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1986-1987

# *Annual Report*

of the  
**BOARD OF TRUSTEES**

*For the Period*

*July 1, 1986 — June 30, 1987*

AUL TEACHERS' RETIREMENT FUND ASSOCIATION  
St. Paul, Minnesota 55104

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Joan A. Hunziker		Vice-President
Eugene R. Waschbusch		Secretary-Treasurer
Cheryl Carlson		Trustee
Lyle T. Farmer		Trustee
Frank D. Jondal		Trustee
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Daniel F. Bostrom	Chairman, Board of Education City of St. Paul	Ex-Officio, Trustee

### Auditors

McGladrey Hendrickson & Pullen

Investment Counsel

Capital Supervisors, Inc.

Legal Counsel

Doherty, Rumble and Butler

## ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

1619 Dayton Avenue Room 309

St. Paul, Minnesota 55104

612-642-2550

# Saint Paul Teachers' Retirement Fund Association

## BOARD OF TRUSTEES

1619 DAYTON AVENUE, ROOM 309

### MEMBERS

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Lyle T. Farmer  
Franklin D. Jondal  
Daniel F. Bostrom, Ex-Officio

Frank L. Kernik  
Marjorie A. Kight  
Leon C. Linden

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Joan A. Hunziker  
Eugene R. Waschbusch

President  
Vice-President  
Secretary-Treasurer

SAINT PAUL, MINNESOTA 55104

PHONE: 642-2550

The Board of Trustees of St. Paul Teachers' Retirement Fund Association submits herewith the Financial Report for the fiscal year July 1, 1986 to June 30, 1987 in accordance with the provisions of Minnesota Statutes 356.20.

The total membership increased from 4,209 to 4,468. The regularly appointed members increased by 10, the substitutes and part time members increased by 187, the inactive members increased by 3, to 28, and the number of retirees at year end increased by 57 over last year.

We are showing the value of our assets at both cost and market in this report. The cost value is \$210,531,064.00 and the market value is \$263,124,735.00. Investments include bonds, stock and short term instruments.

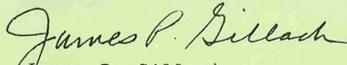
You are encouraged to read the letter from Capital Supervisors, our Investment Counsel, as well as the complete listing of our holdings.

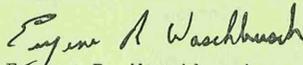
The financial statements of the Association were audited by McGladrey Hendrickson & Pullen, Certified Public Accountants. A copy of their report is included as a part of this report.

Portions of the Actuarial Valuation from the actuary retained by the Legislative Commission on Pensions and Retirement, the Wyatt Company, are included in this report. The complete report is on file in our office.

On behalf of the members of the Board of Trustees we pledge to continue to administer the affairs of the Association in the most competent and efficient manner possible.

Respectfully submitted,

  
James P. Gillach  
President

  
Eugene R. Waschbusch  
Secretary-Treasurer



To the Board of Trustees  
St. Paul Teachers' Retirement  
Fund Association  
St. Paul, Minnesota

We have examined the statements of net assets available for plan benefits of the ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION as of June 30, 1987 and 1986, and the related statements of changes in net assets available for plan benefits for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1 to the financial statements, the Association's policy is to prepare its financial statements on the basis of accounting practices prescribed by State of Minnesota statutes. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

As discussed in Note 5, the statutory contribution for the combined plans by the State of Minnesota and the fund participants is at a rate of 16.74%. This rate is less than the 20.39% actuarially-computed funding rate required. The excess of the required funding rate over the statutory rate does not affect the accompanying financial statements, but it may result in the impairment of future benefits to be paid by the fund. At June 30, 1987, the actuarial present value of credited projected benefits exceeds the net assets available for plan benefits by \$132,537,085.

In our opinion, the financial statements referred to above present fairly the financial status of the St. Paul Teachers' Retirement Fund Association as of June 30, 1987 and 1986, and changes in its financial status for the years then ended, in conformity with the basis of accounting as described in Note 1, which basis has been applied on a consistent basis.

St. Paul, Minnesota

*McGladrey Hendrickson & Pullen*

September 10, 1987,  
except for Note 6  
as to which the date  
is December 23, 1987

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION  
 STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS  
 June 30, 1987 and 1986

	1987	1986
ASSETS		
INVESTMENTS (aggregate market value of \$258,870,774) (Notes 4 and 6):		
Commercial paper and certificates of deposit	\$ 15,227,645	\$ 14,785,381
United States Government Securities, direct and guaranteed	16,809,369	19,812,804
Corporate bonds	56,488,676	51,308,284
Common stocks	117,528,058	77,901,417
Real estate, limited partnership	728,800	728,800
Participation loan receivable	291,710	345,997
	<u>\$207,074,258</u>	<u>\$164,882,683</u>
RECEIVABLES		
Governmental units	\$ 265,433	\$ 654,777
Interest	1,775,754	2,142,414
Dividends	335,851	313,901
Security sales receivable	-	2,785,294
Bonds, principal repayments	962,989	776,879
	<u>\$ 3,340,027</u>	<u>\$ 6,673,265</u>
CASH	<u>\$ 95,741</u>	<u>\$ 259,728</u>
FURNITURE AND FIXTURES, at cost, less accumulated depreciation of \$7,515 and \$6,597 in 1987 and 1986	<u>\$ 21,039</u>	<u>\$ 21,261</u>
Total assets	<u>\$210,531,065</u>	<u>\$171,836,937</u>
LIABILITIES		
Accrued bonus payable to annuitants	\$ 1,928,323	\$ 1,196,509
Accounts payable	65,940	3,641
Security purchases payable	432,887	903,448
	<u>\$ 2,427,150</u>	<u>\$ 2,103,598</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u>\$208,103,915</u>	<u>\$169,733,339</u>
SUMMARY OF NET ASSETS AVAILABLE FOR PLAN BENEFITS:		
Actuarial present value of credited projected benefits payable to:		
Beneficiaries now receiving benefits	\$120,636,000	\$105,741,000
Deferred vested and inactive teachers	2,363,000	1,523,000
Active teachers	217,642,000	201,268,000
	<u>\$340,641,000</u>	<u>\$308,532,000</u>
Unfunded actuarial present value of credited projected benefits	<u>(132,537,085)</u>	<u>(138,798,661)</u>
Total net assets available for plan benefits	<u>\$208,103,915</u>	<u>\$169,733,339</u>

See Notes to Financial Statements.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS  
Years Ended June 30, 1987 and 1986

	<u>1987</u>	<u>1986</u>
Net assets available for plan benefits, beginning	<u>\$169,733,339</u>	<u>\$148,499,580</u>
Add:		
Investment income (loss)-		
Interest	\$ 8,873,967	\$ 9,047,958
Dividends	3,808,288	3,647,719
Gain on sale of investments	25,280,525	7,935,600
Loss on sale of investments	(320,488)	(1,545,535)
Direct investment expenses	<u>(161,495)</u>	<u>(105,096)</u>
	<u>\$ 37,480,797</u>	<u>\$ 18,980,646</u>
Contributions:		
Governmental units-		
State of Minnesota	\$ 8,456,688	\$ 7,378,251
Federal programs and other	<u>22,075</u>	<u>1,128,064</u>
	<u>\$ 8,478,763</u>	<u>\$ 8,506,315</u>
Members-		
Required withholdings	\$ 6,081,308	\$ 5,740,621
Voluntary	<u>153,006</u>	<u>84,613</u>
	<u>\$ 6,234,314</u>	<u>\$ 5,825,234</u>
Total additions	<u>\$ 52,193,874</u>	<u>\$ 33,312,195</u>
Deduct:		
Benefits to participants-		
Retirement	\$ 12,069,217	\$ 10,408,675
Disability	462,688	460,840
Survivor	638,798	566,360
Dependent children	41,156	58,498
Contribution refunds	<u>360,659</u>	<u>375,930</u>
	<u>\$ 13,572,518</u>	<u>\$ 11,870,303</u>
Administration expenses	<u>250,780</u>	<u>208,133</u>
Total deductions	<u>\$ 13,823,298</u>	<u>\$ 12,078,436</u>
Net assets available for plan benefits, ending	<u>\$208,103,915</u>	<u>\$169,733,339</u>

See Notes to Financial Statements.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

Basis of accounting and financial statement presentation:

The St. Paul Teachers' Retirement Fund Association maintains its accounting records on the accrual basis. Chapter 356.20 of the Minnesota State statutes establishes cost as the accounting basis for investments. Statutory provisions differ from generally accepted accounting principles (GAAP) as prescribed in the National Council on Government Accounting Statement 1, Governmental Accounting and Financial Reporting Principles, which requires that all investments be stated at cost, increased by unamortized bond premium and decreased by unaccreted bond discounts. The accompanying financial statements were prepared on the basis prescribed by statutes and are not intended to present financial position or results of operations of the Association in accordance with generally accepted accounting principles.

Investments:

Investments are reported at cost.

Revenue recognition:

Member employee contributions are recorded as revenues when withheld or when paid directly by the member employee.

Employer contributions are computed as a percentage of covered payroll. These revenues are recorded based upon covered payroll.

Income taxes:

The Association has received favorable determination letters from the Internal Revenue Service regarding the nontaxable status of the plans under Section 501(c)(11) of the Internal Revenue Code and their status as qualified plans under Section 401-1(b)(3) of the Code.

Note 2. Description of Plans

The following brief description of the plans is provided for general information purposes only. Participants should refer to the plan agreements for more complete information.

The plans are not subject to the provisions of the Employee Retirement Income Security Act of 1974.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### Note 2. (Continued)

#### General:

The St. Paul Teachers' Retirement Fund Association was created to provide retirement and other specified benefits for its members. The Association maintains two defined benefit pension plans covering all teachers in the St. Paul Public School System. The basic plan provides all retirement benefits for its members, while the coordinated plan combines benefits from the plan with Social Security.

#### Pension benefits:

Members who satisfy required length of service and minimum age requirements are entitled to annual pension benefits equal to a certain percentage of final average salary (as defined in each Plan) multiplied by the number of years of accredited service.

