| 1984-1985 | 11.43% | 12.50% | 10.29% | 9.69% | 12.12% | 14.71% | 6.06% | 7.54% | 10.07% |
| 1985-1986 | 28.21% | 25.56% | 9.33% | 9.87% | 16.22% | 23.08% | 8.28% | 14.27% | 15.94% |
| 1986-1987 | 32.00% | 30.97% | 25.60% | 13.94% | 37.21% | 33.33% | 13.84% | 14.20% | 24.06% |
| 1987-1988 | 0.00% | 8.11% | 1.90% | 4.59% | 7.12% | 10.00% | 3.07% | 5.25% | 4.97% |
| 1988-1989 | 1.21% | 0.00% | 0.00% | 0.90% | 0.00% | 0.00% | 0.56% | 0.00% | 0.30% |
| 1989-1990 | 8.98% | 8.38% | 15.07% | 10.76% | 12.66% | 3.69% | 11.01% | 8.91% | 9.87% |
| 1990-1991 | 2.75% | 6.46% | 3.48% | 3.72% | 3.37% | 1.37% | 3.62% | 6.22% | 3.86% |
| 1991-1992 | 10.59% | 8.34% | 13.61% | 7.86% | 11.58% | 5.51% | 7.87% | 8.83% | 9.17% |
| 1992-1993 | 14.89% | 9.70% | 9.56% | 11.25% | 9.06% | 10.86% | 9.64% | 13.40% | 11.09% |
| 1993-1994 | 0.00% | 0.00% | 0.31% | 0.00% | 0.00% | 0.00% | 0.86% | 0.00% | 0.13% |
| 1994-1995 | 0.55% | 4.56% | 6.73% | 1.01% | 0.22% | 1.16% | 3.66% | 1.04% | 2.33% |
| 1995-1996 | 0.00% | 0.00% | 0.00% | 3.72% | 0.00% | 4.07% | 0.00% | 1.61% | 1.18% |
| 1996-1997 | 0.00% | 0.00% | 0.00% | 1.54% | 1.78% | 0.00% | 3.34% | 2.03% | 1.13% |
| 1997-1998 | 2.18% | 2.88% | 2.69% | 4.26% | 1.75% | 5.58% | 5.47% | 3.61% | 3.59% |
| 1998-1999 | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Compounded | 7.20% | 7.38% | 7.35% | 6.76% | 7.22% | 7.26% | 6.68% | 7.16% | 7.11% |
| Comp. 5 Yrs. | 2.48% | 3.42% | 3.81% | 4.06% | 2.68% | 4.10% | 4.45% | 3.61% | 3.59% |
| Comp. 10 Yrs. | 4.86% | 4.96% | 6.01% | 5.34% | 4.93% | 4.16% | 5.48% | 5.48% | 5.16% |
| Comp. 15 Yrs. | 7.76% | 8.16% | 7.02% | 6.12% | 7.83% | 7.86% | 5.74% | 6.35% | 6.99% |

Abbreviation Key:

- ASU Alcorn State University
- DSU Delta State University
- JSU Jackson State University
- MSU Mississippi State University
- MUW Mississippi University for Women
- MYSU Mississippi Valley State University
- UM University of Mississippi
- USM University of Southern Mississippi

Appendix E (cont.)

Tuition Mississippi Four Year Universities

Resident Enrollment Headcount

| | Resident Enrollment Headcount | | | Average Enrollment | Percent of Total |
|-------------------------------------|-------------------------------|----------|----------|--------------------|------------------|
| | Fall '95 | Fall '96 | Fall '97 | | |
| Alcorn State University | 2,460 | 2,611 | 2,623 | 2,565 | 6.64% |
| Delta State University | 2,724 | 3,140 | 2,829 | 2,898 | 7.50% |
| Jackson State University | 3,388 | 3,893 | 4,725 | 4,002 | 10.36% |
| Mississippi State University | 8,142 | 9,708 | 11,253 | 9,701 | 25.10% |
| Mississippi University for Women | 1,696 | 1,899 | 1,481 | 1,692 | 4.38% |
| Mississippi Valley State University | 1,890 | 1,813 | 1,840 | 1,848 | 4.78% |
| University of Mississippi | 4,527 | 6,081 | 9,037 | 6,548 | 16.95% |
| University of Southern Mississippi | 7,649 | 9,713 | 10,799 | 9,387 | 24.29% |
| Totals: | 32,476 | 38,858 | 44,587 | 38,640 | 100.00% |

Appendix F (Cont.)

Tuition

Mississippi Community and Junior Colleges

Average Tuition and Fees FY 1984 through FY 1998

| Fiscal Year | Average Tuition | Increase | Percentage Increase |
|---|-----------------|----------|---------------------|
| 1984 | \$454 | | |
| 1985 | 502 | \$ 48 | 10.57% |
| 1986 | 522 | 20 | 3.98% |
| 1987 | 614 | 92 | 17.62% |
| 1988 | 622 | 8 | 1.30% |
| 1989 | 646 | 24 | 3.86% |
| 1990 | 686 | 40 | 6.19% |
| 1991 | 728 | 42 | 6.12% |
| 1992 | 818 | 90 | 12.36% |
| 1993 | 942 | 124 | 15.16% |
| 1994 | 938 | - 4 | - 0.42% |
| 1995 | 938 | 0 | 0.00% |
| 1996 | 953 | 15 | 1.60% |
| 1997 | 960 | 7 | 0.73% |
| 1998 | 971 | 11 | 1.15% |
| Increase over 14 years: | | | |
| Percentage Increase FY98 over FY84 | | | 113.88% |
| Percentage Increase Annually FY84 to FY98 | | | 5.58% |
| Increase over 10 years: | | | |
| Percentage Increase FY98 over FY88 | | | 56.11% |
| Percentage Increase Annually FY87 to FY98 | | | 4.55% |

Appendix F (Cont.)

Tuition Mississippi Community and Junior Colleges

Resident Enrollment Headcount

| | Enrollment | | | Average | Percent of Total |
|--|------------|----------|--|---------|------------------|
| | Fall '95 | Fall '97 | | | |
| Coahoma Community College | 1,410 | 1,457 | | 1,434 | 2.25% |
| Copiah-Lincoln Community College | 2,790 | 2,984 | | 2,887 | 4.54% |
| East Central Community College | 1,800 | 2,358 | | 2,079 | 3.27% |
| East Mississippi Community College | 1,876 | 3,426 | | 2,651 | 4.17% |
| Hinds Community College | 10,668 | 10,745 | | 10,707 | 16.83% |
| Holmes Community College | 2,549 | 2,968 | | 2,758 | 4.33% |
| Itawamba Community College | 4,122 | 4,302 | | 4,212 | 6.62% |
| Jones County Junior College | 4,828 | 5,128 | | 4,978 | 7.82% |
| Meridian Community College | 2,868 | 3,213 | | 3,041 | 4.78% |
| Mississippi Delta Community College | 3,931 | 3,576 | | 3,754 | 5.90% |
| Mississippi Gulf Coast Community College | 12,393 | 10,203 | | 11,298 | 17.76% |
| Northeast Mississippi Community College | 3,915 | 4,044 | | 3,980 | 6.25% |
| Northwest Mississippi Community College | 4,889 | 5,276 | | 5,083 | 7.99% |
| Pearl River Community College | 3,038 | 3,049 | | 3,044 | 4.78% |
| Southwest Mississippi Community College | 1,549 | 1,900 | | 1,725 | 2.71% |
| Totals: | 62,626 | 64,629 | | 63,631 | 100.00% |