THE COLLEGE SAVINGS PLANS OF MISSISSIPPI

MPACT and MACS Programs

Annual Actuarial And Financial Report

Fiscal Year 2003
July 1, 2002 - June 30, 2003

COLLEGE SAVINGS MISSISSIPPI

MPACT
Mississippi Prepaid Affordable College Tuition Program

MACS
Mississippi Affordable College Savings Program

Peyton D. Prospere
State Treasurer of Mississippi

Barry G. Simmons, CPA
Director of
College Savings Plans

December 1, 2003

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

In compliance with Sections 37-155-9(cc) and 37-155-117(3), Mississippi Code Annotated, I am honored on behalf of the Board of Directors of the College Savings Plans of Mississippi to submit to you this annual report of the College Savings Plans of Mississippi.

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

* 2,800 additional applications to the Mississippi Prepaid Affordable College Tuition (MPACT) Program were received on behalf Mississippi's children during fiscal year 2003, increasing the total enrollment to 17,502.

* The Mississippi Affordable College Savings (MACS) Plan continued to grow and the new MACS Advisor Plan was launched. Under MACS, Mississippi families can save for books, dorms, meal plans and other college costs with market rates of return. As of June 30, 2003, 3,561 MACS accounts had been opened with an invested balance of $18.6 million.

* Parents and grandparents were given the opportunity to provide for the future college educations of their children through the distribution throughout the state of MPACT and MACS enrollment booklets and fliers.

* The MPACT and MACS Programs received unqualified financial audit opinions.

* As of June 30, 2003, the invested balance of the MPACT Trust Fund totaled over $104 million in funds, net of tuition payouts since inception of $6.7 million.

The College Savings Plans Board is very pleased with the results of our operations in fiscal year 2003 and remains committed to the long term success of this outstanding opportunity for the people of Mississippi.

Sincerely,

Peyton D. Prospere
State Treasurer and
Ex-Officio Member of the
MPACT Board of Directors

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COLLEGE SAVINGS PLANS OF MISSISSIPPI
ANNUAL FINANCIAL AND ACTUARIAL REPORT
AS OF JUNE 30, 2003

EXECUTIVE SUMMARY

Program Description and Activities

The College Savings Plans of Mississippi includes two Section 529 qualified college savings plans. Both plans are administered within the State Treasury Department under policies established by the College Savings Plans of Mississippi Board of Directors.

The Mississippi Prepaid Affordable College Tuition (MPACT) Program is a state program, begun in 1997, under which Mississippians may pay college tuition in advance 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. During FY 2003 the program conducted its seventh enrollment period, invested the funds received from MPACT participants, managed the accounts for MPACT purchasers and paid tuition totaling $3.16 million on behalf of approximately 1,200 students at Mississippi and out-of-state colleges and universities.

The new Mississippi Affordable College Savings (MACS) Program was launched during FY 2001 and continued to grow during FY 2003. The MACS Program was created by the Mississippi Legislature to assist families in financing costs of higher education, to encourage timely financial planning for higher education, provide a savings program for those persons who wish to save to meet post secondary educational needs beyond the traditional baccalaureate curriculum; and to provide a choice of programs to persons who determine that the overall educational needs of their families are best provided by a savings trust agreement under the MACS Program or a prepaid tuition contract under the previously existing MPACT Program.

Under its statutory authority to appoint investment managers, adopt resolutions for the administration of the program and establish investment policies for the program., the Board has contracted with TIAA-CREF Tuition Financing, Inc., an indirect subsidiary of Teachers Insurance and Annuity Association of America, to serve as MACS Program Manager. TIAA-CREF also manages 529 Plans for 11 other states.

During FY 2003 the MACS Advisor Program was added so that financial planners and investment advisors could market Mississippi's Section 529 savings program to their clients.

Independent Auditor's Reports

The financial statements of the MPACT Program and the MACS Program as of the fiscal year ended June 30, 2003 were audited by Carr, Riggs & Ingram, LLC, of Jackson, Mississippi. Our auditors issued each program an unqualified audit opinion.

The MPACT opinion states that "such financial statements present fairly, in all material respects, the financial position of the Mississippi Prepaid Affordable College Tuition Program as of June 30,2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America."

The MACS opinion states that the "financial statements present fairly, in all material respects, the fiduciary net assets of the Mississippi Affordable College Savings Program as of June

30, 2003, and the changes in fiduciary net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America."

Complete copies of the auditors' report, the financial statements and accompanying notes are enclosed.

Independent Actuaries Report

An actuarial evaluation of the MPACT Program as of June 30, 2003 was performed by Richard M. Kaye & Associates in conjunction with PriceWaterhouseCoopers, LLP. This evaluation concluded that the MPACT Trust Fund had a future unfunded liability of $32.4 million, down from $35.6 million last year. However, the actuaries projected that the Program has a projected positive cash flow for at least two years as of June 30, 2003, and the Board believes that cash flow plus program investments are sufficient to cover contract liabilities until the investment markets recover. If the program meets its investment income assumption for the next five years, it would generate enough cash flow to operate until 2013 without using any of the invested balance as of June 30, 2003. It is the intention of the Board of Directors to continue a sound long-term investment program to ensure future actuarial soundness. A copy of the actuary's report is enclosed.

Enrollment Results

MPACT held its seventh enrollment period from September 1, 2002 until December 6, 2002. During FY 2003 (including the open enrollment period and newborn applications received throughout the year) 2,800 prepaid tuition contracts were sold increasing total enrollment since program inception to 17,502 contracts. An additional enrollment period was held from September 1 until December 5, 2003. Results from the fall 2003 enrollment period are <u>not</u> reflected in the MPACT financial statements as of June 30, 2003. The Board has established a policy to hold future MPACT enrollment periods annually in the fall of each year.

MACS was launched in March, 2001. The MACS Program does not have a limited enrollment period. As of June 30, 2003, 3,561 MACS accounts had been opened.

Financial Results

As of June 30, 2003 the MPACT Trust Fund had received net tuition contract payments since program inception totaling over $97 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 for contract beneficiaries. As of June 30, 2003, MPACT has paid out $6.75 million in tuition benefits since program inception.

Long-term investments of the MPACT Trust Fund totaled $98 million as of June 30, 2003, with an additional $6 million in cash and short term instruments for a total invested balance of $104 million. During fiscal year 2003 the fund earned a 4.7% rate of return as calculated by Merrill Lynch, The Board's Investment Evaluation Consultant. Since inception the MPACT fund has an average annualized return of 2.6%.

As of June 30, 2003 MACS had an invested balance of $18.6 million.

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(MPACT & MACS PROGRAMS)
AS OF JULY, 2003

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Board

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Senator Terry Burton
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THE MISSISSIPPI AFFORDABLE COLLEGE SAVINGS PROGRAM

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

Year Ended June 30, 2003

CARR • RIGGS & INGRAM, LLC
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BUSINESS CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the College Savings Plans of Mississippi Board of Directors
Mississippi Affordable College Savings Program
Jackson, Mississippi

We have audited the accompanying statement of fiduciary net assets of Mississippi Affordable College Savings Program (the "Program") as of June 30, 2003 and the related statement of changes in fiduciary net assets for the year then ended. 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. The financial statements of the Program for the year ended June 30, 2002 were audited by other auditors, whose report dated October 2, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

In our opinion, such financial statements present fairly, in all material respects, the fiduciary net assets of Mississippi Affordable College Savings Program as of June 30, 2003, and the changes in fiduciary net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued a report dated October 3, 2003, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Carr, Riggs & Ingram, LLC

October 3, 2003

MISSISSIPPI AFFORDABLE COLLEGE SAVINGS PROGRAM
STATEMENTS OF FIDUCIARY NET ASSETS
AT JUNE 30, 2003 AND 2002

	2003				2002
	Trust Fund	Administrative Fund	Endowment Fund	**Total**	Total
ASSETS					
Cash and cash equivalents	$19,832	$7,981	$1,000	**$28,813**	**$95,163**
Dividend & interest receivable	60,584			**60,584**	**17,068**
Due from transfer agent	27,224			**27,224**	**646**
Receivable from securities transaction	250			**250**	**2,699**
Investment securities	18,478,501			**18,478,501**	**7,526,335**
Due from other funds		34,981		**34,981**	**-0-**
Total assets	$18,586,391	$42,962	$1,000	$18,630,353	$7,641,911
LIABILITIES AND NET ASSETS					
Accounts payable					**1,141**
Warrants payable		$2,346		**$2,346**	**$5,776**
Due to custodian	$17,208			**17,208**	**11,512**
Accrued investment management fee	8,686			**8,686**	**4,132**
Payable for securities transactions	2,962			**2,962**	**25,043**
Compensated absences		5,848		**5,848**	**5,594**
Due to other funds		79,000		**79,000**	**80,257**
Total liabilities	28,856	87,194	-0-	116,050	**133,455**
Net assets held in trust	18,557,535	(44,232)	$1,000	**18,514,303**	**$7,508,456**
Total liabilities and net assets	$18,586,391	$42,962	$1,000	**$18,630,353**	**$7,641,911**