#### Disability benefits:

Active members who become totally and permanently disabled and satisfy required length of service requirements are entitled to receive annual disability benefits as calculated under each Plan.

#### Other benefits:

Limited service pensions, deferred pensions, survivor benefits and family benefits are available to qualifying members and their survivors.

#### Bonus payments:

The plans provide a bonus payment plan for all annuitants who have been receiving benefits for at least three years. The amount of the bonus is equal to up to one percent (1%) of the asset value of the fund at the end of the previous fiscal year and is payable in each year that the fund earns a return on its assets of at least six percent (6%). The amount of the bonus is determined by the board of trustees subject to the one percent maximum. Each annuitant receiving benefits for more than three years receives a bonus payment based upon a combination of years of service and years in which benefit payments have been received by the eligible person. Bonus payments totaling \$1,928,323 and \$1,196,509 were accrued for the years ended June 30, 1987 and 1986, respectively.

### Note 3. Funding Policy

Under the basic program, member employees contributed 8% of their salaries during the years ended June 30, 1987 and 1986. Employer contributions are paid in an amount provided by statute, which was 12.63% for the years ended June 30, 1987 and 1986.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 3. (Continued)

Effective July 1, 1978, the Association established, pursuant to Minnesota statutes, a coordinated retirement program for all new teachers qualifying for membership and any present members who wished to coordinate with Social Security. Participants contributed 4.5% of their salaries to the coordinated plan for the years ended June 30, 1987 and 1986. Employer contributions of 4.5% under this program were also paid for the years then ended.

Note 4. Investments

The approximate market values of investments, based principally on published market prices as of June 30, 1987 and 1986, are summarized as follows:

	Risk Category	1987	1986
Commercial paper and certificates of deposit	1	\$ 15,227,665	\$ 14,785,381
United States Government securities, direct and guaranteed	1	19,111,404	23,345,803
Corporate bonds (face amount \$71,056,532)	1	59,234,256	56,809,431
Common stocks	1	164,276,939	135,124,219
Real estate limited partnership, at cost	1	728,800	728,800
Participation loan receivable, at cost	1	291,710	345,997
Total		<u>\$258,870,774</u>	<u>\$231,139,631</u>

The investments of St. Paul Teachers' Retirement Fund Association are governed primarily by an investment authority known as the "prudent person rule." The prudent person rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone that has authority with respect to the system. The Association's investments are categorized to give an indication of the level of risk assumed by the fund at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Association or its agent in the Association's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Association's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Association's name. All investments of St. Paul Teachers' Retirement Fund Association are classified in category 1 which bears the least risk. This risk categorization does not necessarily reflect market risk.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. Actuarial Present Value of Credited Projected Benefits

Credited projected benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plans' provisions to the service employees have rendered. Credited projected benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The credited projected benefits for active employees are based on their age, service and earnings up to the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances—retirement, death, disability—are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of credited projected benefits is determined by an actuary, using the entry age normal cost method, and is that amount that results from applying actuarial assumptions to adjust the credited projected benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations were (a) life expectancy of participants (the 1983 Group Annuity Mortality Table, as adjusted, was used), (b) retirement age assumptions (the assumed average retirement age was the greater of 62 and one year from valuation date or earliest date eligible for unreduced benefit), (c) investment return (8%) and (d) salary scale (6-1/2% per year compounded annually). The unfunded actuarial present value of credited projected benefits is being amortized based on a percentage of payroll through the year 2010. The foregoing actuarial assumptions are based on the presumption that the Plans will continue. Were the Plans to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of credited projected benefits.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 5. (Continued)

Using the above actuarial assumptions prescribed by state statutes as of June 30, 1987, the consulting actuary has calculated the employer's required contribution rate to be as follows:

	Percentage of Covered Payroll		
	Basic Plan	Coordinated Plan	Combined
Employee contribution	8.00 %	4.50%	6.83 %
Employer contribution	12.63	4.50	9.91
Total contribution	20.63 %	9.00%	16.74 %
Normal cost	13.47 %	7.76%	11.56 %
Amortization of unfunded actuarial accrued liability			8.37
Allowance for expenses			.46
Total required contributions			20.39 %
Contribution sufficiency (deficiency)			(3.65)%

The actuarial present value of credited projected benefits is in excess of the net assets available for plan benefits by approximately \$132,537,085 and \$138,798,661 at June 30, 1987 and 1986, respectively.

During 1987, the total actuarial present value of credited projected benefits increased by approximately \$6,242,000 as a result of changes in actuarial techniques and plan amendments from the amount it would have been if the changes and amendments had not been made.

Note 6. Subsequent Event

The market value of the Association's investments as of December 23, 1987 approximated \$226,000,000 as compared to about \$259,000,000 as of June 30, 1987. The decrease in market value of the investments is principally due to the recent decline in the value of securities. This decline does not have an adverse impact on the Statement of Net Assets Available For Plan Benefits since the investments are stated at cost and market value as of December 23, 1987 exceeded such cost.



To the Board of Trustees  
St. Paul Teachers' Retirement  
Fund Association  
St. Paul, Minnesota

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the seven years ended December 31, 1984 and for the three periods ended June 30, 1987 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have previously examined the financial statements for the seven years ended December 31, 1984 and the six months ended June 30, 1985 and have issued unqualified opinions thereon.

St. Paul, Minnesota  
September 10, 1987

*McGladrey Hendrickson & Pullen*

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

SUPPLEMENTARY INFORMATION  
ANALYSIS OF FUNDING PROGRESS  
(in millions of dollars)

<u>Fiscal Year</u>	<u>Net Assets Available for Benefits</u>	<u>Credited Projected Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Actuarial Credited Projected Benefit Obligation</u>
1978 (a)	\$ 70.0	\$ 115.8	60.4%	\$ 45.8
1979 (a)	79.6	137.3	58.0	57.7
1980 (a)	91.3	152.1	60.0	60.8
1981 (a)	105.1	166.5	63.1	61.4
1982 (a)	117.4	181.4	64.7	64.0
1983 (a)	126.2	207.8	60.7	81.6
1984 (a)	141.9	186.9	75.9	45.0
1985 (b)	148.5	282.6	52.5	134.1
1986 (b)	169.7	308.5	55.0	138.8
1987 (b)	208.1	340.6	61.1	132.5

(a) Information presented is for the fiscal years ended December 31.

(b) Information presented is for the six months ended June 30, 1985 and for the fiscal years ended June 30 thereafter.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

SUPPLEMENTARY INFORMATION  
REVENUES BY SOURCE AND EXPENSES BY TYPE

Fiscal Year	Revenues by Source			
	Employee Contributions	Employer Contributions	Investment Income	Total
1978 (a)	\$ 4,198,003	\$ 5,651,792	\$ 4,830,367	\$14,680,162
1979 (a)	4,157,566	6,103,566	6,294,539	16,555,671
1980 (a)	4,416,510	6,687,085	7,959,985	19,063,580
1981 (a)	4,503,691	6,763,210	10,343,521	21,610,422
1982 (a)	4,823,200	7,256,112	9,603,909	21,683,221
1983 (a)	5,690,593	5,990,211	12,122,545	23,803,349
1984 (a)	5,473,729	8,370,749	12,921,217	26,765,695
1985 (b)	3,143,531	4,563,109	7,030,030	14,736,670
1986 (b)	5,825,234	8,506,315	18,980,646	33,312,195
1987 (b)	6,234,314	8,478,763	37,480,797	52,193,874

Fiscal Year	Expenses by Type			
	Benefits	Administrative Expenses	Refunds	Total
1978 (a)	\$ 5,513,592	\$ 164,796	\$ 470,137	\$ 6,148,525
1979 (a)	6,236,728	186,019	533,983	6,956,730
1980 (a)	6,623,324	190,399	555,534	7,369,257
1981 (a)	7,136,188	194,615	524,933	7,855,736
1982 (a)	7,787,410	164,063	887,293	8,838,766
1983 (a)	8,627,791	185,042	377,524	9,190,357
1984 (a)	9,523,821	182,908	1,329,843	11,036,572
1985 (b)	5,576,454	104,495	405,370	6,086,319
1986 (b)	11,494,373	208,133	375,930	12,078,436
1987 (b)	13,211,859	250,780	360,659	13,823,298

(a) Information presented is for the fiscal years ended December 31.

(b) Information presented is for the six months ended June 30, 1985 and fiscal years ended June 30 thereafter.

THE FOLLOWING UNAUDITED REPORTS  
WERE PREPARED BY  
ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

STATEMENT OF INCOME AND DEDUCTIONS

For the Period July 1, 1986 to June 30, 1987

INCOME

<u>Employer Contributions</u>		
ISD #625	-Basic	\$7,256,296.72
	-Coordinated	1,184,683.50
	-Extended Leave	6,951.99
State of MN	-Extended Leave	<u>30,830.32</u>
		\$ 8,478,762.53
<u>Member Contributions</u>		
Current Dues	-Basic	\$4,792,771.04
	-Coordinated	1,298,993.37
Outside Service		13,878.91
Repayment of Refunded Dues		114,323.03
Extended Leave		<u>20,476.89</u>
		\$ 6,240,443.24
<u>Investment Income</u>		
Interest		\$8,867,838.05
Dividends		3,699,436.34
Rents -BKK		108,851.61
Gain on Sale of Stock		23,381,040.72
Gain on Sale of Bonds		<u>1,899,484.25</u>
		\$37,956,650.97
Total Income		\$52,675,856.74
		=====

DEDUCTIONS FROM INCOME

<u>Benefits Paid</u>		
Pensions		\$10,127,390.72
Reversionary Pensions		13,504.10
Survivor Benefits		638,798.42
Family Benefits		41,156.42
Disability Benefits		462,687.53
Bonus Checks		<u>1,194,643.15</u>
		\$12,478,180.34
Refund of Dues		360,658.63
Administrative Expenses		412,428.14
Loss on Sale of Stock		46,915.42
Loss on Sale of Bonds		273,572.79
Loss on Sale of Equipment		1,712.50
Applied to Total Reserves Required		<u>39,102,388.92</u>
Total Deductions from Income		\$52,675,856.74
		=====

