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66TH
ANNUAL REPORT
of the
BOARD OF TRUSTEES

Teachers' Retirement Fund Association
City of St. Paul, Minnesota

Year Ended December 31, 1975

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TEACHERS' RETIREMENT FUND ASSOCIATION

Room 303 555 Wabasha Street
St. Paul, Minnesota 55102

Saint Paul Teachers' Retirement Fund Association

555 Wabasha Street, Room 303, Saint Paul, Minnesota 55102
Phone 222-8689

The Board of Trustees of Teachers' Retirement Fund Association, St. Paul, Minnesota submits herewith the Annual Financial Report for the year ending December 31, 1975 in accordance with the provisions of Minnesota Statutes 356.20.

The total membership in the Association increased by 10 from 4009 to 4019. There was a slight drop in active membership, but the retired membership increased by 24. The complete membership report is included in this report.

Our investment portfolio increased by \$5,392,746 to \$46,615,930. This figure is based on bonds at par, stock at cost, and short term at face value. You are encouraged to read the letter from our Investment Counsel included in this report. The data from the Actuarial Valuation and Experience Study is included in this report and has some important observations regarding the funding of our plan. The complete report is on file in the office.

The 1975 session of the Legislature enacted a law that produced some critical changes in the financing of our fund. The State of Minnesota assumed the total employer obligation for our fund and disallowed any future local tax levy. The impact of this was to cut our employer contribution rate by approximately 3% of payroll. This is reflected in the review by our Actuary and will require some action by the Legislature to meet the funding needs of our system as well as the State Teachers Fund. Effective in 1976 the mandatory retirement age is lowered to 65 from 68 which also imposes an additional cost factor for our fund. We will continue to call the attention of the Legislature to this problem with the objective of gaining additional funding.

The books of the Association were audited for 1975 by Broeker, Hendrickson & Co. and the report is on file in the 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,

Josephine Downey
President

Lyle T. Farmer
Secretary-Treasurer

Exhibit 1

Teachers' Retirement Fund Association St. Paul, Minnesota

FINANCIAL REPORT December 31, 1975

A. Assets

Deposits in banks	\$ 18,975.44
Employer contributions receivable	607,743.97
Accrued interest on investments	489,203.77
Dividends on stocks declared, but not yet received	30,817.89
Investment in bonds at amortized cost	24,735,187.97
Investment in preferred and common stocks at cost.	12,256,906.35
Short term investments	6,850,107.78
Equipment at cost, less depreciation	2,883.89
Deferred Yield Adjustment Account	<u>1,847,156.40</u>
Total Assets	\$ <u>46,838,983.46</u>

B. Unfunded Accrued Liability \$ 75,064,254.04

C. Accumulated Members' Contributions

(without interest). \$ 20,943,910.79

D. Current Liabilities

Accounts Payable \$ 5,438.50

E. Total Reserves Required as per attached schedule \$172,488,923.00

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 data with respect to assets and employee contributions are those submitted to us by the Association

COMPENSATION & CAPITAL INCORPORATED

Davis H. Roenisch

Fellow, Society of Actuaries

Attachment to Exhibit 1

Teachers' Retirement Fund Association
St. Paul, Minnesota

FINANCIAL REPORT
December 31, 1975

Schedule of Total Reserves Required

1. For Active Members

a) Retirement	\$112,120,928	
b) Disability	9,156,286	
c) Refund	4,933,735	
d) Survivorship	<u>10,436,568</u>	
Total		\$136,647,517

2. For Deferred Annuitants 108,797

3. For Members on Leave 410,262

**4. For Former Members Without
Vested Rights** 39,110

5. For Annuitants

a) Retirement	\$ 33,230,590	
b) Disability	921,080	
c) Survivorship	<u>1,131,567</u>	
Total		\$ 35,283,237

Total Required Reserves \$172,488,923

Teachers' Retirement Fund Association
St. Paul, Minnesota
STATEMENT OF INCOME AND DEDUCTIONS
For the Year Ended December 31, 1975

INCOME

Income from taxes:		
City of St. Paul	\$2,104,630.46	
State of Minnesota	<u>1,488,215.19</u>	\$3,592,845.65
Income from members:		
Payroll deductions	3,305,370.41	
Payment for outside service	170,357.23	
Return of refunded dues	<u>132.00</u>	3,475,859.64
Interest on investments, plus accumulated		
discount, less amortized premiums, less		
deferred yield adjustment		2,287,954.09
Dividends on stock		318,721.16
Gains on sale of stock		163,234.19
Miscellaneous Income		<u>40.15</u>
Total Income		9,838,654.88

