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72ND
ANNUAL REPORT
of the
BOARD OF TRUSTEES

Duluth Teachers Retirement Fund Association

June 30, 1981

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Pursuant to Mn Stat 356.20

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

22 EAST FIRST STREET / DULUTH, MINNESOTA 55802 / Phone (218) 722-2894

E. K. BLANCK, JR.
Executive Secretary

NOTICE OF THE REGULAR ANNUAL MEMBERSHIP MEETING

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

MONDAY - OCTOBER 26, 1981 - 4:15 p.m.
ORDEAN JUNIOR HIGH SCHOOL AUDITORIUM

SOCIAL HOUR - 3:15 - 4:15 p.m.
REFRESHMENTS WILL BE SERVED

Dear Member:

The 72nd Annual Meeting of the Membership will be held at Ordean Junior High School Auditorium at 4:15 p.m. on October 26, 1981 for the following purposes:

- 1) To approve the Acts and Proceedings of the Board of Trustees for the period of October 27, 1980 through October 26, 1981.
- 2) To elect two (2) Trustees for the expiring terms of Robert Childs and Roy A. Meyer. Nominations are from the floor.
- 3) We will discuss proposed Tax Shelter plan improvements and 1981 changes in the state laws governing our Association. The Legislature does incorporate the wishes of our membership when possible as evidenced by our legislative success in the 1981 session. Therefore, your attendance and suggestions are very important.
- 4) Transact any other business which may legally come before the meeting.

BOARD OF TRUSTEES

Active Members

Walter J. Garvue, President
Robert J. Childs, Vice-President
Roy Meyer
Curtis Miller
Maxine Stromme

Retired Members

George A. Beck
Agnes Hansen

School Board Members

Mary Ryland, Treasurer
Richard Braun
Kay Frederickson

Ex Officio

Richard B. Pearson

Executive Secretary

Edward K. Blanck, Jr.

The Board of Trustees hopes you will take an hour or two on Monday, October 26, to meet with us at Ordean to express your goals for our retirement plan.

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
ANNUAL REPORT OF THE EXECUTIVE SECRETARY
Year ending June 30, 1981

Dear Member:

Total membership in our Association decreased from 1268 to 1221 as of June 30, 1981. There were 59 new members, 73 resignations, 26 retirements and no disabilities. The average age of our group increased to 42.6 from 42. Average service increased to 11.4 years from 10.6 years and average compensation increased to \$19,725 from \$18,334. Total retirees increased to 482 from 475. Our average retirement benefit paid was \$288.

We wish to thank the Duluth delegation and Senator Sam Solon and Representative Tom Berkelman in particular, for the fine job they did in the 1981 Session. All of our members received an 8.7% increase in their benefits as a result. A simple thank you note to any or all of them is always appreciated.

The proposed amendments to our plan to be voted on at our membership meeting Monday October 26, 1981 apply only to our Tax Sheltered Program, and need no legislative action, only membership approval.

Our Tax Sheltered Program started in 1964 with the Fixed Plan. The Variable Fund was created in 1973. The Fixed Plan was designed to receive contributions over a working career and then have the accumulated contributions converted to a lifetime annuity at retirement. Long term rates of return were used to compute amounts to be credited as "interest", and the same rates were used to compute our annuity tables for retirement. Liberal life expectancy factors were also used, meaning larger amounts were paid out per month than our life experience indicated. This method resulted in higher annuities for participants.

During the past several years, inflation has caused several changes in participants saving and retirement patterns. Since 1975, several new investment vehicles have been developed. A common example is Money Market Funds, another is IRA(s) - Individual Retirement Accounts. The technique of rollovers has become more common (transferring between funds).

One strength of our Fixed Tax Shelter Program was that no financial penalty was incurred upon withdrawal. This feature, although beneficial to a few members, can have a detrimental affect on the program if investments such as long term Bonds have to be sold prior to maturity to satisfy member withdrawals or rollovers.

Because more early refunds, rollovers and non-annuitized retirement benefits are taking place, the Trustees are recommending the plan be amended to provide that early withdrawal be at the lower of book value or market value to protect the interests of participants remaining in the plan.

Several other changes are being recommended. They include the creation of a Money Market Plan as a third alternative to the Fixed Plan and the Variable Plan. As a result, members will have three investment vehicles to use as their investment needs change. They will be: (1) a Fixed Plan which will concentrate on Bonds and possibly Guaranteed Investment Contracts; (2) a Variable Plan which will concentrate on equities; and (3) a Money Market Fund which will contain short term investments.

Any whole percentage contribution may be allocated between the Funds and transfers of any amount can be made quarterly between the Funds. The only restriction being the lower of Book or Market requirement of the Fixed Plan.

The IRS requires a penalty for early withdrawal from a Tax Sheltered Annuity Plan. Our current early withdrawal penalty is to not allow participation again in our plan. The Board is recommending using a penalty now approved by the IRS, which is one year of non participation if an early withdrawal is taken.

One other major change is also being recommended. It is to grant the Board authority to enter into a contract with an Insurance carrier to allow, on a one time basis, our current Tax Sheltered annuitants to re-annuitize with another carrier. The proposed amendments would allow each of our current retirees three choices: (1) leave their plan the same as it is now, (2) take a lump sum cash refund of the remaining actuarial value of their existing sheltered annuity or (3) re-annuitize with another carrier on a group basis with a potential 10-20% increase in monthly benefits. Because interest rates are currently quite high, many carriers are offering very attractive rates on a group basis.

The amendment to allow three choices for our current retired tax shelter members in no way obligates any of them to change their original plans or elections. It merely authorizes the Trustees to seek bids from various carriers and if our members individually feel they would be better served by making a new election based on specific information contained in a bid proposal, they would be allowed to do so.

In summary, the proposed changes protect the integrity of the Fixed Plan, offer flexibility in investment vehicles and percentage allocations to them, may give retired members a rare chance to re-annuitize at a higher rate and in general, make our Plan more competitive for the 1980's.

I wish to thank the Board of Trustees and the many ad hoc committee members for the generous donation of their time and help. On behalf of the Board of Trustees, I also wish to thank William D. Watters, Attorney; A. Lee Thurow, Investment Advisor; Robert E. Eikill, CPA; Richard Moody and Kenneth W. Lindberg, Actuaries, for their excellent contributions to our Fund and help in planning our Tax Shelter Plan revisions.

Sincerely,

Edward K. Blanck, Jr.
Executive Secretary

PROPOSED AMENDMENTS TO THE ARTICLES OF
INCORPORATION OF THE DULUTH TEACHERS'
RETIREMENT FUND ASSOCIATION

TAX SHELTER PROGRAM

RESOLVED, that Article VII, Subdivisions 5 and 6, of the Articles of Incorporation of the Duluth Teachers' Retirement Fund Association be amended to read as follows:

5.

SHELTER CONTRIBUTIONS

- "(a) The shelter contributions shall be maintained separately from the other funds of the Association in a special account called the "Shelter Fund". All shelter annuities shall be paid from the Shelter Fund. Commencing January 1, 1982 the Shelter Fund shall consist of:
- (i) "Fixed Shelter Fund" to provide shelter annuities of fixed monthly amounts determined in accordance with Subdivision 9 of Article VIII and payable after retirement without change; and
 - (ii) "Variable Annuity Fund" to provide variable annuities in accordance with Article XII-; and
 - (iii) "Money Market Fund" to provide shelter annuity in accordance with Article XIII.
- (b) A member with accumulated Shelter Contributions may elect as of any Unit Valuation Date to (i) transfer any whole percent of the value of his account in the Fixed Shelter Fund to the Variable Annuity Fund or Money Market Fund or (ii) to transfer any whole percent of the value of the Participation Units credited to his account from the Variable Annuity Fund to the Fixed Shelter Fund or Money Market Fund, or (iii) to transfer any whole percent of the value of the Participation Units credited to his account from the Money Market Fund to the Variable Annuity Fund or Fixed Shelter Fund."

6.

AMOUNTS TO BE CREDITED TO EACH MEMBER

"Accounts shall be kept of all payments into the funds of the Association made by or on behalf of members in accordance with this Article VII. A separate account shall be maintained for each member for his regular, additional and shelter contributions with interest as credited thereon at the end of each fiscal year. ~~"Accumulated regular contributions" shall mean the sum of a member's regular contributions with such interest credits as determined thereon from time to time in accordance with these Articles of Incorporation; "accumulated additional contributions" shall mean the sum of a member's additional contributions with such interest credits as determined thereon from time to time in accordance with these Articles of Incorporation;~~ and "accumulated shelter contributions" shall mean the sum of the shelter respective contributions made by or on behalf of the member with such interest credits or market value adjustments as determined thereon from time to time in accordance with these Articles of Incorporation. Statements of accumulated balances from regular, shelter and additional contributions, with credited interest or market value adjustments as of the end of each fiscal year, shall be furnished each member."

RESOLVED, that Article VIII, Subdivision 9, of the Articles of Incorporation of the Duluth Teachers' Retirement Fund Association be amended to read as follows:

"The payment of benefits attributable to accumulated additional contributions credited to a member or accumulated shelter contributions credited to his account in the Fixed Shelter Fund shall be governed by the provisions of this subdivision. ~~Shelter or other benefits, if any, payable from the Variable Annuity Fund shall be paid in accordance with Article VII.~~

(a) Upon retirement under Subdivision 1, 2 or 3 of this Article VIII, the accumulated additional contributions and the accumulated shelter contributions of the member credited to him at the time of his retirement shall be used to provide for him an additional annuity and a shelter annuity, respectively, which in each instance shall be the annuity determined to be of equivalent actuarial value to the market value of the member's accumulated additional and/or shelter contributions, as the case may be, determined as of the Unit Valuation Date coincident with or immediately preceding the commencement of annuity payments. Such additional or shelter annuity shall be in addition to any other benefits payable to the member in accordance with this Article VIII.

The Board of Trustees, at its sole discretion, may purchase from a private insurance company, licensed to do business in the State of Minnesota, an annuity contract to provide the member the additional or shelter annuity benefits payable under paragraphs (a) and (b) of this Subdivision 9 of Article VIII.