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION  
 STATEMENT OF RECEIPTS AND DISBURSEMENTS  
 FOR FISCAL YEAR JULY 1, 1986 TO JUNE 30, 1987

Cash on Hand, June 30, 1986 \$ 259,728.26

RECEIPTS

Employer Contributions	
ISD #625	
-Basic	7,583,724.89
-Coordinated	1,233,865.25
-Extended Leave	6,951.99
State Of Minnesota	
-Extended Leave	30,830.32
Member Dues	
-Basic	4,792,847.81
-Coordinated	1,296,249.69
-Outside Service	8,027.15
-Refunds Repaid	43,626.56
-Extended Leave	20,476.89
Interest -Outside Service & Refunds Repaid	76,825.77
Investment Income	
-Interest	7,783,966.88
-Dividends	3,668,820.34
	-----
Total Cash Receipts	\$ 26,546,213.54
Total Receipts and Cash Balance	\$ 26,805,941.80
	=====

DISBURSEMENTS

Member Pensions	\$ 10,064,576.36
Bonus Checks	1,194,643.15
Reversionary Pensions	13,504.10
Survivor Benefits	638,798.42
Disability Benefits	462,687.53
Family Benefits	41,156.42
Refund of Dues	283,411.71
Interest on Refunds	77,246.92

DISBURSEMENTS (continued)

Administrative Expense	\$ 1,130.48
Auditing	8,500.00
Data Processing	762.75
Delegate Expense	10,951.66
Dues - Affiliations	270.00
Insurance - Liability, Workers Comp., Medical, Surety Bond	11,427.31
Investment Services - Investment Counsel, DTC Charges	161,494.39
Legal	1,735.00
Office Equipment	4,345.00
Office Expense and Bank Charges	12,864.10
Office Rent	7,345.13
Postage	5,884.00
Printing	7,629.04
Salaries	149,303.08
Taxes - Social Security / Unemployment	26,304.04
Telephone	2,202.29
Moving Expense	2,020.00
Accounts Payable - June 30, 1987	<3,125.69>
Accounts Payable 1986 - Paid in 1987	3,640.97
Total Cash Disbursements	\$ 13,190,708.16
Net Investments Purchased	13,519,492.46
Total Disbursements	\$ 26,710,200.62
Cash on Hand, June 30, 1987	95,741.18
Total Disbursements and Cash Balance	\$ 26,805,941.80 =====

THE *Wyatt* COMPANY

EMPLOYEE BENEFITS  
COMPENSATION PROGRAMS  
EMPLOYEE COMMUNICATIONS  
ADMINISTRATIVE SYSTEMS  
RISK MANAGEMENT  
INTERNATIONAL SERVICES

ACTUARIES AND CONSULTANTS  
SUITE 1525  
8400 NORMANDALE LAKE BOULEVARD  
MINNEAPOLIS, MINNESOTA 55437  
(612) 921-8700

OFFICES IN PRINCIPAL CITIES  
AROUND THE WORLD

December 11, 1987

Legislative Commission on  
Pensions and Retirement  
55 State Office Building  
St. Paul, Minnesota 55155

**RE: ST. PAUL TEACHERS' RETIREMENT FUND**

Commission Members:

We have prepared an actuarial valuation of the Fund as of July 1, 1987 based on membership and financial data supplied by the Fund.

We certify that to the best of our knowledge and belief this actuarial valuation was performed in accordance with the requirements of Section 356.215, Minnesota Statutes, and the requirements of the Standards for Actuarial Work, adopted by the Commission on August 26, 1987.

Respectfully submitted,

THE WYATT COMPANY

*Robert E. Perkins*  
\_\_\_\_\_  
Robert E. Perkins, FSA  
Consulting Actuary

*Michael C. Gunvalson*  
\_\_\_\_\_  
Michael C. Gunvalson, ASA  
Associate Actuary

**ST. PAUL TEACHERS' RETIREMENT FUND**

**REPORT HIGHLIGHTS  
(DOLLARS IN THOUSANDS)**

	<u>07/01/86</u> <u>VALUATION</u>	<u>07/01/87</u> <u>VALUATION</u>
<b>A. CONTRIBUTIONS (TABLE 11)</b>		
1. Statutory Contributions - Chapter 354A % of Payroll	17.18%	16.74%
2. Required Contributions - Chapter 356 % of Payroll	20.77%	20.39%
3. Sufficiency (Deficiency) (A1-A2)	-3.59%	-3.65%
<b>B. FUNDING RATIOS</b>		
1. Accrued Benefit Funding Ratio		
a. Current Assets (Table 1)	\$193,015	\$227,563
b. Current Benefit Obligations (Table 8)	\$308,532	\$340,641
c. Funding Ratio (a/b)	62.56%	66.80%
2. Accrued Liability Funding Ratio		
a. Current Assets (Table 1)	\$193,015	\$227,563
b. Actuarial Accrued Liability (Table 9)	\$337,777	\$371,278
c. Funding Ratio (a/b)	57.14%	61.29%
3. Projected Benefit Funding Ratio (Table 8)		
a. Current and Expected Future Assets	\$382,493	\$419,349
b. Current and Expected Future Benefit Obligations	\$440,367	\$482,017
c. Funding Ratio (a/b)	86.86%	87.00%
<b>C. PLAN PARTICIPANTS</b>		
1. Active Members		
a. Number (Table 3)	3,105	3,264
b. Projected Annual Earnings	\$84,932	\$90,392
c. Average Annual Earnings (Actual \$)	\$27,353	\$27,694
d. Average Age	42.7	42.6
e. Average Service	11.1	10.6
f. Additional Members on Leave of Absence	106	99
2. Others		
a. Service Retirements (Table 4)	991	1,050
b. Disability Retirements (Table 5)	34	31
c. Survivors (Table 6)	112	110
d. Deferred Retirements (Table 7)	30	39
e. Terminated Other Non-vested (Table 7)	1,852	1,955
f. Total	3,019	3,185

## ST. PAUL TEACHERS' RETIREMENT FUND

TABLE 1

ACCOUNTING BALANCE SHEET  
(DOLLARS IN THOUSANDS)

July 1, 1987

	<u>MARKET VALUE</u>	<u>COST VALUE</u>
<b>A. ASSETS</b>		
1. Cash, Equivalents, Short-Term Securities	\$15,615	\$15,615
2. Investments		
a. Fixed Income	79,571	73,298
b. Equity	163,849	117,528
c. Real Estate	729	729
3. Equity in Minnesota Post-Retirement Investment Fund (MPRIF)	0	0
4. Other	3,361	3,361
	-----	-----
<b>B. TOTAL ASSETS</b>	\$263,125	\$210,531
	=====	=====
<b>C. AMOUNTS CURRENTLY PAYABLE</b>	\$499	\$499
<b>D. ASSETS AVAILABLE FOR BENEFITS</b>		
1. Member Reserves	\$51,648	\$51,648
2. Employer Reserves	210,978	158,384
3. MPRIF Reserves	0	0
4. Non-MPRIF Reserves	0	0
	-----	-----
5. Total Assets Available for Benefits	\$262,626	\$210,032
	-----	-----
<b>E. TOTAL AMOUNTS CURRENTLY PAYABLE AND ASSETS AVAILABLE FOR BENEFITS</b>	\$263,125	\$210,531
	=====	=====
<hr/>		
<b>F. DETERMINATION OF ACTUARIAL VALUE OF ASSETS</b>		
1. Cost Value of Assets Available for Benefits (D5)		\$210,032
2. Market Value (D5)	\$262,626	
3. Cost Value (D5)	210,032	
	-----	
4. Market Over Cost (F2-F3)	\$52,594	
5. 1/3 of Market Over Cost(F4)/3		17,531
		-----
6. Actuarial Value of Assets (F1+F5) (Same as "Current Assets")		\$227,563
		=====

ST. PAUL TEACHERS' RETIREMENT FUND

TABLE 3

ACTIVE MEMBERS AS OF JUNE 30, 1987

AGE	YEARS OF SERVICE								TOTAL
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30+	
<25	60	34							94
25-29	132	129	17						278
30-34	94	122	134	16					366
35-39	80	119	125	115	112				551
40-44	174	99	76	84	229	54			716
45-49	36	54	59	49	113	101	40		452
50-54	24	36	39	42	86	68	76	28	399
55-59	18	19	18	21	49	38	41	60	264
60-64	18	5	16	6	16	20	9	25	115
65+	7	3	2		1	5	6	5	29
TOTAL	643	620	486	333	606	286	172	118	3,264

AVERAGE ANNUAL EARNINGS

AGE	YEARS OF SERVICE								
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30+	ALL
<25	2,937	19,895							9,070
25-29	3,275	20,713	21,065						12,455
30-34	3,641	19,302	23,153	27,598					17,052
35-39	5,093	19,842	25,903	32,076	36,096				24,933
40-44	1,958	21,063	30,271	33,852	37,827	38,497			25,574
45-49	3,725	21,089	31,268	39,058	39,107	40,171	39,788		33,406
50-54	2,182	17,112	28,916	35,776	38,204	40,536	40,547	42,676	34,128
55-59	1,174	22,787	31,303	32,130	37,977	39,500	39,066	45,897	35,643
60-64	2,155	7,243	23,304	29,562	38,439	37,293	42,053	44,204	30,171
65+	1,344	7,477	2,276		39,229	36,560	34,051	42,277	23,245
ALL	3,040	19,994	26,569	33,761	37,830	39,588	39,869	44,621	26,003

PRIOR FISCAL YEAR EARNINGS (IN THOUSANDS) BY YEARS OF SERVICE

	<1	1-4	5-9	10-14	15-19	20-24	25-29	30+	TOTAL
	1,955	12,396	12,912	11,242	22,925	11,322	6,858	5,265	84,875

TABLE 4

## ST. PAUL TEACHERS' RETIREMENT FUND

## SERVICE RETIREMENTS AS OF JUNE 30, 1987

AGE	YEARS RETIRED							TOTAL
	<1	1-4	5-9	10-14	15-19	20-24	25+	
<50								0
50-54								0
55-59	48	49	1					98
60-64	31	120	42					193
65-69	11	77	97	5				190
70-74	1	14	75	68	2			160
75-79			1	107	25	3		136
80-84				31	77	23	6	137
85+					23	42	71	136
TOTAL	91	260	216	211	127	68	77	1,050

