



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR

Donna C. Nester
Bureau Manager, School Financial Services
Mississippi Department of Education
P.O. Box 771
Jackson, MS 39205-0771

Donna,

I am pleased to inform you that the State and School Employees Health Insurance Management Board has approved the formation of a Trust to assist in administering the other post-employment benefits (OPEB) of the State of Mississippi and all the employer units that participate in the self-insured health insurance plan.

As you are aware, with the formation of this trust the State of Mississippi will be permitted, in accordance with Governmental Accounting Standards Board (GASB) Statement 75, to prepare a proportionate share allocation of OPEB liability rather than each governmental unit having to acquire their own actuarially calculated liability.

The Department of Finance and Administration – Department of Insurance (DFA Insurance) has contracted with an actuary and a CPA firm to prepare and audit the proportionate share allocation. Once these calculations have been performed and audited, they will be released in a report that can be utilized by all the school districts and their respective auditors to prepare the OPEB liability for disclosure in the financial statements. DFA Insurance has opted to use fiscal year 2017 as the measurement date for fiscal year 2018 financial statements. Using this date is in accordance with GASB standards and will allow for a more timely preparation of audited financials.

At this time we are unsure of the exact date that the audited report from DFA insurance will be available, but we will remain in close communication to ensure that MDE and you are informed as soon as it is available.

I would like to commend both MDE and DFA Insurance in working with the Office of the State Auditor's staff to discuss this issue in the last two months and work together as partners in ensuring that we were able to implement the most efficient and inexpensive method of calculating the liability for the school districts.

If you have any further questions or if I can assist you in any additional way, please do not hesitate in letting me know. I trust that you will distribute this letter to the school business managers so that they can be made aware. Our office will send a similar letter to all partner CPA firms that

audit school districts so that everyone has been appropriately informed of the result of our partnership and hard work.

Thank you again,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree". The signature is written in a cursive style with a large initial 'S'.

Stephanie C. Palmertree, CPA, CGMA
Director of Financial and Compliance Audit
Mississippi Office of the State Auditor

Cc: Laura Jackson, Director of DFA
Richard Self, Director of DFA Insurance
Felicia Gavin, Chief of Operations - MDE