The Board of Trustees, at its sole discretion, may approve the written application of a retired member to finally terminate payments of a shelter annuity and elect to convert the actuarial value remaining of the annuity determined as of the effective date of termination to a single lump sum to be paid to the member in lieu of any future shelter annuity installment payments.

(b) The additional or shelter annuity shall be payable to the member in monthly installments and, unless modified by an optional election, shall cease with the last monthly payment prior to his death.

The member may by written notice received by the Secretary of the Association prior to the date of the commencement of his additional or shelter annuity, elect to convert said annuity into an optional benefit of equivalent actuarial value in accordance with Subdivision 5 of this Article VIII. In lieu of any such option, he may elect to receive a reduced additional or shelter annuity, with the provisions that the amount, if any, by which the market value of the accumulated additional or shelter contributions at the time of retirement the commencement of annuity payments received by the retired member shall be paid in a lump sum to his designated beneficiary if living, otherwise to his estate. In lieu of any additional or shelter annuity, the member may elect in writing filed with the Secretary of the Association to receive the market value of his accumulated additional or shelter contributions in a single sum at the time of his retirement determined as of the Unit Valuation Date coincident with or next preceding his retirement.

(c) Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member prior to the commencement date of his additional or shelter annuity, the market value of the accumulated additional or shelter contributions credited to the member at the time of his death, determined as of the Unit Valuation Date coincident with or next following the member's death, shall be payable to his designated beneficiary if living, otherwise to such member's estate. If the designated beneficiary of the member is the spouse who has elected an immediate or deferred annuity in accordance with Subdivision 8(d) of this Article VIII, said spouse may also elect, in writing filed with the Secretary of the Association and duly acknowledged, an immediate or deferred annuity of the same form as elected in accordance with Subdivision 8(d).

(d) In the event of the termination of membership for any reason other than death or retirement in accordance with Subdivision 1, 2 or 3 of this Article VIII, the member shall be entitled to receive the ~~total amount~~ market value of the accumulated additional or shelter contributions credited to him at the time of his termination, determined as of the Unit Valuation Date coincident with or next following his request to withdraw such contributions; or a member without terminating his membership may withdraw the market value of shelter contributions, determined as of the Unit Valuation Date coincident with or next following his request to withdraw shelter contributions, without credited interest, or investment earnings, except if he has been a member of the Association for more than three (3) years, the Board of Trustees shall determine whether and in what amount interest or investment earnings shall be credited to such withdrawals, and such a member shall thereafter be ineligible to participate or make contributions to the shelter benefit plan of the Association for one year.

(e) The additional or shelter annuity to be provided by a member's additional or shelter contributions shall be computed on the basis of the interest rate and mortality tables adopted by the Board of Trustees for this purpose and in use as of the date of determination of said additional or shelter annuity. The interest rate and mortality tables applicable for this purpose may be different from those used in computing annuities and options elected in accordance with other subdivisions of this Article VIII. The terms "Plan Year", "Plan Quarter", "Unit Valuation date", shall have the same meanings as defined in Article XII, Subdivision 2, and "market value" shall have the same meaning as "Current Market Value" as defined in Article XII, Subdivision 2."

RESOLVED, that Article XII, Subdivisions 4 and 9 of the Articles of Incorporation of the Duluth Teachers' Retirement Fund Association be amended to read as follows:

4.
DEPOSITS

"(a) Each member of the Association, when he submits his application for participation in the Variable Annuity Plan, shall specify the percentage of the contributions he makes or causes to be made on his behalf each month to the Shelter Fund which shall be deposited on his behalf into the Variable Annuity Fund. The member may elect, as of any Participation Date, to deposit in the Variable Annuity Fund ~~50-percent-or-100~~ any whole

percent of the shelter contributions he makes, or caused to be made on his behalf, each month.

(b) Each member with accumulated shelter contributions credited to his account in the Shelter Fund as of September 1, 1973, shall specify, when he submits his application for participation in the Variable Annuity Fund as of December 1, 1973, the percentage, if any, of the accumulated shelter contributions credited to his account as of September 1, 1973, to be transferred to the Variable Annuity Fund. Such transfer shall be made as of December 1, 1973, or as soon thereafter as practicable.

(c) A member with accumulated Shelter Contributions or receiving a shelter annuity may elect as of any Actuarial Valuation Date to ~~(i) transfer 50 percent or 100 percent of the actuarial value of his account in the Fixed Shelter Fund to the Variable Annuity Fund, or (ii) to transfer 50 percent or 100~~ any whole percent of the value of the balance of Participation Units credited to his account or the actuarial value of his Variable Shelter Annuity from the Variable Annuity Fund to the Fixed Shelter Fund. "

9.

TERMINATION OF MEMBERSHIP

"(a) In the event of termination of membership in the Association for any reason other than death or retirement in accordance with Subdivision 1, 2 or 3 of Article VIII, the member shall be entitled to receive his total interest in the Variable Annuity Fund on the basis of the Participation Units credited to his account as of a Unit Valuation Date coincident with or subsequent to his termination. The number of his Participation Units as of such Unit Valuation Date shall be determined in accordance with paragraph (d) of Subdivision 5 of this Article XII.

~~(b) A member who elects to withdraw the accumulated shelter contributions, if any, credited to him in the Fixed Shelter Fund without terminating his membership in the Association shall, as of the Unit Valuation Date coincident with or next following the effective date of such election, withdraw the total amount of his interest in the Variable Annuity Fund. Such interest shall be equal to the number of Participation Units as of the applicable Unit Valuation Date determined in accordance with paragraph (d) of Subdivision 5 of this Article XII multiplied by the Unit Value as of such date, or the amount of his shelter contributions without interest deposited on his behalf in the Variable Annuity Fund, whichever is less.~~

~~(c) (b) A member of the Association participating in the Variable Annuity Plan with no accumulated shelter contributions credited to his account in the Fixed Shelter Fund may, without terminating his membership in the Association, elect to withdraw his interest in the Variable Annuity Fund as of any Unit Valuation Date, in which event he shall thereafter be ineligible for one year to participate or make shelter contributions to the shelter benefit plan of the Association. Such member's interest in the Variable Annuity Fund as of the applicable Unit Valuation Date shall be determined in accordance with paragraph (b) of this Subdivision 9. "~~

RESOLVED, that the Articles of Incorporation of the Duluth Teachers' Retirement Fund Association be amended by adding a new Article XIII to read as follows:

"ARTICLE XIII
MONEY MARKET PLAN

1.
ESTABLISHMENT

A Money Market Plan shall be established as of January 1, 1982 for the benefit of members of the Association who have elected to make, or to cause to be made on their behalf, shelter contributions. All benefits payable under the Money Market Plan shall be paid from the Money Market Fund.

2.
DEFINITIONS

- (a) "Plan Year" shall mean the period of twelve consecutive months commencing on July 1 and ending on the next following June 30.
- (b) "Plan Quarter" shall mean any period of three consecutive calendar months commencing on July 1, October 1, January 1, or April 1.
- (c) "Unit Valuation Date" shall mean the last business day of a Plan Quarter.
- (d) "Participation Date" shall mean the first day of a Plan Quarter.
- (e) "Current Market Value" shall mean, with reference to the value of the assets in the Money Market Fund, the market value of such assets as determined by the Board of Trustees or by any person or persons designated by the Board of Trustees to make such determination. Any such valuation endorsed by the Board of Trustees shall be binding upon all persons having an interest in the Shelter Annuity Plan of the Association.
- (f) "Actuarial Valuation Date" shall mean June 30 of any Plan Year.

3.
PARTICIPATION

Any member of the Association may elect as of any Participation Date to participate in the Money Market Plan. An election to participate must be made in writing filed with the Secretary of the Association in accordance with such rules as may be prescribed by the Board of Trustees. An election to participate shall be effective on the Participation Date next following the expiration of sixty (60) days from the receipt of the written notice by the Association.

A member participating in the Money Market Plan may, prior to his retirement, change or revoke his previous election by written notice duly filed with the Secretary of the Association. A request by the member to discontinue all deposits on his behalf into the Money Market Fund shall constitute a revocation. Such change or revocation shall be effective as of the Participation Date next following the expiration of sixty (60) days from the receipt of the written notice by the Secretary of the Association.

4.

DEPOSITS

Each member of the Association, when he submits his application for participation in the Money Market Plan, shall specify the percentage of the contributions he makes or causes to be made on his behalf each month to the Shelter Fund which shall be deposited on his behalf into the Money Market Fund.

5.

PARTICIPATION UNITS

(a) A member's interest in the Money Market Fund shall be represented by the number of Participation Units credited to an account established for him. The Unit Value as of January 1, 1982, shall be determined as follows:

- (i) The Current Market Value of the Money Market Fund shall be determined as of the close of business on the last business day of December, 1981;
- (ii) The accumulated shelter contributions credited to the accounts of members in the Money Market Fund as of the last business day of December, 1981; and
- (iii) The Unit Value as of January 1, 1982, shall be the quotient (computed to four decimal places) obtained by dividing the amount in (i) by the amount in (ii).

(b) A member's account in the Money Market Fund after January 1, 1982, shall be credited in each Plan Quarter with the number of Participation Units (carried to the fourth decimal place) determined by dividing the shelter contributions made by the member, or caused by the member to be made on his behalf, to the Money Market Fund in that Plan Quarter by the Unit Value as determined on the Unit Valuation Date next preceding such Plan Quarter. A Unit Value shall be determined on each Unit Valuation Date after the payment of all brokerage fees and transfer taxes applicable to the purchases and sales of investments since the next preceding Unit Valuation Date, and after the payment of benefits and expenses (including any allocation of expenses in accordance in accordance with Subdivision 10 of this Article XIII for that Plan Quarter, by dividing the Current Market Value of the assets in the Money Market Fund as of that date by the number of Participation Units credited to members' accounts as of that date.

6.