## AVERAGE ANNUAL ANNUITY

AGE	YEARS RETIRED							ALL
	<1	1-4	5-9	10-14	15-19	20-24	25+	
<50								0
50-54								0
55-59	18,423	13,817	17,019					16,106
60-64	16,234	16,826	9,865					15,216
65-69	17,827	14,083	13,929	9,249				14,094
70-74	14,757	14,385	9,848	9,611	5,160			10,116
75-79			1,936	8,253	5,927	3,327		7,670
80-84				8,902	6,192	4,596	2,601	6,380
85+					5,084	4,576	3,539	4,121
ALL	17,565	15,315	11,681	8,810	5,923	4,528	3,466	10,752

## TOTAL ANNUAL ANNUITY (IN THOUSANDS) BY YEARS OF RETIREMENT

<1	1-4	5-9	10-14	15-19	20-24	25+	TOTAL
1,598	3,982	2,523	1,859	752	308	267	11,289

ST. PAUL TEACHERS' RETIREMENT FUND

TABLE 5

DISABILITY RETIREMENTS AS OF JUNE 30, 1987

AGE	YEARS DISABLED							TOTAL
	<1	1-4	5-9	10-14	15-19	20-24	25+	
<50		1		1				2
50-54		2		1				3
55-59		2	1	3				6
60-64		2	1					3
65-69		3	4	2				9
70-74			1	1	1			3
75-79				1	1			2
80-84							1	1
85+					1		1	2
TOTAL	0	10	7	9	3	0	2	31

AVERAGE ANNUAL BENEFIT

AGE	YEARS DISABLED							ALL
	<1	1-4	5-9	10-14	15-19	20-24	25+	
<50		16,405		9,709				13,057
50-54		23,007		14,929				20,314
55-59		23,840	5,375	12,206				14,945
60-64		28,062	17,030					24,385
65-69		17,485	20,947	12,332				17,879
70-74			12,951	10,590	6,228			9,923
75-79				4,188	4,400			4,294
80-84							2,387	2,387
85+					3,482		2,117	2,800
TOTAL	0	21,868	17,021	11,189	4,703	0	2,252	14,746

TOTAL ANNUAL BENEFIT (IN THOUSANDS) BY YEARS OF DISABILITY

	<1	1-4	5-9	10-14	15-19	20-24	25+	TOTAL
	0	218	119	101	14	0	5	457

TABLE 6

## ST. PAUL TEACHERS' RETIREMENT FUND

## SURVIVORS AS OF JUNE 30, 1987

AGE	YEARS SINCE DEATH							TOTAL
	<1	1-4	5-9	10-14	15-19	20-24	25+	
<50	1	2	5	1	1			10
50-54		2	1	1				4
55-59		3	2	1				6
60-64	2	4	4	1	1			12
65-69	3	11	5	4	1			24
70-74	2	2	8					12
75-79		10	2	1	4			17
80-84	1	7	5	3	2		1	19
85+		2		2	2			6
TOTAL	9	43	32	14	11	0	1	110

## AVERAGE ANNUAL BENEFIT

AGE	YEARS SINCE DEATH							ALL
	<1	1-4	5-9	10-14	15-19	20-24	25+	
<50	7,333	6,000	6,169	4,100	3,350			5,763
50-54		6,275	6,985	4,291				5,956
55-59		19,301	6,661	3,477				12,450
60-64	14,471	9,118	7,550	7,076	2,520			8,767
65-69	8,168	5,660	6,423	5,898	3,945			6,101
70-74	9,904	2,596	8,905					8,020
75-79		5,670	8,664	4,656	2,482			5,213
80-84	4,848	5,128	5,597	3,543	2,552		1,441	4,521
85+		3,018		2,165	4,252			3,145
ALL	9,493	6,628	7,188	4,439	3,032	0	1,441	6,340

## TOTAL ANNUAL BENEFIT (IN THOUSANDS) BY YEARS SINCE DEATH

	<1	1-4	5-9	10-14	15-19	20-24	25+	TOTAL
	85	286	230	62	33	0	1	697

**ST. PAUL TEACHERS' RETIREMENT FUND**  
**RECONCILIATION OF MEMBERS**

TABLE 7

	<u>ACTIVES</u>	<u>TERMINATED</u>	
		<u>DEFERRED RETIREMENT</u>	<u>OTHER NON-VESTED</u>
A. On June 30, 1986	3,211	30	1,852
B. Additions	532	10	175
C. Deletions:			
1. Service Retirement	(88)	(4)	
2. Disability	(1)		
3. Death	(2)	0	0
4. Terminated-Deferred	(10)		
5. Terminated-Refund	(105)	(4)	(32)
6. Terminated-Other Non-vested	(175)		
7. Returned as Active		0	(42)
D. Data Adjustments	1	7	2
	Vested 1,961		
	Non-Vested 1,402		
E. Total on June 30, 1987	3,363	39	1,955

	<u>RETIREMENT ANNUITANTS</u>	<u>RECIPIENTS</u>	
		<u>DISABLED</u>	<u>SURVIVORS</u>
A. On June 30, 1986	991	34	112
B. Additions	106	1	10
C. Deletions:			
1. Service Retirement		0	
2. Death	(43)	(4)	(8)
3. Annuity Expired	0	0	(4)
4. Returned as Active	0	0	
D. Data Adjustments	(4)	0	0
E. Total on June 30, 1987	1,050	31	110

## ST. PAUL TEACHERS' RETIREMENT FUND

TABLE 8

ACTUARIAL BALANCE SHEET  
(DOLLARS IN THOUSANDS)

JULY 1, 1987

A. CURRENT ASSETS (TABLE 1, F6)				\$227,563
B. EXPECTED FUTURE ASSETS				
1. Present Value of Expected Future Statutory Supplemental Contributions				81,047
2. Present Value of Future Normal Costs				110,739
3. Total Expected Future Assets				----- 191,786 -----
C. TOTAL CURRENT AND EXPECTED FUTURE ASSETS				\$419,349 =====
D. CURRENT BENEFIT OBLIGATIONS				
		<u>Non-Vested</u>	<u>Vested</u>	<u>Total</u>
1. Benefit Recipients				
a. Retirement Annuities			\$110,848	\$110,848
b. Disability Benefits			3,664	3,664
c. Surviving Spouse and Child Benefits			6,124	6,124
2. Deferred Retirements with Future Augmentation			1,742	1,742
3. Former Members without Vested Rights			621	621
4. Active Members				
a. Retirement Annuities		2,994	168,471	171,465
b. Disability Benefits		14,782	0	14,782
c. Survivors' Benefits		9,872	0	9,872
d. Deferred Retirements		492	17,516	18,008
e. Refund Liability Due to Death or Withdrawal		0	3,515	3,515
5. Total Current Benefit Obligations		----- \$28,140 -----	----- \$312,501 -----	----- \$340,641 -----
E. EXPECTED FUTURE BENEFIT OBLIGATIONS				\$141,376 -----
F. TOTAL CURRENT AND EXPECTED FUTURE BENEFIT OBLIGATIONS				\$482,017 =====
G. CURRENT UNFUNDED ACTUARIAL LIABILITY (D5-A)				\$113,078
H. CURRENT AND FUTURE UNFUNDED ACTUARIAL LIABILITY (F-C)				\$62,668

TABLE 9

## ST. PAUL TEACHERS' RETIREMENT FUND

DETERMINATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)  
AND SUPPLEMENTAL CONTRIBUTION RATE  
(DOLLARS IN THOUSANDS)

JULY 1, 1987

	ACTUARIAL PRESENT VALUE OF PROJECTED BENEFITS <u>(1)</u>	ACTUARIAL PRESENT VALUE OF FUTURE NORMAL COSTS <u>(2)</u>	ACTUARIAL ACRUED LIABILITY <u>(3)=(1)-(2)</u>
<b>A. DETERMINATION OF ACTUARIAL ACCRUED LIABILITY (AAL)</b>			
1. Active Members			
a. Retirement Annuities	\$292,070	\$73,728	\$218,342
b. Disability Benefits	21,992	9,544	12,448
c. Survivors Benefits	14,063	5,332	8,731
d. Deferred Retirements	25,288	11,274	14,014
e. Refunds Due to Death or Withdrawal	5,605	10,861	(5,256)
f. Total	<u>\$359,018</u>	<u>\$110,739</u>	<u>\$248,279</u>
2. Deferred Retirements with Future Augmentation	\$1,742		\$1,742
3. Former Members Without Vested Rights	621		621
4. Annuitants in MPRIF	0		0
5. Recipients Not in MPRIF	120,636		120,636
6. Total AAL	<u>\$482,017</u>	<u>\$110,739</u>	<u>\$371,278</u>
<b>B. DETERMINATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)</b>			
1. AAL (A6)			\$371,278
2. Current Assets (Table 1,F6)			227,563
3. UAAL (B1-B2)			<u>\$143,715</u>
<b>C. DETERMINATION OF SUPPLEMENTAL CONTRIBUTION RATE</b>			
1. Present Value of Future Payrolls through the Amortization Date of July 1, 2010			\$1,717,102
2. Supplemental Contribution Rate (B3/C1)			8.37%

**ST. PAUL TEACHERS' RETIREMENT FUND**  
**CHANGES IN UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)**  
**(DOLLARS IN THOUSANDS)**