DEDUCTIONS FROM INCOME

Benefit expenditures:		
Old Plan Annuities	\$ 296,894.62	
New plan annuities	3,316,567.75	
Reversionary annuities	17,471.12	
Survivors benefit	72,808.30	
Childrens Benefit	52,050.60	
Disability Benefit	<u>61,580.00</u>	3,817,372.39
Contribution refunds:		
Resignation	292,161.64	
Death	<u>9,718.44</u>	301,880.08
Administration expenses		111,382.87
Loss on sale of stock		<u>135,398.96</u>
Deductions from income		4,366,034.30
Applied to total reserves required		5,472,620.58
Total deductions from income		9,838,654.88

St. Paul Teachers' Retirement Fund Association

REPORT ON MEMBERSHIP

December 31, 1975

Active Members

Total Regular members (including 128 on leave) December 31, 1974	2,869
New Appointments 1975	128
Re-appointments	<u>15</u>
Total	3,012

Resignations from active service	188
Deaths in active service	<u>2</u>
Total regular members (including 116 on leave) Dec. 31, 1975	2,822

Substitutes currently working 419

Total active members 3,241

Inactive Members 10

Retired Members

Number of retired members December 31, 1974 754

Additions during 1975:

Service Pension	42
Limited Pension	2
Disability Benefit	6
Deferred Pension	<u>2</u>
Total	806

Deaths during 1975:

Old Plan	9
New Plan	<u>19</u>
	28

Number of retired members December 31, 1975 778

Total number of members December 31, 1975 4,019

Reversionary Beneficiaries December 31, 1975 11

Survivor Beneficiaries December 31, 1975 20

Child Beneficiaries December 31, 1975 17

48

**Teachers' Retirement Fund Association
St. Paul, Minnesota**

SOURCES AND USES OF FUNDS

SOURCES

Cash Balance January 1, 1975		\$ 80,570.07
Income from Taxes:		
City of St. Paul.	\$2,104,630.46	
State of Minnesota	1,488,215.19	3,592,845.65
Income from Members:		
Payroll Deductions	\$3,305,370.41	
Prior Service	170,386.98	
Return of Refunds	<u>132.00</u>	3,475,889.39
Income from Investments:		
Interest	\$2,331,414.10	
Dividends	304,114.27	
Miscellaneous	<u>2,161.53</u>	2,637,689.90
Investments Sold		<u>37,159,584.02</u>
Total		<u><u>\$46,946,579.03</u></u>

USES

Pensions Paid:		
Retirement.	\$3,630,933.49	
Survivor.	72,808.30	
Children.	52,050.60	
Disability	<u>61,580.00</u>	\$ 3,817,372.39
Refunds of Dues.		\$ 313,912.75
Administrative Expenses:		
Salaries	\$ 59,131.00	
Office Expense	9,153.95	
Legal and Actuarial Services	8,119.00	
Taxes, Insurance and Members Dues	4,789.23	
Delegate Expense.	3,300.00	
Data Processing	4,692.00	
Investment Counsel Service	<u>21,328.89</u>	110,514.07
Refund — Investment Received Not Earned		23,251.31
Investments Purchased		<u>42,662,553.07</u>
Sub-Total.		46,927,603.59
Cash Balance December 31, 1975.		<u>18,975.44</u>
Total		<u><u>\$46,946,579.03</u></u>

Teachers' Retirement Fund Association
St. Paul, Minnesota
RECONCILIATION OF ASSET BALANCES
December 31, 1975

Asset Balance — December 31, 1974 \$40,763,218.70

Additions:

Taxes	\$4,200,589.62	
From Member Contributions	3,462,292.29	
Investment Income	2,606,616.43	
Net Gain on Sale of Stock	<u>27,835.23</u>	<u>10,297,333.57</u>
		<u>\$51,060,552.27</u>

Deductions:

Benefit Payments	\$3,815,308.79	
Refunds	300,315.65	
Administrative Expenses	<u>111,382.87</u>	<u>\$ 4,227,007.31</u>

Asset Balance, December 31, 1975 \$46,833,544.96

April 23, 1976

Board of Trustees
St. Paul Teachers' Retirement Fund Association
555 Wabasha Street, Room 303
St. Paul, Minnesota 55102

Gentlemen:

In accordance with your request, we have made an actuarial valuation of the St. Paul Teachers' Retirement Fund Association for the year ended December 31, 1975, in order to determine the adequacy of the contributions being made to that system and to prepare the financial and actuarial reports as required by the laws of the State of Minnesota.

The results of our analysis are set forth in the following report. The basic financial and employee data are those submitted to us by the Association office; the summaries and actuarial figures are those prepared by us from such data.