INVESTMENTS

The Money Market Fund shall be a single fund with no specific part to be deemed to be allocable to any participant or group of participants. Notwithstanding any of the provisions of these Articles of Incorporation to the contrary, the assets of the Money Market Fund may be invested in any property, including equities and other securities as are permissible for Trustees under the provisions of Minnesota Statutes 50.66, and any acts amendatory thereof.

7.

RETIREMENT

Upon retirement under Subdivision 1, 2 or 3 of Article VIII, the Participation Units credited to the account of the member in the Money Market Fund at the time of his retirement, determined as of the Unit Valuation Date coincident with or immediately preceding the commencement of installment payments, shall be used for the payment of benefits in monthly installments, or at the discretion of the Board of Trustees, in quarterly, semi-annually, or annual installments over a period designated by the member not greater than 120 months; should the member die before the receipt of all installment payments, any remaining balance determined as of the Unit Valuation Date immediately preceding death, reduced by any installments made since such Date, shall be paid in a lump sum to his designated beneficiary if living, otherwise to his estate. The member may by written notice received by the Secretary of the Association prior to the date of the commencement of installment payments elect to receive in a single sum at the time of his retirement the value of the Participation Units credited to the account of the member as of the Unit Valuation Date immediately preceding retirement.

8.

DEATH

Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member participating in the Money Market Plan prior to the commencement date of his Money Market Annuity, the number of Participation Units credited to the account of the member in the Money Market Fund shall be payable in the same manner as shelter death payments under paragraph (c) of Subdivision 9 of Article VIII.

9.

TERMINATION OF MEMBERSHIP OR PARTICIPATION

In the event of termination of membership in the Association for any reason other than death or retirement in accordance with Subdivision 1, 2 or 3 of Article VIII, or in the event a member elects to terminate participation in the Money Market Fund, the member shall be entitled to receive his interest in the Money Market Fund in the same manner as shelter contributions are payable under paragraph (d) of Subdivision 9 of Article VIII.

10.

ALLOCATION OF EXPENSES

Expenses incurred in the operation and administration of the Money Market Plan shall be charged to the Money Market Fund. The Association shall prepare an annual estimate of the part of its expenses which are attributable to the Money Market Plan. An amount equal to such expenses shall be transferred from the Money Market Fund to the general funds of the Association. Such transfer shall be made in twelve equal monthly installments immediately following the month in which said estimate is made.

11.

STATEMENTS TO MEMBERS

The Association shall provide for the publication of an annual report of the operation of the Money Market Plan, and shall furnish to each member participating in said Plan the Unit Value and the number of Participation Units credited to his account as of the beginning of each Plan Year."



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

A. Lee Thurow
President

September 8, 1981

Board of Trustees
Duluth Teachers' Retirement
Fund Association
22 East First Street
Duluth, Minnesota 55802

Dear Trustees:

Fiscal 1981 was another successful year for the Duluth Teachers' Retirement Funds with all portfolios outperforming both actuarial assumptions and the rate of inflation.

This was particularly gratifying due to the difficult fixed income environment. The Salomon Brothers bond index was down 13.0% for the twelve months ended June 30th. This influence can be seen in the relative performance of your three funds--the higher the fixed income component, the lower the overall gain. In the year ended June 30th the Basic fund increased 12.5%; the Fixed 9.9% and the Variable 18.6%. The Dow Jones Industrials were +19.0% and the Standard & Poor's 500 +20.5% for the same period. Your results were obtained while still maintaining high quality with an emphasis on aversion to risk.

We are encouraged by the progress in slowing down inflation and the significant changes in Washington to emphasize savings and investment. This may not help near term performance but should have a very beneficial effect on longer term results. As an example, we anticipate much better performance from the fixed income side of the portfolios. You are now receiving record yields in both absolute and relative terms compared to the inflation rate.

Capital Supervisors is well into its fourth year assisting you with your investments. We are very pleased to report 10% plus growth in all three fiscal periods. Our method of investing with the use of a balanced approach plus buying reserves tends to smooth out peaks and valleys. We hope we have increased your comfort and confidence in us with these results. We see no reason why we can't maintain this general record in years to come.

We appreciate the opportunity to work with you and will be making every effort to maintain your above average long term results within your policies of emphasizing quality and safety.

Sincerely,

Lee Thurow

LT:bj

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

COMPARATIVE BALANCE SHEET
JUNE 30, 1980 and 1981

<u>ASSETS</u>	<u>1980</u>	<u>1981</u>
Cash - checking and savings accounts	\$ 224,197	\$ 233,879
Accounts Receivable, brokers	721,635	987,467
Accrued interest and dividends declared	336,602	452,313
Investments		
Short-term securities	9,116,675	6,183,311
Marketable corporate stock (at cost) (market value \$15,839,773)	9,704,501	13,610,764
Corporate bonds (market value 9,006,372)	9,658,160	12,377,921
Mortgage loans secured by real estate	2,320,511	2,117,492
Land and Building	17,878	16,362
Office Furniture and Equipment	1,778	4,366
Deferred Insurance Premiums	932	1,049
Total Assets	\$32,102,869	\$35,984,924
<u>LIABILITIES AND FUND BALANCES</u>		
Accounts Payable, brokers	\$ 14,987	\$ 364,808
Deposits - Active members	9,102,481	9,988,640
Fund Balance	22,985,401	25,631,476
Total Liabilities and Fund Balances	\$32,102,869	\$35,984,924

MEMBERSHIP STATISTICS

	<u>1980</u>	<u>1981</u>
Active members - beginning of period	1,272	1,268
New entrants	90	59
Resignations	(78)	(73)
Retirements	(15)	(26)
Deferred Annuities	(0)	(4)
Deaths	(0)	(3)
Disability	(1)	(0)
Total Active Membership	1,268	1,221
Retired Membership	471	475
New Retirees	19*	28*
Deaths	(15)	(21)
Total Retired Membership	475	482
Total Disability Benefits	3	3
Total Deferred Annuities	22	22
Total Beneficiaries	23	23

*Includes statewide combined service annuity participants who repaid for prior Duluth Service.

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

STATEMENT OF REVENUES AND EXPENDITURES - STATUTORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30

	<u>1980</u>	<u>1981</u>
Revenues		
State of Minnesota participation	\$1,382,804	\$1,449,803
Members' contributions	920,394	995,534
Federally funded participation	49,812	46,425
Interest on investments, plus discounts earned, less amortized premiums and deferred yield adjustment	1,877,816	1,897,188
Dividends received	440,450	694,446
Rents	1,200	960
Fees, tax sheltered annuities	5,514	5,550
Return of prior years' refunds	16,601	17,063
Net gains or (losses) on sales of common stocks	<u>10,553</u>	<u>404,788</u>
Total Revenues	<u>\$4,705,144</u>	<u>\$5,511,757</u>
Expenditures		
Benefits		
Annuities paid members	\$1,557,406	\$1,584,682
Contingent beneficiaries	47,411	49,289
Disability	5,335	5,700
Contribution refunds		
Resignation	139,676	155,068
Death	15,914	33,173
Administrative expenses	<u>141,765</u>	<u>151,860</u>
Total Expenditures	<u>\$1,907,507</u>	<u>\$1,979,772</u>
Excess of revenues over expenditures	<u>\$2,797,637</u>	<u>\$3,531,985</u>

Duluth Teacher's Retirement Fund Association
Duluth, Minnesota

FINANCIAL REPORT
June 30, 1981

A. <u>Assets</u>	
Cash in office	\$ 200
Deposits in banks	233,679
Short-term investments	6,183,311
Accounts receivable	987,467
Accrued members' contributions	0
Accrued employer contributions	0
Other	0
Accrued interest on investments	405,454
Dividends on stocks, declared but not yet received	46,859
Investment in bonds at amortized cost	12,377,921
Investment in stocks at cost	13,610,764
Investment in real estate	2,117,492
Equipment at cost, less depreciation	4,366
Land and building, less depreciation	16,362
Other	1,049
Total Assets	<u>\$35,984,924</u>
B. <u>Unfunded Accrued Liability</u>	\$10,801,572
C. <u>Accumulated Members' Contributions</u>	\$ 9,988,640
D. <u>Current Liabilities</u>	
Accounts Payable	\$ 364,808
Annuity payments	0
Survivor benefit payments	0
Refund to members	0
Accrued expenses	0
Suspense items	0
Total Current Liability	<u>\$ 364,808</u>
E. <u>Total Reserves Required as per attached schedule</u>	\$67,596,310

Duluth Teacher's Retirement Fund Association

Schedule of Total Required Reserves

June 30, 1981

1. For active members	
a. Retirement benefits	\$42,123,323
b. Disability benefits	3,831,001
c. Refundable liability due to death or withdrawal	3,600,247
d. Survivor's benefits	3,692,281
2. For deferred annuitants	330,077
3. For former members without vested rights	0
4. For annuitants	
a. Retirement	13,551,825
b. Disability annuities	51,103
c. Surviving spouses' annuities	416,453
d. Surviving childrens' annuities	<u>0</u>
Total Required Reserves	\$67,596,310

Certification

The above exhibit has been prepared in accordance with the Entry Age Normal Cost (Level Normal Cost) basis, interest at the rate of 5% per annum and other provisions of Minnesota Statutes. The Financial Report information regarding assets and employee contributions are those submitted to us by the Association.