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

MISSISSIPPI AFFORDABLE COLLEGE SAVINGS PROGRAM
STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003				2002
	Trust Fund	Administrative Fund	Endowment Fund	**Total**	**Total**
ADDITIONS					
Investment earnings (loss)					
Interest	$24,633	$1,145		**$25,778**	263
Dividends	284,192			**284,192**	86,229
Net realized loss on investments	(495,094)			**(495,094)**	(28,402)
Net change in unrealized gain (loss) on investments	1,091,009			**1,091,009**	(444,473)
Total investment earnings (loss)	904,740	1,145		**905,885**	(386,383)
Less investment expense					
Management fee	78,337			**78,337**	**24,190**
Net investment earnings (loss)	826,403	1,145	-0-	**827,548**	**(410,573)**
Other Receipts					
Customer subscriptions	10,880,584			**10,880,584**	**7,317,450**
Refund of prior year expense				**-0-**	**56**
Program manager transfers		175,000		**175,000**	**300,000**
Total other receipts	10,880,584	175,000	-0-	11,055,584	7,617,506
TOTAL ADDITIONS	11,706,987	176,145	-0-	11,883,132	7,206,933
DEDUCTIONS					
Customer redemptions	668,971			**668,971**	**306,538**
Salaries and travel		97,673		**97,673**	**100,821**
Contractual services		96,899		**96,899**	**137,967**
Commodities and supplies		13,742		**13,742**	**18,213**
TOTAL DEDUCTIONS	668,971	208,314	-0-	877,285	563,539
CHANGE IN NET ASSETS	11,038,016	(32,169)	-0-	11,005,847	6,643,394
NET ASSETS AT BEGINNING OF YEAR	7,519,519	(12,063)	$1,000	**7,508,456**	**865,062**
NET ASSETS AT END OF YEAR	$18,557,535	($44,232)	$1,000	$18,514,303	$7,508,456

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

MISSISSIPPI AFFORDABLE COLLEGE SAVINGS PROGRAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2003 AND 2002

NOTE 1 - ORGANIZATION

The Mississippi Affordable College Savings (MACS) Program was created by the 2000 Session of the Mississippi Legislature to assist qualified students in financing costs of attending institutions of higher education, to encourage timely financial planning for higher education, provide a savings program for those persons who wish to save to meet post secondary educational needs beyond the traditional baccalaureate curriculum, and to provide a choice of programs to persons who determine that the overall educational needs of their families are best provided by a savings trust agreement under the MACS Program or a prepaid tuition contract under the previously existing Mississippi Prepaid Affordable College Tuition (MPACT) Program. MACS is governed by the Board of Directors of the College Savings Plans of Mississippi, with administration functions delegated to the Mississippi Treasury Department. The Board has authority to appoint investment managers, adopt resolutions for the administration of the program and establish investment policies for the program. TIAA-CREF Tuition Financing, Inc. ("TFI"), an indirect subsidiary of Teachers Insurance and Annuity Association of America ("TIAA"), and the Board entered into a Management Agreement under which TFI serves as Program Manager. MACS is operated in a manner such that it is exempt from registration as an investment company under the Investment Company Act of 1940.

The MACS Program consists of two investment programs: (1) the Mississippi Affordable College Savings Program (the "Direct Program") and (2) the Mississippi Affordable College Savings Advisor Program (the "Advisor Program"). These financial statements include both programs. The Direct Program commenced operations on February 9, 2001 and began accepting subscriptions on March 20, 2001. The Advisor Program commenced operations on October 15, 2002.

An individual participating in the Program establishes an Account in the name of a Beneficiary. Contributions to the Direct Program can be made among three investment options: the Managed Allocation Option, the 100% Equity Option and the Guaranteed Option. Contributions in the Managed Allocation Option are allocated among eleven age bands, based on the age of the beneficiary. Each age band invests in varying percentages in the International Equity, Growth and Income, Inflation-linked Bond, Equity Index, Real Estate Securities, Large-Cap Value Index, Small-Cap Blend Index, and Money Market Funds of the TIAA-CREF Institutional Mutual Funds. The 100% Equity Option invests in varying percentages in the Growth and Income, Equity Index, Real Estate Securities, Large-Cap Value Index, Small-Cap Blend Index and International Equity Funds of the TIAA-CREF Institutional Mutual Funds. All allocation percentages are determined by the Board and are subject to change. Beginning on April 1, 2003, the Guaranteed Option for the Direct Program invested in a Fund Agreement issued by TIAA-CREF Life Insurance Company, a subsidiary of TIAA, which guarantees principal and a minimum return of 3% per annum. Prior to April 1, 2003, Trust assets currently in the Guaranteed Option were invested in the Money Market Fund of the TIAA-CREF Institutional Mutual Funds through a Money Market Option.

Contributions to the Direct Program can be made among eight investment options, which are subject to a sales charge imposed at time of purchase and paid prior to investment of contributions in the Trust. The Advisor program investment options are the Growth and Income option, Equity Index Option, Large-Cap Value Index option, Small-Cap Blend Index option, Bond Option, Balanced Option, International Equity Option, and Guaranteed Option.

Teachers Advisors, Inc., an affiliate of TFI, is registered with the Securities and Exchange Commission ("Commission") as an investment advisor, and provides investment advisory services to the TIAA-CREF Institutional Mutual Funds. Teachers Personal Investor Services, Inc., an affiliate of TFI, and TIAA-CREF Individual & Institutional Services, Inc., also an affiliate of TFI, both of which are registered with the Commission as broker-dealers and are members of the National Association of Securities Dealers, Inc., provide the telephone counseling, marketing and information services required of TFI.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements may require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and related disclosures. Actual results may differ from those estimates. The following is a summary of the significant accounting policies followed by the MACS Program, which are in conformity with accounting principles generally accepted in the United States of America.

A. **Valuation of Investments**: The market value of the investments in mutual funds is based on the net asset values of the funds as of the close of business on the valuation date.

B. **Accounting for Investments**: Securities transactions are accounted for as of the date the securities are purchased or sold (trade date). Interest income is recorded as earned. Dividend income is recorded on the ex-dividend date. Realized gains and losses are based upon the specific identification method.

C. **Penalty Fees**: Through December 31, 2001, penalty fees on non-qualified withdrawals were retained by the Program and were available for the payment or reimbursement of the direct or indirect expenses of the Program. Effective January 1, 2002, the Program no longer retains penalty fees on non-qualified withdrawals; however, the Account Owner may be subject to additional federal income taxes relating to any earnings on non-qualified withdrawals.

D. **Federal Income Tax**: No provision for federal income tax has been made. 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 relating to 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 MACS Program documents include the qualification criteria required by Section 529. The Program expects to be a qualified state tuition program under Section 529 of the Internal Revenue Code, which is exempt from federal income tax, and does not expect to have any unrelated business income subject to tax.

E. **Reporting Entity:** The MACS Program is part of the State of Mississippi's reporting entity and is reported as a private purpose trust fund (fiduciary fund) in the State of Mississippi Comprehensive Annual Financial Report (CAFR). These financial statements and the accompanying notes relate directly to the Mississippi Affordable College Savings (MACS) Program, including both the Direct Program and the Advisor Program. The Mississippi Prepaid Affordable College Tuition (MPACT) Program issues separate financial statements.

F. **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.

G. **Due to Other Funds**: Substantially all of the due to other funds liability represented an interest-free loan appropriated from another fund within the State Treasury.

NOTE 3 - MANAGEMENT AGREEMENT

For its services as Program Manager, TFI, and related entities, are paid an annual fee of of 0.70% of the average daily net assets of the Program, plus the specific investment management fees for the underlying investments in the TIAA-CREF Institutional Mutual Funds. Total fees earned by TFI, and related entities, for the years ended June 30, 2003 and 2002 were $94,388 and $31,224 respectively, which included $78,337 (2003) and $24,190 (2002) of fees on average daily net assets of the Program and $16,051 (2003) and $7,034 (2002) of fees on underlying Program investments in the TIAA-CREF Institutional Mutual Funds.

NOTE 4 - ADMINISTRATIVE FUNDING

Expenditures from the Administrative Fund for fiscal years 2003 and 2002 were funded through payments to the State Treasury by TFI from the fees charged to MACS account owners as specified by the Management Agreement.

NOTE 5 - INVESTMENTS

At June 30, 2003, the gross unrealized appreciation of portfolio investments was $639,353. There were no gross losses at June 30, 2003. At June 30, 2002, the net unrealized loss on portfolio investments was $451,656, consisting of gross unrealized appreciation of $7,865 and gross unrealized depreciation of $459,521.

Purchases and sales of portfolio securities for the year ended June 30, 2003 were $15,924,390 and $8,458,480, respectively. Purchases and sales of portfolio securities for the year ended June 30, 2002 were $7,956,910 and $875,334, respectively.

