

**VIRGINIA HIGHER EDUCATION TUITION TRUST FUND  
RICHMOND, VIRGINIA**

**REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 1999**

***AUDITOR OF  
PUBLIC  
ACCOUNTS***



***COMMONWEALTH OF VIRGINIA***

## **AUDIT SUMMARY**

Our audit of the Virginia Higher Education Tuition Trust Fund for the year ended June 30, 1999, found:

- the financial statements are presented fairly in accordance with generally accepted accounting principles;
- no internal matters that we consider to be material weaknesses; and
- no instances of noncompliance that are required to be reported.

## - T A B L E   O F   C O N T E N T S -

### AUDIT SUMMARY

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### PROGRAM BACKGROUND

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Statement of Revenues, Expenditures, and Changes in Retained Earnings

Statement of Cash Flows

Notes to Financial Statements

### BOARD MEMBERS

December 17, 1999

The Honorable James S. Gilmore, III  
Governor of Virginia  
State Capitol

The Honorable Richard J. Holland  
Chairman, Joint Legislative Audit  
and Review Commission

Board of Directors  
Virginia Higher Education Tuition Trust Fund

We have audited the accounts and records of the **Virginia Higher Education Tuition Trust Fund** as of and for the year ended June 30, 1999, and submit herewith our complete reports on financial statements, compliance, and internal controls.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of the Virginia Higher Education Tuition Trust Fund as of and for the year ended June 30, 1999, as listed in the Table of Contents. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the financial statements based on our audit.

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. 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, the financial statements referred to above present fairly, in all material respects, the financial position of the Virginia Higher Education Tuition Trust Fund as of June 30, 1999, and results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the Virginia Higher Education Tuition Trust Fund (Fund) as of and for the year ended June 30, 1999, we considered internal controls over financial reporting and tested compliance with certain provisions of laws, regulations, and contracts, in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*.

Compliance

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 the Fund'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 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.

Status of Prior Findings

The Fund has taken adequate corrective action with respect to the audit findings reported in the prior year.

Report Distribution and Exit Conference

The Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting is intended solely for the information and use of the Governor and General Assembly of Virginia, the Board of Directors and management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public record and its distribution is not limited.

We discussed this report with management at an exit conference held on February 10, 2000.

AUDITOR OF PUBLIC ACCOUNTS

WHC:aom  
aom:31

## PROGRAM BACKGROUND

The Virginia Higher Education Tuition Trust Fund allows Virginia families to purchase prepaid tuition contracts to finance future college tuition and mandatory fees. The Fund guarantees full payment of in-state undergraduate tuition and mandatory fees at any Virginia public community college or four-year university. Purchasers can also apply benefits at Virginia private colleges and universities and at out-of-state public and private institutions of higher education.

The Board of the Virginia Higher Education Tuition Trust Fund administers the Virginia Prepaid Education Program (Program). The Program began operation in December 1996. During the three enrollment periods to date, over 32,000 accounts have been opened, with cash collections of approximately \$250 million as of year-end. Operating costs are paid from program earnings.

The Program invests contract payments to meet future obligations. The Program's assets and income are exempt from federal, state, and local income taxation. The Program does not have the full faith and credit of the Commonwealth of Virginia to meet its obligations to contract purchasers. However, the Governor is required to include in every year's budget a sum sufficient line item in the form of a line of credit the Program could use in the event of a cash shortfall. The Program would be required to pay back any such loan.

### Virginia Education Savings Trust

The 1999 General Assembly passed legislation creating the Virginia Education Savings Trust (VEST), which is a companion program to the prepaid program. Participants can make an initial selection from among seven investment portfolios to save for all college costs, not just tuition and fees. VEST accounts provide investors with the same federal and state tax benefits available to participants in the prepaid program.

VIRGINIA HIGHER EDUCATION TUITION TRUST FUND  
BALANCE SHEET  
As of June 30, 1999

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ASSETS

|                                                         |                              |
|---------------------------------------------------------|------------------------------|
| Cash, cash equivalents, and investments (Notes 1 and 2) | \$ 250,718,377               |
| Investments held by the Treasurer of Virginia (Note 3)  | 3,221,914                    |
| Interest receivable                                     | 552,724                      |
| Property, plant, and equipment (net) (Notes 1 and 4)    | <u>29,908</u>                |
| Total assets                                            | <u><u>\$ 254,522,923</u></u> |

