

**THE MISSISSIPPI PREPAID
AFFORDABLE COLLEGE TUITION
PROGRAM**

**Annual Actuarial
And Financial Report**

**Fiscal Year 1999
July 1, 1998 - June 30, 1999**

MPACT

THE MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM



January 31, 2000

The Honorable Ronnie Musgrove
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

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Appointed by Governor
2nd Congressional District

Ron E. Allen, Vice Chairman
Appointed by Governor
3rd Congressional District

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State Treasurer

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Commissioner of
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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

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Appointed by Governor
1st Congressional District

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

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 third 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 1,600 additional applications to the program were received on behalf Mississippi's children during fiscal year 1999. Over 1,190 applications have been received to date during fiscal year 2000, which brings the total enrollment to almost 11,000.
- * 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, showing an actuarial surplus of \$4.3 million..
- * As of December 31, 1999, the invested balance of the MPACT Trust Fund totaled over \$55 million in funds, representing over \$190 million in future tuition payments.

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, 1999**

EXECUTIVE SUMMARY

Program Description and Activities

MPACT is a state 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 1999 the program conducted its third enrollment period, invested the funds received from MPACT participants, managed the accounts for MPACT purchasers and paid tuition totaling \$166,538 on behalf of approximately 80 students at Mississippi and out-of-state colleges and universities.

Independent Auditor's Report

The financial statements of the MPACT Program as of the fiscal year ended June 30, 1999 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, 1999, 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 2000,



State Treasurer Marshall Bennett announces the beginning of the 1999 MPACT enrollment campaign at Pearl Junior High School. Standing behind Treasurer Bennett is Senator Rob Smith and Rep. Ray Rogers. Rep. Rogers has purchased an MPACT contract for his grandchild.

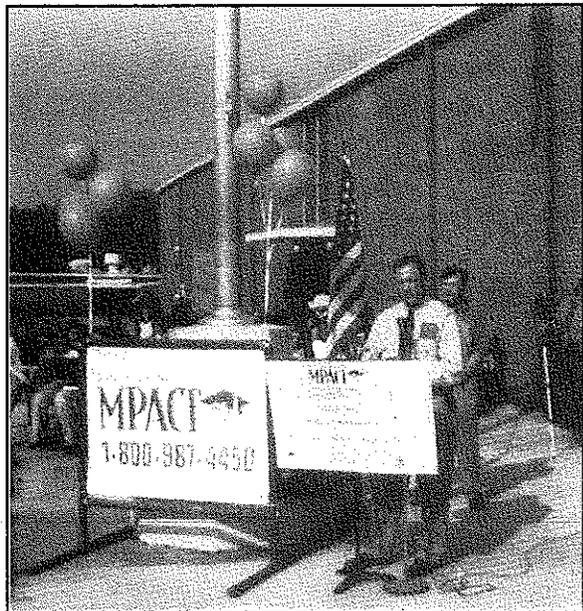
which runs from July 1, 1999 to June 30, 2000.

Independent Actuaries Report

An actuarial evaluation of the MPACT Program as of June 30, 1999 was performed by PriceWaterhouse Coopers, LLP. This evaluation concluded that the MPACT Trust Fund was actuarially sound, with an actuarial surplus of approximately \$4.3 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 2000 and each succeeding year.

Enrollment Results

MPACT held its third enrollment period from September 1, 1998 until November 30, 1998. During this period over 1,600 prepaid tuition contracts were sold.



Sheriff William D. Sollie of Lauderdale County addresses the audience at the West Hills Elementary School in Meridian. Sheriff Sollie was one of the first in Lauderdale County to purchase an MPACT contract.

A fourth enrollment period was held from September 1 until November 30, 1999. During this period approximately 1,190 additional contract applications were received, bringing total enrollment to almost 11,000. Results from the fall 1999 enrollment period are not reflected in the financial statements as of June 30, 1999. 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 were for a full four years of college, with 51% for four year universities and another 24% for two years at a community college followed by two years at a university. In 1999 five year prepaid tuition contracts were offered for the first time, and 11 % of purchasers chose a five year option.

Financial Results

As of June 30, 1999 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 \$190 million.

Long-term investments of the MPACT Trust Fund totaled \$47.5 million as of June 30, 1999, with an additional 3.2 million in cash and short term instruments for a total invested balance of \$50.7 million. During fiscal year 1999 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, 1999, the invested balance of the MPACT Trust Fund exceeded \$55 million.



The Bayou View Elementary School cheerleaders entertain the audience at Gulf Coast MPACT Kickoff. Treasurer Marshall Bennett is at the podium.

BOARD OF DIRECTORS
MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION
PROGRAM
AS OF JUNE 30, 1999

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Vice Chairman
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Executive Director,
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Mr. William T. "Dale" Patterson
4th Congressional District

THE MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM

Financial Statements and
Independent Auditors' Report and
Independent Auditors' Report on Compliance and
Internal Control

Year Ended June 30, 1999



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 year ended June 30, 1999. 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 present fairly, in all material respects, the financial position of the Mississippi Prepaid Affordable College Tuition Program as of June 30, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

The accompanying year 2000 supplementary information is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the unprecedented nature of the year 2000 issue and its effects, and the fact that authoritative measurement criteria regarding the status of remediation efforts have not been established. In addition, we do not provide assurance that the Program is or will become year 2000 compliant, that the Program's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Program does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 1999 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

November 30, 1999

**Deloitte &
Touche**



MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
BALANCE SHEET
AT JUNE 30, 1999