As of June 30, 2003 and 2002, the Program's investments consisted of the following:

	2003		2002	
	COST	FAIR VALUE	COST	FAIR VALUE
TIAA-CREF Institutional Mutual Funds				
International Equity Fund	$ 1,995,908	$ 2,034,684	$ 932,504	$ 919,201
Growth and Income Fund	2,403,425	2,601,438	3,031,465	2,681,079
Inflation Linked Bond Fund	2,911,539	2,945,899	0	0
Equity Index Fund	3,351,645	3,534,792	911,963	816,131
Real Estate Securities Fund	941,307	988,201	0	0
Large Cap Value Index Fund	639,646	680,246	0	0
Small Cap Blend Index Fund	540,635	591,062	0	0
Bond Fund	1,394,051	1,441,187	1,746,780	1,754,645
Money Market Fund	770,654	770,654	1,355,279	1,355,279
TIAA-CREF Life Insurance Company Funding Agreement	2,890,338	2,890,338	0	0
	$17,839,148	$18,478,501	$ 7,977,991	$ 7,526,335

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, MACS will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the government and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name. Investments of the Program are entirely uninsured and are held by third parties in the name of MACS for the benefit of account owners. For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Deposits of the program are entirely insured or collateralized with securities.

Interest Rate and Credit Risk

Market or interest rate risk is the greatest risk faced by an investor in the fixed income market. The price of a fixed income security typically moves in the opposite direction of the change in interest rates.

Debt securities are investments in mutual funds holding U.S. Government securities and corporate bonds. The Bond Fund is invested in at least 80% investment grade bonds and other fixed-income securities. The Inflation Linked Bond Fund is invested in at least 95% investment grade fixed-income securities with a maximum maturity of at least one year. Money market funds have a maximum maturity of one year.

MACS does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

Foreign Currency Risk

All foreign currency-denominated investments are in equities and foreign cash. The International Fund has a policy of maintaining investments of equity securities of foreign issuers located in at least three different countries other than the United States.

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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 College Savings Plans of Mississippi Board of Directors
Mississippi Affordable College Savings Program
Jackson, Mississippi

We have audited the financial statements of Mississippi Affordable College Savings Program ("MACS" or the "Program") as of and for the year ended June 30, 2003, and have issued our report thereon dated October 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether MACS' 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 MACS' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an 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 misstatements 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.

Carr, Riggs & Ingram, LLC

October 3, 2003

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, 2003

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheet of Mississippi Prepaid Affordable College Tuition Program (the "Program") as of June 30, 2003 and the related statements of revenues, expenses and changes in retained earnings and cash flows for the year then ended. 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. The financial statements of the Program for the year ended June 30, 2002 were audited by other auditors, whose report dated October 2, 2002, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Mississippi Prepaid Affordable College Tuition Program as of June 30, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2003, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Carr, Riggs & Ingram, LLC

October 3, 2003

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
BALANCE SHEETS
AT JUNE 30, 2003 AND 2002

	2003			2002
	Trust Fund	Administrative Fund	Total	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$3,701,853	$278,914	$3,980,767	$2,703,447
Short-term investments	2,345,000		2,345,000	1,870,000
Due from other fund	71,040		71,040	1,257
Interest receivable	500,104		500,104	433,287
Total current assets	6,617,997	278,914	6,896,911	5,007,991
NONCURRENT ASSETS				
Investment securities	98,165,178		98,165,178	76,751,626
Total noncurrent assets	98,165,178	-0-	98,165,178	76,751,626
Total assets	$104,783,175	$278,914	$105,062,089	$81,759,617
LIABILITIES AND TRUST EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Warrants payable	$57,701	$34,204	$91,905	$134,530
Accounts payable		155,764	155,764	118,149
Due to other fund		36,481	36,481	460
Tuition benefits and expense payable	4,613,249		4,613,249	6,778,979
Total current liabilities	4,670,950	226,449	4,897,399	7,032,118
LONG-TERM LIABILITIES				
Tuition benefits and expense payable	132,546,555		132,546,555	110,285,214
Compensated absences		22,098	22,098	21,703
Total long-term liabilities	132,546,555	22,098	132,568,653	110,306,917
Total liabilities	137,217,505	248,547	137,466,052	117,339,035
TRUST EQUITY (DEFICIT)				
Retained earnings (deficit)	(32,434,330)	30,367	(32,403,963)	(35,579,418)
Total liabilities and trust equity (deficit)	$104,783,175	$278,914	$105,062,089	$81,759,617

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

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003			2002
	Trust Fund	Administrative Fund	Total	Total
OPERATING REVENUES				
Net investment income	$6,014,912		$6,014,912	
Net increase in present value of tuition receipts over related benefits payable	1,344,490		1,344,490	
Administrative fees	594,118		594,118	$483,831
Total operating revenues	7,953,520	-0-	7,953,520	483,831
OPERATING EXPENSES				
Salaries and travel		$259,388	259,388	244,435
Contractual services		1,323,317	1,323,317	1,094,284
Commodities and supplies		28,342	28,342	31,763
Capital outlay		3,759	3,759	3,803
Tuition payments	3,163,259		3,163,259	1,938,788
Net investment loss				7,273,194
Net increase in present value of benefits payable over related tuition receipts			-0-	9,215,031
Total operating expenses	3,163,259	1,614,806	4,778,065	19,801,298
Operating income (loss)	4,790,261	(1,614,806)	3,175,455	(19,317,467)
OPERATING TRANSFERS	(1,422,062)	1,422,062	-0-	-0-
NET INCOME (LOSS)	3,368,199	(192,744)	3,175,455	(19,317,467)
RETAINED EARNINGS (DEFICIT) AT BEGINNING OF YEAR	(35,802,529)	223,111	(35,579,418)	(16,261,951)
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	($32,434,330)	$30,367	($32,403,963)	($35,579,418)

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

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003 Trust Fund	2003 Administrative Fund	2003 Total	2002 Total
OPERATING ACTIVITIES				
Contract payments received	$21,320,317		$21,320,317	$18,082,191
Administrative fees received	594,118		594,118	483,831
Cash payments for tuition	(3,163,259)		(3,163,259)	(1,938,788)
Cash payments to suppliers for goods and services		($1,293,774)	(1,293,774)	(1,173,118)
Net investment income (loss)	(3,415,197)		(3,415,197)	1,244,212
Cash payments to employees for services		(239,625)	(239,625)	(228,831)
Net cash provided from (used for) operating activities	15,335,979	(1,533,399)	13,802,580	16,469,497
NONCAPITAL FINANCING ACTIVITIES				
Operating transfers	(1,422,062)	1,422,062	-0-	-0-
Net cash provided from (used for) noncapital financing activities	(1,422,062)	1,422,062	-0-	-0-
INVESTING ACTIVITIES				
Purchase of investments	(12,525,260)		(12,525,260)	(16,824,841)
Net cash used for investing activities	(12,525,260)	-0-	(12,525,260)	(16,824,841)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,388,657	(111,337)	1,277,320	(355,344)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,313,196	390,251	2,703,447	3,058,791
CASH AND CASH EQUIVALENTS AT END OF YEAR	$3,701,853	$278,914	$3,980,767	$2,703,447

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

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
RECONCILIATIONS OF NET INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	2003			2002
	Trust Fund	Administrative Fund	**Total**	Total
NET INCOME FROM OPERATIONS	$4,790,261	($1,614,806)	**$3,175,455**	($19,317,467)
Adjustments to reconcile net income (loss) from operations to cash provided by operating activities				
Unrealized (gain) loss on investments	(9,363,292)		**(9,363,292)**	8,525,190
Net decrease (increase) in present value of tuition receipts over related benefits payable	(1,344,490)		**(1,344,490)**	9,215,031
Increase in benefits payable	21,440,101		**21,440,101**	18,068,956
Increase in other current assets	(137,857)	1,257	**(136,600)**	(9,041)
Increase (decrease) in other liabilities	(48,744)	80,150	**31,406**	(13,172)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$15,335,979	($1,533,399)	**$13,802,580**	$16,469,497

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

MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2003 AND 2002

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 160 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 the nine-member College Savings Plans of Mississippi 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). These financial statements and the accompanying notes relate directly to the Mississippi Prepaid Affordable College Tuition Program. The Mississippi Affordable College Savings Program issues separate financial statements.

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 Governmental Accounting Standards Board (GASB) Statement 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. The net investment income (loss) reported in the Statement of Revenues, Expenses and Changes in Retained Earnings includes both realized and unrealized gains and losses.

F. Determination Of Fair Values Of Financial Instruments - 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. 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.

H. 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 transaction 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.

I. Accounting and Reporting - Under 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.

J. Use of Estimates - The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America 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.

K. Reclassifications - Certain reclassifications have been made to the 2002 financial statements to conform with the method of presentation used in 2003.