On the basis of the foregoing, and the assumptions indicated herein, we hereby certify that, to the best of our knowledge and belief, the attached statements are true and correct.

Respectfully submitted,
Fellow Society of Actuaries
Enrolled Actuary #174

DHR:tmk

**Teachers' Retirement Fund Association
St. Paul, Minnesota**

COMMENTS

This report sets forth the information on the Teachers' Retirement Fund Association of the City of St. Paul, Minnesota required by law for the legislature based on the annual actuarial valuation.

These figures have been prepared in accordance with the requirements of the law under the supervision of an approved actuary. Included in these requirements are the use of the Entry Age Normal Cost Method, anticipated salary increases of 3½ % per year, and an assumed interest of 5% per year.

The other assumptions have been chosen to reflect the actual experience of the Association. This experience has been reviewed for the four year period ending December 31, 1975 with the results set forth in Appendix A. As expected the actual results vary from the assumption giving rise to both experience gains and losses. In the aggregate the assumptions continue to be reasonable although if the 1975 indication of an earlier average retirement age persists the present assumption of age 65 at retirement will have to be lowered and this would significantly increase the actuarial requirements of the plan.

The actuarial valuation measures all aspects of the St. Paul Teachers' Fund in accordance with the plan described in the section of the report titled "Summary of the Plan."

Exhibit 4 shows the present value benefits for past and future service of active members, and current benefits being received by retirees (and beneficiaries).

Exhibit 4 also indicates an amount of Unfunded Accumulated Contribution Requirement of \$75,064,254. This amount represents an increase of \$3,191,092. The primary reasons for the increase are estimated in Exhibit 7.

Exhibit 5 restates the dollar amount of obligation in Exhibit 4 as percentages based on current payroll of active members. The resulting percentage total rate requirement may then be compared with the statutory contribution rate to ascertain the actuarial balance of the Fund.

During 1975, the legislature transferred the financing of the Association program to the state on the basis that the St. Paul Teachers would receive the same support as given the Minnesota Teachers Retirement Association. At the same time the unfunded cost of living increases being paid for by the City of St. Paul out of a special levy were required to be added to the Association's obligation and funded out of the state's contribution.

Not only are the demographic characteristics (age, sex distribution, turnover pattern, historical growth, salary levels, degree of maturity of the group, etc) of the state teachers substantially different from the St. Paul group but the benefit structure is quite different, being coordinated with Social Security. As a result the actuarially required contributions to the Minnesota Teachers Retirement Association would be expected to have no relationship to the requirements of the St. Paul Teachers program.

This has proven to be the case. Primarily due to the inadequacy of the TRA levy in the St. Paul context, the deficit between the actuarial requirement and the contribution has approximately doubled from 2.67% to 5.40% (Ex. 5) and the Association program is no longer in reasonable actuarial balance by any standard. Under these conditions, we believe that a review of the financing arrangement is called for, with particular emphasis on developing contributions that are reflective of the benefits and the employment experience of the St. Paul Teachers rather than determining them on the basis of the experience of an outside group.

Exhibit 5(a) was included in the report at the request of Mr. Lyle Farmer. This exhibit also restates the dollar obligations of Exhibit 4 as percentages based on the current payroll of active members but assumes that the amount to be amortized will be amortized by January 1, 2006 or over a future 30-year period.

Exhibit 4
5%

Teachers' Retirement Fund Association
St. Paul, Minnesota

FINANCIAL BALANCE SHEET
December 31, 1975

Present Value of Benefits Expected to be Paid by Retirement Fund

To Active Teachers for

Retirement	\$112,120,928
Disability	9,156,286
Survivorship	10,436,568
Refund	<u>4,933,735</u>

Total \$136,647,517

To Vested Teachers 108,797

To Teachers on Leave 410,262

To Former Teachers without

Vested Rights 36,110

To Teachers and Beneficiaries

Now Receiving Benefits for

	Original Pension	Increase Under Par. 9	
Retirement	\$ 31,450,579	\$1,780,011	
Disability	888,306	32,774	
Survivorship	<u>967,525</u>	<u>164,042</u>	
Total	<u>\$ 33,306,410</u>	<u>\$ 1,976,827</u>	<u>\$ 35,283,237</u>

Total Value of Benefits \$172,488,923

Less Value of Expected Future Contributions* 50,591,124

Accumulated Contribution Requirement

Assuming Full Funding During

Prior Service Period \$121,897,799

Assets on Hand 46,833,545

Accumulated Contribution Requirement

to be Amortized by 1997 \$ 75,064,254

*As Determined by the Entry Age Normal Cost Method.