LIABILITIES AND EQUITY

Liabilities:

|                                                     |               |
|-----------------------------------------------------|---------------|
| Accounts payable                                    | \$ 246,239    |
| Amounts due to program participants (Note 1)        | 10,787,284    |
| Obligations under securities lending (Note 3)       | 3,221,914     |
| Deposits pending distribution                       | 193           |
| Tuition benefits payable (Note 1H)                  | 215,817,231   |
| Accrued liability for compensated absences (Note 1) | <u>43,363</u> |
| Total liabilities                                   | 230,116,224   |

Equity:

|                              |                              |
|------------------------------|------------------------------|
| Retained earnings            | <u>24,406,699</u>            |
| Total liabilities and equity | <u><u>\$ 254,522,923</u></u> |

The accompanying notes are an integral part of this financial statement.



VIRGINIA HIGHER EDUCATION TUITION TRUST FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN RETAINED EARNINGS  
For the Fiscal Year Ended June 30, 1999

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|                                                   |                             |
|---------------------------------------------------|-----------------------------|
| Operating revenues:                               |                             |
| Interest, dividends, and rents                    | \$ 4,547,634                |
| Net increase in fair value of investments         | 11,089,503                  |
| Application fees                                  | 646,248                     |
| Other revenue                                     | 54,632                      |
| Total operating revenue                           | <u>16,338,017</u>           |
| Operating expenses:                               |                             |
| Personal services                                 | 652,501                     |
| Contractual services                              | 2,594,989                   |
| Supplies and materials                            | 9,025                       |
| Expendable equipment                              | 4,157                       |
| Depreciation                                      | 9,681                       |
| Rent, insurance, and other related charges        | 42,696                      |
| Total operating expenses                          | <u>3,313,049</u>            |
| Operating income                                  | <u>13,024,968</u>           |
| Nonoperating revenues (expenses):                 |                             |
| Income from securities lending transactions       | 79,394                      |
| Expenses for securities lending transactions      | (76,085)                    |
| Total nonoperating revenues (expenses)            | <u>3,309</u>                |
| Income before transfers                           | 13,028,277                  |
| Transfers:                                        |                             |
| Transfers to the General Fund of the Commonwealth | <u>(1,483)</u>              |
| Net income                                        | 13,026,794                  |
| Retained earnings - July 1, 1998                  | <u>11,379,905</u>           |
| Retained earnings - June 30, 1999                 | <u><u>\$ 24,406,699</u></u> |

The accompanying notes are an integral part of this financial statement.

VIRGINIA HIGHER EDUCATION TUITION TRUST FUND  
STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 1999

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Cash flows from operating activities:

|                                                                        |                   |
|------------------------------------------------------------------------|-------------------|
| Receipts from contract purchasers                                      | \$ 74,256,666     |
| Payments to suppliers for goods and services                           | (18,142)          |
| Payments to employees                                                  | (633,244)         |
| Payments for quasi-external operating transactions<br>with other funds | (98,697)          |
| Payments for contractual services                                      | (2,491,787)       |
| Other                                                                  | 413               |
| Net cash provided by operating activities                              | <u>71,015,209</u> |

Cash flows from noncapital financing activities:

|                                                   |                |
|---------------------------------------------------|----------------|
| Transfers to the General Fund of the Commonwealth | <u>(1,483)</u> |
| Net cash used for noncapital financing activities | <u>(1,483)</u> |

Cash flows from capital and related financing activities:

|                                                            |                |
|------------------------------------------------------------|----------------|
| Acquisition of fixed assets                                | <u>(6,134)</u> |
| Net cash used for capital and related financing activities | <u>(6,134)</u> |

Cash flows from investing activities:

|                                                     |                     |
|-----------------------------------------------------|---------------------|
| Purchase of investments                             | (650,267,130)       |
| Proceeds from sales or maturities of investments    | 611,399,102         |
| Interest on cash, cash equivalents, and investments | <u>4,895,720</u>    |
| Net cash used for investing activities              | <u>(33,972,308)</u> |

|                                           |            |
|-------------------------------------------|------------|
| Net increase in cash and cash equivalents | 37,035,284 |
|-------------------------------------------|------------|

|                                          |                   |
|------------------------------------------|-------------------|
| Cash and cash equivalents - July 1, 1998 | <u>44,713,629</u> |
|------------------------------------------|-------------------|

|                                           |                             |
|-------------------------------------------|-----------------------------|
| Cash and cash equivalents - June 30, 1999 | <u><u>\$ 81,748,913</u></u> |
|-------------------------------------------|-----------------------------|