NOTE 2 - INVESTMENT SECURITIES AND DEPOSITS

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, 2003 and 2002:

	2003		2002	
	Cost	Fair Value	Cost	Fair Value
U.S. Treasuries and Agencies	$ 16,861,378	$ 17,697,755	$ 8,229,125	$ 8,555,321
Municipal Bonds	778,060	857,124	5,724,678	5,925,858
Mortgage and Other Asset Backed Securities	8,345,963	9,037,353	7,108,974	7,417,242
Corporate Debt Securities	7,633,256	8,298,554	4,547,072	4,301,850
Corporate Equity Securities				
Domestic	49,792,572	47,544,704	45,510,511	35,662,650
Foreign	15,224,885	14,729,688	15,465,494	14,888,705
Total	$ 98,636,114	$ 98,165,178	$ 86,585,854	$ 76,751,626

Of MPACT's $98 million in investments at June 30, 2003, $8 million was held by an external investment pool for the benefit of MPACT and the State of Mississippi Health Care Trust Fund. Fair values were obtained from the pool custodian. All of the municipal bonds as of June 30, 2003 were State of Mississippi taxable bond issues.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, MPACT will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the government and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name. The Mississippi Code of 1972, Section 37-155-9(v)(x) requires that all investments be clearly marked to indicate ownership by MPACT and to the extent possible be registered in the name of MPACT. Investments are entirely uninsured and are held by third parties in MPACT's name.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Mississippi Code of 1972 Section 37-155-9(v)(iii) requires MPACT funds to be deposited in federally insured institutions domiciled in the State of Mississippi or a custodial bank which appears on the State of Mississippi Treasury Department's approved depository list and/or safekeeper list. Deposits of the Program are entirely insured or collateralized with securities.

Interest Rate Risk

Market or interest rate risk is the greatest risk faced by an investor in the fixed income market. The price of a fixed income security typically moves in the opposite direction of the change in interest rates.

Maturities of debt securities by type at June 30, 2003, are as follows:

		Investment Maturities (in years)			
Debt Instrument Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasuries and Agencies	$17,697,755	$1,316,729	$ 2,387,292	$ 5,462,758	$ 8,530,976
Municipal Bonds	857,124	0	439,260	205,920	211,944
Mortgage & Other Asset Backed Securities	9,037,353	0	0	4,227.901	4,809,452
Corporate Debt Securities	8,298,554	0	3,197,338	2,479,406	2,621,810
Totals	$35,890,756	$1,316,729	$ 6,023,890	$12,375,985	$16,174,182

MPACT does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

During fiscal year 2003, the investments in derivatives by MPACT were exclusively in covered call or put equity options, foreign currency exchange contracts (Note 5), and asset/liability based derivatives such as collateralized mortgage obligations, and asset backed securities. MPACT reviews fair values of all securities on a monthly basis and prices are obtained from recognized pricing sources. Derivative securities are held, in part, to maximize yields.

Mortgage and other asset backed securities, including collateralized mortgage obligations (CMO's), are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities or stripped mortgage-backed securities. Income is derived from payments and prepayments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with that CMO's established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates while others are more significantly sensitive to interest rate fluctuations. In a declining interest rate environment, some CMO's may be subject to a reduction in interest payments as a result of prepayments of mortgages which make up the collateral pool. Reduction in interest payments cause a decline in cash flows and, thus a decline in fair value of the CMO security. Rising interest rates may cause an increase in interest payments, thus an increase in the fair value of the security.

Other asset-backed securities are bonds or notes backed by banks, credit card companies, or other credit providers. The originator of the loan or accounts receivables paper sells it to a specially created trust, which repackages it as securities. Similar to CMO's, asset-backed securities have been structured as pass-throughs and as structures with multiple bond classes.

Credit Risk

	Fair Value
AAA	$ 9,860,657
AA	569,133
AA-	265,147
A+	2,536,511
A	1,624,833
A-	1,034,478
BBB+	791,945
BBB	1,394,678
BBB-	115,649
Total	$ 18,193,031

The above chart does not include obligations of the U. S. Treasury, U.S. Agencies or securities guaranteed by the U.S. Government. State law requires a minimum quality rating of A-3 by Standard and Poor's for corporate short-term obligations. This law also requires corporate and taxable municipal bonds to be of investment grade as rated by Standard and Poor's, with bonds rated BAA/BBB not to exceed 5% of total fixed income investments.

Credit risk for derivatives held by MPACT results from the same considerations as other counterparty risk assumed by MPACT, which is the risk that a borrower will be unable to meet its obligation.

Foreign Currency Risk

Currency	%	Fair Value
Australian Dollar	9.2%	$ 1,318,023
Canadian Dollar	2.6%	367,298
Danish Kroners	0.6%	85,715
Euro	31.9%	4,576,751
Hong Kong Dollars	2.0%	292,716
Japanese Yen	11.4%	1,634,654
Malaysian Ringgit	2.4%	343,950
New Zealand Dollars	0.3%	44,534
Norweigen Kroners	0.2%	29,941
Singapore Dollar	4.0%	579,234

Swedish Kronors	0.7%	101,054
Swiss Franc	13.8%	1,975,151
Thailand Baht	2.4%	350,561
Pound Sterling	18.5%	2,654,105
Total International Investments Denominated in Foreign Currencies	100.0%	$ 14,353,687

All foreign currency-denominated investments are in equities and foreign cash.

NOTE 3 - 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, 2003	June 30, 2002
Assumptions:		
Rate of return on investments	7.8%	7.8%
Future tuition increases	6.5% at 4 year universities 6.0% at 2 year community colleges	6.5 % at 4 year universities 6.0% at 2 year community colleges
Payment of tuition and mandatory fees (payments will occur twice annually)	Up to160 credit hours utilization	Up to160 credit hours utilization
Results:		
A.P.V. of future benefits and expense payable		
Current	$ 4,613,249	$ 6,778,979
Long-term	132,546,555	110,285,214
Total	$ 137,159,804	$ 117,064,193

Net assets available for benefits at market value	$ 104,755,841	$ 81,484,775
Net tuition benefits and expenses payable in excess of assets	$ (32,403,963)	$ (35,579,418)
Total assets as percentage of total tuition benefits and expenses payable	81.65%	76.12%
Tuition benefits and expenses payable, net includes the following as of June 30, 2003 and 2002:		
Actuarial present value of future payments to be made for tuition, fees, expenses and contract cancellations for all contracts sold	$ 176,616,484	$ 149,007,677
Actuarial present value of future payments to be received from installment contract purchasers	(39,456,680)	$ (31,943,484)
Tuition benefits and expenses payable, net at end of year	$ 137,159,804	$ 117,064,193

NOTE 4 - FAIR VALUE DISCLOSURES

The carrying values and estimated fair values of MPACT's financial instruments as of June 30, 2003 and 2002 were as follows:

	2003		2002	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and cash equivalents	$ 3,980,767	$ 3,980,767	$ 2,703,447	$ 2,703,447
Short-term investments	2,345,000	2,345,000	1,870,000	1,870,000
Receivables	571,144	571,144	434,544	434,544
Investment securities	98,165,178	98,165,178	76,751,626	76,751,626
Current liabilities	4,897,399	4,897,399	7,032,118	7,032,118
Long-term liabilities	132,568,653	132,568,653	110,306,917	110,306,917

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 5 - 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, 2003 and 2002 aggregated approximately $1,720,000 and $632,000 respectively at cost and market value, with market value determined based on quoted market prices.

NOTE 6 - 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 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). 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 years ended June 30, 2003 and 2002.

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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 College Savings Plans of Mississippi 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" or the "Program") as of and for the year ended June 30, 2003, and have issued our report thereon dated October 3, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 an 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 misstatements 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.

Carr, Riggs & Ingram, LLC

October 3, 2003

THE MISSISSIPPI PREPAID AFFORDABLE COLLEGE TUITION PROGRAM

Actuarial Valuation and
Independent Actuaries' Report

Year Ended June 30, 2003

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September 17, 2003

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State Treasury Department
501 North West Street, Suite 1101A
Jackson, MS 39201

To the Board:

PricewaterhouseCoopers LLP ("PwC") in conjunction with Richard M. Kaye & Associates, has performed an actuarial valuation of the Mississippi Affordable College Tuition Program as of June 30, 2003. The valuation compares the value of the assets of the prepaid program to the value of expected future tuition payments to beneficiaries. The following pages summarize the actuarial valuation of the trust fund as of June 30, 2003.

A comparison of the assets and liabilities of the trust fund shows that as of June 30, 2003 there is a deficit of $32.4 million.

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 LLP

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PricewaterhouseCoopers LLP

Richard M. Kaye, FSA, CPA
Richard M. Kaye & Associates
Consultant to PwC

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Executive Summary

Valuation Results

As of June 30, 2003 the Program has an unfunded liability of $32.4 million. (The value of expected liabilities of the trust exceeds the value of assets, including the value of future payments by contract purchasers, by that amount). The liability amounts are based on actuarial assumptions chosen by the Board. The Program's records administrator, InTuition Solutions, Inc., provided us with information relating to contracts in place as of June 30, 2003. Program staff provided us with information relating to assets and investment returns.

The $32.4 million unfunded liability compares to the $35.6 million unfunded liability as of June 30, 2002. This small decrease of $3.2 million in the deficit is due to actual tuition/fees increasing less than the expected rates of 6.5% for universities and 6.0% for junior colleges offset somewhat by differences in actual vs. expected return on assets between July 1, 2002 and June 30, 2003.

Upon review of the cash flows from the existing contracts, we note the following observations:

1. The Program is projected to receive more in payments on existing contracts than it is projected to pay out in benefits and expenses for the next two years.
2. Adding projected investment income at a rate of 7.8% to the projected cash flows above, the cash inflows from payments and investment income exceed projected benefits for the next five years. The positive net cash flows generated in those first five years are adequate to cover net cash flow requirements for another four years. It is not until the fiscal year ending 6/30/2013 that the Program would need to sell any of the assets held as of 6/30/2003 to meet cash flow requirements.
3. The required payments out of the trust fund for existing contracts exceed the asset balance, thus creating a cash deficit, beginning in the fiscal year ending 6/30/2019.