Respectfully Submitted,
HEWITT ASSOCIATES

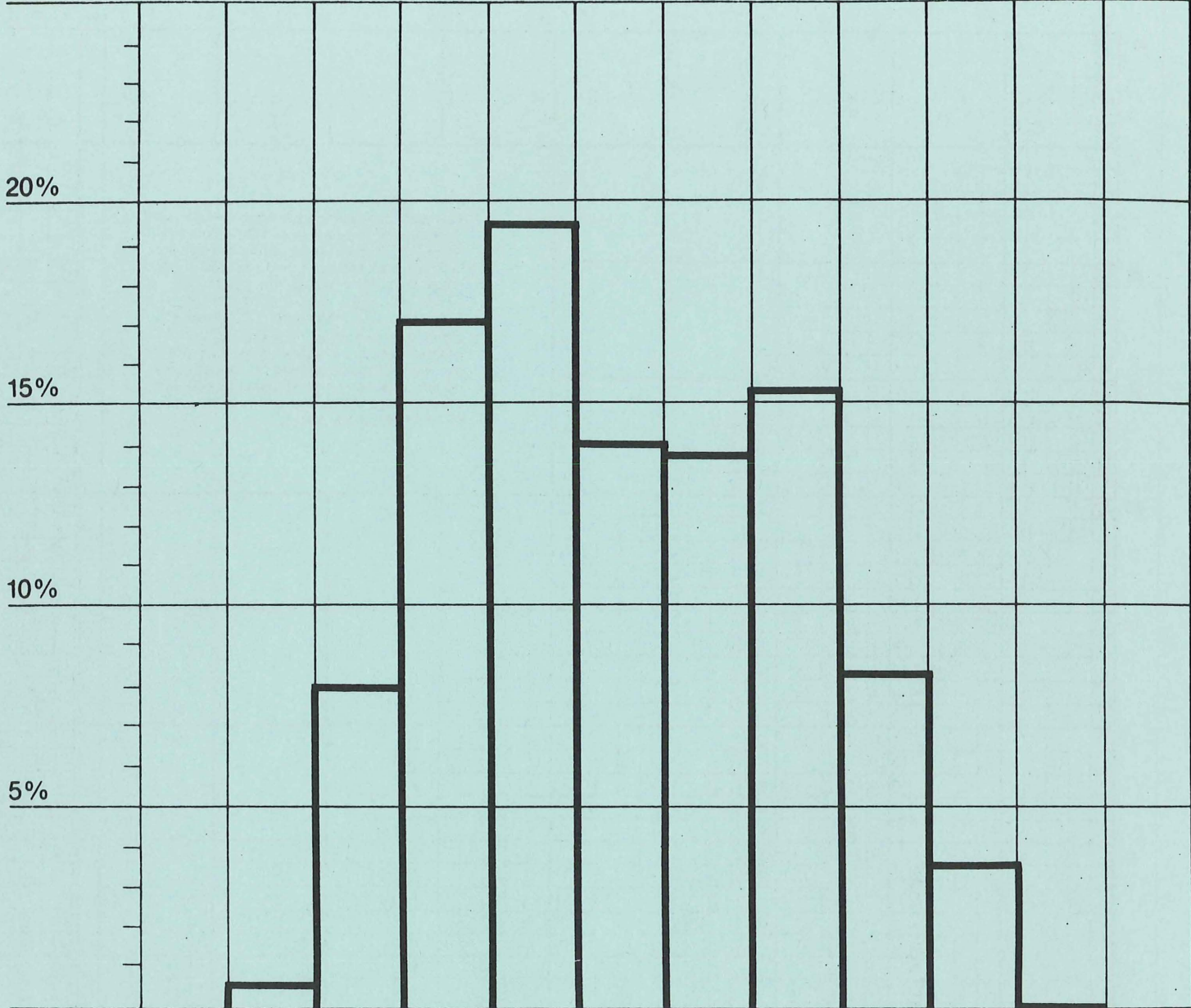
Richard L. Moody

Richard L. Moody
Fellow, Society of Actuaries

DISTRIBUTION OF PERSONNEL BY AGE

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
ACTIVE MEMBERS

25%



AGE: 15-19 20-24 25-29 30-34 35-39 40-44 45-49 50-54 55-59 60-64 65+ TOTAL

NUMBER	0	9	97	206	237	170	169	185	102	45	1	1,221
AVERAGE SERVICE	0.0	1.5	3.1	6.3	8.7	11.4	14.2	16.6	19.0	19.3	13.8	11.4
AVERAGE PAY	0	8,558	11,648	15,923	19,153	21,366	22,560	23,262	23,216	22,562	19,413	19,803

DETAIL OF EMPLOYEES AGE 55 & OVER

AGE:	55	56	57	58	59	60	61	62	63	64	65	66	67+
NUMBER	24	20	25	21	12	15	11	6	7	6	1	0	0
AVERAGE SERVICE	18.8	21.4	18.8	16.3	20.3	18.8	20.2	23.6	15.1	19.5	13.8	0.0	0.0
AVERAGE PAY	23,147	24,571	23,975	21,105	23,209	22,358	22,707	22,965	21,278	23,905	19,413	0	0

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
 BASIC FUND
 PORTFOLIO HOLDINGS AS OF JUNE 30, 1981

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
5,809,868	Cash Equivalent 14%	1		\$5,809,868	18.4	813,380	14.0
	<u>COMMON STOCK</u>						
	<u>Electrical Products</u>						
12,000	Emerson Electric Co.	38.43	46	552,000	1.8	21,120	3.8
12,000	General Electric Co.	42.19	61.88	742,500	2.4	38,400	5.2
	<u>Electronics</u>						
10,000	Harris Corp-Del	34.34	44.88	448,750	1.4	8,000	1.8
	<u>Machinery</u>						
10,000	Deere & Co	40.67	39.25	392,500	1.2	20,000	5.1
15,000	Snap-On Tools Corp	20.49	26.75	401,250	1.3	12,600	3.1
15,000	Stanley Works	17.13	18.50	277,500	.9	10,200	3.7
	<u>Business Equipment</u>						
20,000	International Business Machines	55.28	57.88	1,157,500	3.7	68,800	5.9
9,000	Sperry Corp	52.74	47.63	428,625	1.4	17,280	4.0
	<u>Multi Products</u>						
12,000	Minnesota Mining & Mfg Co.	55.20	57.50	690,000	2.2	36,000	5.2
20,000	NL Industries Inc.	21.44	34.75	695,000	2.2	16,000	2.3
15,000	Worthington Industries Inc.	16.67	23.88	358,125	1.1	9,000	2.5
	<u>Construction</u>						
10,000	Fluor Corp-Del	35.92	35.75	357,500	1.1	8,000	2.2
	<u>Drugs & Cosmetics</u>						
10,000	Bristol Myers Co	33	49.88	498,750	1.6	18,400	3.7
10,000	Eli Lilly & Co	50.67	61	610,000	1.9	23,000	3.8
15,000	Sterling Drug Inc.	16.35	22.13	331,875	1.1	15,000	4.5
	<u>Foods</u>						
10,000	Pillsbury Co	34.91	43	430,000	1.4	20,000	4.7

Basic Fund Portfolio Holdings - Page 2

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
16,000	<u>Retail & Wholesale</u> Sears Roebuck & Co	45.14	19.26	308,000	1.0	21,760	7.1
12,000	<u>Chemicals</u> International Minerals & Chemicals	33.27	42.50	510,000	1.6	31,200	6.1
6,000	<u>Petroleum</u> Exxon Corp	39.29	34.25	205,500	.7	18,000	8.8
10,000	Phillips Pete Co	23.99	38.25	382,500	1.2	22,000	5.8
20,000	Standard Oil Co of Indiana	14.31	54.88	1,097,500	3.5	52,000	4.7
10,000	<u>Paper</u> Weyerhaeuser Co	34.47	36.13	361,250	1.2	13,000	3.6
15,000	<u>Energy Products</u> Central Louisiana Energy Corp	26.64	41.50	622,500	2.0	18,000	2.9
20,000	<u>Finance & Insurance</u> Capital Holding Corp	18.35	23	460,000	1.5	24,000	5.2
20,000	Citicorp	31.16	27	540,000	1.7	31,200	5.8
10,000	Lincoln National Corp Indiana	42.11	42.75	427,500	1.4	30,000	7.0
9,453	<u>Freight & Transport</u> CSX Corp	31.70	55.13	521,116	1.7	24,200	4.6
10,000	<u>Medical</u> Medtronic Inc.	38.13	35	350,000	1.1	5,600	1.6
16,000	<u>Electric</u> Commonwealth Edison Co.	18.38	19.63	314,000	1.0	41,600	13.3
29,500	Public Service Co of Colorado	12.91	14.50	427,750	1.4	49,560	11.6
20,000	Southern Calif Edison Co.	23.33	25.50	510,000	1.6	59,200	11.6
30,000	Southwestern Public Service Co.	11.82	11.63	348,750	1.1	41,400	11.9
	Total Common Stock			15,758,241	50.0	824,520	5.2
3,700	<u>Convertible Preferred Stock</u> Interco Inc. 7.75 CV Pfd Ser D	107.46	122	451,400	1.4	28,675	6.4
	Total Convertible Preferred Stock			451,400	1.4	28,675	6.4

Basic Fund Portfolio Holdings - Page 3

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
<u>Corporate Bonds</u>							
150,000	J C Penney Financial Corp Deb 9.45% 10-15-81	103	97.50	146,250	.5	14,175	19.9
250,000	National Rural Utils Co-Op Fin 10.50% 11-01-81	100	98.12	245,312	.8	26,250	16.3
150,000	Southern Calif Edison 1st & Ref 9% 11-1-81	99.50	97.62	146,437	.5	13,500	16.4
250,000	Arco Pipe Line Co Gtd Note 8% 1-15-82	99.50	95.84	239,610	.8	20,000	17.0
200,000	Security Pacific Corp Notes 7.70% 2-15-82	93.44	90.88	181,750	.6	15,400	25.4
250,000	Montgomery Ward Credit Corp 9.50% 1-15-83	100	90.75	226,875	.7	23,750	16.7
250,000	Commonwealth Edison Co 1st Mtg 9% 8-1-83	100.85	89.12	222,812	.7	22,500	15.2
250,000	American Brands Notes 8.125% 3-1-85	97.75	82.50	206,250	.7	20,312	14.4
250,000	General Elec Credit Corp Notes 8.60% 4-1-85	99.50	84.75	211,875	.7	21,500	13.9
200,000	Spiegel Inc. 5% 4-1-87	94.05	60.75	121,500	.4	10,000	15.5
300,000	Household Finance Corp 6.375% 1-1-88	76.86	72	216,000	.7	19,125	12.8
500,000	Chrysler Corp Secured Nt Reg 10.35% 6-1-90	97.53	81.25	406,250	1.3	51,750	14.1
500,000	Pacific Tel & Tel Nts 11.35% 7-15-90	100.25	80	400,000	1.3	56,750	15.5
500,000	National Pwr Corp Gtd Bonds 8.25% 12-31-91	76.35	69.63	348,125	1.1	41,250	13.8
500,000	General Motors Acceptance Corp 8% 5-1-93	100.63	64.50	322,500	1.0	40,000	14.3
500,000	Standard Brands Inc. 6.75% 6-1-93	65.83	65.67	164,175	.5	16,875	12.3

