

**Appleton
Firefighters Relief Association**

**Annual Actuarial Valuation
December 31, 2001**

Gabriel, Roeder, Smith & Company

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December 5, 2002

Board of Trustees
Appleton Firefighters Relief Association
Appleton, Minnesota

Submitted in this report are the results of the December 31, 2001 actuarial valuation of the assets and actuarial values associated with the benefits provided by the Appleton Firefighters Relief Association.

The valuation results contained in Section A provide the actuarial information needed to determine the Municipal Contribution effective January 1, 2002.

The valuation was based upon information furnished by the Association concerning benefits, financial transactions, active members, terminated members and retired members. This information is summarized in Section B.

A description of the actuarial assumptions used is contained in Section C.

Respectfully submitted,

Norman S. Losk

Mary Ann Vitale

NSL/MAV

Section A

Valuation Results

Present Actuarial Condition

	<u>December 31, 2001</u>	<u>December 31, 2002</u>
Total Active Accrued Liabilities	\$147,664	\$164,064
Vested Deferred Liabilities	62,208	62,568
Total Retired Member Liabilities	<u>53,736</u>	<u>51,924</u>
Total Accrued Liabilities	\$263,608	\$278,556

Asset Information

	<u>December 31, 2000</u>	<u>December 31, 2001</u>
Cash	\$ 22,009	\$ 29,039
Investments	275,682	261,941
Interest Receivable	_____ -	_____ -
Total	\$297,691	\$290,980

Section B

Valuation Data and Summary of Benefit Provisions

Retired Members
December 31, 2001

	<u>No.</u>	<u>Annual Benefits</u>	<u>Computed Actuarial Accrued Liabilities</u>
Retired Members	7	\$6,216	\$53,736

**Retired Members December 31, 2001
By Attained Ages**

Attained Ages	Number
55-59	1
60-64	2
65-69	2
70-74	1
75-79	1
Totals	7

Brief Summary (12/31/2001) of Benefit Provisions Evaluated and/or Considered

AGE & SERVICE RETIREMENT.

Eligibility. 55 years of age with 20 years of service and 10 years of membership in the Association.

Amount. \$800 per year of service payable as a lump sum. (If entitled to or receiving monthly benefits before 12/31/91, a life annuity is payable).

DISABILITY RETIREMENT.

Eligibility. Totally and permanently disabled as a result of duty prior to eligibility for age & service retirement.

Amount. \$800 per year of service payable as a lump sum.

DEATH BENEFITS.

(1) *All members except early retirement members.* \$800 per year of service payable as a lump sum with a minimum benefit of \$1,000.

(2) *Early retirement members.* Prior to receiving a benefit, the spouse's benefit is the same as the early retirement benefit payable to the member.

VESTED DEFERRED.

Eligibility. 20 years of service. Payment beginning is deferred to attainment of age 55.

Amount. The benefit is the same as the age and service benefit as was payable at the time of retirement.

EARLY RETIREMENT.

Eligibility. 10 years of service. Payment beginning is deferred to attainment of age 55.

Amount. (1) If completed 10 years of service, the benefit will be 60% of age and service benefit with 20 years of service.

(2) If completed more than 11 years but less than 20 years of service, 4% per year of service will be added for each additional year of service between 11 and 20 years of service.

MEMBER CONTRIBUTIONS. None.

Section C

Valuation Methods and Assumptions

Valuation Methods and Assumptions

The rate of investment return (interest) as required by state law used in making the valuation for retired members was 5.0 percent per annum, compounded annually.

Retired Member Mortality Table*

Sample Ages	Single Life Values: Present Value of \$1 Monthly Level for Life Men
45	\$177.21
50	163.12
55	147.50
60	130.52
65	112.87
70	95.20
75	77.77
80	61.71

* UP-1984 Table set forward 2 years for males and set back 3 years for females.

The Active and Vested Deferred Actuarial Accrued Liabilities were determined using Minnesota Statute 69.772.