



State of North Carolina

Department of State Treasurer

RICHARD H. MOORE
TREASURER

*State and Local Government Finance Division
and the Local Government Commission*

T. VANCE HOLLOMAN
DEPUTY TREASURER

Memorandum # 1101

May 19, 2008

MEMO TO: Finance Officer for Local Governments and Certified Public Accountants

FROM: Sharon Edmundson, Director
Fiscal Management Section

SUBJECT: Excel Workbook to Compute OPEB Liability under the Alternative Measurement Method

We have placed an Excel workbook on our website for use in computing the OPEB Liability under the Alternative Measurement Method allowed by GASB Statement Nos. 43 and 45. There are actually two copies – one blank and one containing the data and assumptions shown in the GASB 2007-2008 Comprehensive Implementation Guide (Illustration 5 in Appendix 7 of Q & A Statements 43 & 45).

Both workbooks can be found on the Department of State Treasurer's website at <http://www.nctreasurer.com>. Select the following options in order to access the workbooks:

- [Select] State & Local Government
- [Select] Auditing & Reporting Resources
- [Select] OPEB Resources
- [Select] OPEB Liability (Example) v_1a.xls - **or** - [Select] OPEB Liability (Blank) v_1a.xls

NOTE: When you select the Excel file select "Save" in the dialogue box and save a copy to your C:\ drive or other network drive for your use. If you select "Open" and enter data into this copy, the data will be lost when you close it.

The calculations performed in this workbook are based on the simplified assumptions and methodology permitted under the Alternative Measurement Method as set forth in GASB Statements 43 and 45. They were tested with data and assumptions in the illustrations contained in the "Guide to Implementation of GASB Statements 43 and 45 on Other Postemployment Benefits" and the results were materially consistent with that guide. The results may not be considered as complete as an actuarial determination of your OPEB liability. We recommend that an initial actuarial study be made by a professional actuary as a baseline for future alternative measurement method calculations. Also, units nearing 100 members in their postemployment benefit plan should not use the alternative method, but should contract the service of an actuary to perform the OPEB valuation. Also, professional guidance should be sought from your independent auditor or other CPA in using this workbook. Your auditor cannot make decisions on your behalf on assumptions due to independence issues but can be used as an advisor in the use of this method.

If there are questions regarding these Excel workbooks, please contact Ken Wease at 919-807-2391 or email him at ken.wease@nctreasurer.com.