Basic Fund Portfolio Holdings - Page 4

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
500,000	Trailer Train Co. 11.875% 7-15-96	100	79	395,000	1.3	59,375	15.5
200,000	Consolidated Edison Co 5.90% 12-15-96	98.31	48.75	97,500	.3	11,800	14.1
200,000	Northern Pacific Ry Co 4% 1-1-97	81.50	48.63	97,250	.3	8,000	10.9
250,000	Illinois Power Co 1st Mtg 7.625% 6-1-2003	73.17	58.50	146,250	.5	19,062	13.6
500,000	Pembroke Cap Co 11.50% 8-1-2005	100	73.63	368,125	1.2	57,500	15.7
	Total Corporate Bonds			<u>4,909,846</u>	<u>15.6</u>	<u>568,874</u>	
	<u>U.S. Government & Agency Bonds</u>						
250,000	U.S. Treasury Note 8.125% 8015-82	99.22	94.31	235,780	.8	20,312	13.9
200,000	U.S. Treasury Note 8.375% 9-30-82	99	93.19	186,374	.6	16,750	14.4
300,000	U.S. Treasury Note Ser B-86 8% 8-15-86	100	79.50	238,500	.8	24,000	13.7
500,000	Federal Home Loan Bank 7.65% 5-26-87	100	74.06	370,310	1.2	38,250	14.3
1,000,000	U.S. Treasury Notes 12.375% 1-15-1988	99.01	92.28	922,810	2.9	123,750	14.2
500,000	U.S. Treasury Bond 7.25% 8-15-92	97.38	66.22	331,100	1.1	36,250	13.1
200,000	U.S. Treasury Bonds Reg 6.75% 2-15-93	81.17	62.44	124,874	.4	13,500	13.1
900,000	Government Natl Mtg Assn 13.75% 6-15-96	98.38	93	837,000	2.7	123,750	14.9
500,000	Government Natl Mtg Assn 8% 7-15-2007	99.69	70	350,000	1.1	40,000	11.7
427,500	Federal Home Loan Mtg Corp 8.85% 3-15-2008	99.25	75.25	321,693	1.0	37,833	11.9

Basic Fund Portfolio Holdings - Page 5

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
794,000	Federal Home Loan Mtg Corp 10.25% 3-15-2009	91.98	86.25	684,825	2.2	81,385	11.9
	Total U.S. Government Bonds			4,603,266	14.6	555,780	
	Total Bonds			9,513,112	30.2	1,124,654	

The Seventy First Annual Meeting of the Membership of the Duluth Teachers' Retirement Fund Association was held in the auditorium of Ordean Junior High School on Monday, October 27, 1980 at 4:00 p.m. There were 92 members present with 50 members needed for a quorum to transact business. President Walter Garvue acted as Chairman of the meeting with Edward K. Blanck, Jr., Executive Secretary, acting as Secretary.

Trustees and special guests were introduced by the Chairman.

READING OF THE MINUTES

A motion was made, seconded, and carried to suspend the reading of the minutes of the 70th Annual Meeting held October 29, 1979.

REPORT OF THE OFFICERS

Chairman Garvue stated the Executive Secretary's report and Treasurer's report had been printed and delivered to each member of record, therefore, they would not be read at that time. Mr. Garvue then reviewed the operations of the Association for the prior 12 months, highlighting the 1980 Legislative Session.

Past presidents of the Association were introduced; present were: William Simmons, Hazel Hanson and Nordal Anderson.

Mr. Garvue read the names of members who became deceased during the year, and a moment of silence was given in their memory.

A motion was then made, seconded, and carried that the report of the Officers, Acts and Proceedings of the Board of Trustees be approved for the period of October 29, 1979 to October 27, 1980.

ELECTION OF TWO TRUSTEES

Two separate elections were called to fill the expiring terms of active member Curtis Miller and retired member George A. Beck. In the two elections, nominations for Curtis Miller and George A. Beck were made. In each election, no further nominations were made. Nominations were then closed and the secretary was instructed to cast an elected ballot in each case.

NEW BUSINESS

A discussion of proposed benefit changes as adopted at the Seventieth Annual Meeting was held. It was reported our Legislative program had cleared several House and Senate Committees in the 1980 Legislative Session, but did not pass both Houses. The program is to be reintroduced in the 1981 Legislative Session.

Ray Muskat, Chairman of the Ad Hoc Housing Committee, gave the following report:

One year ago, this body voted to form a private, non-profit corporation for the purpose of building a residence for retired educators. Two other organizations voted to join the Retirement Fund in sponsoring this project to give us additional credibility with HUD when we submit a grant application. The two organizations are the Duluth Federation of Teachers and the Duluth Area Retired Teachers' Association.

NEW BUSINESS (cont.)

The committee, with the help of Mr. Watters, has begun drafting a charter of incorporation. One important matter is holding us up, and that is a land purchase agreement or a ground lease. Negotiations are presently underway for a site, but I'm not at liberty to discuss any of the details of this with you now.

Since last October the committee visited a half-dozen retirement homes for ideas: the Woodland Garden Apts., Gateway Towers, the Lennox Place, King Manor and the Spirit Lake Manor at Morgan Park.

We interviewed with representatives of three architectural firms and two possible fiscal agents. As a result of these meetings, we selected a development team which includes the following persons and firms:

Attorney - Bill Watters

Processing agent or fiscal agent - Doug Mayo of the Rothschild Financial Corp. in Minneapolis

Architects - Leon Simich and Richard Whiteman of Fugelso, Porter, Simich and Whiteman

Site Consultant - Manley Goldfine of Manley Investment Company

We have also received a great deal of assistance from Ken Johnson, Research Specialist in the Duluth City Planning Office.

As soon as we close a land purchase or lease agreement, we will be mailing a survey questionnaire to our membership to learn the extent of interest and the seriousness of interest. A charter roster and waiting list will be prepared from the responses as they are received. The success of the entire project will hinge on the return of the form promptly.

I wish to thank publicly my very able committee Ed Blanck, Louise Brennan, Dale Hagen, Hazel Hanson, Don Michels, John Moriarity, Beryl Pettigrew, Clarence Rosvall, Margaret Swanberg and Robert VanKleek. This committee will disband when corporation becomes a reality. We will be replaced by a corporation board of directors.

COMMUNICATIONS

Mr. A. Lee Thurow, President of Capital Supervisors, Chicago, Ill. addressed the membership and discussed our investment performance over the past year and the outlook for the coming year. His major points were a more constructive approach to equities and the continued retention of buying reserves invested in high yielding short-term instruments.

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Edward K. Blanck, Jr.
Executive Secretary

A Special Membership Meeting of the Duluth Teachers' Retirement Fund Association was held in the auditorium of Ordean Junior High School on Monday, July 27, 1981 at 10:00 a.m. There were 167 members present with 50 members needed for a quorum to transact business. President Walter Garvue acted as Chairman of the meeting with Edward K. Blanck, Jr., Executive Secretary, acting as Secretary.

The meeting was called to order. A motion was made, seconded and carried to amend the Articles of Incorporation as follows:

RESOLVED, that Article VIII, Subdivision 1(b) of the Articles of Incorporation of the Duluth Teachers' Retirement Fund Association be amended to read as follows:

"(b) The normal retirement allowance per annum payable to a member retiring after ~~June 30, 1971~~, July 1, 1981, on or after normal retirement age shall be equal to ~~1.15~~ 1.25 per cent of the member's average final salary, multiplied by the number of his years of credited service."

RESOLVED, that Article VIII, Subdivision 1, of the Articles of Incorporation of the Duluth Teachers' Retirement Fund Association be amended by adding thereto a new clause (f) to read as follows:

"(f) The monthly benefit payable June 30, 1981, exclusive of any benefit based on shelter or additional contributions, to or on account of a member who retired or died prior to July 1, 1981, shall be increased by 8.7 per cent commencing August 1, 1981.

RESOLVED, that Article VIII, Subdivision 8(d), of the Articles of Incorporation, of the Duluth Teachers' Retirement Fund Association be amended to read as follows:

- (d) Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a member in active service, and prior to the receipt of his first retirement allowance payment:
- 1) Two times the amount of his accumulated regular contributions shall be payable to his designated beneficiary if living, otherwise to such member's estate;
 - 2) Provided, however, if the deceased member had completed ten (10) or more years of credited service and if the surviving beneficiary designated by the member is his spouse to whom he had been married for three (3) or more years as of the date of his death, the spouse may elect, in writing filed with the Secretary of the Association to receive, in lieu of all or part of said death benefit, an immediate or deferred annuity equal to the sum of:

MINUTES OF SPECIAL MEMBERSHIP MEETING (cont.)

- (i) An annuity of equivalent actuarial value to the part of the death benefit designated by the beneficiary as applicable for this purpose; plus
- (ii) An annuity equal to twenty (20) per cent of the annuity determined in (i) above.

The surviving spouse who elects to receive an immediate or deferred annuity in accordance with this paragraph shall have the right provided for a retired member under Subdivision 5 of this Article VIII to elect an optional benefit prior to the date of commencement of the annuity payments; provided, however, there shall be no further benefit payable in any event after the death of said surviving spouse except as provided under an option if one has been elected and has become effective.

In the event a deferred annuity is elected in accordance with this paragraph and the surviving spouse designated as the beneficiary dies before the date of commencement of payments under such annuity, the part of the original single sum death benefit applied toward the annuity in accordance with (i) above shall be paid to said beneficiary's estate.;

- 3) Provided further, the surviving spouse of a deceased member who attained the age of at least 55 and had credit for not less than ten (10) years of credited service and who died in active service may elect to receive, in lieu of the death benefit or the immediate or deferred annuity provided in this clause (d), an annuity equal to the remainder of the equivalent actuarial value joint and one hundred (100) per cent survivor annuity which the member would have been entitled to had the member retired on the date of death, computed pursuant to Subdivision 1(b) of this Article VIII, to cease with the last payment received by the surviving spouse during the surviving spouse's lifetime.