TABLE 10

YEAR ENDING JUNE 30, 1987

A. UAAL AT BEGINNING OF YEAR	\$144,762
B. CHANGE DUE TO INTEREST REQUIREMENTS AND CURRENT RATE OF FUNDING	
1. Normal Cost and Expenses	\$10,451
2. Contribution	(14,643)
3. Interest on A, B1, and B2	11,413
4. Total (B1+B2+B3)	\$7,221
C. EXPECTED UAAL AT END OF YEAR (A+B4)	\$151,983
D. INCREASE (DECREASE) DUE TO ACTUARIAL LOSSES (GAINS) BECAUSE OF EXPERIENCE DEVIATIONS FROM EXPECTED	
1. Salary Increases	(\$3,568)
2. Investment Return	(17,660)
3. MPRIF Mortality	0
4. Mortality of Other Benefit Recipients	(2,810)
5. Other Items	9,528
6. Total	(\$14,510)
E. UAAL AT END OF YEAR BEFORE PLAN AMENDMENTS AND CHANGES IN ACTUARIAL ASSUMPTIONS (C+D6)	\$137,473
F. CHANGE IN ACTUARIAL ACCRUED LIABILITY DUE TO PLAN AMENDMENTS	(\$30)
G. CHANGE IN ACTUARIAL ACCRUED LIABILITY DUE TO CHANGES IN ACTUARIAL ASSUMPTIONS	\$6,272
H. UAAL AT END OF YEAR (E+F+G)	\$143,715

**ST. PAUL TEACHERS' RETIREMENT FUND**  
**DETERMINATION OF CONTRIBUTION SUFFICIENCY**  
**(DOLLARS IN THOUSANDS)**

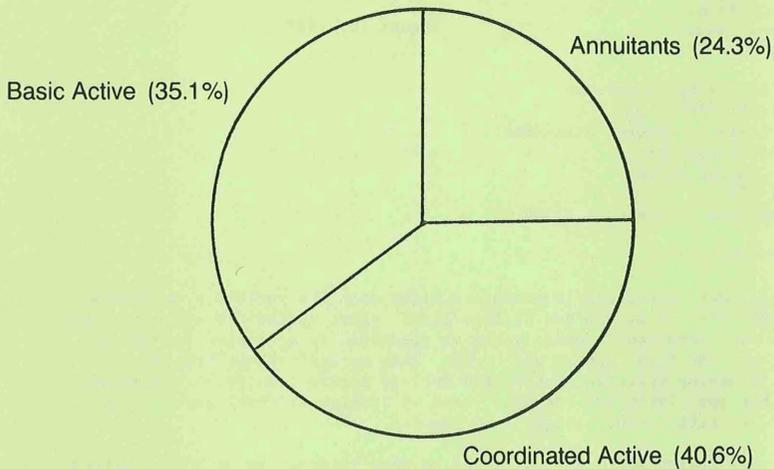
TABLE 11

JULY 1, 1987

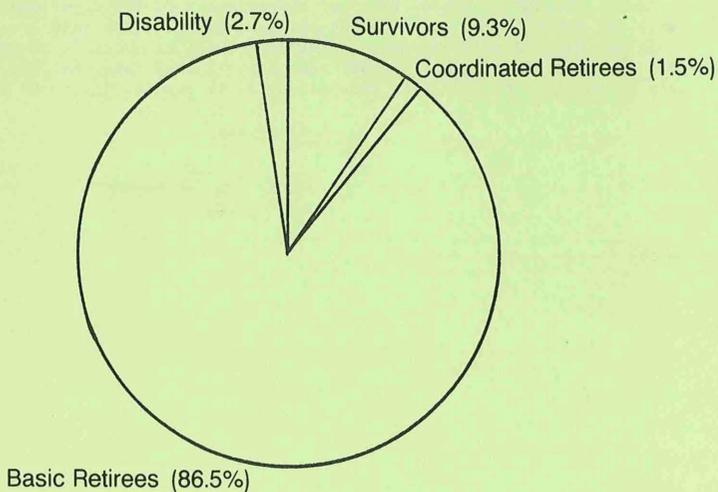
	<u>% OF</u> <u>PAYROLL</u>	<u>\$</u> <u>AMOUNT</u>
<b>A. STATUTORY CONTRIBUTIONS - CHAPTER 354A</b>		
1. Employee Contributions	6.83%	\$6,173
2. Employer Contributions	9.91%	8,958
3. Total	----- 16.74% =====	----- \$15,131 =====
<b>B. REQUIRED CONTRIBUTIONS - CHAPTER 356</b>		
1. Normal Cost		
a. Retirement Benefits	7.74%	\$6,996
b. Disability Benefits	1.02%	924
c. Survivors	0.58%	523
d. Deferred Retirement Benefits	1.14%	1,026
e. Refunds Due to Death or Withdrawal	1.08%	978
f. Total	----- 11.56% -----	----- \$10,447 -----
2. Supplemental Contribution Amortization by July 1, 2010 of UAAL of \$143,715	8.37%	\$7,566
3. Allowance for Expenses	0.46%	\$416
4. Total	----- 20.39% -----	----- \$18,429 -----
<b>C. CONTRIBUTION SUFFICIENCY (DEFICIENCY)</b> (A3-B4)	-3.65%	(\$3,298)

Note: Projected Annual Payroll for Fiscal Year Beginning on July 1, 1987 is \$90,392

## SPTRFA Current Membership



## Benefit Recipients





Capital Supervisors, Inc. / 20 North Clark Street, Suite 700, Chicago, Illinois 60602 / Phone (312) 236-8271

A. Lee Thurow  
Chairman of the Board

August 10, 1987

Mr. Eugene R. Waschbusch  
Secretary/Treasurer  
Saint Paul Teachers' Retirement  
Fund Association  
1619 Dayton Avenue  
Room 309  
Saint Paul, Minnesota 55104

Dear Trustees:

Total assets continued to reach new highs with the portfolio in excess of \$250 million at the end of this fiscal year. Gains did not keep pace with the recent outstanding years as predicted in my letter to you last year but the total return was 10.6%. This maintained our record of always having positive numbers and average annual results in excess of 10% for the eleven and one half years we have worked together. These are very satisfactory longer term results.

The next twelve month period should be very interesting with many strong cross currents. We suspect that stocks will be very good while bonds are likely to have difficulty. This could then set up a reversal of roles in the following year. Any kind of prediction in a volatile market is questionable but we obviously can't sustain the rate of gains of the last five years. We can give you a fresh reading on the economic and market outlooks when I meet with you at your annual meeting in January.

Finally, we want to acknowledge our appreciation of the opportunity to work for and with you. You can be assured that we value this relationship and will continue to strive to make it mutually rewarding. Preservation of principal has not been a problem of late, but will be, and we continue to recognize this as our first responsibility to you.

Sincerely,

  
Lee Thurow

LT:bj

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

CHANGES IN INVESTMENT HOLDINGS

DURING THE FISCAL YEAR JULY 1, 1986 THROUGH JUNE 30, 1987

Investments on Hand, Restated at Cost June 30, 1986 \$164,882,683.00

Corporate Bonds at Cost June 30, 1986 40,671,048.59

Purchases During Fiscal Year Ending 1987

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Value</u>	<u>Cost</u>
American Tel. & Tel.	08-01-00	6.000	\$ 300,000.00	\$ 238,680.00
Atlantic Richfield Corp.	12-15-03	7.750	1,300,000.00	1,161,758.00
Baltimore Gas & Electric	09-01-01	7.625	1,100,000.00	1,022,329.00
Bell Tel. of Penn.	05-01-01	4.750	500,000.00	356,880.00
General Mills Co.	03-01-09	9.375	1,000,000.00	1,000,000.00
General Motors Acceptance	12-15-01	5.500	1,100,000.00	759,253.00
General Motors Co.	04-01-96	8.000	500,000.00	472,650.00
Pacific Bell Telephone	08-15-24	11.375	2,000,000.00	2,277,500.00
Pacific Gas & Electric	06-01-03	8.000	1,100,000.00	1,051,842.00
Procter & Gamble	05-15-02	7.000	1,000,000.00	886,510.00
Sears Roebuck & Co.	05-01-00	6.000	1,100,000.00	855,558.00
Sears Roebuck & Co.	11-15-01	7.000	1,100,000.00	988,438.00
So. New England Tel.	12-01-01	4.375	500,000.00	311,520.00
Southwestern Bell Tel.	06-01-08	6.750	325,000.00	255,628.75
Union Pacific Corp.	12-15-96	7.875	1,000,000.00	926,030.00
			\$13,925,000.00	\$ 12,564,576.75

Sales During Fiscal Year Ending 1987

American Tel. & Tel.	08-01-00	6.000	\$ 500,000.00	\$ 323,873.00
Atlantic City Electric Co.	11-01-93	11.875	1,000,000.00	984,270.00
Atlantic Richfield Co.	02-15-93	9.250	1,000,000.00	999,000.00
Baltimore Gas & Electric	09-01-01	7.625	1,100,000.00	1,022,329.00
Bell Tel. of Penn.	05-01-01	4.750	500,000.00	356,880.00
Carolina Power & Light	10-01-98	6.875	1,100,000.00	755,260.00
Commonwealth Edison	02-01-98	6.250	1,400,000.00	957,992.00
Diamond Shamrock Corp.	11-15-00	9.125	500,000.00	380,000.00
Dow Chemical Co.	07-15-02	7.400	1,300,000.00	926,731.00
Exxon Corp.	07-15-98	6.500	1,000,000.00	874,740.00
Ford Motor Co.	01-15-94	7.850	312,000.00	295,150.00
Ford Motor Credit Co.	03-15-04	9.850	557,000.00	504,609.00
Ford Motor Credit Co.	03-15-04	9.850	443,000.00	401,331.00
Long Island Lighting	12-01-01	7.500	500,000.00	296,280.00
Long Island Lighting	09-01-02	7.625	500,000.00	411,145.00
Mobil Corp.	06-15-01	8.500	1,000,000.00	943,410.00
Pacific Tel. & Tel.	07-01-03	6.500	325,000.00	250,510.00
Philadelphia Elect. Co.	05-01-94	4.500	200,000.00	132,888.00
Phillips Petroleum Co.	03-15-94	7.625	500,000.00	331,110.00

Sales During Fiscal Year Ending 1987 (Cont.)