The impact of unanticipated events subsequent to the date of this analysis is beyond the scope of this report. Our conclusions regarding the period of positive cash flows is based on various assumptions about future contract experience, economic conditions, and investment performance. The Program's future experience may not follow all the assumptions used in the analysis and deviations of experience from assumptions may be material.

Contract Sales

As of June 30, 2003 there were 15,187 participants enrolled in the Program. This compares to 12,764 participants in the Program as of June 30, 2002.

The majority of the current contracts are for four-year university (8,780 contracts or 58%). There were also 3,361 two-year junior college plus two-year university contracts (22% of the total) and 1,014 two-year junior college contracts (7% of the total). The other 2,032, or 13% of the contracts, are dispersed across the remaining contract types.

Weighted Average Tuition

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

WAT for four-year universities is $3,747 for the fall of 2003, an increase of 1% over the WAT of $3,716 in the fall of 2002.

WAT for junior colleges is $1,417 for the fall of 2003, an increase of 2% over the WAT of $1,392 in the fall of 2002.

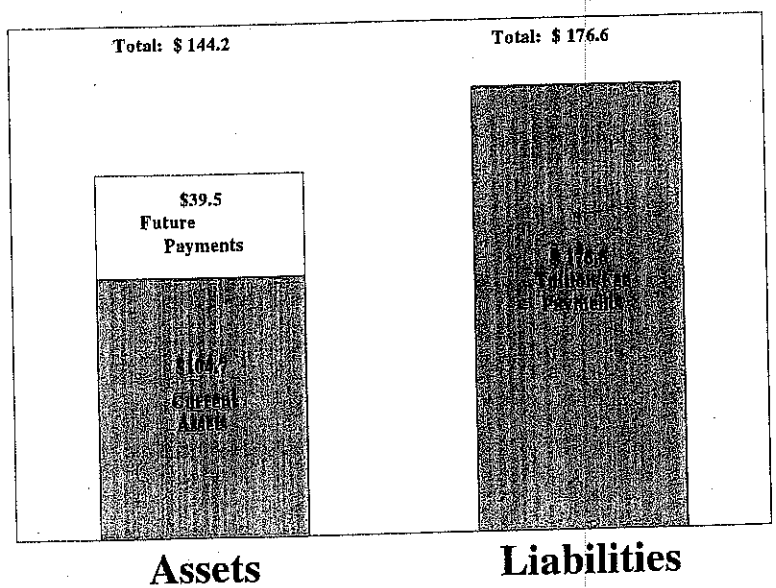
Actuarial Assumptions

Tuition increases are assumed to be 6.5% per year for all future years at universities, and 6.0% per year for all future years at junior colleges. Investments are assumed to return 7.8% per year for all future years. These assumptions, the other assumptions and the methodology are described more fully in the body of this report.

FUNDED STATUS

As of June 30, 2003 the expected liabilities of the Program exceeds the value of the assets of the Program (including the value of future payments by contract purchasers) by $32.4 million. The funded ratio, assets divided by liabilities, is 81.65%. The assumptions used to perform the actuarial valuation of the fund are described later in this report. The primary assumptions are:

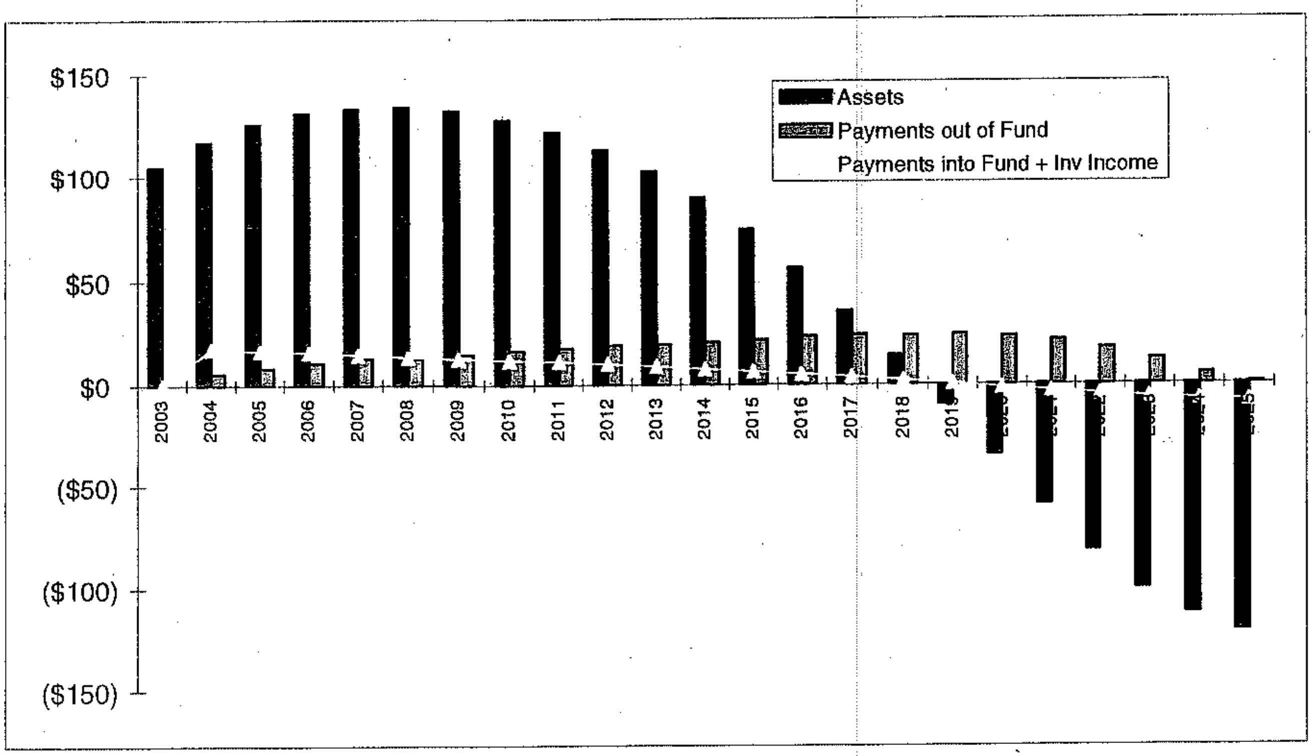
Tuition increases	6.5% per year for four-year universities 6.0% per year for junior colleges
Investment return	7.8% per year



CASH FLOW PROJECTION

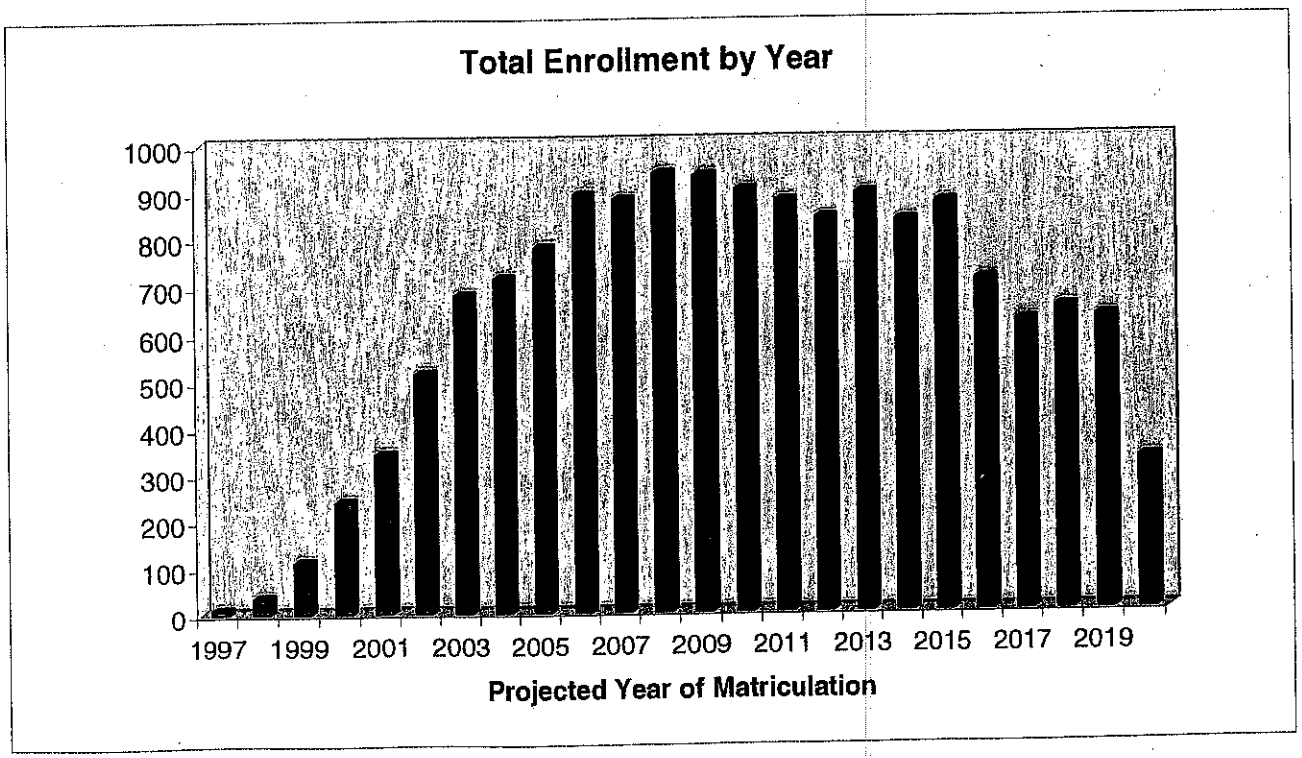
The expected income and disbursements of the trust fund, based on the assumptions used in the actuarial valuation, and the current group of contract beneficiaries, are shown below. These amounts are cash amounts in the respective years, not present value amounts.