	Trust Fund	Administrative Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$1,813,276	\$195,371	\$2,008,647
Short-term investments	1,225,116		1,225,116
Interest receivable	245,060		245,060
Receivable from broker	123,867		123,867
Total current assets	<u>3,407,319</u>	<u>195,371</u>	<u>3,602,690</u>
NONCURRENT ASSETS			
Investment securities	47,472,735		47,472,735
Furniture & fixtures, net of accumulated depreciation of \$19,531	-0-	11,546	11,546
Total noncurrent assets	<u>47,472,735</u>	<u>11,546</u>	<u>47,484,281</u>
Total assets	<u>\$50,880,054</u>	<u>\$206,917</u>	<u>\$51,086,971</u>
LIABILITIES AND TRUST EQUITY			
CURRENT LIABILITIES			
Warrants payable	\$6,711	\$48,434	\$55,145
Accounts payable		131,831	131,831
Due to other funds		754,205	754,205
Investment payable	270,624		270,624
Tuition benefits and expense payable	\$2,552,338		2,552,338
Total current liabilities	<u>2,829,673</u>	<u>934,470</u>	<u>3,764,143</u>
LONG-TERM LIABILITIES			
Tuition benefits and expense payable	43,728,550		43,728,550
Compensated absences		14,593	14,593
Total long-term liabilities	<u>43,728,550</u>	<u>14,593</u>	<u>43,743,143</u>
Total liabilities	<u>46,558,223</u>	<u>949,063</u>	<u>47,507,286</u>
TRUST EQUITY			
Retained earnings	4,321,831	(742,146)	3,579,685
Total liabilities and trust equity	<u>\$50,880,054</u>	<u>\$206,917</u>	<u>\$51,086,971</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
FOR THE YEAR ENDED JUNE 30, 1999**

	Trust Fund	Administrative Fund	Total
Operating Revenues			
Investment income	\$1,494,938		\$1,494,938
Administrative fees	284,647		284,647
Donations		\$560	560
Net increase in fair value of investments	2,701,301		2,701,301
Excess of tuition receipts over present value of related benefits payable	560,379		560,379
Total operating revenues	5,041,265	560	5,041,825
OPERATING EXPENSES			
Salaries and travel		161,905	161,905
Contractual services		1,052,928	1,052,928
Commodities and supplies		26,620	26,620
Depreciation		2,252	2,252
Tuition payments	166,538		166,538
Total operating expenses	166,538	1,243,705	1,410,243
Operating income	4,874,727	(1,243,145)	3,631,582
OPERATING TRANSFERS	(1,156,630)	1,156,630	-0-
NET INCOME	3,718,097	(86,515)	3,631,582
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR	603,734	(655,631)	(51,897)
RETAINED EARNINGS AT END OF YEAR	\$4,321,831	(\$742,146)	\$3,579,685

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, 1999**

	Trust Fund	Administrative Fund	Total
OPERATING ACTIVITIES			
Contract payments received	\$13,581,847		\$13,581,847
Administrative fees received	284,647		284,647
Cash payments for tuition	(166,538)		(166,538)
Cash payments to suppliers for goods and services		(1,036,227)	(1,036,227)
Income received on contract payments	1,744,416		1,744,416
Cash payments to employees for services		(142,971)	(142,971)
Net cash from (used for) operating activities	15,444,372	(1,179,198)	14,265,174
NONCAPITAL FINANCING ACTIVITIES			
Operating transfers	(1,156,630)	1,156,630	-0-
Payments on loans from other funds		(500,000)	(500,000)
Net cash from (used for) noncapital financing activities	(1,156,630)	656,630	(500,000)
CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets		(2,660)	(2,660)
Net cash from (used for) capital and related financing activities	-0-	(2,660)	(2,660)
INVESTING ACTIVITIES			
Purchase of investments	(14,135,821)		(14,135,821)
Net cash from (used for) investing activities	(14,135,821)	-0-	(14,135,821)
INCREASE IN CASH AND CASH EQUIVALENTS	151,921	(525,228)	(373,307)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,661,355	720,599	2,381,954
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$1,813,276	\$195,371	\$2,008,647

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

**MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1999**

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 and cash equivalents, 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 by 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. All administrative expenses are recorded in the Administrative Fund. These expenses are funded by operating transfers from the Trust Fund, since the Administrative Fund has no source of revenue.
- 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.

- M. Recent Pronouncements - The FASB recently issued Statement No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of Effective Date of FASB Statement No. 133". The Statement defers for one year the effective date of FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities". The rule now will apply to all fiscal years beginning after June 15, 2000. In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". The Statement permits early adoption as of the beginning of any fiscal quarter after its issuance. The Statement will require MPACT to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives will either be offset against the change in fair value of the hedged asset, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. MPACT has not yet determined if it will early adopt and what the effect of SFAS No. 133 will be on the earnings and financial position of the Program.

NOTE 2 - CASH AND CASH EQUIVALENTS 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 \$3,233,763 and the bank balance was \$3,233,763, 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, 1999:

	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasuries and Agencies	\$ 8,581,264	\$ 8,304,271
Municipal Bonds	525,660	496,233
Mortgage and Other Asset Backed Securities	3,590,993	3,468,685
Corporate Debt Securities	976,719	921,868
Corporate Equity Securities		
Domestic	21,552,267	25,492,670
Foreign	<u>8,089,516</u>	<u>8,789,008</u>
Total	<u>\$43,316,419</u>	<u>\$47,472,735</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 EXPENSE PAYABLE - NET

Tuition benefits and expense 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, 1999

Assumptions:

Rate of return on investments	8.1%
Future tuition increases	7%

Receivables	368,927	368,927
Investment securities	47,472,735	47,472,735
Current Liabilities	3,764,143	3,764,143
Long-term liabilities	43,743,143	43,743,143

The carrying amounts for cash and cash equivalents, receivables, short-term investments and current liabilities are considered a reasonable estimate of fair value. The fair value of investment securities (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, 1999 aggregated approximately \$689,000 at cost and \$687,000 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 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, 1999.