**Teachers' Retirement Fund Association
St. Paul, Minnesota**

**ACTUARIAL REQUIREMENTS
December 31, 1975**

TOTAL REQUIREMENTS

Expected Future Contributions on Behalf of Active Teachers	\$ 50,591,124
Accumulated Contribution Assuming Full Funding During Prior Service Period	<u>121,897,799</u>
Total — Value of All Benefits Payable to Present Members	\$172,488,923

AMORTIZATION RATE REQUIREMENT

Accumulated Contribution Requirement	\$121,897,799	
Assets on Hand	<u>46,833,545</u>	
Amount to be Amortized	\$ 75,064,254	
Contribution Requirement for Amortization Period of 22 Years.	\$ 5,702,670	
Current Payroll	\$ 42,262,561	
Amortization Rate Requirement.		13.4934%

LEVEL CONTRIBUTION (ENTRY AGE NORMAL) RATE REQUIREMENT

Expected Future Contributions on Behalf of Active Teachers.	\$ 50,591,124	
Expected Future Payroll.	460,321,900	
Total Entry age Normal Rate Requirement	\$ 10.9904%	
Teacher Contribution Rate	<u>8.0000</u>	
Employer Entry Age Normal Rate Requirement.		2.9904%

ACTUARIAL BALANCE

Employer Statutory Contribution Rate*		11.3434%
Rate Requirements		
Amortization Rate Requirement	13.4934%	
Entry Age Normal Rate Requirement	2.9904	
Expenses Rate Requirement.	<u>.2635</u>	
Total Rate Requirement.		16.7473%
Deficit of Statutory Rate over Rate Requirement.		(5.4039%)

*Rate established by Minnesota Teachers Retirement Association.

Centennial Capital Corporation

Saint Paul Teachers' Retirement Fund Association
555 Wabasha Street,
Room 303,
Saint Paul, Minnesota 55102

January 6, 1976

Gentlemen:

The long-term capital markets in 1975 had one of their best years as these markets and the economy began to recover from the severe 1974-1975 recession. The stock market as measured by the S&P 500 Composite Index was up 31.5% and the long-term bond market was up approximately 12%.

The main factor behind the good investment results is that the U.S. economy appears on track for a solid moderate growth, and, therefore, healthy recovery in 1976. The consumer sector is key to the economic recovery and this sector of the economy is expected to do especially well this year. Real personal incomes are growing once again, and with employment rising we expect the American consumer to begin spending his earnings and some of his recently accumulated savings.

A second important bullish factor for the market and the economy is the reduced rate of inflation and inflationary pressures. This is shown now in lower commodity prices and in the trend of unit-labor costs which are down. With the economy recovering off the low base set by the recession, there should be a large increase in industrial productivity in 1976 accompanied by a very significant increase in corporate profits. Corporate profits, of course, are one of the key determinates of stock prices.

As a result of the favorable economic outlook and lower inflation we should have the kind of environment in 1976 necessary for a cyclical downturn in long-term interest rates. We can, therefore, look forward to a downward move in bond yields that could be much greater than normally would be expected. This, of course, would be very positive for both your stock and bond portfolios.

Portfolio activity in the long-term bond market centered primarily upon the acquisition of new issue high quality debt obligations. This reflected our fundamentally positive outlook on the direction and velocity of interest rates as the yield on Aa utilities declined from 10% in late September to 9.40% in late December. This decline in long-term bond yields emulated the relatively larger declines which had taken place in the yields on domestic money market instruments under the aegis of an accommodative Federal Reserve monetary policy. With commercial paper rates hovering around the 5% level, we felt that it was prudent to extend the average life of your fixed income portfolio holdings in a declining interest rate environment.

Your consolidated portfolio benefited last year from the favorable market, and we think is well positioned to participate fully in the good investment environment we see for 1976. The following table shows how your portfolio is currently invested.

<u>INVESTMENTS</u>	<u>1975</u>	<u>1974</u>
Short-Term	12.6%	27.7%
Long-Term Bonds	59.4	55.7
Common Stock	28.0	16.6
Total Portfolio	100.0%	100.0%

Overall, your portfolio increased 28.3% in 1975. This gain comes from a combination of higher equity and bond prices, dividend and interest income, plus contributions.