Fiscal Year End
($ Millions)



CONTRACT SALES

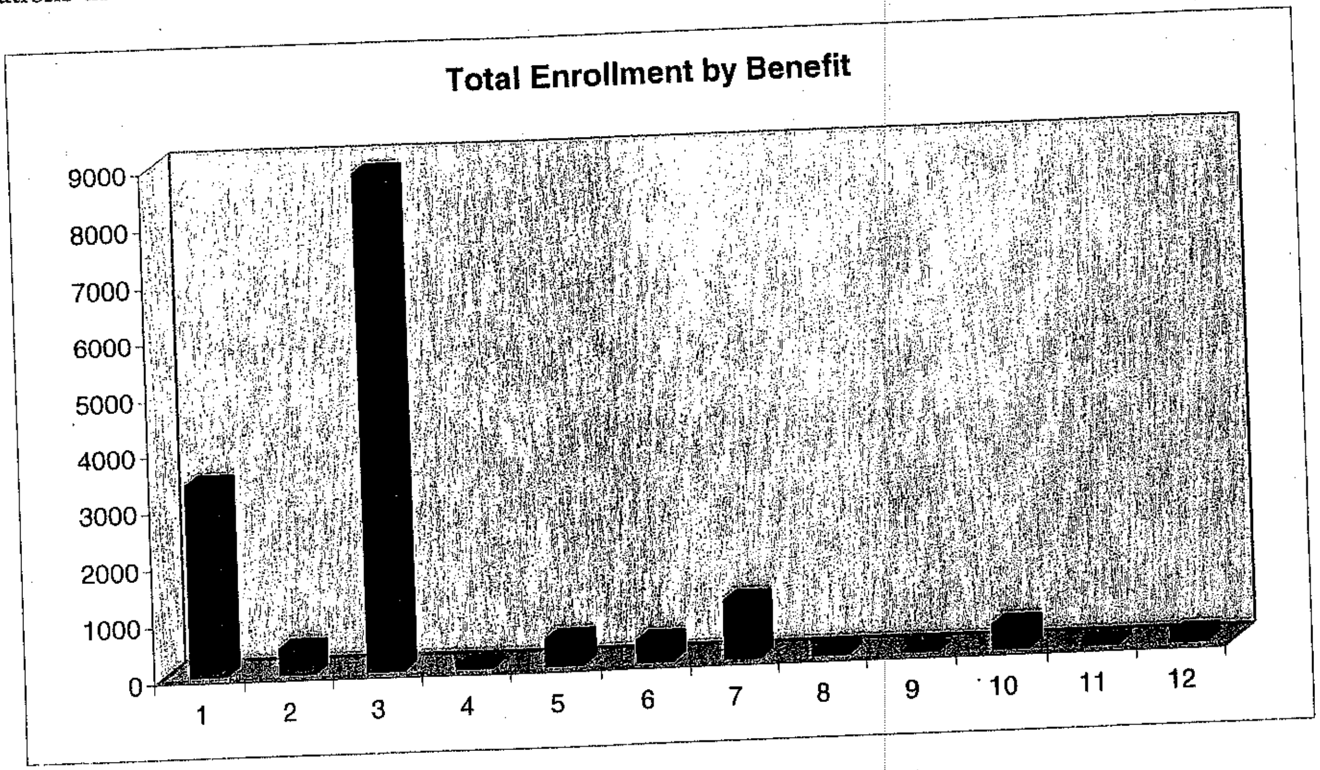
Contracts can be purchased for a wide range of ages from newborn through high school senior. The chart below illustrates, based on current participation, the total number of active contracts by expected year of college or university matriculation.



Grand Total: 15,187 Contracts

CONTRACT SALES

Contracts can be purchased for a variety of plans, from one year to five years of tuition and for junior college, four-year university, or various combinations thereof. The chart below illustrates the total number of current enrollees by type of contract.

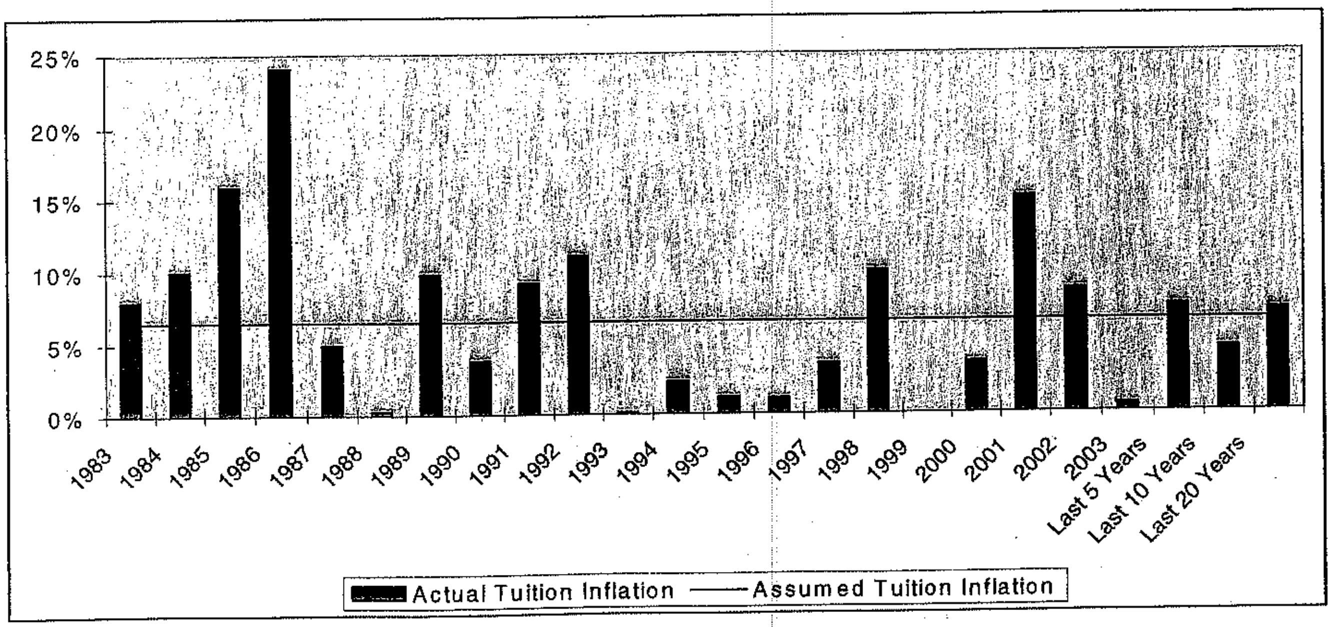


Type of Contract	1	2	3	4	5	6	7	8	9	10	11	12
Years Junior College	2	1	0	0	0	0	2	1	1	0	1	2
Years Four-Year University	2	3	4	3	2	1	0	0	1	5	4	3

Grand Total: 15,187 Contracts

HISTORIC TUITION/FEE INCREASES

The average tuition for four-year universities is assumed to increase 6.5% per year. The chart below illustrates the actual increases over the last twenty years.



Historical Comparison: Four-Year Universities

Fall 1981	$ 882	Fall 1987	1,667	Fall 1993	2,317	Fall 1999	2,764
Fall 1982	929	Fall 1988	1,672	Fall 1994	2,371	Fall 2000	2,864
Fall 1983	1,003	Fall 1989	1,837	Fall 1995	2,399	Fall 2001	3,294
Fall 1984	1,104	Fall 1990	1,908	Fall 1996	2,426	Fall 2002	3,578
Fall 1985	1,280	Fall 1991	2,083	Fall 1997	2,513	Fall 2003	3,599
Fall 1986	1,588	Fall 1992	2,314	Fall 1998	2,764		

Sensitivity of Results
To Variations
In Experience

The table below was prepared to illustrate how variations in future experience will affect the current surplus/(deficit) of the Program. The Program surplus/(deficit) as of June 30, 2003 is ($32.4) million under the base set of assumptions as stated in this report.

Variations in Tuition

Baseline Assumptions	Surplus/(Deficit):	($32.4) million
University tuition inflation higher all years by 25 basis points	Surplus/(Deficit):	($36.0) million
University tuition lower in all years by 25 basis points	Surplus/(Deficit):	($28.9) million
Bias Load is 4% rather than 3%	Surplus/(Deficit):	($34.0) million
Bias Load is 2% rather than 3%	Surplus/(Deficit):	($30.8) million

Variations in Investment Income

Investment income rate lower in all years by 25 basis points	Surplus/(Deficit):	($35.8) million
Investment income rate higher in all years by 25 basis points	Surplus/(Deficit):	($29.1) million

Break Even Interest Rate

An investment earnings rate of 10.9% is required for the Program to satisfy all future benefits and expenses in the projection period if other experience is consistent with the actuarial assumptions.

