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71st
Annual Report
of the
BOARD OF TRUSTEES



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



Year Ended December 31, 1980

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ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
Room 303 555 Wabasha Street
St. Paul, Minnesota 55102



Saint Paul Teachers' Retirement Fund Association

BOARD OF TRUSTEES

555 WABASHA STREET, ROOM 303

SAINT PAUL, MINNESOTA 55102

PHONE: 222-8689

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OFFICERS

Frank L. Kernik, President
Conrad A. Hoff, Vice-President
Lyle T. Farmer, Secretary-Treasurer

The Board of Trustees of St. Paul Teachers' Retirement Fund Association submits herewith the Annual Financial Report for the year ending December 31, 1980 in accordance with the provisions of Minnesota Statutes 356.20.

The total membership decreased from 4,290 to 4,277. The regularly appointed members increased by 2, the substitutes currently working decreased by 33, the inactive members increased by 12, and the number of retirees at year end increased by 6 over last year. The complete membership statistics are included in this report.

Our investments on hand increased by \$12,216,034 to \$91,548,635. This figure is based on bonds at par, stock at cost, and short term at face value. The investments are presented at market and at amortized value in other sections of this report. You are encouraged to read the letter from our Investment Counsel included in this report as well as the complete listing of our holdings.

The need for improved funding for all of the teacher retirement funds in Minnesota remains a pressing problem. There were attempts made in the 1980 session of the Legislature to increase the State support, but without success. The matter has been studied in the interim between sessions and will continue to be a high priority objective for our Association.

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

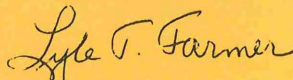
Portions of the Actuarial Valuation and the comments from our Actuary are included in this report. The complete report is on file in our office.

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

Respectfully submitted,



Frank L. Kernik
President



Lyle T. Farmer
Secretary-Treasurer

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McGladrey Hendrickson & Co.

CERTIFIED PUBLIC ACCOUNTANTS



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

We have examined the statement of assets, liabilities and net assets available for plan benefits of ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION as of December 31, 1980 and 1979 and the related statements of revenues and expenditures and net assets available for plan benefits for the years then ended, all prepared on a statutory basis. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

As discussed in Note 2, the Association is funded by the State of Minnesota at the statutory rate of 11.2915% of covered payroll. This rate is less than the 18.5892% actuarially computed funding rate required. The excess of the required funding rate over the statutory rate does not affect the accompanying financial statements but may result in the impairment of future benefits to be paid by the fund.

In our opinion, the financial statements referred to above present fairly the assets, liabilities and net assets available for plan benefits of St. Paul Teachers' Retirement Fund Association as of December 31, 1980 and 1979 and the results of its operations and changes in its net assets available for plan benefits for the years then ended, on the basis of accounting described in Note 1, which basis has been applied in a consistent manner.

St. Paul, Minnesota

McGladrey Hendrickson & Co.

March 13, 1981, except for Note 2 as to
which the date is April 27, 1981

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
AVAILABLE FOR PLAN BENEFITS

December 31, 1980 and 1979

Prepared on a Statutory Basis (Note 1)

ASSETS

	1980	1979
CASH, including savings deposits of \$15,020 in 1980 and \$27,263 in 1979	\$ 22,517	\$ 36,002
RECEIVABLES		
Governmental units (Note 1)	644,153	620,135
Interest	1,058,218	812,216
Dividends	94,109	78,882
GNMA bonds	57,822	-
Common stock sold	32,850	-
INVESTMENTS (Note 1)		
Commercial paper and certificates of deposit	17,846,228	24,603,767
United States Treasury notes and bonds	5,397,533	3,123,348
Corporate bonds	37,720,697	33,140,888
Common stocks	25,327,006	15,116,719
DEFERRED YIELD ADJUSTMENT ACCOUNT (Note 1)	3,117,295	2,098,344
FURNITURE AND FIXTURES, at cost, less accumulated depreciation of \$11,838 in 1980 and \$11,103 in 1979	6,103	4,471
	<u>\$91,324,531</u>	<u>\$79,634,772</u>

LIABILITIES AND NET ASSETS AVAILABLE FOR PLAN BENEFITS

ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$ 7,348	\$ 11,912
NET ASSETS AVAILABLE FOR PLAN BENEFITS (Note 1)	91,317,183	79,622,860
CONTINGENCY (Note 2)		
	<u>\$91,324,531</u>	<u>\$79,634,772</u>

See Notes to Financial Statements.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

STATEMENTS OF REVENUES AND EXPENDITURES AND
NET ASSETS AVAILABLE FOR PLAN BENEFITS
Years Ended December 31, 1980 and 1979
Prepared on a Statutory Basis (Note 1)