Very truly yours,

Eugene G. Good, Jr., C.F.A.
Vice President

James Austin Smith
Executive Vice President

PURCHASES AND SALES OF INVESTMENTS

During 1975

Investments on Hand, December 31, 1974

Value
\$41,223,184.34

Purchases during the year:

<u>Bonds (At Par)</u>	<u>Maturity</u>	<u>Interest</u>	
	<u>Date</u>	<u>Rate</u>	
Union Carbide	1-15-05	8.500	500,000.00
Dow Chemical	2-01-05	8.500	500,000.00
General Telephone of Florida . . .	3-01-05	9.375	240,000.00
Natural Gas Pipeline	3-01-95	9.250	500,000.00
Pacific Gas & Electric	6-01-00	6.625	725,000.00
Northern Natural Gas	5-01-85	9.000	500,000.00
Texaco Inc.	5-01-05	8.875	500,000.00
Southern Bell Telephone	9-01-00	4.750	475,000.00
Sears Roebuck & Co.	4-01-93	6.375	100,000.00
Southwestern Bell Telephone. . .	6-01-03	5.875	500,000.00
Pacific Northwest Bell	11-01-12	9.000	500,000.00
Phillips Petroleum.	11-15-00	8.875	<u>750,000.00</u>
Total Bonds (At Par)			5,790,000.00

Stock (At Cost)

	<u>Shares</u>	
Allegheny Power	8000	135,342.38
AMAX	4000	219,534.54
American Can Co.	3700	123,016.25
American Telephone & Telegraph .	7000	138,280.50
Atlantic Richfield	1200	109,608.00
Boise Cascade	13000	324,485.00
Bristol Meyers.	3000	181,118.87
Continental Can	6000	191,368.41
Dayton Hudson	7500	201,087.50
Duke Power	8600	119,327.74
Exxon	1700	156,786.84
Farmers Group	2400	138,600.00
General Motors.	2500	126,487.50
H&R Block	8000	117,212.83
McDonalds Corp.	800	43,236.83
Monsanto	2000	142,930.17
NCR Corp	15000	449,896.49
New England Electric	7500	119,724.76
Norton Simon	1	10.08

Stock (continued)	Shares	Value
Pacific Gas & Electric	6187	\$132,544.50
Revlon Inc.	3000	225,798.58
G.D. Searle & Co.	7200	136,607.31
St. Paul Companies	3300	98,029.02
Tampa Electric	9000	119,702.01
Texas Eastern Transmission	3000	89,151.95
Texas Instruments	2500	284,029.17
TRW Inc.	13300	289,275.00
United Technologies.	4000	221,722.16
Upjohn	4600	184,102.08
Utah International.	2000	133,837.50
Total Stock		4,952,853.97

Short Term (At Face Value)

	Yield	Due	
Northwestern National CD	7.300	1-02-76	409,120.00
National Can Corp	6.000	1-09-76	390,000.00
Postal Finance	6.125	1-14-76	366,863.02
Ford Motor Credit Corp.	5.500	1-21-76	728,322.92
Expressway Properties LC	5.625	1-29-76	564,546.56
Northwestern National CD	6.250	2-02-76	330,398.12
Gamble Credit Corp.	6.060	2-06-76	676,767.68
Montgomery Ward Credit Corp.	5.750	2-09-76	757,187.50
Postal Finance	6.500	2-23-76	203,286.11
Gamble Credit Corp.	6.245	3-02-76	407,841.03
American National CD.	5.550	4-02-76	355,018.12
Northwestern National Savings			993,808.39
American National Savings			695,358.26

Short Term on Hand 12-31-75 6,878,517.71

Total Purchases 17,621,371.68

Purchases and Balance 58,844,556.02

Sales and Redemptions:	Maturity	Interest	
Bonds (At Par)	Date	Rate	
American Tel. & Tel.	8-01-00	6.000	\$575,000.00
Philadelphia Electric	10-01-97	6.125	150,000.00
American Tel. & Tel.	2-01-94	4.625	450,000.00
Carborundum	6-01-92	6.000	100,000.00
American Tel. & Tel.	8-01-95	5.625	<u>500,000.00</u>
Total Bonds (At Par)			1,775,000.00
Repaid Principal			23,102.58

Stock (At Cost)

	Shares	
Continental Can	7000	191,368.41
Dow Chemical	3300	190,921.22
Federal National Mortgage	10,000	226,725.50
H&R Block	8000	117,212.83
Northwest Bancorp	4000	134,651.55
Union Camp Corp.	4200	<u>231,508.12</u>
Total Stock (At Cost)		1,092,387.63

Short Term (At Face Value)