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM

YEAR 2000 DISCLOSURES REQUIRED BY GOVERNMENTAL ACCOUNTING
STANDARDS BOARD (UNAUDITED)
YEAR ENDED JUNE 30, 1999

The year 2000 issue is the result of shortcomings in electronic data processing systems and other electronic equipment that may adversely affect business operations. Some computer programs were written using two digits rather than four to define the applicable year. As a result, those programs have time-sensitive software that recognizes a date using "00" as the year 1900 rather than the year 2000. This could cause those systems to fail or make miscalculations causing disruptions of operations including, among other things, a temporary inability to process transactions or engage in other normal business activity.

MPACT's accounting records are maintained on the State of Mississippi's SAAS software. The State's Information Technology Services Agency has completed a year 2000 conversion process on this software. MPACT's account records are maintained by its records administration contractor, InTuition Solutions, Inc. of Jacksonville Florida. InTuition Solutions has completed its year 2000 conversion and believes its system to be year 2000 compliant. All of the Program's internal use PC's and software will be upgraded before the end of 1999 to be year 2000 compliant.

Because of the unprecedented nature of the year 2000 issue, its effect and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that MPACT is or will be year 2000 ready, that the remediation efforts will be successful in whole or in part, or that parties with whom MPACT does business will be year 2000 ready.

Deloitte & Touche



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of Mississippi Prepaid Affordable College Tuition Program (MPACT) (the "Program") as of and for the year ended June 30, 1999, and have issued our report thereon dated November 30, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control over Financial Reporting

In planning and performing our audit, we considered MPACT's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and the Mississippi State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

November 30, 1999

**Deloitte Touche
Tohmatsu**

THE MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM

Actuarial Valuation and
Independent Actuaries' Report

Year Ended June 30, 1999

PricewaterhouseCoopers LLP
Suite 200
2050 N. Woodward Ave.
Bloomfield Hills MI 48304-2260
Telephone (313) 394 3942
Facsimile (313) 394 3456

October 22, 1999

Board of Directors
Mississippi Prepaid Affordable College
Tuition Program
State Treasury Department
550 High Street
Suite 503
Jackson, Mississippi 39205

To the Board:

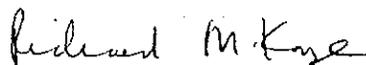
This report presents the results of the June 30, 1999 actuarial valuation of the program. The valuation compares the value of the assets of the program to the value of expected future tuition payments to beneficiaries. The following pages summarize the actuarial evaluation of the trust fund performed by PricewaterhouseCoopers as of June 30, 1999.

A comparison of the assets and liabilities of the trust fund shows that as of June 30, 1999 there is a reserve of approximately \$4,337,000. 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 99-1348

Table of Contents

Section

- 1 Executive Summary
- 2 Valuation Assumptions and Methods

Appendices

- A Funded Status
- B Trust Assets
- C Cash Flow Projection

- D MPACT Beneficiaries
- E Tuition - Four-Year Universities
- F Tuition - Community and Junior Colleges

Executive Summary

EXECUTIVE SUMMARY

Valuation Results

- As of June 30, 1999 the trust has a surplus of \$4,336,937 (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 8,700 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 has remained frozen at \$2,862 for the Fall of 1999.
- The Junior College WAT increased from \$973 for the Fall of 1998 to \$1,014 Fall of 1999, an increase of 4.2% compared to the assumed 5% increase.

Actuarial Assumptions

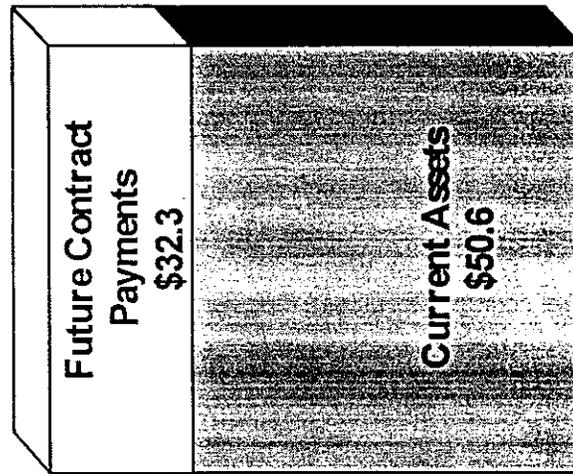
- Tuition is assumed to increase at 7% for four-year universities, however, we have assumed that there will be no tuition increase for the four-year schools for the three year period commencing with the 1999-2000 school year. For junior colleges the 7% tuition increase assumed last year, has been lowered by the Board's director to 5%. 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, 1999 (including the value of future payments by contract purchasers) exceeds the expected liabilities of the trust fund by \$4.3 million. The funded ratio, assets divided by liabilities, is equal to 105.5%. The assumptions used to perform the actuarial valuation of the fund are described in Section 2. The primary assumptions are:

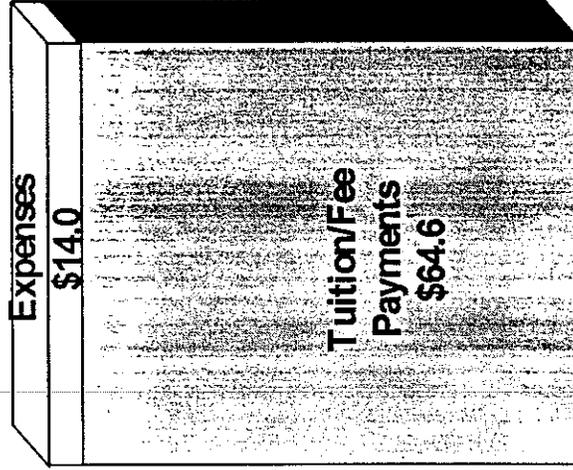
Tuition Increases	7.0% per annum for four-year universities 5.0% per annum for junior colleges
Investment Return	8.1% per annum