	Maturity Date	Interest Rate	Par Value	Cost
Sears Roebuck & Co.	05-01-00	6.000	\$ 1,100,000.00	\$ 855,558.00
Sears Roebuck & Co.	11-15-01	7.000	1,100,000.00	988,438.00
Southern Bell Telephone	11-01-21	16.000	1,750,000.00	2,051,675.00
Union Carbide Co.	01-15-05	8.500	1,200,000.00	824,400.00
Wisconsin Power & Light	08-01-98	6.250	300,000.00	225,723.00
			<u>\$19,187,000.00</u>	<u>\$ 16,093,302.00</u>

Repaid Principal \$ 2,688,136.51

Corporate Bonds at Cost June 30, 1987 \$ 34,454,186.83

U.S. Gov't & Agency Bonds at Cost June 30, 1986 \$ 15,222,744.06

Purchases During Fiscal Year Ending 1987

U.S. Treasury Bonds	11-15-16	7.500	\$ 1,000,000.00	\$ 867,187.50
U.S. Treasury Bonds	05-15-17	8.750	1,000,000.00	998,980.00
U.S. Treasury Bonds	05-15-03	0.000	4,000,000.00	969,800.00
U.S. Treasury Notes	04-30-88	6.625	500,000.00	503,750.00
U.S. Treasury Notes	05-15-97	8.500	1,000,000.00	998,700.00
			<u>\$ 7,500,000.00</u>	<u>\$ 4,338,417.50</u>

Sales During Fiscal Year Ending 1987

U.S. Treasury Notes	05-15-87	12.500	500,000.00	499,500.00
			<u>\$ 500,000.00</u>	<u>\$ 499,500.00</u>

Repaid Principal \$ 2,252,292.62

U.S. Gov't & Agency Bonds at Cost June 30, 1987 \$ 16,809,368.94

Mortgage Backed Securities at Cost June 30, 1986 \$ 14,894,990.84

Purchases During Fiscal Year Ending 1987

Collateralized Mtg.-Trust 15	12-20-16	5.000	\$ 2,000,000.00	\$ 1,465,000.00
Drexel Burnham CMO	09-20-15	8.550	2,000,000.00	1,987,500.00
Federal Natl. Mortgage	07-05-14	0.000	10,000,000.00	853,125.00
First Boston Mtg. Sec.	08-20-08	9.450	2,000,000.00	1,938,750.00
Kidder Peabody Mtg. Trust	10-20-12	8.950	2,000,000.00	1,940,826.00
Morgan Stanley Mtg. CMO	01-20-15	8.050	2,000,000.00	1,917,500.00
Salomon Brothers CMO	05-01-17	8.100	2,000,000.00	1,999,000.00
Thrift Financial CMO	05-20-13	8.800	2,000,000.00	1,992,000.00
			<u>\$ 24,000,000.00</u>	<u>\$ 14,093,701.00</u>

Sales During Fiscal Year Ending 1987

American Southwest Finc.	12-01-93	13.500	\$ 466,804.83	\$ 443,054.83
Investors GNMA CMO	08-25-02	11.625	165,427.31	156,590.69
Norwest Mtg. Insured #1	01-01-96	12.125	665,527.44	669,277.44
Norwest Mtg. Convent.	02-01-97	12.000	650,751.25	648,251.25
			<u>\$ 1,948,510.83</u>	<u>\$ 1,917,174.21</u>

Repaid Principal \$ 5,369,333.04

Mortgage Backed Securities at Cost June 30, 1987 \$ 21,702,184.59

Foreign Bonds at Cost	June 30, 1987	\$ 332,305.00
Total Bonds at Cost	June 30, 1987	\$ 73,298,045.36

Real Estate Limited Partnership at Cost	June 30, 1987	\$ 728,800.00
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Common Stock at Cost	June 30, 1986	\$ 77,901,416.92
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Purchases During Fiscal Year Ending 1987

	Shares	Cost
Air Products & Chemicals	75,000	\$ 3,468,006.00
Allegheny Power System	100,000	4,620,195.00
Automatic Data Processing	45,000	1,931,650.00
Bristol Myers Co.	10,000	807,650.00
Digital Equipment Co.	40,000	5,910,187.50
Dow Jones & Co.	100,000	5,168,140.40
Dreyfus Corp.	150,000	5,742,830.40
Equitable Resources	7,600	433,808.00
Federal National Mtg.	100,000	4,405,575.00
Georgia Pacific Corp.	125,000	5,230,575.14
International Paper Co.	25,000	2,287,412.50
Kraft Inc.	100,000	5,621,475.00
Kroger Co.	50,000	1,713,350.00
Liz Claiborne Inc.	25,000	1,679,380.00
Macmillan Inc.	25,000	1,176,026.80
Marsh & McLennan	60,000	3,611,790.00
Melville Corp.	40,000	2,544,740.00
Millipore Corp.	125,000	4,560,310.60
Pfizer Inc.	10,000	616,500.00
P.P.G. Industries	40,000	3,260,575.00
Pitney Bowes Inc.	100,000	4,005,873.92
Salomon Inc.	25,000	1,013,087.50
Upjohn Co.	20,000	1,976,487.40
Waste Management Inc.	75,000	3,907,075.00
		<u>\$ 75,692,701.16</u>

Sales During Fiscal Year Ending 1987

	Shares	Cost
Alexander & Baldwin	75,000	\$ 2,327,500.00
American Home Products	25,000	1,065,150.00
Archer Daniels Midland	150,000	2,723,426.00
Boeing Co.	90,000	3,072,575.00
Capital Holding Corp.	120,000	1,305,717.50
General Electric	70,000	2,773,273.68
Houston Industries	100,000	1,984,950.00
International Business Machines	25,000	2,333,000.00
Kraft Inc.	25,000	1,342,611.75
Melville Corp.	60,000	3,968,780.00
NCR Corp.	40,000	1,169,262.50
Norfolk Southern	30,000	1,708,062.50
Ogden Corp.	100,000	3,162,231.90
Premark Inc.	12,500	251,028.00
State Street Boston	180,000	1,714,500.00
Super Valu Stores	140,000	1,481,027.00
Telex Corp.	20,000	1,032,565.80
U.S.G. Corp.	140,000	2,650,398.70
		<u>\$ 36,066,060.33</u>

Common Stock at Cost	June 30, 1987	\$117,528,057.75
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Changes in Stock Holdings Which Did Not Affect Cost

<u>Stock Splits</u>	<u>Shares</u>		<u>Shares</u>
Bristol Myers	2 for 1	70,000	P.P.G. Industries 2 for 1 65,000
Deluxe Check Printers	2 for 1	60,000	Sara Lee Corp. 2 for 1 80,000
Equitable Resources	3 for 2	3,800	Schering Plough 2 for 1 50,000
Genuine Parts	3 for 2	30,000	State Street Boston 2 for 1 90,000
International Paper Co.	2 for 1	25,000	Upjohn Co. 4 for 1 40,000
Liz Claiborne	2 for 1	75,000	Waste Management 2 for 1 50,000
McDonald's Corp.	3 for 2	45,000	Worthington Ind. 3 for 2 80,229
Minnesota Mining Mfg.	2 for 1	25,000	

Participation Loan Receivable At Cost June 30, 1986	\$	345,997.00
Repaid Principal		54,287.00
Participation Loan Receivable At Cost June 30, 1987	\$	291,710.00

Short Term Inventory June 30, 1986

		<u>Maturity Date</u>	<u>Face Value</u>	<u>Cost</u>
American National CD	6.55	07-01-86	\$ 725,502.00	\$ 720,000.00
U.S. Treasury Notes	6.00	07-02-86	910,303.33	910,000.00
Prudential Funding Corp.	6.84	07-03-86	1,500,000.00	1,491,783.33
Chrysler Financial Corp.	6.98	07-07-86	1,400,000.00	1,394,864.72
General Motors Acceptance	6.67	07-09-86	225,000.00	224,210.31
Sears Roebuck Acceptance	6.68	07-14-86	1,940,000.00	1,932,474.42
General Motors Acceptance	6.67	07-17-86	1,020,000.00	1,016,796.92
Bankers Acpt/Rep.Bank NY	6.69	07-22-86	240,000.00	238,404.00
General Electric Credit	6.79	07-24-86	1,450,000.00	1,442,115.63
Prudential Funding Corp.	6.68	07-25-86	1,450,000.00	1,442,500.28
Bankers Acpt/1st Bank SP	6.74	07-28-86	1,020,000.00	1,014,684.67
American National CD	6.50	08-01-86	987,785.56	980,000.00
Norwest Commercial Paper	6.93	08-01-86	2,000,000.00	1,977,547.22
			\$14,868,590.89	\$ 14,785,381.50

Short Term Inventory June 30, 1987

American National CD	6.55	07-01-87	944,186.38	\$ 935,000.00
Norwest Commercial Paper	6.82	07-06-87	2,000,000.00	1,993,577.78
Rothschild Financial LC	6.78	07-06-87	1,400,000.00	1,393,175.00
Marmon Ind. LC/1st Chicago	6.72	07-08-87	1,500,000.00	1,495,533.33
General Motors Acceptance	6.77	07-10-87	2,000,000.00	1,994,000.00
Norwest Commercial Paper	6.91	07-31-87	1,250,000.00	1,244,270.83
General Electric Credit	6.84	07-14-87	1,700,000.00	1,695,169.17
Goodman LC/Chemical Bank	6.77	07-17-87	1,000,000.00	996,812.50
Lake Erie Fuel LC/1st Chicago	6.78	07-20-87	1,125,000.00	1,120,781.25
American National CD	6.75	08-03-87	988,893.75	975,000.00
American National CD	6.70	08-03-87	302,624.17	300,000.00
General Motors Acceptance	6.85	09-01-87	1,100,000.00	1,084,325.00
			\$15,310,704.30	\$ 15,227,644.86

Investments on Hand, at Cost June 30, 1987	\$207,074,258.00
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Investments on Hand Restated at Cost	June 30, 1986	\$164,882,683.00
Total Purchases - Fixed Income & Equities		106,689,397.00
Total Sales - Fixed Income & Equities		54,576,037.00
Net Increase in Short Term Inventory		442,263.00
Repaid Principal		<u>10,364,048.00</u>
Investments on Hand at Cost	June 30, 1987	\$207,074,258.00
		=====
Bonds at Cost		\$ 73,298,045.00
Real Estate Limited Partnership at Cost		728,800.00
Stock at Cost		117,528,058.00
Participation Loan Receivable at Cost		291,710.00
Short Term at Cost		<u>15,227,645.00</u>
		\$207,074,258.00
		=====