Break Even Inflation Rates

Maintaining the current relationship that the university inflation rate is 50 basis points greater than the junior college inflation rate, a 4.0% university inflation rate and a 3.5% junior college inflation rate are required for the Program to satisfy all future benefits and expenses in the projection period if other experience is consistent with the actuarial assumptions.

Valuation Assumptions
And
Methods

Actuarial Assumptions

The assumptions used in the actuarial valuation of the Program are described below. These assumptions were developed by the Board.

Tuition Increases: The Weighted Average Tuition for four-year universities is assumed to increase at 6.5% per year. The Weighted Average Tuition for junior colleges is assumed to increase at 6.0% per year.

Investment Return: Invested assets are assumed to earn 7.8% per year. The Program is exempt from Federal Income Tax.

Administrative Expenses: $1,374,285 increased by 1% a year for inflation

Enrollment of MPACT Beneficiaries: Beneficiaries are assumed to attend college or university full time commencing with the expected matriculation date (the Fall following high school graduation). Further, it is assumed that the contract beneficiaries will not attend the available colleges and universities in the same proportion as the headcount information that was used to determine the 2003/04 Weighted Average Tuition, but rather attend on average more expensive schools than those included in the aforementioned information. Accordingly, a 3% "bias load" was added to the university Weighted Average Tuition to allow for anti-selection toward matriculation at schools with higher tuition.

Contract Cancellations: It was assumed that there would be no contract cancellations.

Future Contract Sales: For the purpose of allocating administrative expenses to current contracts, it was assumed that there would be 1,150 contracts sold during each year in the projection period. This assumption is used only for expense allocation; it has not been used to project any additional revenue for the Program.

Deaths and Disability: Mortality and disability decrements were not used.

Actuarial Methods

The actuarial valuation of the Program is based on projections of tuition and required fees expected to be paid on behalf of Program beneficiaries, and on amounts paid into the Program from contract installment payments. This actuarial valuation is based on the data described and corresponding sources of data described below.

Data	**Source**
Tuition & required fees at four-year universities	Mississippi Institutions of Higher Learning
Headcount at four-year universities	Mississippi Institutions of Higher Learning
MPACT active contract inventory	InTuition Solutions, Inc.
Tuition & required fees at junior colleges	State Board of Community & Junior Colleges
Headcount at junior colleges	State Board of Community & Junior Colleges

MPACT Beneficiaries (Appendix C): 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 C. This information is based on actual enrollment in the program as provided by the above sources.

Weighted Average Tuition: Four-Year Universities (Appendix D): The Weighted Average Tuition for public four-year universities in Mississippi is the average of tuition and required 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. The average of the full-time headcounts as of Fall 1998, 1999, 2000, and 2001 was used to determine the Weighted Average Tuition. Headcount information was not available for Fall 2002 at the time this report was prepared, but it was determined that one additional year of data would not have a material impact on the distribution of headcounts by university.

Weighted Average Tuition: Junior and Community Colleges (Appendix E): The Weighted Average Tuition for junior and community colleges was determined using the same methodology as for four-year universities, except the weighting was based on the average full-time headcounts at each college for the Fall semesters of 2000 and 2001.

Appendices

Funded Status

Appendix A

a.	Market value of assets	$104,755,841
b.	Actuarial present value of future contract installment payments	39,456,680
c.	Subtotal (a + b)	144,212,521
d.	Actuarial present value of future payments of tuition, required fees and expenses	176,616,484
e.	Surplus/(Deficit) as of June 30, 2003	$ (32,403,963)

Cash Flow Projections

(amounts in 1,000's)

Fiscal Year Ending June 30	Payments Into Trust Fund	Payments Out of Trust Fund	Investment Income	Assets at End of Year
2003				104,756
2004	10,056	5,372	7,743	117,183
2005	8,355	8,296	8,474	125,715
2006	7,009	10,620	8,958	131,064
2007	5,743	12,778	9,221	133,250
2008	4,424	12,802	9,331	134,203
2009	3,466	14,587	9,300	132,383
2010	3,018	16,468	9,085	128,018
2011	2,608	17,511	8,717	121,832
2012	2,084	19,003	8,196	113,109
2013	1,407	19,580	7,520	102,455
2014	917	20,598	6,696	89,470
2015	692	21,676	5,710	74,196
2016	492	23,265	4,541	55,963
2017	348	24,017	3,190	35,485
2018	260	23,623	1,721	13,843
2019	164	24,082	136	(9,939)
2020	76	23,251	(1,556)	(34,670)
2021	7	21,322	(3,277)	(59,261)
2022	-	17,471	(4,916)	(81,647)
2023		11,940	(6,334)	(99,921)
2024		5,059	(7,407)	(112,387)
2025		536	(8,145)	(121,068)

MPACT Beneficiaries

Appendix C

Projected Enrollment Year	Type of Contract												Total Enrollment by Year	Percent of Total
	2+2	1+3	4 Yr Univ	3 Yr Univ	2 Yr Univ	1 Yr Univ	2 Yr Jr Col	1 Yr Jr Col	1+1	5 Yr Univ	1+4	2+3		
1997	1		7										8	0.1%
1998	10	1	16	1	1	2	3						34	0.2%
1999	18	4	79		1	2	5						109	0.7%
2000	53	10	150	2	7	1	11	2		1	1		238	1.6%
2001	79	4	215	2	14	5	17	2		3		1	342	2.3%
2002	109	24	305	1	20	7	42	4		1	1		514	3.4%
2003	136	19	416	4	18	17	49	3	2	10	1	4	679	4.5%
2004	140	14	427	4	26	28	66	2		3		4	714	4.7%
2005	170	24	428	1	36	24	73	3		9	2	8	778	5.1%
2006	186	32	531	1	27	23	72	6		8		5	891	5.9%
2007	206	21	474	4	32	30	72	11		17	3	10	880	5.8%
2008	214	22	558	5	23	17	72	4		14	2	5	936	6.2%
2009	218	31	516	2	30	35	69	7		13	1	9	931	6.1%
2010	211	28	523	1	31	15	71			15	1	5	901	5.9%
2011	196	25	514	1	27	22	51	6		23	1	9	875	5.8%
2012	208	23	472	2	29	25	40	6		21	1	12	839	5.5%
2013	223	32	492	1	35	16	53	5		23	2	10	892	5.9%
2014	177	25	478	1	22	25	64	6		19		16	833	5.5%
2015	192	31	532	2	19	14	48			23	1	9	871	5.7%
2016	155	17	414	4	19	18	41	6		21	2	10	707	4.7%
2017	134	14	333	4	19	11	34	2		45	5	17	618	4.1%
2018	118	15	372	4	20	17	22	2		61	5	11	647	4.3%
2019	129	20	346	3	10	14	25	3		64		13	627	4.1%
2020	78	3	182		3	5	14	1		29	2	6	323	2.1%
Total	3,361	439	8,780	50	469	373	1,014	81	2	423	31	164	15,187	100%
Percentage	22.1%	2.9%	57.8%	0.3%	3.1%	2.5%	6.7%	0.5%	0.0%	2.8%	0.2%	1.1%	100%	

Tuition – Four Year Universities

Appendix D

Annual Tuition and Required Fees

Year	A.S.U	D.S.U.	J.S.U.	M.S.U.	M.U.W.	M.V.S.U.	U.M.	U.S.M.	Average	Weighted Average
1980-81	$ 768	$ 720	$ 750	$ 930	$ 729	$ 750	$ 954	$ 826	$ 803	
1981-82	825	770	832	1,030	800	800	1,085	916	882	
1982-83	825	770	900	1,132	800	800	1,167	1,040	929	
1983-84	875	800	972	1,238	825	850	1,321	1,140	1,003	
1984-85	975	900	1,072	1,358	925	975	1,401	1,226	1,104	
1985-86	1,250	1,130	1,172	1,492	1,075	1,200	1,517	1,401	1,280	
1986-87	1,650	1,480	1,472	1,700	1,475	1,600	1,727	1,600	1,588	
1987-88	1,650	1,600	1,500	1,778	1,580	1,760	1,780	1,684	1,667	
1988-89	1,670	1,600	1,500	1,794	1,580	1,760	1,790	1,684	1,672	
1989-90	1,820	1,734	1,726	1,987	1,780	1,825	1,987	1,834	1,837	
1990-91	1,870	1,846	1,786	2,061	1,840	1,850	2,059	1,948	1,908	
1991-92	2,068	2,000	2,029	2,223	2,053	1,952	2,221	2,120	2,083	
1992-93	2,376	2,194	2,223	2,473	2,239	2,164	2,435	2,404	2,314	
1993-94	2,376	2,194	2,230	2,473	2,239	2,164	2,456	2,404	2,317	
1994-95	2,389	2,294	2,380	2,498	2,244	2,189	2,546	2,429	2,371	
1995-96	2,389	2,294	2,380	2,591	2,244	2,278	2,546	2,468	2,399	
1996-97	2,389	2,294	2,380	2,631	2,284	2,278	2,631	2,518	2,426	
1997-98	2,441	2,360	2,444	2,743	2,324	2,405	2,775	2,609	2,513	2,501
1998-99	2,685	2,596	2,688	3,017	2,556	2,646	3,053	2,870	2,764	2,570
1999-00	2,685	2,596	2,688	3,017	2,556	2,646	3,053	2,870	2,764	2,862
2000-01	2,785	2,696	2,788	3,117	2,656	2,746	3,153	2,970	2,864	2,962
2001-02	3,203	3,100	3,206	3,586	3,054	3,158	3,626	3,416	3,294	3,408
2002-03	3,459	3,348	3,537	3,873	3,298	3,411	3,916	3,781	3,578	3,716
2003-04	3,459	3,348	3,612	3,873	3,298	3,411	3,916	3,873	3,599	3,747