Total: \$82.9 million



Assets

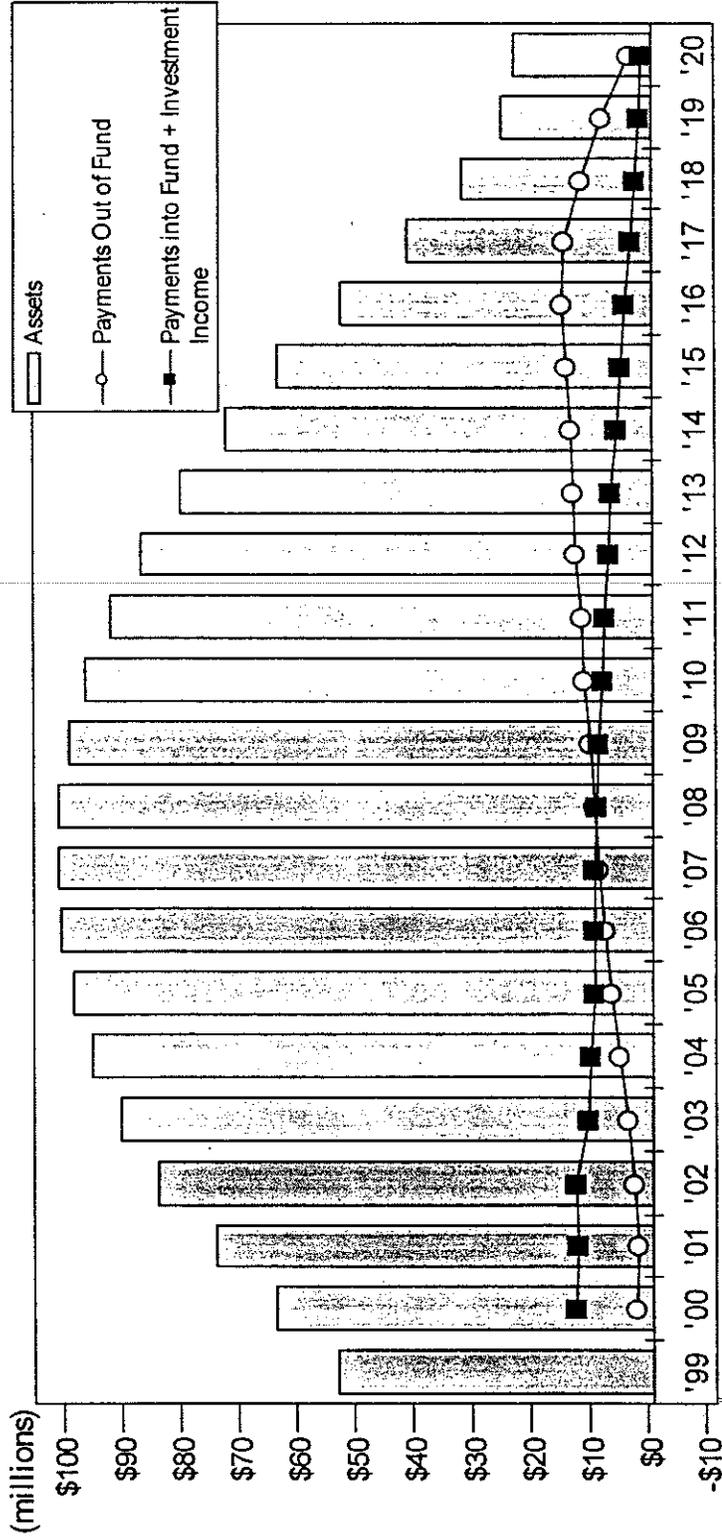
Total: \$78.6 million



Liabilities

Cash Flow Projection

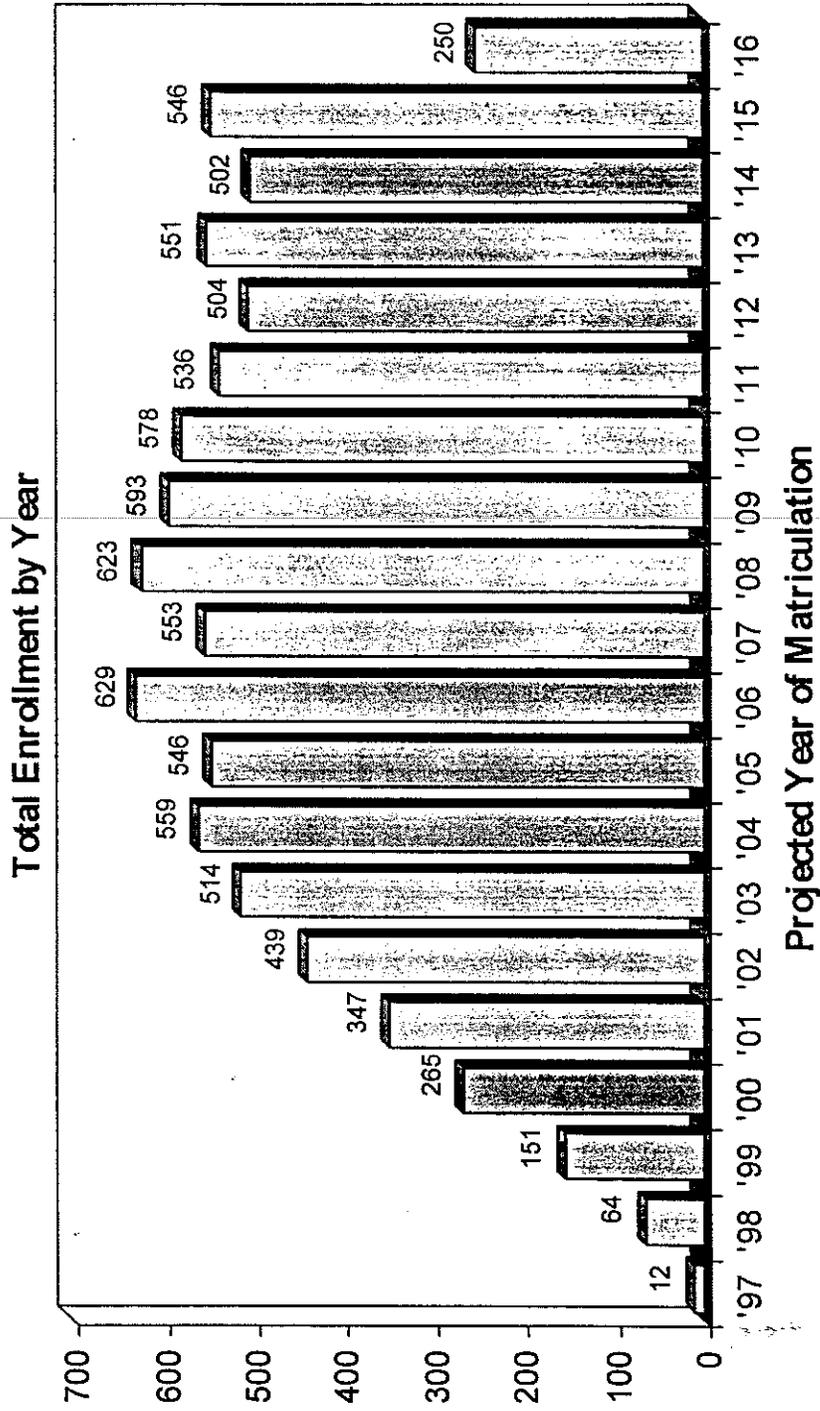
The expected income and disbursements of the trust fund, based on the assumptions used in the actuarial valuation, and the current group of contract beneficiaries, are shown below. These