	Yield	Due	
Farmers Home Admin.	7.250	1-02-75	200,120.83
Archer Daniels Midland	9.500	1-06-75	250,923.61
Ford Motor Credit	8.900	1-07-75	266,899.90
Gamble Credit Corp.	10.510	1-10-75	281,985.00
Gamble Credit Corp.	10.516	1-13-75	820,799.28
United Telecom	11.000	1-14-75	800,000.00
General Motors Accept.	9.250	1-16-75	201,490.28
Montgomery Ward	9.500	1-17-75	362,755.00
Sears Roebuck	9.500	1-24-75	372,733.89
Honeywell Finance	9.650	1-29-75	705,441.53
Gamble Credit Corp.	9.979	1-29-75	438,497.01
Northwestern National CD.	9.250	2-03-75	148,049.97
American National CD.	10.350	2-04-75	<u>258,625.00</u>

Short Term (continued)	Yield	Due	
IDS Realty Trust	10.500	2-04-75	\$160,000.00
Illinois Central Ind.	9.875	2-06-75	400,000.00
Postal Finance	9.500	2-07-75	238,596.81
American National CD	9.600	2-13-75	825,600.00
General Growth Prop.	10.500	2-18-75	828,933.33
General Growth Prop.	9.500	2-18-75	123,071.67
Northwestern National CD	9.550	3-03-75	511,904.79
Int'l Harvester	9.250	3-11-75	163,617.78
Int'l Harvester	9.500	3-11-75	465,205.90
Munsingwear	9.750	3-26-75	200,000.00
Northwestern Nat'l. Savings			<u>312,884.15</u>
Short Term on hand 12-31-74			9,338,135.73
Total Sales and Redemptions			12,228,625.94
Investments on hand December 31, 1975			<u><u>46,615,930.08</u></u>
Common Stock At Cost	12,256,906.35		
Bonds At Par	27,480,506.02		
Short Term At Face Value	6,878,517.71		<u><u>46,615,930.08</u></u>

INVESTMENTS ON HAND

December 31, 1975

Short Term Bonds			
Philadelphia Elec. 1st Ref	11.000%	10-15-80	\$500,000
Medium Term Bonds			
Louisiana Pwr. & Lt.	9.500%	11-01-81	500,000
Grand Trunk Railroad	9.250%	3-15-85	191,681
Northern Natural Gas Deb	9.000%	5-01-85	500,000
Long Term Bonds			
Cinn. Gas & Elec. 1st	5.000%	5-01-90	200,000
Wisconsin Natural Gas 1st	4.875%	10-01-90	325,000
Transamerica Finl. Corp. Deb.	7.875%	11-01-91	500,000
Deere & Co. Deb.	5.400%	2-15-92	300,000
Quebec Hydro. Elec. Pay US	5.375%	4-15-92	350,000
Cons. Edison of N.Y. 1st Ref. V.	4.375%	6-01-92	197,000
Combustion Eng. SF Deb.	5.875%	7-15-92	244,000
Standard Oil of Calif SF Deb.	5.750%	8-01-92	200,000
American Tel. & Tel. Deb. Regd.	4.750%	11-01-92	280,000
Bendix Corp. SF Deb.	6.625%	12-01-92	100,000
Sears Roebuck Co. Deb.	6.375%	4-01-93	100,000
Ryder Systems Regd.	7.800%	5-01-93	500,000
Quebec Hydro Elec. Pay US.	6.250%	6-01-93	300,000
Union Electric Co. 1st	4.500%	11-01-93	250,000
Anaconda Co. Deb.	6.625%	11-15-93	200,000
Southern Bell Tel. & Tel. Deb.	4.625%	12-01-93	675,000
Intl. Harvester Cr Corp. Deb.	7.500%	1-15-94	700,000
Continental Pipeline Co. Nts.	7.500%	5-01-94	183,000
Philadelphia Elec. 1st Ref.	4.500%	5-01-94	200,000
Delaware Pwr. & Lt. 1st Ct.	4.625%	10-01-94	250,000
Niagara Mohawk Pwr. Gen. Mtg	4.625%	12-01-94	550,000
Natural Gas Pipeline Amer.	9.250%	3-01-95	500,000
Nova Scotia Prov. Pay US.	9.750%	3-15-95	250,000
Armco Steel Corp. SF Deb.	8.700%	10-01-95	300,000
Rexnord Inc. Reg. Deb.	8.950%	10-15-95	250,000
Florida Pwr & Lt Co 1st Mtg	5.000%	12-01-95	700,000
Tampa Electric Co 1st	5.500%	4-01-96	500,000
Public Service Colorado 1st	5.375%	5-01-96	650,000
Diamond Shamrock Corp Deb.	8.250%	6-01-96	250,000
American Tel & Tel Deb Regd	4.375%	10-01-96	255,000
American Tel & Tel Deb Regd	5.500%	1-01-97	750,000