Annual Increases in Tuition and Required Fees

Year	A.S.U	D.S.U.	J.S.U.	M.S.U.	M.U.W.	M.V.S.U.	U.M.	U.S.M.	Average
1981-82	7.42%	6.94%	10.93%	10.75%	9.74%	6.67%	13.73%	10.90%	9.82%
1982-83	0.00%	0.00%	8.17%	9.90%	0.00%	0.00%	7.56%	13.54%	5.33%
1983-84	6.06%	3.90%	8.00%	9.36%	3.13%	6.25%	13.20%	9.62%	7.90%
1984-85	11.43%	12.50%	10.29%	9.69%	12.12%	14.71%	6.06%	7.54%	10.11%
1985-86	28.21%	25.56%	9.33%	9.87%	16.22%	23.08%	8.28%	14.27%	15.91%
1986-87	32.00%	30.97%	25.60%	13.94%	37.21%	33.33%	13.84%	14.20%	24.10%
1987-88	0.00%	8.11%	1.90%	4.59%	7.12%	10.00%	3.07%	5.25%	4.94%
1988-89	1.21%	0.00%	0.00%	0.90%	0.00%	0.00%	0.56%	0.00%	0.35%
1989-90	8.98%	8.38%	15.07%	10.76%	12.66%	3.69%	11.01%	8.91%	9.83%
1990-91	2.75%	6.46%	3.48%	3.72%	3.37%	1.37%	3.62%	6.22%	3.86%
1991-92	10.59%	8.34%	13.61%	7.86%	11.58%	5.51%	7.87%	8.83%	9.21%
1992-93	14.89%	9.70%	9.56%	11.25%	9.06%	10.86%	9.64%	13.40%	11.05%
1993-94	0.00%	0.00%	0.31%	0.00%	0.00%	0.00%	0.86%	0.00%	0.15%
1994-95	0.55%	4.56%	6.73%	1.01%	0.22%	1.16%	3.66%	1.04%	2.34%
1995-96	0.00%	0.00%	0.00%	3.72%	0.00%	4.07%	0.00%	1.61%	1.17%
1996-97	0.00%	0.00%	0.00%	1.54%	1.78%	0.00%	3.34%	2.03%	1.12%
1997-98	2.18%	2.88%	2.69%	4.26%	1.75%	5.58%	5.47%	3.61%	3.59%
1998-99	10.00%	10.00%	9.98%	9.99%	9.98%	10.02%	10.02%	10.00%	10.00%
1999-00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2000-01	3.72%	3.85%	3.72%	3.31%	3.91%	3.78%	3.28%	3.48%	3.62%
2001-02	15.01%	14.99%	14.99%	15.05%	14.98%	15.00%	15.00%	15.02%	15.01%
2002-03	7.99%	8.00%	10.32%	8.00%	7.99%	8.01%	8.00%	10.69%	8.62%
2003-04	0.00%	0.00%	2.12%	0.00%	0.00%	0.00%	0.00%	2.43%	0.59%
Averages:									
20 Years	7.48%	7.71%	6.98%	5.97%	7.50%	7.51%	5.68%	6.43%	6.78%
15 years	5.11%	5.14%	6.17%	5.37%	5.15%	4.60%	5.45%	5.82%	5.35%
10 years	3.94%	4.43%	5.06%	4.69%	4.06%	4.76%	4.88%	4.99%	4.61%
5 years	5.35%	5.37%	6.23%	5.27%	5.38%	5.36%	5.25%	6.32%	5.57%

Resident Enrollment

	Resident Full Time Equivalent Enrollment				Average	Percent of
	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Enrollment	Total
Alcorn State University	2,344	2,259	2,269	2,543	2,354	5.3%
Delta State University	3,025	3,110	2,909	3,381	3,106	7.0%
Jackson State University	3,817	4,344	4,648	5,741	4,637	10.5%
Mississippi State University	10,134	10,181	10,708	13,604	11,157	25.3%
Mississippi University for Women	1,843	1,716	1,632	2,166	1,839	4.2%
Mississippi Valley State University	1,974	2,017	2,131	2,626	2,187	5.0%
University of Mississippi	6,587	6,788	7,028	10,757	7,790	17.7%
University of Southern Mississippi	10,308	10,277	10,666	12,843	11,023	25.0%
Totals	40,033	40,691	41,991	53,661	44,094	100.0%

Tuition – Community and Junior Colleges

Tuition and Required Fees by School

	Annual Resident Tuition and Required Fees						
	2000/01	Increase	2001/02	Increase	2002/03	Increase	2003/04
Coahoma Community College	$1,250	16.0%	$1,450	10.34%	$1,600	0.00%	$1,600
Copiah-Lincoln Community College	1,120	16.1%	1,300	15.38%	1,500	0.00%	1,500
East Central Community College	1,000	20.0%	1,200	16.67%	1,400	2.14%	1,430
East Mississippi Community College	1,040	21.2%	1,260	0.00%	1,260	0.00%	1,260
Hinds Community College	1,200	16.7%	1,400	10.00%	1,540	0.00%	1,540
Holmes Community College	1,204	18.3%	1,424	0.00%	1,424	0.00%	1,424
Itawamba Community College	1,050	21.9%	1,280	0.00%	1,280	(1.56)%	1,260
Jones Community College	908	22.0%	1,108	8.12%	1,198	6.00%	1,270
Meridian Community College	1,078	20.4%	1,298	3.70%	1,346	0.00%	1,346
Mississippi Delta Community College	1,150	8.7%	1,250	12.00%	1,400	10.71%	1,550
Mississippi Gulf Coast Community College	1,092	10.1%	1,202	16.64%	1,402	0.00%	1,402
Northeast Mississippi Community College	1,104	24.6%	1,376	13.66%	1,564	1.98%	1,595
Northwest Mississippi Community College	1,000	20.0%	1,200	0.00%	1,200	8.33%	1,300
Pearl River Community College	1,050	23.8%	1,300	12.77%	1,466	0.00%	1,466
Southwest Mississippi Community College	1,000	20.0%	1,200	12.50%	1,350	0.00%	1,350
Average Tuition	1,083	18.5%	1,283	8.79%	1,395	1.15%	1,411
Weighted Average Tuition	1,081	18.2%	1,278	8.95%	1,392	1.80%	1,417

Tuition – Community and Junior Colleges

Increase in Average Tuition and Required Fees

Fiscal Year	Average Tuition	Percentage Increase
1984	$ 454	
1985	502	10.6%
1986	522	4.0%
1987	614	17.6%
1988	622	1.3%
1989	646	3.9%
1990	686	6.2%
1991	728	6.1%
1992	818	12.4%
1993	942	15.2%
1994	938	-0.4%
1995	938	0.0%
1996	953	1.6%
1997	960	0.7%
1998	971	1.1%
1999	1,015	4.5%
2000	1,083	6.7%
2001	1,283	18.5%
2002	1,395	8.8%
2003	1,411	1.15%
Average increase last 15 years		5.6%
Average increase last 10 years		4.1%
Average increase last 5 years		7.8%

Tuition – Community and Junior Colleges

Resident Enrollment

	Fall 2000	Fall 2001	Average	Percent of Total
Coahoma Community College	1,244	1,018	1,131	2.3%
Copiah-Lincoln Community College	2,572	1,984	2,278	4.7%
East Central Community College	2,254	1,609	1,932	4.0%
East Mississippi Community College	2,623	2,011	2,317	4.7%
Hinds Community College	9,408	6,625	8,017	16.4%
Holmes Community College	3,031	2,375	2,703	5.5%
Itawamba Community College	3,561	2,636	3,099	6.3%
Jones Community College	4,514	3,943	4,229	8.7%
Meridian Community College	3,092	2,291	2,692	5.5%
Mississippi Delta Community College	2,584	2,505	2,545	5.2%
Mississippi Gulf Coast Community College	8,575	5,427	7,001	14.3%
Northeast Mississippi Community College	2,796	2,444	2,620	5.4%
Northwest Mississippi Community College	4,775	3,786	4,281	8.8%
Pearl River Community College	2,840	2,275	2,558	5.2%
Southwest Mississippi Community College	1,652	1,286	1,469	3.0%
Totals	55,521	42,215	48,868	100.0%