There being no further business which could legally come before the Special Meeting, the meeting was adjourned.

Respectfully Submitted,

Edward K. Blanck, Jr.
Executive Secretary

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

FIXED SHELTER FUND

BALANCE SHEETS - STATUTORY BASIS
JUNE 30,

<u>ASSETS</u>	<u>1981</u>	<u>1980</u>
Cash - checking and savings accounts	\$ 26,418	\$ 82,686
Accounts receivable		3,500
Interest earned and dividends receivable	63,681	37,769
Investments (at cost)		
Short-term securities	282,500	1,006,344
Marketable corporation stocks (market value \$1,308,901 and \$938,316, respectively)	1,109,070	856,252
Federal Housing Administration, first mortgage	100,000	100,000
Regular bonds, par value	\$1,840,062	\$1,377,500
Unrealized discount	18,184	1,734
	<u>\$1,821,878</u>	<u>\$1,379,234</u>
Deferred yield adjustment account	155,966	169,874
Total bonds (market value \$1,525,219 and \$1,332,034 respectively)	<u>1,977,844</u>	<u>1,549,108</u>
Totals	<u>\$3,559,513</u>	<u>\$3,635,659</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts payable - securities	\$ 56,841	\$ 200,000
Members' deposits (held until retirement or termination)	1,738,314	1,795,719
Fund balance	<u>1,764,358</u>	<u>1,639,940</u>
Totals	<u>\$3,559,513</u>	<u>\$3,635,659</u>

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

FIXED SHELTER FUND

STATEMENTS OF REVENUE, EXPENDITURES AND FUND BALANCES -
STATUTORY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>Members'</u> <u>Deposits</u>	<u>Fund</u> <u>Balance</u>	<u>1981</u> <u>Total</u>	<u>1980</u> <u>Total</u>
Revenues				
Members' deposits	\$ 224,883		\$ 224,883	\$ 231,306
Interest earned, less deferred yield adjustment		\$ 220,852	220,852	230,288
Dividends earned		73,278	73,278	50,434
Net gains on sale of common stock		34,276	34,276	
Transfer from Basic Fund				128,661
Totals	<u>\$ 224,883</u>	<u>\$ 328,406</u>	<u>\$ 553,289</u>	<u>\$ 640,689</u>
Expenditures				
Benefits paid				
Monthly annuities		\$ 198,184	\$ 198,184	\$ 195,796
Members' refunds	\$ 252,591	30,990	283,581	99,210
Administrative		4,511	4,511	4,626
Net loss on sale of common stock				21,576
Totals	<u>\$ 252,591</u>	<u>\$ 233,685</u>	<u>\$ 486,276</u>	<u>\$ 321,208</u>
Excess of revenue over expenditures (expenditures over revenues)	\$ (27,708)	\$ 94,721	\$ 67,013	\$ 319,481
Transfers				
Interest credited at 6% on members' deposits	102,012	(102,012)		
Fund balances				
Beginning of period	<u>1,664,010</u>	<u>1,771,649</u>	<u>3,435,659</u>	<u>3,116,178</u>
Fund balances, ending	<u>\$1,738,314</u>	<u>\$1,764,358</u>	<u>\$3,502,672</u>	<u>\$3,435,659</u>

SUMMARY OF ACTUARIAL RESULTS
TAX SHELTERED FIXED ANNUITY PLAN

	June 30	
	1980	1981
Present Value of:		
Active Member Accounts (Including deferred vested members and retired members who are receiving installment payouts)	\$1,795,719	\$1,834,872
Retired Member Benefits (Member receiving monthly benefits where the conversion of accounts to monthly benefits involves life contingency functions)	<u>1,879,093</u>	<u>1,810,188</u>
Total Required Assets	\$3,674,812	\$3,645,060
Cost Value of Assets	3,435,659	3,502,672
Percentage of Required Assets	93.49%	96.09%
Market Value of Assets	3,470,523	3,405,844
Percentage of Required Assets	94.44%	93.44%

SUMMARY OF ACTUARIAL RESULTS
TAX SHELTERED VARIABLE ANNUITY PLAN

	June 30	
	1980	1981
Present Value of Units:		
Active Member Accounts	561,527.7438	594,990.0876
Retired Member Benefits (Members for whom benefits have commenced)	<u>222,048.6765</u>	<u>214,362.8856</u>
Total Required Variable Units	783,576.4203	809,352.9732
Market Value of Assets From Auditors Report	599,119	688,971
Unit Value	.7646*	.8513*

*These unit values are after mortality adjustments

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

TAX SHELTERED FIXED FUND

PORTFOLIO HOLDINGS AS OF JUNE 30, 1981

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
282,500	Cash Equivalent 14%	1		282,500	8.9	39,550	14.0
	COMMON STOCK						
	<u>Electrical Products</u>						
1,000	Emerson Electric Co.	34.50	46	46,000	1.5	1,760	3.8
1,000	General Electric Co	46.87	61.88	61,875	1.9	3,200	5.2
	<u>Machinery</u>						
1,000	Deere & Co	40.68	39.25	39,250	1.2	2,000	5.1
	<u>Business Equipment</u>						
2,400	International Business Machines	58.86	57.88	138,900	4.4	8,256	5.9
	<u>Multi Products</u>						
1,000	Minnesota Mining & Mfg Co	55.27	57.50	57,500	1.8	3,000	5.2
	<u>Drugs & Cosmetics</u>						
1,000	Eli Lilly & Co	50.67	61	61,000	1.9	2,300	3.8
	<u>Foods</u>						
2,000	Nabisco Inc.	24.71	29.25	58,500	1.8	3,600	6.2
1,000	Pillsbury Co	34.91	43	43,000	1.4	2,000	4.7
	<u>Retail & Wholesale</u>						
1,200	Sears Roebuck & Co	34.85	19.25	23,100	.7	1,632	7.1
	<u>Chemicals</u>						
1,500	International Minerals & Chemicals	30.90	42.50	63,750	2.0	3,900	6.1
	<u>Petroleum</u>						
2,600	Exxon Corp	24.11	34.25	89,050	2.8	7,800	8.8
	<u>Paper</u>						
1,300	Weyerhaeuser Co	34.35	36.12	46,962	1.5	1,690	3.6
	<u>Energy Products</u>						
1,000	Central Louisiana Energy Corp	23.25	41.50	41,500	1.3	1,200	2.9
2,000	Texas Gas Transmission Corp	19.85	33	66,000	2.1	3,280	5.0

Fixed Fund Portfolio Holdings - Page 2

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
<u>Finance & Insurance</u>							
2,000	Capital Holding Corp	18.35	23	46,000	1.5	2,400	5.2
1,000	Lincoln National Corp Indiana	42.04	42.75	42,750	1.3	3,000	7.0
<u>Freight & Transport</u>							
1,350	CSX Corp	31.74	55.12	74,445	2.3	3,457	4.6
<u>Electric</u>							
3,000	Commonwealth Edison Co	18.38	19.63	58,875	1.9	7,800	13.3
5,500	Public Service Co of Colorado	13.52	14.50	79,750	2.5	9,240	11.6
2,000	Southern Calif Edison Co	23.13	25.50	51,000	1.6	5,920	11.6
4,000	Southwestern Public Service Co.	11.82	11.63	46,500	1.5	5,520	11.9
2,500	Teco Energy Inc	16.30	20.50	51,250	1.6	4,300	8.4
Total Common Stock				1,286,957	40.4	87,255	6.8
<u>Convertible Preferred Stock</u>							
500	Interco Inc. 7.75 CV Pfd Ser D	107.46	122	61,000	1.9	3,875	6.4
Total Convertible Preferred Stock				61,000	1.9	3,875	6.4
<u>BONDS</u>							
<u>Corporate Bonds</u>							
100,000	National Rural Utils Co-Op Fin 10.50% 11-1-81	100	98.13	98,125	3.1	10,500	16.3
100,000	Arco Pipe Line GTD Note 7.50% 10-1-82	100	91.75	91,750	2.9	7,500	14.9
50,000	Sohio B P TransAlaska P/L 8.62% 2-1-83	101.75	92	46,000	1.5	4,312	14.4
50,000	Williams Companies Notes 10.25% 4-1-83	100	92.12	46,062	1.5	5,125	15.5
100,000	General Elec Credit Corp Notes 8.60% 4-1-85	99.63	84.75	84,750	2.7	8,600	13.9
100,000	Chrysler Corp Secured Nt Reg 10.35% 6-1-90	100	81.25	81,250	2.6	10,350	14.1
100,000	Chrysler Corp 11.40% 7-15-90	100.35	84.63	84,625	2.7	11,400	14.5
100,000	Pacific Tel & Tel Nts 11.35% 7-15-90	100.25	80	80,000	2.5	11,350	15.5

Fixed Fund Portfolio Holdings - Page 3

<u>No. of Units</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Market Price</u>	<u>Market Value</u>	<u>% Total Value</u>	<u>Est. Annual Income</u>	<u>Current Yield YTM</u>
100,000	Trailer Train Co. 11.875% 7-15-96	100	79	79,000	2.5	11,875	15.5
100,000	General Motors Accept Corp Reg 8.875% 6-1-99	97.38	65.63	65,625	2.1	8,875	14.2
100,000	Union Carbide Corp Deb 8.50% 1-15-2005	100	63	63,000	2.0	8,500	13.8
100,000	Pembroke Cap Co 11.50% 8-1-2005	100	73.63	73,625	2.3	11,500	15.7
	Total Corporate Bonds			893,812	28.1	109,887	
	<u>U.S. Government & Agency Bonds</u>						
100,000	U.S. Treasury Note 8.375% 9-30-82	100	93.19	93,187	2.9	8,375	14.4
100,000	U.S. Treasury Note Ser B086 CPN 8% 8-15-86	100	79.50	79,500	2.5	8,000	13.7
100,000	U.S. Treasury Notes 12.375% 1-15-1988	99.01	92.28	92,281	2.9	12,375	14.2
100,000	U.S. Treasury Note 10.75% 11-15-89	105.27	85.34	85,344	2.7	10,750	13.7
100,000	Government Nat'l Mtg Assn 13.75% 6-15-96	98.38	93	93,000	2.9	13,750	14.9
85,500	Federal Home Loan Mtg Corp 8.85% 3-15-2008	99.16	75.25	64,338	2.0	7,566	11.9
175,500	Federal Home Loan Mtg Corp 10.25% 3-15-2009	90.98	86.25	151,368	4.8	17,988	11.9
	Total U.S. Government Bonds			659,018	20.7	78,804	
	Total Bonds			1,552,830	48.8	188,691	