Long Term Bonds (cont'd)	Coupon	Maturity	Par Value
Cities Service Co Deb.	6.125%	11-01-97	\$520,000
Deere John Credit Co Deb.	7.500%	4-30-98	500,000
Carolina Pwr & Lt Co 1st	6.875%	10-01-98	550,000
Vermont Yankee Nuclear Pwr 1st	9.625%	10-01-98	241,000
Chrysler Corp.	8.000%	11-01-98	750,000
General Mills	8.000%	2-15-99	750,000
Research Properties Inc. Notes .	8.250%	11-01-99	250,000
Penin Prop Inc Nts.	8.750%	12-01-99	230,824
Sohio BP Trans Alaska Pipe. . . .	9.750%	12-01-99	500,000
Central Power & Lt 1st Mtg . . .	8.750%	1-01-00	500,000
Pacific Gas & Elec 1st Ref Mtg . .	6.625%	6-01-00	725,000
Carolina Pwr & Lt Co 1st	8.750%	8-01-00	500,000
Southern Bell Tel & Tel Co Deb .	4.750%	9-01-00	475,000
Central Kansas Pwr Inc Ser K. . .	9.750%	10-01-00	238,000
Phillips Pet Co Deb.	8.875%	11-15-00	750,000
San Diego Gas & Elec 1st.	8.000%	9-01-01	500,000
Cons Edison NY 1st & Ref	7.900%	4-15-02	500,000
Southwestern Bell Tel Deb.	5.875%	6-01-03	500,000
Illinois Bell Tel 1st.	4.375%	7-01-03	475,000
Carolina Pwr & Lt Co 1st	8.125%	11-01-03	500,000
Gulf States Utilities	8.625%	3-01-04	750,000
International Harvester Co.	9.000%	6-15-04	500,000
Union Carbide	8.500%	1-15-05	500,000
Dow Chemical	8.500%	2-01-05	500,000
General Tel Florida	9.375%	3-01-05	240,000
Texaco Inc.	8.875%	5-01-05	500,000
New England Tel & Tel Deb	6.125%	10-01-06	325,000
Pacific Tel & Tel Deb	7.625%	6-01-09	510,000
New York Telephone Ref W.	8.300%	8-15-12	500,000
Pacific Northwest Bell Tel	9.000%	11-01-12	500,000
Total Bonds			27,480,506.00

Common Stocks	Shares	Cost	Market Value
CONSUMER & SERVICE			
Banking & Credit			
Bankers Trust NY	6,000	\$240,545.02	\$174,750.00
Citicorp	4,600	<u>192,152.22</u>	<u>135,700.00</u>
		432,697.24	310,450.00
DRUGS & TOILETRIES			
Abbott Laboratories	4,000	142,370.75	165,000.00
Bristol-Myers	3,000	181,118.87	207,000.00
Revlon	3,000	225,798.58	225,750.00
Searle, G.D.	12,000	316,840.11	181,500.00
Upjohn	7,000	<u>336,957.08</u>	<u>296,625.00</u>
		1,203,085.39	1,075,875.00
FOOD & BEVERAGE			
Norton Simon.	6,623	207,673.58	147,361.75
Tropicana Products	2,400	<u>63,197.22</u>	<u>60,600.00</u>
		270,870.80	207,961.75
HOUSEHOLD PRODUCTS			
American Can	3,700	123,016.25	116,087.50
INSURANCE			
Farmers Group Inc..	2,400	138,600.00	136,800.00
Govt Employees Ins..	6,668	331,114.98	76,682.00
St. Paul Cos	6,500	<u>245,697.02</u>	<u>200,687.50</u>
		715,394.00	414,169.50
MERCHANDISING			
Dayton-Hudson, Corp	7,500	201,087.50	196,875.00
Kresge, S.S.	7,300	351,812.05	244,550.00
McDonalds.	5,000	<u>321,358.08</u>	<u>291,875.00</u>
		874,257.63	733,300.00
RECREATION & LEISURE			
Eastman Kodak	3,000	364,989.87	318,375.00
SCIENCE & TECHNOLOGY			
Aerospace			
United Technologies Corp	4,000	221,722.16	185,500.00