amounts are cash amounts, not present value amounts.



Fiscal Year End

Contract Sales

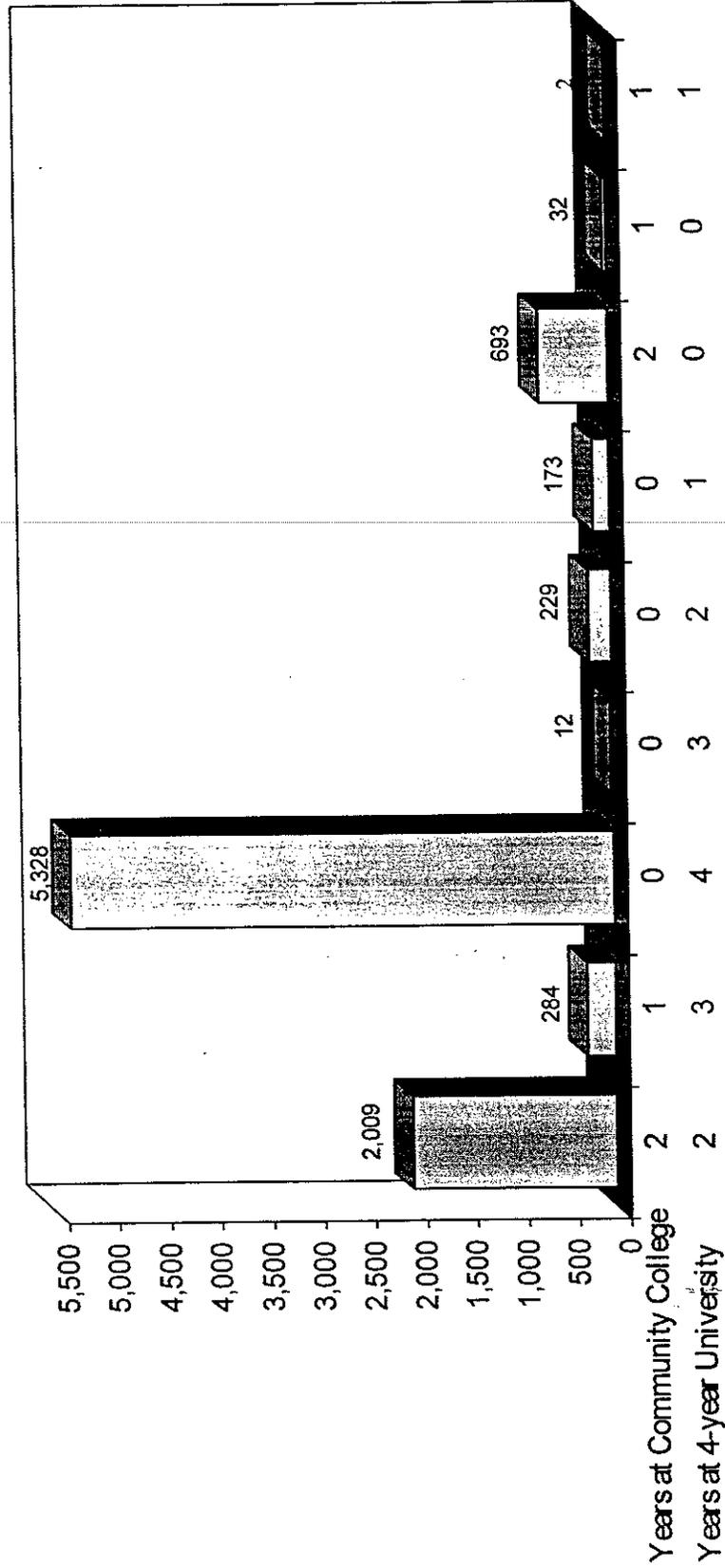
Contracts can be purchased for a wide range of ages from infants up through high school seniors. The chart below illustrates the total number of active contracts by expected year of college or university matriculation.