VIRGINIA HIGHER EDUCATION TUITION TRUST FUND  
STATEMENT OF CASH FLOWS (continued)  
For the Fiscal Year Ended June 30, 1999

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Reconciliation of operating income to net cash provided

by operating activities:

|                  |               |
|------------------|---------------|
| Operating income | \$ 13,024,968 |
|------------------|---------------|

Adjustments to reconcile operating income to net cash provided

by (used for) operating activities:

|                                                                             |              |
|-----------------------------------------------------------------------------|--------------|
| Depreciation                                                                | 9,681        |
| Interest on investments                                                     | (4,892,429)  |
| Net increase in fair value of investments                                   | (11,089,503) |
| Changes in assets and liabilities:                                          |              |
| (Increase) decrease in interest receivable                                  | 243,597      |
| Increase (decrease) in accounts payable, deposits,<br>and other liabilities | 150,757      |
| Increase (decrease) in due to program participants                          | 10,787,284   |
| Increase (decrease) in tuition benefits payable                             | 62,768,916   |
| Increase (decrease) in compensated absences                                 | 11,938       |

|                                           |                      |
|-------------------------------------------|----------------------|
| Net cash provided by operating activities | <u>\$ 71,015,209</u> |
|-------------------------------------------|----------------------|

Reconciliation of cash, cash equivalents, and investments:

Per the balance sheet:

|                                         |                |
|-----------------------------------------|----------------|
| Cash, cash equivalents, and investments | \$ 250,718,377 |
|-----------------------------------------|----------------|

Less:

|                                                                |                      |
|----------------------------------------------------------------|----------------------|
| Investments with original maturities greater than three months | <u>(168,969,464)</u> |
|----------------------------------------------------------------|----------------------|

|                                                           |                      |
|-----------------------------------------------------------|----------------------|
| Cash and cash equivalents per the statement of cash flows | <u>\$ 81,748,913</u> |
|-----------------------------------------------------------|----------------------|

The accompanying notes are an integral part of this financial statement.

# VIRGINIA HIGHER EDUCATION TUITION TRUST FUND

## NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 1999

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Virginia Higher Education Tuition Trust Fund (Fund), an independent agency of the Commonwealth of Virginia, was created in 1994 by the Virginia General Assembly and its enabling legislation is codified at §23-38.75 through §23-38.87 of the *Code of Virginia*, as amended. The Fund operates the Virginia Prepaid Education Program (VPEP), an innovative program that lets Virginia families prepay tomorrow's college tuition and mandatory fees at today's prices. The Fund is administered by an eight-member Board, consisting of four members who sit on the Board by virtue of the state offices they hold and four citizen members appointed by the Governor. The ex-officio members are the Director of the State Council of Higher Education for Virginia, the Chancellor of the Virginia Community College System, the State Treasurer, and the State Comptroller. State law mandates that the four citizen members have significant experience in finance, accounting, and investment management.

A separate report is prepared for the Commonwealth of Virginia which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The Fund is an integral part of the reporting entity of the Commonwealth of Virginia and is included in the general-purpose financial statements of the Commonwealth.

The following is a summary of significant accounting policies employed by the Virginia Higher Education Tuition Trust Fund.

#### **A. Basis of Presentation**

GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, provides governments two options for reporting their proprietary fund activities. The accompanying financial statements have been prepared and apply all applicable Governmental Accounting Standards Board (GASB) pronouncements and all Financial Accounting Standards Board Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

#### **B. Reporting Entity**

The accompanying financial statements report the financial position, results of operations, and cash flows of the Fund as of and for the fiscal year ended June 30, 1999. For financial reporting purposes, the Virginia Higher Education Tuition Trust Fund includes all required funds and account groups, and all entities over which the Fund exercises or has the ability to exercise oversight authority.

C. Fund Structure

The accounts of the Virginia Higher Education Tuition Trust Fund are organized in accordance with the Commonwealth Accounting and Reporting System, which has been established to account for specified financial activities of the Commonwealth. The activities of the Fund are accounted for in an enterprise fund. The enterprise fund accounts for resources received and used for financing self-supporting activities of the Virginia Higher Education Tuition Trust Fund that offer services on a user-charge basis to the general public.

D. Basis of Accounting

The financial statements are presented on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when the liability is incurred.

E. Investments

Money market investments of the Fund, which are deemed short-term, highly liquid investments, are reported at amortized cost. Long-term investments of the Fund are recorded at fair value based upon quoted market prices.