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION  
CURRENT STOCK HOLDINGS AS OF JUNE 30, 1987

Name	Shares	Cost	Market
Air Products & Chemicals	75000	\$3,468,006.00	\$3,525,000.00
Allegheny Power Systems	100000	\$4,620,195.00	\$4,012,500.00
Automatic Data Processing	125000	\$4,451,288.00	\$5,968,750.00
Bristol Myers Company	140000	\$3,035,750.00	\$6,965,000.00
Deluxe Check Printers	120000	\$756,538.00	\$3,795,000.00
Digital Equipment	40000	\$5,910,188.00	\$6,555,000.00
Dow Jones & Co.	100000	\$5,168,140.00	\$5,125,000.00
Dreyfus Corp.	150000	\$5,742,830.00	\$4,912,500.00
Equitable Resources	11400	\$433,808.00	\$484,500.00
Federal Natl. Mortg.	100000	\$4,405,575.00	\$3,887,500.00
General Re Corp.	67200	\$2,073,280.00	\$3,645,600.00
Genuine Parts Co.	90000	\$2,097,975.00	\$3,341,250.00
Georgia Pacific Corp.	125000	\$5,230,575.00	\$5,484,375.00
H & R Block Inc.	100000	\$3,706,693.00	\$5,312,500.00
Int'l Business Machines	40000	\$5,732,688.00	\$6,500,000.00
International Paper Co.	50000	\$2,287,413.00	\$2,425,000.00
Interpublic Group	140000	\$2,316,700.00	\$5,075,000.00
Kraft Inc.	75000	\$4,027,835.00	\$4,509,375.00
Kroger Co.	50000	\$1,713,350.00	\$1,837,500.00
Liz Claiborne Inc.	150000	\$2,276,880.00	\$5,212,500.00
Macmillan Inc.	25000	\$1,176,027.00	\$1,631,250.00
Marsh & McLennan	60000	\$3,611,790.00	\$3,727,500.00
Mc Donalds Corp.	135000	\$3,122,150.00	\$7,155,000.00
Millipore Corp.	125000	\$4,560,310.00	\$5,015,625.00
Minnesota Mining & Mfg.	50000	\$1,666,353.00	\$3,543,750.00
Pfizer Inc.	90000	\$2,864,750.00	\$6,480,000.00
Pitney Bowes Inc.	100000	\$4,005,874.00	\$4,262,500.00
PPG Industries	130000	\$4,631,550.00	\$6,110,000.00
Salomon Inc.	60000	\$2,944,963.00	\$1,972,500.00
Sara Lee Corp.	160000	\$2,863,738.00	\$7,280,000.00
Schering Plough Corp.	100000	\$2,102,125.00	\$4,862,500.00
Southern Company	200000	\$3,543,550.00	\$4,850,000.00
Telex Corp.	50000	\$2,581,414.00	\$3,537,500.00
Texas Utilities Company	75000	\$1,760,445.00	\$2,418,750.00
Upjohn Co.	60000	\$1,976,487.00	\$2,715,000.00
Waste Management	125000	\$3,907,075.00	\$4,906,250.00
Worthington Industries	240688	\$2,753,750.00	\$5,234,964.00
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		\$117,528,058.00	\$164,276,939.00

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION  
GOVERNMENT & AGENCY BOND HOLDINGS AS OF JUNE 30, 1987

NAME	INTEREST RATE	MATURITY DATE	PAR	COST	MARKET VALUE
Centex Acceptance	12.000	01/01/01	\$1,000,000.00	\$998,100.00	\$1,016,300.00
CMO SEC SER H30	9.000	08/01/05	\$2,000,000.00	\$1,998,125.00	\$2,007,600.00
CMO Trust 15	5.000	12/20/16	\$2,000,000.00	\$1,465,000.00	\$1,597,600.00
CMO Trust One-2 Class C	9.050	07/20/04	\$878,820.00	\$876,320.00	\$883,741.00
Drexel Burnham CMO	8.550	09/20/15	\$2,000,000.00	\$1,987,500.00	\$1,791,200.00
Federal Home Loan CMO	10.000	05/31/94	\$251,803.00	\$248,373.00	\$256,839.00
Federal Home Loan CMO	12.000	04/01/15	\$237,600.00	\$272,984.00	\$251,262.00
Federal Home Loan Mtg. Corp.	8.850	03/15/08	\$1,440,000.00	\$1,051,750.00	\$1,389,600.00
Federal Home Loan Mtg. Corp.	9.400	09/15/08	\$1,264,800.00	\$777,570.00	\$1,241,148.00
Federal Home Loan Mtg. Corp.	9.875	03/15/09	\$595,200.00	\$454,354.00	\$599,664.00
Federal Home Loan Mtg. Corp.	10.250	03/15/09	\$930,000.00	\$777,269.00	\$953,250.00
Federal Home Loan Mtg. Corp.	12.450	09/15/09	\$1,369,600.00	\$1,501,136.00	\$1,516,832.00
Federal Natl. Mtg. - Strip		07/05/14	10,000,000.00	\$853,125.00	\$913,000.00
Federal Natl. Mtg. Assn.	12.500	03/15/91	\$750,000.00	\$751,406.00	\$828,075.00
First Boston Mtg. Sec. Trust	9.450	08/20/08	\$2,000,000.00	\$1,938,750.00	\$1,940,000.00
GNMA Pool #33300	9.500	08/15/09	\$731,035.00	\$500,051.00	\$724,165.00
GNMA Pool #35121	9.500	10/15/09	\$122,060.00	\$83,537.00	\$120,913.00
GNMA Pool #37637	9.500	12/15/09	\$561,582.00	\$375,700.00	\$556,303.00
GNMA Pool #48044	13.750	04/15/96	\$228,321.00	\$220,043.00	\$248,002.00
GNMA Pool #49506	13.750	05/15/96	\$112,010.00	\$103,724.00	\$121,665.00
Guaranteed Mtg. Corp. Q3	11.875	07/01/96	\$202,734.00	\$182,109.00	\$208,573.00
Kidder Peabody Mtg. Trust 1-C	8.950	10/20/12	\$2,000,000.00	\$1,940,826.00	\$2,020,000.00
Morgan Stanley Mtg. - CMO	8.050	01/20/15	\$2,000,000.00	\$1,917,500.00	\$1,716,200.00
Salomon Brothers CMO	8.100	05/01/17	\$2,000,000.00	\$1,999,000.00	\$1,864,400.00
Thrift Financial Corp. CMO	8.800	05/20/13	\$2,000,000.00	\$1,992,000.00	\$1,826,200.00
U.S. Treasury Bonds	7.500	11/15/16	\$1,000,000.00	\$867,188.00	\$885,000.00
U.S. Treasury Bonds	7.875	02/15/00	\$500,000.00	\$460,625.00	\$472,200.00
U.S. Treasury Bonds	8.000	08/15/01	\$500,000.00	\$374,375.00	\$477,350.00
U.S. Treasury Bonds	8.375	08/15/00	\$200,000.00	\$199,458.00	\$196,560.00
U.S. Treasury Bonds	8.750	05/15/17	\$1,000,000.00	\$998,980.00	\$1,027,200.00
U.S. Treasury Bonds	9.125	05/15/09	\$1,000,000.00	\$960,625.00	\$1,028,800.00
U.S. Treasury Bonds - Strip		05/15/03	\$4,000,000.00	\$969,800.00	\$985,200.00
U.S. Treasury Notes	6.625	04/30/88	\$500,000.00	\$503,750.00	\$498,300.00
U.S. Treasury Notes	8.500	05/15/97	\$1,000,000.00	\$998,700.00	\$1,008,100.00
U.S. Treasury Notes	9.625	06/30/89	\$1,000,000.00	\$1,006,875.00	\$1,038,800.00
U.S. Treasury Notes	12.375	08/15/87	\$1,000,000.00	\$997,930.00	\$1,006,900.00
U.S. Treasury Notes	13.000	11/15/90	\$2,000,000.00	\$1,915,625.00	\$2,296,800.00
U.S. Treasury Notes	14.625	02/15/92	\$1,000,000.00	\$998,710.00	\$1,250,900.00
U.S. Treasury Notes	14.875	08/15/91	\$1,000,000.00	\$994,650.00	\$1,238,800.00
U.S.A.T. Mtg. Secs. Inc.	8.950	12/25/05	\$1,000,000.00	\$998,010.00	\$1,002,500.00
			\$53,375,565.00	\$38,511,553.00	\$41,005,940.00

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION  
CORPORATE BOND HOLDINGS AS OF JUNE 30, 1987