REVENUES AND EXPENDITURES

	1980	1979
REVENUES (Note 1)		
Contributions by governmental units:		
State of Minnesota	\$ 6,243,597	\$ 5,694,114
Federal programs	<u>443,488</u>	<u>409,452</u>
	\$ 6,687,085	\$ 6,103,566
Contributions by members:		
Required withholdings	\$ 4,370,000	\$ 4,153,468
Voluntary	<u>46,510</u>	<u>4,098</u>
	\$ 4,416,510	\$ 4,157,566
Investment income (loss):		
Interest, net of amortization (Note 1)	\$ 6,360,279	\$ 5,362,362
Dividends	1,074,066	755,650
Gain on sale of common stock	809,049	277,071
Loss on sale of common stock	(283,466)	(100,544)
Miscellaneous	<u>57</u>	<u>-</u>
	\$ 7,959,985	\$ 6,294,539
Total revenues	<u>\$19,063,580</u>	<u>\$16,555,671</u>
EXPENDITURES		
Benefits:		
Retirement	\$ 5,958,318	\$ 5,620,793
Disability	328,936	342,920
Survivor	239,174	178,224
Dependent children	96,896	94,791
Contribution refunds	555,534	533,983
Administration expenses	<u>190,399</u>	<u>186,019</u>
Total expenditures	\$ 7,369,257	\$ 6,956,730
Excess of revenues over expenditures	<u>\$11,694,323</u>	<u>\$ 9,598,941</u>

NET ASSETS AVAILABLE FOR PLAN BENEFITS

Balance, beginning of year	\$79,622,860	\$70,023,919
Excess of revenues over expenditures	<u>11,694,323</u>	<u>9,598,941</u>
Balance, end of year	<u>\$91,317,183</u>	<u>\$79,622,860</u>

See Notes to Financial Statements.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

General:

The St. Paul Teachers' Retirement Fund Association was created to provide retirement and other specified benefits for its members (teachers in the St. Paul School System). Member employees, under the basic program, contribute 8% of their salaries and employer contributions are paid by the State of Minnesota in such amounts as are provided by statute, which was 12.63% for 1980 and 1979. Effective July 1, 1978, the Association established, pursuant to Minnesota statutes, a coordinated retirement program for all new teachers qualifying for membership and any present members who wish to coordinate with social security. Participants under this coordinated program contribute 4.5% of their salaries. Employer contributions are paid by the State of Minnesota in such amounts as are provided by statute which was a matching 4.5% for both 1980 and 1979.

The Association is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

State of Minnesota statutes establish the basis for substantially all of the Association's significant accounting policies. The accompanying financial statements were prepared on the basis prescribed by statute and are not intended to present financial position or results of operations of the Association in accordance with generally accepted accounting principles. Statutory provisions differ from generally accepted accounting principles with respect to the deferral of losses, net of gains, on the sale or disposition of debt securities (see Deferred Yield Adjustment Account below).

In addition, generally accepted accounting principles as stated in a pronouncement by the Financial Accounting Standards Board (FASB No. 35) will require that all investments be stated at fair value for fiscal years beginning after December 15, 1980. As noted below, the Association's investments are stated at cost in accordance with state statutes.

Deferred yield adjustment account:

Minnesota statutes require the establishment of a deferred yield adjustment account (reported as an asset in the accompanying financial statements), which is contrary to generally accepted accounting principles. The deferred yield adjustment account is increased for losses and reduced for gains on the sale or disposition of debt securities subsequent to 1969. These losses are being amortized to operations using the straight-line method over the period to maturity of the retired debt securities, which approximates 20 years. An analysis of the deferred yield adjustment account for the years ended December 31, 1980 and 1979 is as follows:

	<u>1980</u>	<u>1979</u>
Balance, beginning of year	\$ 2,098,344	\$ 1,803,882
Add (deduct):		
Losses realized on disposition of debt securities	1,234,824	464,260
Gains realized on disposition of debt securities	-	(18,915)
Amortization recorded as a reduction of interest income	<u>(215,873)</u>	<u>(150,883)</u>
Balance, end of year	<u>\$ 3,117,295</u>	<u>\$ 2,098,344</u>

Revenue recognition:

Member employee contributions are recorded as revenues when collected through payroll withholdings or when paid directly by the member employee.

Employer contributions from the State of Minnesota are computed as a percentage of covered payroll. These revenues are recorded monthly, based upon covered payroll for the month.

Investments:

Investments are carried at cost, increased by unamortized bond premiums and decreased by unamortized bond discounts. The market values of the investments, as summarized below, are based principally on published market prices.

	<u>Approximate Market Values at</u>	
	<u>December 31, 1980</u>	<u>December 31, 1979</u>
Commercial paper and certificates of deposit	\$17,846,000	\$24,604,000
United States Treasury notes and bonds	4,760,000	2,802,000
Corporate bonds (face amount \$42,198,000 in 1980 and \$36,181,000 in 1979)	29,420,000	26,973,000
Common stock	<u>31,305,000</u>	<u>15,269,000</u>
	<u>\$83,331,000</u>	<u>\$69,648,000</u>

Note 2. Actuarial Valuations

The Association has received an actuarial valuation of the plan as of December 31, 1980 which has been prepared in accordance with the actuarial assumptions prescribed by state statutes. The consulting actuary has calculated the employer's required contribution rate to be 18.5892% of covered payroll. The current statutory employer's contribution rate is 11.2915%. The deficit of the current contribution rate over the required contribution rate may impair future benefits to be paid by the Association.