The Fund also participates in the Commonwealth's General Account Pool, which is managed by the State Treasurer. These pooled investments are valued on an amortized cost basis. The Fund receives income on a quarterly basis from the Commonwealth based on the Fund's relative participation during the quarter. The Fund receives no additional distribution of unrealized gains or losses in the fair values of the pool's investments.

F. Property, Plant, and Equipment

Fixed assets are capitalized and depreciated on a straight-line basis over their useful lives. Fixed assets are valued at historical cost or estimated historical cost. Donated fixed assets are carried at estimated market value at the date of contribution. The Fund capitalizes all property, plant and equipment that have a cost or value greater than \$1,000 and an expected useful life of greater than two years.

G. Amounts Due To Participants

The 1999 Virginia General Assembly passed legislation requiring all colleges and universities to reduce tuition and mandatory education and general fees for the 1999 – 2000 academic year. The Board has elected to reduce all existing prepaid tuition contract prices to match this one-time reduction in tuition costs. Owners of paid in full prepaid contract accounts will receive a rebate check reflecting this rate reduction. Owners of installment prepaid contracts will have an adjustment made to their account which will reduce their monthly payment amount. The Amounts Due to Participants reflects the total rebate estimate.

Also included in Amounts Due to Participants are refunds due to program participants for cancelled prepaid tuition contracts in process at June 30, 1999.

H. Tuition Benefits Payable

Tuition Benefits Payable represents the actual amount payable at June 30, 1999, of the tuition obligations accumulated for the 27,908 contracts held by the Fund.

I. Accrued Vacation and Sick Leave Policy

Employees accrue annual leave at a rate of four to seven hours semimonthly, depending on their length of service. The maximum accumulation is dependent upon years of service, but in no case may it exceed 42 days. All employees leaving the agency are paid for accrued vacation leave up to the maximum calendar year limit at their current earnings rate.

In conformance with Section C60 of GASB Codification, the monetary value of accumulated leave payable upon termination is included in the accompanying financial statements. The liability at June 30, 1999, was computed using salary rates effective at that date, and represents vacation and compensatory leave earned up to the allowable ceilings. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, included in the liability is the agency's share of FICA taxes on leave balances for which employees will be compensated.

All employees of the Fund have elected to participate in the Virginia Sickness and Disability Program. The Virginia Retirement System administers the program to provide income protection for absences due to sickness or disability from the first day on the job. After a seven calendar-day waiting period following the first incident of disability, eligible employees receive short-term disability benefits ranging from 60 to 100 percent of compensation up to a maximum of 125 work days, based upon months of State service. After a 180 calendar-day waiting period (125 work days of short-term disability) eligible employees receive long-term disability benefits equal to 60 percent of compensation until they return to work, until age 65, or until death. Employees enrolled in this program are not eligible for disability retirement benefits under the VRS.

All State agencies were required to contribute to the cost of providing disability benefits. Initial contribution requirements to fund the program were determined by the VRS actuary based on an estimate of the amount of the liability for disability benefits that would transfer from VRS to the new program. The contribution requirement was 0.74 percent of payroll for State employees. Further information about this program can be found in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

2. **CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The Board of the Virginia Higher Education Tuition Trust Fund has full power to invest funds in accordance with §23-38.80 of the *Code of Virginia*, as amended. This section requires the Board to discharge its duties in a manner which will provide the investment return and risk level consistent with the actuarial return requirements and cash flow demands of the Fund and conforming to all statutes governing the investment of Tuition Trust funds. The Board shall exercise the judgment of care under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but to the permanent disposition of funds, considering the probable income as well as the probable safety of their capital when investing funds. In order to meet the return requirements, the Fund's portfolio shall be invested in a broadly

their capital when investing funds. In order to meet the return requirements, the Fund's portfolio shall be invested in a broadly diversified portfolio of domestic and foreign stocks, bonds, and cash equivalent investments, which are defined as investments with an original maturity of three months or less. The Board's allocation target for the overall portfolio, at market value, is 50 percent investment in equity securities and 50 percent investment in fixed income instruments. To assist in with the investment of the Fund assets, the Board has selected a group of eight external managers. In addition, the Fund has monies invested by the State Treasurer as part of the Commonwealth's General Account.