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

VARIABLE ANNUITY FUND

STATEMENTS OF NET ASSETS
JUNE 30,

<u>ASSETS</u>	<u>1981</u>	<u>1980</u>																																																																						
Cash and receivables (less liabilities of \$11,815 and \$2,949 respectively)	\$ 22,828	\$ 67,614																																																																						
Investments - short term securities (at market value)	186,779	199,000																																																																						
Investments - corporate stock	<table style="display: inline-table; border-collapse: collapse; margin-right: 10px;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Cost</th> <th style="text-align: left; border-bottom: 1px solid black;">Market Value</th> </tr> </thead> <tbody> <tr> <td>Apple Computer</td> <td style="text-align: right;">\$ 10,400</td> </tr> <tr> <td>Bristol Myers</td> <td style="text-align: right;">19,950</td> </tr> <tr> <td>Capital Holding</td> <td style="text-align: right;">18,400</td> </tr> <tr> <td>Central Louisiana Energy</td> <td style="text-align: right;">20,750</td> </tr> <tr> <td>Citicorp</td> <td style="text-align: right;">16,200</td> </tr> <tr> <td>Commonwealth Edison</td> <td style="text-align: right;">19,625</td> </tr> <tr> <td>Community Psychiatric Centers</td> <td style="text-align: right;">8,925</td> </tr> <tr> <td>CSX</td> <td style="text-align: right;">11,246</td> </tr> <tr> <td>Deere & Co.</td> <td style="text-align: right;">11,775</td> </tr> <tr> <td>Emerson Electric</td> <td style="text-align: right;">13,800</td> </tr> <tr> <td>Exxon</td> <td style="text-align: right;">6,850</td> </tr> <tr> <td>Fluor Corp.</td> <td style="text-align: right;">10,275</td> </tr> <tr> <td>General Electric</td> <td style="text-align: right;">24,750</td> </tr> <tr> <td>Harris Corp.</td> <td style="text-align: right;">13,463</td> </tr> <tr> <td>IBM</td> <td style="text-align: right;">28,938</td> </tr> <tr> <td>International Minerals</td> <td style="text-align: right;">25,500</td> </tr> <tr> <td>Interco</td> <td style="text-align: right;">12,200</td> </tr> <tr> <td>Eli Lilly</td> <td style="text-align: right;">18,300</td> </tr> <tr> <td>Medtronics</td> <td style="text-align: right;">10,500</td> </tr> <tr> <td>Minnesota Mining</td> <td style="text-align: right;">17,250</td> </tr> <tr> <td>NL Industries</td> <td style="text-align: right;">20,850</td> </tr> <tr> <td>Phillips Petroleum</td> <td style="text-align: right;">22,950</td> </tr> <tr> <td>Pillsbury Co.</td> <td style="text-align: right;">12,900</td> </tr> <tr> <td>Public Service Colorado</td> <td style="text-align: right;">11,600</td> </tr> <tr> <td>Sears Roebuck</td> <td style="text-align: right;">7,700</td> </tr> <tr> <td>Snap On Tools</td> <td style="text-align: right;">13,375</td> </tr> <tr> <td>Southwest Public Service</td> <td style="text-align: right;">11,625</td> </tr> <tr> <td>Stanley Works</td> <td style="text-align: right;">11,100</td> </tr> <tr> <td>Sterling Drugs</td> <td style="text-align: right;">11,063</td> </tr> <tr> <td>Sperry Corp.</td> <td style="text-align: right;">14,288</td> </tr> <tr> <td>Worthington Industries</td> <td style="text-align: right;">11,938</td> </tr> <tr> <td>Weyerhaeuser</td> <td style="text-align: right;">10,838</td> </tr> <tr> <td style="border-top: 1px solid black;">Totals</td> <td style="text-align: right; border-top: 1px solid black;">479,324</td> <td style="text-align: right; border-top: 1px solid black;">332,505</td> </tr> </tbody> </table>	Cost	Market Value	Apple Computer	\$ 10,400	Bristol Myers	19,950	Capital Holding	18,400	Central Louisiana Energy	20,750	Citicorp	16,200	Commonwealth Edison	19,625	Community Psychiatric Centers	8,925	CSX	11,246	Deere & Co.	11,775	Emerson Electric	13,800	Exxon	6,850	Fluor Corp.	10,275	General Electric	24,750	Harris Corp.	13,463	IBM	28,938	International Minerals	25,500	Interco	12,200	Eli Lilly	18,300	Medtronics	10,500	Minnesota Mining	17,250	NL Industries	20,850	Phillips Petroleum	22,950	Pillsbury Co.	12,900	Public Service Colorado	11,600	Sears Roebuck	7,700	Snap On Tools	13,375	Southwest Public Service	11,625	Stanley Works	11,100	Sterling Drugs	11,063	Sperry Corp.	14,288	Worthington Industries	11,938	Weyerhaeuser	10,838	Totals	479,324	332,505	479,324	332,505
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Totals	479,324	332,505																																																																						
Net assets	<u>\$688,931</u>	<u>\$599,119</u>																																																																						
Units outstanding	803,986.3152	777,742.6320																																																																						
Asset values per unit	.8569	.7703																																																																						

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION
DULUTH, MINNESOTA

VARIABLE ANNUITY FUND

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>1981</u>	<u>1980</u>
Net assets, beginning	\$599,119	\$520,383
Net income	26,338	58,596
Sales of investments		
Sales proceeds	\$164,046	\$ 4,400
Cost on identified basis	<u>131,286</u>	<u>3,261</u>
Net gain on cost basis	32,760	1,139
Changes in unrealized appreciation		
Excess of market value over cost		
Beginning of year	\$ 20,141	\$ 1,140
End of year	<u>50,855</u>	<u>20,141</u>
Gain during year	<u>30,714</u>	<u>19,001</u>
Net assets, end of year	<u>\$688,931</u>	<u>\$599,119</u>

CHANGE IN UNITS
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>Active</u>	<u>Inactive</u>	<u>Totals</u>
<u>1980</u>			
Units at July 1, 1979	494,597.1130	215,370.9403	709,968.0533
Correction for mortality adjustment		5,133.2433	5,133.2433
Units issued during the year	81,862.7050	11,949.3159	93,812.0209
Transfers	(8,332.2275)	8,332.2275	
Refunds	(6,600.0000)		(6,600.0000)
Annuities paid		<u>(24,570.6855)</u>	<u>(24,570.6855)</u>
Balance, June 30, 1980	561,527.5905	216,215.0415	777,742.6320
<u>1981</u>			
Correction for mortality adjustment		5,833.7883	5,833.7883
Units issued during the year	96,274.8780	11,518.2366	107,793.1146
Refunds	(62,812.3809)		(62,812.3809)
Annuities paid		<u>(24,570.8388)</u>	<u>(24,570.8388)</u>
Balance, June 30, 1981	<u>594,990.0876</u>	<u>208,996.2276</u>	<u>803,986.3152</u>

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

PLAN SUMMARY INCLUDING AMENDMENTS

Effective July 1, 1981 for all Members Hired Before July 1, 1981

- 1) The Duluth Fund was established in 1910, the Tax Shelter Fixed Fund in 1964, and the Tax Shelter Variable Fund in 1973.
- 2) MEMBERSHIP DATA
Membership in the Basic Plan is compulsory for all instructional staff of the Duluth Public School System. As of June 30, 1981, there were 1,221 active members, and 482 retired members. Participation in either tax shelter plan is voluntary.
- 3) CREDITABLE SERVICE
Duluth service for which a state license is required. Time for which a member is granted a leave of absence may be credited if normal contributions are made within two years under our By-laws, or one year under a state program. There are also provisions for reciprocity of service with other Minnesota public funds, effective July 1, 1975.
- 4) WITHDRAWALS AND REFUNDS
Members who have terminated their employment may withdraw their contributions with interest if they do not wish to participate under the Minnesota Combined Service Annuity Law. Members may repay previous refunds to reinstate Duluth service.
- 5) VESTING
Benefits vest after 10 year's service or age 60 or participation under the Minnesota Combined Service Annuity Law.
- 6) RETIREMENT REQUIREMENTS AND BENEFIT FORMULAS
Normal Retirement is age 60 with one or more years of credited service. The benefit formula is: highest five years average salary times years of service times 1.25% = annual benefit. State law provides for a 40 year maximum.
Early Retirement - deferred - if resignation occurs at any age with 10 or more years of service, an annuity will be payable upon the attainment of age 55 at a reduced rate or at age 60 at full formula. The 10 years required may be the total of service in any Minnesota Fund participating under the Minnesota Combined Service Annuity Law.
Disability Benefit - Full formula is payable at any age with five or more years of service. There is no reduction for age. Member must be totally and permanently disabled from teaching.
Post retirement adjustments are made as additional funds become available. Members retiring before 1966 have received increases of 52%; 1967 - 38.1%; 1969 - 29.1%; 1970 - 23.6%; 1971 - 18.2%; and 1974 - 10.7%. In addition, pre-1957 retirees received an average monthly increase of \$30.38 and retirees from 1957 to 1970 received an average monthly increase of \$5.34 as a result of a state-wide post retirement increase enacted and funded by the 1976 Legislature. Effective December 1, 1977, annuities are paid in advance. Therefore, thirteen checks were received in 1977. An 8.7% increase became effective August 1, 1981.

