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**Luverne
Fire Department Relief Association**

**Annual Actuarial Valuation
December 31, 2000**



Gabriel, Roeder, Smith & Company

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July 12, 2001

Board of Trustees
Luverne Fire Department Relief Association
Luverne, Minnesota

Submitted in this report are the results of the December 31, 2000 actuarial valuation of the assets and actuarial values associated with the benefits provided by the Luverne Fire Relief Association.

The valuation results contained in Section A provide the actuarial information needed to determine the Municipal Contribution effective January 1, 2001. Section A also contains comments regarding the valuation results.

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,

Handwritten signature of Norman S. Losk in black ink.

Norman S. Losk

Handwritten signature of Mary Ann Vitale in black ink.

Mary Ann Vitale

SECTION A



Valuation Results

PRESENT ACTUARIAL CONDITION

	<u>December 31, 2000</u>	<u>December 31, 2001</u>
Total Active Accrued Liabilities	\$754,630	\$820,250
Deferred Liabilities	12,768	12,768
Total Retired Member Liabilities	<u>48,579</u>	<u>48,579</u>
Total Accrued Liabilities	\$815,977	\$881,597

ASSET INFORMATION

	<u>December 31, 1999</u>	<u>December 31, 2000</u>
Cash	\$ 52,903	\$ 30,660
Investments	401,650	470,729
Receivables	<u>4,057</u>	<u>2,175</u>
Total	\$458,610	\$503,564

SECTION B



Valuation Data and Summary of Benefit Provisions

**RETIRED MEMBERS
DECEMBER 31, 2000**

	No.	Annual Benefits	Computed Actuarial Accrued Liabilities
Retired Members	9	\$6,492.00	\$48,579

RETIRED MEMBERS DECEMBER 31, 2000
BY ATTAINED AGES

Attained Ages	Number
65-69	3
70-74	5
75-79	1
Totals	9

**BRIEF SUMMARY (12/31/2000) OF BENEFIT PROVISIONS
EVALUATED AND/OR CONSIDERED**

AGE & SERVICE RETIREMENT

Eligibility. 20 years of service and 50 years of age.

Amount. \$1,700 per year of service payable as a lump sum.

DEATH BENEFIT

If less than 10 years of service, a lump sum payment of \$750 will be paid.

VESTED DEFERRED

Eligibility. 10 years of service. Beginning payment is deferred to attainment of age 50.

Amount. If completed 10 years of service, the benefit will be the pension payment times full years of service less 4% for each year less than 20.

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 Deferred Actuarial Accrued Liabilities were determined using Minnesota Statute 69.772.