Investments held by the Fund at June 30, 1999, have been categorized according to the level of credit risk associated with its custodial arrangements at fiscal year end. Credit risk refers to the risk that the Fund may not be able to obtain possession of its investments in the event of default by a counterparty. Category 1 includes investments that are insured or registered or for which securities are held by the Fund or its agent in the Fund's name. Category 2 includes uninsured and unregistered investments for which securities are held by the counterparty's trust department or agent in the Fund's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, or by its trust department or agent, but not in the Fund's name. At June 30, 1999, the Fund's securities, stocks, and bonds were categorized as Category 1. Mutual and Money Market Funds, Index Funds, and funds held in the State Treasurer's Investment Pool are non-categorized.

|                                        | <u>Fair Value</u>    |
|----------------------------------------|----------------------|
| Category 1:                            |                      |
| U.S. Treasury and agency securities    | \$ 27,246,080        |
| Common and preferred stocks            | 45,411,007           |
| Corporate bonds                        | 16,096,118           |
| Other bonds                            | 13,029,392           |
| Non-categorized:                       |                      |
| Mutual, Money Market Funds             | 65,763,916           |
| Index Funds                            | 44,560,349           |
| State Treasurer General Account        |                      |
| Investment Pool                        | <u>38,611,515</u>    |
| Total cash equivalents and investments | <u>\$250,718,377</u> |

### **3. SECURITIES LENDING TRANSACTIONS**

Investments held by the Treasurer of Virginia represent the Fund's allocated share of securities received for securities lending transactions held in the General Account of the Commonwealth. Information related to the credit risk of these investments and securities lending transactions held in the General Account is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

### **4. PROPERTY, PLANT, AND EQUIPMENT**

The following schedule presents property, plant, and equipment in the fund:

|                                      |                  |
|--------------------------------------|------------------|
| Equipment                            | \$ 51,469        |
| Less: Accumulated depreciation       | <u>(21,561)</u>  |
| Total property, plant, and equipment | <u>\$ 29,908</u> |

## **5. RETIREMENT AND PENSION PLAN**

Employees of the Virginia Higher Education Tuition Trust Fund are employees of the Commonwealth. The employees participate in a defined benefit pension plan administered by the Virginia Retirement System ("VRS"). The VRS also administers life insurance and health related plans for retired employees. Information relating to these plans is available at the statewide level only in the Commonwealth of Virginia's Comprehensive Annual Financial Report. The Commonwealth, not the Fund, has overall responsibility for contributions to these plans.

## **6. FUNDED STATUS**

The Board annually contracts for actuarial services to determine the actuarial present value (APV) of future tuition obligations. 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 and the termination of contracts.

|                                             |               |
|---------------------------------------------|---------------|
| APV of Future Benefits and Expenses Payable | \$332,996,510 |
| Net Assets Available                        | \$397,328,657 |

The following assumptions were used in the actuarial determination of tuition benefits payable:

|                                                             |      |
|-------------------------------------------------------------|------|
| Rate of Return (investment of<br>current and future assets) | 8.0% |
| Projected Tuition Increases                                 | 7.0% |

## **7. SURETY BOND**

The employees of the Fund were covered under a Faithful Performance Duty Bond administered by the Commonwealth of Virginia's Department of General Services, Division of Risk Management with liability limits of \$500,000 for each occurrence. Information relating to the Commonwealth's self-insurance plan is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

## **8. YEAR 2000 READINESS**

Many existing computer programs use only two digits to identify a year in the date field. These programs were designed and developed without considering the impact of the upcoming change in the century. If not corrected, these programs could fail or create erroneous results by or at the Year 2000. In addition, the Year 2000 is a leap year, which may create additional problems. The Fund recognizes the need to ensure that its operations will not be adversely impacted by Year 2000 software failures.

The Fund outsources all of its mission critical systems with external vendors and the State Comptroller. External vendors have provided Vendor Year 2000 Compliance Certifications in their contracts for mission critical systems. New contracts with these external vendors include specific damage provisions in the event that the vendors fail to comply with Year 2000 requirements. The external vendors are responsible for ensuring that their systems are compliant and, therefore, the Fund does not have resources committed to this effort. The State Comptroller maintains the Commonwealth Accounting and Reporting System, which the Fund uses for its financial accounting



system. Information relating to the Year 2000 readiness for the Commonwealth's systems is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

VIRGINIA HIGHER EDUCATION TUITION TRUST FUND  
Richmond, Virginia

BOARD MEMBERS

William H. Groseclose, Chairman

William B. Allen

J. Stewart Bryan, III

Jennifer F. Duffy

William E. Landsidle

Mary G. Morris

Arnold R. Oliver

Stanley F. Pauley

EXECUTIVE DIRECTOR

Diana F. Cantor