Contract Sales

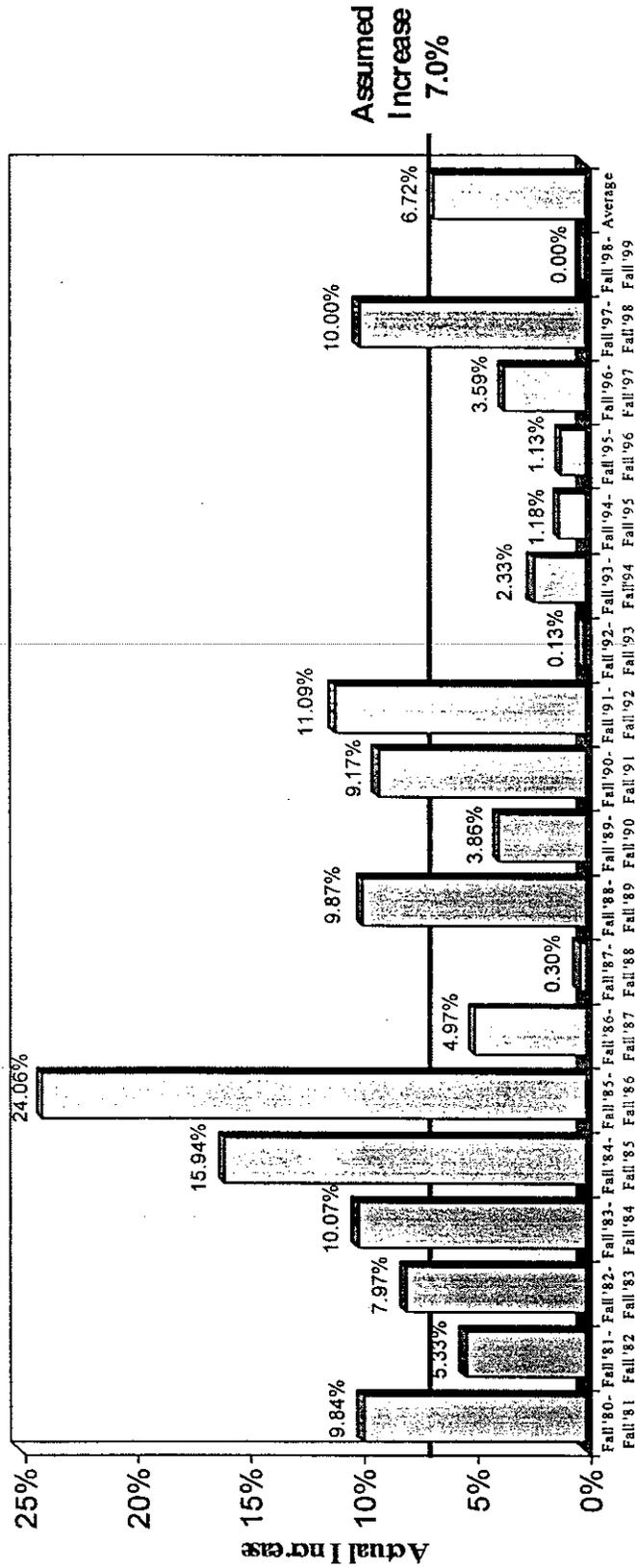
Contracts can be purchased for a variety of plans, from one year to four years of tuition and for community college or 4-year university. The chart below illustrates the total number of active contracts by type of plan.

Total Enrollment by Year



Historical Tuition/Fee Increases

The average tuition for four-year universities is assumed to increase 7.0% per year. Four-year university prices are frozen for the next three years (the weighted average tuition, weighted by in-state enrollment, remained frozen at 2,862). The chart below illustrates the actual increases since 1980.



Historical Comparison: Four-Year Universities

Year	Tuition
Fall '80	\$803
Fall '81	882
Fall '82	929
Fall '83	1,003
Fall '84	1,104
Fall '85	1,280
Fall '86	1,588
Fall '87	\$1,667
Fall '88	1,672
Fall '89	1,837
Fall '90	1,908
Fall '91	2,083
Fall '92	2,314
Fall '93	2,317
Fall '94	\$2,371
Fall '95	2,399
Fall '96	2,426
Fall '97	2,513
Fall '98	2,764
Fall '99	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 and 5% per annum respectively. 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 Total program expenses for fiscal 2000 are \$2,100,839 of which \$754,205 is a loan repayment expense. Total program expenses for fiscal 2001 are assumed to be \$1,398,769. It was assumed that \$1,440,732 of administrative expenses will be paid from the investment earnings of the fund beginning fiscal 2002. Other administrative expenses of the program are assumed to be paid through fees assessed on purchasers. It was assumed that administrative expenses would increase at the rate of 2% per annum.

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 1999-2000 Weighted Average Tuition. A 3% load was 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 750 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 (1996 - 1998) 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, 1997 and 1998 fall quarters.