NAME	INTEREST RATE	MATURITY DATE	PAR	COST	MARKET VALUE
American Tel. & Tel.	6.000	08/01/00	\$500,000.00	\$323,873.00	\$378,150.00
American Tel. & Tel.	7.750	01/15/97	\$2,000,000.00	\$1,597,440.00	\$1,916,200.00
Associates Corp. of North Am.	7.625	04/15/98	\$1,000,000.00	\$1,000,000.00	\$958,800.00
Atlantic Richfield Corp.	7.750	12/15/03	\$1,300,000.00	\$1,161,758.00	\$1,131,000.00
Atlantic Richfield Corp.	9.700	10/23/88	\$1,000,000.00	\$1,007,860.00	\$1,021,400.00
Burlington Northern Equip.	11.625	01/15/91	\$1,000,000.00	\$1,000,000.00	\$1,068,800.00
Carolina Power & Light	7.750	05/01/02	\$500,000.00	\$289,380.00	\$431,250.00
Chevron Capital Corp.	11.750	11/01/88	\$2,000,000.00	\$2,020,000.00	\$2,100,000.00
Columbia Gas System	11.750	10/01/99	\$373,890.00	\$341,590.00	\$385,555.00
Conrail Corp.	11.000	01/01/99	\$787,892.00	\$787,892.00	\$896,148.00
Consolidated Edison of N.Y.	9.375	09/15/00	\$250,000.00	\$219,697.00	\$245,625.00
Continental Pipeline Co.	7.500	05/01/94	\$69,000.00	\$69,000.00	\$64,460.00
DCS Capital Corp.	12.375	10/15/96	\$2,000,000.00	\$2,011,000.00	\$2,166,200.00
Deere & Co.	11.500	11/01/89	\$1,000,000.00	\$990,610.00	\$1,008,800.00
Eltra Corp.	8.500	01/15/01	\$750,000.00	\$725,625.00	\$681,525.00
General American Trans.	9.000	11/15/98	\$600,000.00	\$592,500.00	\$563,280.00
General Mills Co.	9.375	03/01/09	\$1,000,000.00	\$1,000,000.00	\$945,000.00
General Motors Acceptance	5.500	12/15/01	\$1,100,000.00	\$759,253.00	\$757,680.00
General Motors Corp.	8.000	04/01/96	\$500,000.00	\$472,650.00	\$464,400.00
Harris Corp.	7.750	12/15/01	\$250,000.00	\$139,918.00	\$210,000.00
Houston Light & Power	8.750	03/01/05	\$500,000.00	\$351,670.00	\$445,000.00
ICI North America	8.875	01/15/03	\$785,000.00	\$596,199.00	\$745,750.00
Illinois Bell Tel.	4.375	07/01/32	\$950,000.00	\$343,226.00	\$561,640.00
Internorth Inc.	12.500	10/15/87	\$500,000.00	\$498,750.00	\$504,500.00
J.C. Penney Co.	9.000	06/15/99	\$444,000.00	\$300,635.00	\$419,047.00
Natural Gas Pipeline	15.375	06/01/92	\$1,000,000.00	\$1,115,900.00	\$1,128,800.00
Olympic Pipeline Note	8.850	09/01/01	\$932,200.00	\$703,450.00	\$879,904.00
Pacific Bel. Tel.	11.375	08/15/24	\$2,000,000.00	\$2,277,500.00	\$2,182,600.00
Pacific Gas & Electric	6.750	12/01/00	\$475,000.00	\$366,462.00	\$373,445.00
Pacific Gas & Electric	6.875	12/01/99	\$250,000.00	\$199,488.00	\$201,550.00
Pacific Gas & Electric	8.000	06/01/03	\$1,100,000.00	\$1,051,842.00	\$941,930.00
Pembroke Capital Co.	11.500	08/01/05	\$2,000,000.00	\$1,921,800.00	\$2,285,000.00
Penin Properties Inc.	8.750	12/01/99	\$159,125.00	\$159,125.00	\$142,560.00
Procter & Gamble	7.000	05/15/02	\$1,000,000.00	\$886,510.00	\$886,500.00
Province of Ontario	7.850	05/15/01	\$500,000.00	\$332,305.00	\$438,750.00
Research Properties Inc.	8.250	11/01/99	\$396,753.00	\$398,002.00	\$388,421.00
San Diego Gas & Electric	8.000	09/01/01	\$500,000.00	\$528,750.00	\$434,400.00
So. New England Tel.	4.375	12/01/01	\$500,000.00	\$311,520.00	\$305,650.00
Sohio BP Transalaska Pipeline	9.750	12/01/99	\$623,000.00	\$548,160.00	\$632,345.00
Southwestern Bell Tel.	5.875	06/01/03	\$1,000,000.00	\$417,920.00	\$698,800.00
Southwestern Bell Tel.	6.750	06/01/08	\$325,000.00	\$255,629.00	\$240,890.00
Texaco Inc.	5.750	07/15/97	\$1,150,000.00	\$768,678.00	\$885,500.00
Texas Oil & Gas	16.625	10/15/91	\$1,000,000.00	\$1,169,000.00	\$1,075,000.00
Trailer Train Company	11.875	07/15/96	\$754,707.00	\$754,707.00	\$798,480.00
Union Pacific Corp.	7.875	12/15/96	\$1,000,000.00	\$926,030.00	\$923,800.00
Union Tank Car Equipment	15.875	12/15/96	\$830,000.00	\$830,000.00	\$1,131,871.00
Wisconsin Natural Gas Co.	4.875	10/01/90	\$325,000.00	\$263,188.00	\$293,313.00

\$38,980,567.00 \$34,786,492.00 \$37,339,719.00

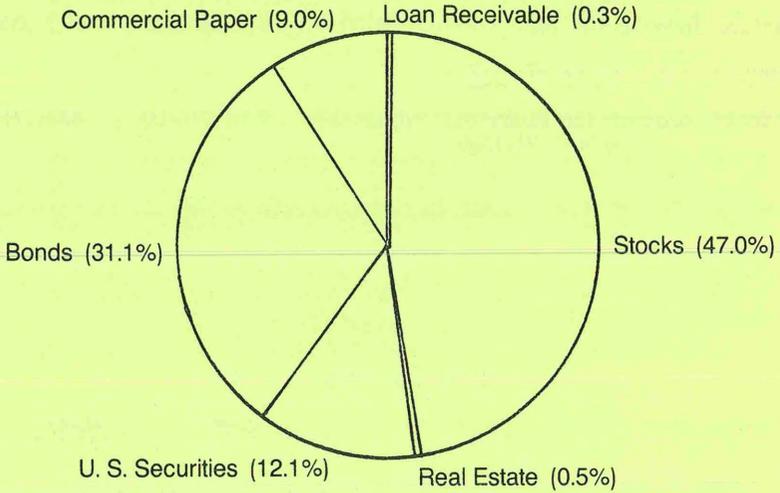
ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION  
 REAL ESTATE AND PARTICIPATION LOAN RECEIVABLE AS OF JUNE 30, 1987

<u>REAL ESTATE</u>	<u>RATE</u>	<u>COST</u>	<u>MARKET VALUE</u>
Lartnec Investments Inc.	13.00	\$728,800.00	\$728,800.00
<u>PARTICIPATION LOAN RECEIVABLE</u>			
Interim Construction Financing - Central Village	adjustable	\$291,710.00	\$291,710.00

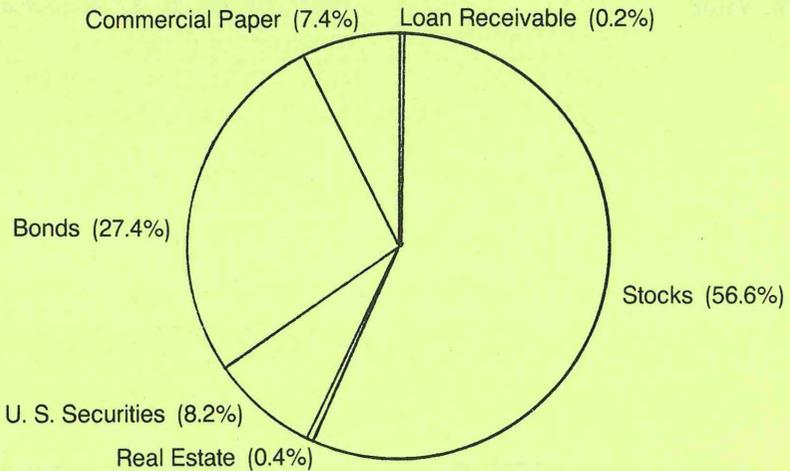
TOTAL PORTFOLIO HOLDINGS

	<u>COST</u>	<u>MARKET VALUE</u>
BONDS	\$ 73,298,045.00	\$ 78,345,660.00
PARTICIPATION LOAN RECEIVABLE	\$ 291,710.00	\$ 291,710.00
REAL ESTATE	\$ 728,800.00	\$ 728,800.00
SHORT TERM INVESTMENTS	\$ 15,227,645.00	\$ 15,227,645.00
STOCK	\$117,528,058.00	\$164,276,939.00
TOTAL VALUE	<u>\$207,074,258.00</u>	<u>\$258,870,754.00</u>

**INVESTMENT CHANGES FISCAL YEAR 1987**  
**Investments 1986**



**Investments 1987**



## RETIREMENT RECORD

Year	Pensions Granted	Persons on Payroll at end of year	Benefits Paid During Year	Year	Pensions Granted	Persons on Payroll at end of year	Benefits Paid During Year
1910	15	13	\$ 4,860.00	1960	38	600	\$ 1,144,380.21
1930-31	8	125	69,023.70	1961	39	611	1,230,715.41
1931-32	8	130	72,961.43	1962	49	624	1,352,779.11
1932-33	2	126	74,190.43	1963	42	647	1,467,460.56
1933-34	6	127	74,119.87	1964	33	653	1,545,252.32
1934-35	9	131	74,000.70	1965	40	668	1,631,554.34
1935-36	14	135	75,864.08	1966	43	676	1,770,082.68
1936-37	19	151	80,747.43	1967	36	682	1,862,248.99
1937-38	17	160	89,709.13	1968	45	695	1,969,759.81
1938-39	11	161	93,184.46	1969	53	726	2,319,185.68
1939 — Dec '39	0	158	23,869.78	1970	31	719	2,385,867.50
1940	71	222	170,685.43	1971	47	731	2,522,349.85
1941	35	246	210,256.94	1972	51	745	2,742,660.45
1942	27	266	234,217.27	1973	36	744	3,039,252.98
1943	38	286	253,030.76	1974	46	754	3,372,452.55
1944	34	311	282,299.18	1975	52	778	3,765,322.19
1945	56	350	308,112.55	1976	77	883	4,393,513.35
1946	51	378	337,511.79	1977	63	919	5,050,507.44
1947	28	387	360,570.89	1978	48	946	5,523,548.09
1948	42	413	375,912.29	1979	40	946	6,240,308.59
1949	42	441	419,617.54	1980	47	963	6,623,803.55
1950	30	461	450,641.30	1981	47	981	7,139,037.16
1951	27	476	472,669.54	1982	61	996	7,725,616.62
1952	28	486	508,922.59	1983	72	1042	8,555,098.97
1953	32	487	525,959.02	1984	64	1061	9,466,663.63
1954	10	482	529,428.97	Jan —			
1955	38	509	666,993.54	June '85	59	1103	5,324,727.30
1956	46	529	750,146.33	June '86	66	1134	11,267,144.00
1957	59	560	840,882.59	June '87	117	1191	12,478,180.00
1958	41	579	1,019,501.72				
1959	30	585	1,084,505.78				