Stock (continued)	Shares	Cost	Market Value
BUSINESS EQUIPMENT			
Burroughs	3,000	\$295,827.10	\$251,250.00
Digital Equipment	2,000	200,287.88	273,750.00
Intl Business Machines	2,625	794,240.28	588,656.25
NCR Corp.	15,000	449,896.49	356,250.00
Xerox	5,500	658,195.73	279,812.50
		<u>2,398,447.48</u>	<u>1,749,718.75</u>
ELECTRONICS			
Texas Instruments	2,500	284,029.17	236,875.00
Watkins Johnson	3,000	75,000.00	78,750.00
		<u>359,029.17</u>	<u>315,625.00</u>
SPECIALTY TECHNOLOGY			
Medtronic	1,900	107,299.20	49,400.00
BASIC INDUSTRIES			
AUTOMOBILE			
Ford Motor	3,000	178,682.44	132,000.00
General Motors	5,000	327,385.60	288,125.00
TRW	13,300	289,275.00	359,100.00
		<u>795,343.04</u>	<u>779,225.00</u>
CHEMICALS			
E.I. Dupont De Nemours	1,600	215,326.90	202,400.00
Hercules	6,000	211,235.46	165,000.00
Monsanto	2,000	142,930.17	152,750.00
		<u>569,492.53</u>	<u>520,150.00</u>
CONSTRUCTION			
Chicago Bridge & Iron	1,350	133,497.25	79,650.00
ELECTRICAL EQUIPMENT			
General Electric	4,800	265,146.52	221,400.00
FOREST PRODUCTS			
Boise Cascade	13,000	324,485.00	307,125.00
HEAVY MACHINERY			
Caterpillar Tractor	4,300	254,611.90	299,925.00
MINING & METALS			
Amax Inc.	4,000	219,534.54	189,000.00
Bethlehem Steel	8,300	267,667.59	272,862.50
Utah International Inc.	2,000	133,837.50	94,000.00
		<u>621,039.63</u>	<u>555,862.50</u>

Stock (continued)	Shares	Cost	Market Value
PETROLEUM			
Atlantic Richfield	2,400	\$213,430.80	\$216,900.00
Aztec Oil & Gas	1,600	34,211.40	24,000.00
Exxon Corp.	2,700	242,851.34	239,625.00
Phillips Petroleum.	4,000	204,511.66	217,000.00
Superior Oil	200	<u>66,130.30</u>	<u>32,700.00</u>
		761,135.50	730,225.00
MULTI-INDUSTRY COMPANIES			
Minnesota Mining & Mfg.	3,000	254,368.15	166,500.00
PUBLIC UTILITIES			
COMMUNICATIONS			
American Tel & Tel.	7,000	344,628.88	356,125.00
ELECTRIC			
Allegheny Power System	8,000	135,342.38	148,000.00
Duke Power	8,600	119,327.74	167,700.00
New England Electric System	7,500	119,724.76	147,187.50
Pacific Gas & Elec	6,187	132,544.50	128,380.25
Tampa Electric	9,000	<u>119,702.01</u>	<u>159,750.00</u>
		626,641.39	751,017.75
GAS			
Texas Eastern Transmission	6,000	235,707.26	173,250.00
Total Stock		12,256,906.35	10,416,917.75

RETIREMENT RECORD

Year	Pensions Granted	Persons on Payroll at end of year	Pensions Paid During Year
1910	15	13	\$ 4,860.00
1930-31	8	125	69,023.70
1931-32	8	130	72,961.43
1931-33	2	126	74,190.43
1933-34	6	127	74,119.87
1934-35	9	131	74,000.70
1935-36	14	135	75,864.08
1936-37	19	151	80,747.43
1937-38	17	160	89,709.13
1938-39	11	161	93,184.46
1939-Dec. '39	0	158	23,869.78
1940	71	222	170,685.43
1941	35	246	210,256.94
1942	27	266	234,217.27
1943	38	286	253,030.76
1944	34	311	282,299.18
1945	56	350	308,112.55
1946	51	378	337,511.79
1947	28	387	360,570.89
1948	42	413	375,912.29
1949	42	441	419,617.54
1950	30	461	450,641.30
1951	27	476	472,669.54
1952	28	486	508,922.59
1953	32	487	525,959.02
1954	10	482	529,428.97
1955	38	509	666,993.54
1956	46	529	750,146.33
1957	59	560	840,882.59
1958	41	579	1,019,501.72
1959	30	585	1,084,505.78
1960	38	600	1,144,380.21
1961	39	611	1,230,715.41
1962	49	624	1,352,779.11
1963	42	647	1,467,460.56
1964	33	653	1,545,252.32
1965	40	668	1,631,554.34
1966	43	676	1,770,082.68
1967	36	682	1,862,248.99
1968	45	695	1,969,759.81
1969	53	726	2,319,185.68
1970	31	719	2,385,867.50
1971	47	731	2,522,349.85
1972	51	745	2,742,660.45
1973	36	744	3,039,252.98
1974	46	754	3,372,452.55
1975	52	778	3,765,322.19