Appendices

Funded Status

Appendix A

a.	Market Value of Assets	50,617,825
b.	Actuarial Present Value of future payments expected to be made to the fund by contract purchasers	<u>32,343,515</u>
c.	Subtotal (a + b)	82,961,340
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>78,624,403</u>
e.	Surplus as of June 30, 1999	<u><u>4,336,937</u></u>

Trust Assets

Appendix B

<u>Summary of Assets</u>	<u>Book Value</u>	<u>Market Value</u>
Cash	3,325,043	3,325,043
Investments	43,065,985	47,223,451
Accrued Interest	10,468	10,468
Accounts Receivable	358,459	358,459
Fixed Assets (net of accumulated depreciation)	11,546	11,546
Unamortized Premiums	361,504	361,504
Less Unamortized Discounts	112,220	112,220
Less Receipts in Transit	91,280	91,280
Total Assets	46,929,505	51,086,971
Accounts Payable	131,831	131,831
Warrants Payable	55,145	55,145
Other Short-Term Liabilities	270,624	270,624
Fixed Assets	11,546	11,546
Accrual for Compensated Absences and Salaries Payable	0	0
Balance as of June 30, 1999	<u>46,460,359</u> *	<u>50,617,825</u> *

* Includes Administrative Fund balance of \$15,106.

The above information was provided by the MPACT office.

Trust Assets

Appendix B (cont.)

<u>Receipts and Disbursements</u>	<u>Book Value</u>	<u>Market Value</u>
Balance as of July 1, 1998	32,640,966	34,430,919
Payments by Contract Holders	13,615,048	13,615,048
Application and Other Fees	284,647	284,647
Other	6,049	6,049
Interest Income	990,917	990,917
Dividends	497,972	497,972
Realized Gains on Sales	272,964	272,964
Realized Gains on Currency	60,824	60,824
Unrealized Gain/(Loss)	N/A	2,367,513
Tuition Payments	(166,538)	(166,538)
Equipment Purchases	(2,258)	(2,258)
Loan Repayment	(500,000)	(500,000)
Asset Management Fees	0	0
Administration Expenses	(1,240,232)	(1,240,232)
Balance as of June 30, 1999	<u>46,460,359 *</u>	<u>50,617,825 *</u>

* Includes Administrative Fund balance of \$15,106.

The above information was provided by the MPACT office.

Cash Flow Projection

Appendix C

(amounts are shown in 1,000's)

<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>
06/30/1999	8,318	2,648	4,320	50,618
06/30/2000	7,200	2,544	5,082	60,607
06/30/2001	6,769	3,162	5,821	70,345
06/30/2002	4,052	4,208	6,424	79,773
06/30/2003	3,135	5,440	6,833	86,041
06/30/2004	2,491	6,618	7,116	90,569
06/30/2005	2,266	7,623	7,299	93,558
06/30/2006	1,948	8,709	7,390	95,499
06/30/2007	1,625	9,306	7,398	96,128
06/30/2008	1,387	10,166	7,323	95,846
06/30/2009	1,066	11,028	7,150	94,391
06/30/2010	868	11,576	6,887	91,579
06/30/2011	697	12,568	6,521	87,758
06/30/2012	537	12,783	6,071	82,409
06/30/2013	379	13,255	5,541	76,234
06/30/2014	235	13,722	4,918	68,900
06/30/2015	96	14,612	4,175	60,331
06/30/2016	8	14,126	3,358	49,990
06/30/2017	0	11,370	2,624	39,230
06/30/2018	0	8,260	2,072	30,484
06/30/2019	0	3,829	1,793	24,297
06/30/2020	0			22,260

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 3 YRS. @ 4-YR. Univ.	0 YRS. @ Jr. College 2 YRS. @ 4-YR. Univ.	0 YRS. @ Jr. College 1 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.	1 YRS. @ Jr. College 1 YRS. @ 4-YR. Univ.	1 YRS. @ Jr. College 0 YRS. @ 4-YR. Univ.	1 YRS. @ Jr. College 1 YRS. @ 4-YR. Univ.	1 YRS. @ Jr. College 0 YRS. @ 4-YR. Univ.			
1997-1998	1	0	0	0	0	0	0	0	0	0	0	0	0	12	0.14%
1998-1999	12	3	1	2	4	5	10	10	10	10	10	10	10	64	0.73%
1999-2000	24	5	0	5	8	8	10	10	10	10	10	10	10	151	1.72%
2000-2001	58	12	1	6	5	5	24	24	24	24	24	24	24	265	3.02%
2001-2002	80	3	2	14	8	8	28	28	28	28	28	28	28	347	3.96%
2002-2003	96	23	1	13	3	3	41	41	41	41	41	41	41	439	5.01%
2003-2004	113	14	0	8	12	12	43	43	43	43	43	43	43	514	5.87%
2004-2005	122	12	1	17	17	17	58	58	58	58	58	58	58	559	6.38%
2005-2006	127	22	1	21	10	10	53	53	53	53	53	53	53	546	6.23%
2006-2007	134	25	0	15	10	10	58	58	58	58	58	58	58	629	7.18%
2007-2008	143	12	2	18	14	14	56	56	56	56	56	56	56	553	6.31%
2008-2009	155	16	1	15	12	12	46	46	46	46	46	46	46	623	7.11%
2009-2010	149	23	1	14	16	16	42	42	42	42	42	42	42	593	6.77%
2010-2011	134	21	0	13	8	8	44	44	44	44	44	44	44	578	6.60%
2011-2012	110	15	0	16	8	8	31	31	31	31	31	31	31	536	6.12%
2012-2013	129	11	1	13	11	11	27	27	27	27	27	27	27	504	5.75%
2013-2014	129	22	0	18	5	5	39	39	39	39	39	39	39	551	6.29%
2014-2015	114	18	0	5	13	13	40	40	40	40	40	40	40	502	5.73%
2015-2016	125	23	0	12	6	6	33	33	33	33	33	33	33	546	6.23%
2016-2017	54	4	0	4	3	3	15	15	15	15	15	15	15	250	2.85%
Totals	2,009	284	12	229	173	173	693	693	693	693	693	693	693	8762	100.00%
Percentage of Total	22.93%	3.24%	0.14%	2.61%	1.97%	1.97%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	7.91%	8762	100.00%