Plan Summary -

Tax Shelter Funds - Annuities are payable upon retirement and are based on member's total tax shelter contributions, age of member and age of spouse if optional survivor benefit is elected, and mortality and interest assumptions in effect at time of retirement. Lump sum refunds are also available. A Fixed, Variable or combination plan is available. Pre and post retirement transfers between funds are permitted.

- 7) LUMP SUM DEATH BENEFIT
Active Member - Two times member's accumulated contributions with interest paid to named beneficiary; members are covered from first day of service.
Retired Member - Refund of remainder of member's deposits after deduction of total checks received to date of death if no survivor election was made at retirement.
- 8) SURVIVOR BENEFITS
Active Member - If more than ten years service and beneficiary is spouse of three years, survivor benefit is two times contributions as a refund; 2.4 x contributions as the cash value of either a deferred or immediate life annuity; or a spouse benefit equal to the value of a retirement benefit earned by the member at death.
Retired Member - At retirement, a member may choose a survivor option. An actuarial reduction is made from the normal amount to provide one of the following: equal amount to survivor; one half amount to survivor; 5, 10, 15 or 20 year term certain to survivor; or any plan of actuarial equivalence to the above.
- 9) FINANCING
Basic Fund - Benefits are financed jointly. Members contribute 4.5% of their total earnings. The State of Minnesota contributes 5.79% of earnings.
Tax Shelter Funds - Benefits are financed entirely from member's deposits and investment income.
- 10) INVESTMENTS
Basic Fund - Equity investments are limited to 65% of Assets; Bonds are also limited to 65% of Assets, and no single holding of either stocks or bonds shall exceed 6% of total Assets. Investments are limited to permissible holdings under the state law. Benefits are currently funded with Assets of \$36 million, book value.
Tax Shelter Funds - Limited to permissible holdings under the state law. Benefits are currently funded with Assets of \$4.2 million, book value.
- 11) ADMINISTRATION
The Fund is administered by a Board of Trustees of eleven members; three members of the Board of Education of Duluth, the Superintendent of Schools ex-officio, five active members and two retired members. Active and retired members are elected by the entire active and retired membership.
- 12) SOCIAL SECURITY COVERAGE
Since 1957, all members are covered under Social Security. All benefits are in addition to Social Security.
Social Security Leveling Adjustment - Any member retiring before age 62 may elect to receive a higher benefit from the Duluth Fund until eligible to receive Social Security.

EDWARD K. BLANCK, JR., Executive Secretary
Duluth Teachers' Retirement Fund Association
22 East First Street
Duluth, Minnesota 55802

Telephone: 722-2894

Office hours: 8:30-5:00 and by appointment
Parking is available behind our office

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

NEW CO-ORDINATED PLAN SUMMARY

For Members Hired or Rehired after June 30, 1981 and Old Plan Members
Irrevocably Electing this Plan

1) AGE AND SERVICE REQUIREMENTS

Full Formula retirement benefits are earned at age 65 or with 30 years of service.

Early Retirement - age 55 with 10 or more years service. An early retirement actuarial reduction of 1/2% per month between age 65 and 60 and 1/4% per month between age 60 and 55 is made. Retirement with 30 or more years of service, an actuarial reduction of 1/2% per month between age 62 and 60 and 1/4% per month between age 60 and age at retirement is made.

2) FORMULA

Annual benefit = 1% for years 1-10 and 1.5% for years 11-40 times High 5 successive average salary times years of service.

3) VESTING

Retirement benefits vest after 10 years or age 65.

4) DISABILITY

10 years service or 5 years after age 50. Total and permanent definition is used. Actuarial reductions are 1/2% per month between age 62 and 60 and 1/4% per month under age 60 to age at disability.

5) SURVIVOR BENEFITS

A. Death before retirement - Refund of contributions plus 3 1/2% interest to surviving spouse.

B. Death while eligible to retire - If over age 55 with 20 years service, or any age with 30 years service, a voluntary election may be made designating a surviving spouse to a joint and last survivor annuity.

C. Death after Retirement - The optional annuity elected at retirement is payable - options are joint and last and life with term certain.

6) REFUNDS

30 days after ceasing to render teaching service, a member may receive a refund of their contributions without interest.

DULUTH TEACHERS' RETIREMENT FUND ASSOCIATION

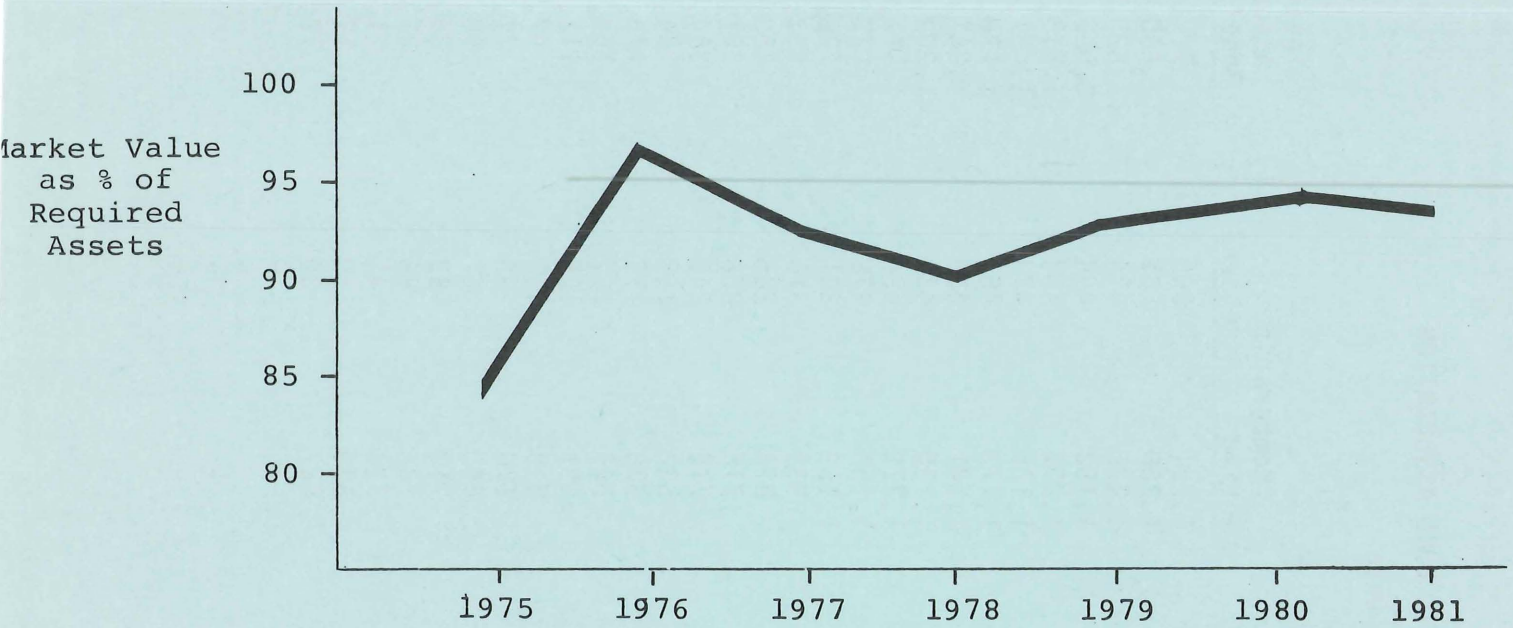
Historical Data

Year	Assets At Book Value	Unfunded Liabilities	Percent Funded	Membership		Total Annual Benefits	Average Monthly Benefits
				Active	Retired		
1981	\$35,984,924	\$10,801,572	76.9	1,221	508	1,722,998	\$282
1980	32,102,869	9,912,000	77.3	1,268	501	1,660,823	276
1979	29,421,634	8,108,046	78.4	1,272	494	1,620,677	273
1978	27,999,592	7,738,456	78.3	1,182	494	1,597,220	269
1977	26,703,570	6,781,018	79.7	1,207	483	1,513,682	261
1976	24,718,012	6,391,346	79.5	1,175	473	1,451,889	255
1975	23,537,352	5,901,268	80.0	1,173	487	1,426,309	244
1974	23,667,142	2,990,776	88.8	1,201	456	1,287,043	235
1973	22,635,801	1,827,569	92.5	1,136	432	1,203,739	232
1972	21,368,470	5,897,285	78.4	1,270	426	1,111,079	217
1971	19,782,599	5,861,972	77.1	1,158	378	977,952	215
1969	18,893,566	(1,897,691)	110.0	1,159	331	778,023	195
1967	15,989,940	(796,321)	105.0	939	315	633,374	167
1965	13,383,460	(85,497)	100.6	874	285	489,480	143
1962	10,793,087	737,730	93.6	775	286	467,317	136
1959	9,149,200	1,247,697	88.0	716	242	344,378	118
1954	6,542,424	1,660,379	79.8	632	198	234,172	98
1952	5,603,225	1,432,453	79.6	575	172	176,255	85
1949	4,511,251	1,199,422	78.9	565	167	160,999	80
1946	3,894,364	1,738,199	69.1	581	125	112,672	75
1943	3,530,411	1,206,314	74.5	615	111	97,786	73
1940	3,184,300	977,648	76.5	678	86	77,302	74
1937	2,790,459	928,520	75.0	690	67	50,421	62
1934	2,385,690	974,835	71.0	713	53	38,386	60
1931	1,787,097	975,331	64.7	736	46	27,258	49
1928	1,202,626	965,750	55.5	724	42	21,009	41
1925	714,317	986,157	42.0	679	39	17,533	37
1922	313,523	973,787	24.4	587	30	12,844	35
1919	95,879	740,671	11.5	-	-	-	-
1916	69,716	-	-	-	-	-	-
1913	34,736	-	-	-	-	-	-
1911	7,725	-	-	-	-	-	-

Historical Summary of Results

The following graphs show the status of the Fixed Annuity Plan and the Variable Annuity Plan over the last seven years.

Fixed Annuity Plan



Variable Annuity Plan