Tuition

Mississippi Four Year Universities

Appendix E

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
1999-2000	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

Tuition

Mississippi Four Year Universities

Annual Tuition and Fee Increases

	ASU	DSU	JSU	MSU	MUW	MVSU	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%	9.98%	9.99%	9.98%	10.02%	10.02%	10.00%	9.99%
1999-2000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Comp. 19 Yrs	6.81%	6.98%	6.95%	6.39%	6.83%	6.86%	6.31%	6.77%	6.72%
Comp. 5 Yrs.	2.36%	2.50%	2.46%	3.85%	2.64%	3.86%	3.70%	3.39%	3.11%
Comp. 10 Yrs.	3.97%	4.12%	4.53%	4.26%	3.68%	3.78%	4.39%	4.58%	4.17%
Comp. 15 Yrs.	6.99%	7.32%	6.32%	5.47%	7.01%	6.88%	5.33%	5.83%	6.31%

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

Resident Enrollment Headcount

	Resident Enrollment Headcount			Average Enrollment	Percent of Total
	Fall '96	Fall '97	Fall '98		
Alcorn State University	2,611	2,623	2,740	2,658	5.89%
Delta State University	3,140	2,829	3,292	3,087	6.84%
Jackson State University	3,893	4,725	5,201	4,606	10.20%
Mississippi State University	9,708	11,253	13,325	11,429	25.31%
Mississippi University for Women	1,899	1,481	2,193	1,858	4.11%
Mississippi Valley State University	1,813	1,840	2,231	1,961	4.34%
University of Mississippi	6,081	9,037	10,375	8,498	18.82%
University of Southern Mississippi	9,713	10,799	12,663	11,058	24.49%
Totals:	38,858	44,587	52,020	45,155	100.00%

Tuition

Mississippi Community and Junior Colleges

Appendix F

Tuition and Fees by School

	Annual Resident Tuition & Fees			
	1997-1998	Increase	1998-1999	Increase
Coahoma Community College	\$ 970	0.00%	\$ 970	28.87%
Copiah-Lincoln Community College	1,000	0.00%	1,000	0.00%
East Central Community College	1,000	0.00%	1,000	0.00%
East Mississippi Community College	1,000	4.00%	1,040	0.00%
Hinds Community College	1,070	0.00%	1,070	2.80%
Holmes Community College	1,054	0.00%	1,054	0.00%
Itawamba Community College	900	11.11%	1,000	0.00%
Jones County Junior College	792	0.00%	792	7.07%
Meridian Community College	1,000	0.00%	1,000	3.80%
Mississippi Delta Community College	950	(3.16%)	920	3.26%
Mississippi Gulf Coast Community College	910	1.10%	920	10.87%
Northeast Mississippi Community College	950	5.26%	1,000	3.00%
Northwest Mississippi Community College	1,000	0.00%	1,000	0.00%
Pearl River Community College	950	0.00%	950	0.00%
Southwest Mississippi Community College	850	0.00%	850	11.76%
Average Tuition:	960	1.17%	971	4.53%
Weighted Average Tuition (WAT):	962	1.14%	973	4.21%
				1,015
				1,014

Appendix F (Cont.)

Tuition

Mississippi Community and Junior Colleges

Average Tuition and Fees FY 1984 through FY 1999

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%
1999	1,015	44	4.53%
Increase over 15 years:			
Percentage Increase FY99 over FY84			123.57%
Percentage Increase Annually FY85 to FY99			5.51%
Increase over 10 years:			
Percentage Increase FY99 over FY89			57.12%
Percentage Increase Annually FY89 to FY99			4.62%

Appendix F (Cont.)

Tuition Mississippi Community and Junior Colleges

Resident Enrollment Headcount

	Fall '95	Fall '97	Fall '98	Average	Percent of Total
Coahoma Community College	1,410	1,457	1,138	1,335	2.21%
Copiah-Lincoln Community College	2,790	2,984	2,526	2,767	4.59%
East Central Community College	1,800	2,358	2,191	2,116	3.51%
East Mississippi Community College	1,876	3,426	2,239	2,514	4.17%
Hinds Community College	10,668	10,745	8,920	10,111	16.77%
Holmes Community College	2,549	2,968	3,137	2,885	4.79%
Itawamba Community College	4,122	4,302	3,472	3,965	6.58%
Jones County Junior College	4,828	5,128	4,880	4,945	8.20%
Meridian Community College	2,868	3,213	2,532	2,871	4.76%
Mississippi Delta Community College	3,931	3,576	2,728	3,412	5.66%
Mississippi Gulf Coast Community College	12,393	10,203	7,861	10,152	16.84%
Northeast Mississippi Community College	3,915	4,044	3,131	3,697	6.13%
Northwest Mississippi Community College	4,889	5,276	4,267	4,811	7.98%
Pearl River Community College	3,038	3,049	2,879	2,989	4.96%
Southwest Mississippi Community College	1,549	1,900	1,672	1,707	2.83%
Totals:	62,626	64,629	53,573	60,277	100.00%