The present value of vested benefits (benefits to which participants are entitled, regardless of future service) as of December 31, 1980 and 1979 approximated \$152,052,000 and \$137,343,000, respectively, as calculated by consulting actuaries, which amounts are in excess of the net assets available for plan benefits by approximately \$60,735,000 at December 31, 1980 and \$57,720,000 at December 31, 1979.

COMPENSATION & CAPITAL
INCORPORATED

49 SHERWOOD TERRACE

LAKE BLUFF, ILLINOIS 60044

TELEPHONE 312 234-9050

April 17, 1980

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, 1980, 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,

Davis H. Romisc

Fellow, ~~Society of Actuaries~~
Enrolled Actuary No. 174

DHR:kc

St. Paul Teachers' Retirement Fund Association

COMMENTS

This report sets forth the information of 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 3-1/2% per year, and an assumed interest of 5% per year.

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".

Exhibits 5, 9 and 13 show the present value of benefits for past and future service of active members, and current benefits being received by retirees (and beneficiaries).

Exhibits 6, 10 and 14 also indicate an amount of Unfunded Accumulated Contribution Requirement of \$122,142,267. This amount represents an increase of \$6,177,242. The primary reasons for the increase are estimated in Exhibits 8, 12 and 16.

Exhibits 6, 10 and 14 restate the dollar amount of obligation in Exhibits 5, 9 and 13, respectively, 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.

The state teachers' levy of 11.2915% is well short of the actuarial requirement of 18.5892% (Exhibit 6). This short fall of roughly \$4.2 million in the current year continues to erode the financial strength of the Plan. The Coordinated program also shows a small deficit so that the shift between the Basic and Coordinated systems, as time goes on, will not cure the shortfall. The principal effect of the substitution of the Coordinated for the Basic program will be to highlight the financial strain on the Association to meet the peaking benefit payments over the next two decades and to emphasize the need for more adequate financing.

St. Paul Teachers' Retirement Fund Association

FINANCIAL REPORT
(December 31, 1980)

A.	Assets	
	Deposits in Banks	\$ 7,496.84
	Employer Contributions Receivable	644,152.89
	Accrued Interest on Investments	1,058,218.04
	Dividends on Stocks Declared, but not yet received	94,108.78
	Repaid Principal Receivable - GNMA	57,822.10
	Stock Sale Receivable	32,850.00
	Investment in Bonds at Amortized Cost	43,118,230.11
	Investment in Common Stocks at Cost	25,327,005.91
	Short-term Investments	17,861,248.55
	Equipment at Cost, Less Depreciation	6,103.29
	Deferred Yield Adjustment Account	3,117,294.91
	Total Assets	\$ 91,324,531.42
B.	Unfunded Accrued Liability	\$122,142,267.24
C.	Accumulated Members' Contributions (without interest)	\$33,687,530.84
D.	Current Liabilities	
	Accounts Payable	\$ 7,348.66
E.	Total Reserves Required as per Attached Schedule	\$291,150,508.00

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, INC.

Davis H. Roenisch

Davis H. Roenisch
Fellow, Society of Actuaries

St. Paul Teachers' Retirement Fund Association

FINANCIAL REPORT
(December 31, 1980)

Schedule of Total Reserves Required

1. For Active Members

a) Retirement	\$195,706,644
b) Disability	17,629,938
c) Refund	1,807,654
d) Survivorship	<u>12,478,819</u>

Total \$227,623,055

2. For Deferred Annuitants 669,858

3. For Members on Leave 3,017,051

4. For Former Members without
Vested Rights 264,563

5. For Annuitants

a) Retirement	\$ 53,935,642
b) Disability	2,537,700
c) Survivorship	<u>3,102,639</u>

Total \$ 59,575,981

Total Required Reserves \$291,150,508

St. Paul Teachers' Retirement Fund Association

SOURCES AND USES OF FUNDS

S O U R C E S

Cash Balance January 1, 1980		\$ 8,738.89
Income from Employer Contribution:		
State of Minnesota-Basic	\$5,854,894.38	
-Coordinated	362,076.65	
Federal Programs -Basic	396,248.90	
-Coordinated	<u>49,847.31</u>	6,663,067.24
Income from Members:		
Payroll Deductions-Basic	\$3,949,429.78	
-Coordinated	420,570.56	
Prior Service	29,903.56	
Return of Refunds	<u>16,606.47</u>	4,416,510.37
Income from Investments:		
Interest	\$6,300,437.99	
Dividends	1,035,914.20	
Miscellaneous	<u>536.55</u>	7,336,888.74
Investments Sold		<u>241,905,364.76</u>
Total		<u>\$260,330,570.00</u>

USES

Pension Paid:		
Retirements	\$5,958,797.78	
Survivor	239,173.51	
Family	96,896.28	
Disability	<u>328,935.98</u>	\$ 6,623,803.55
Refunds of Dues		555,534.14
Administrative Expenses:		
Actuarial, Auditing, Legal	\$ 21,750.00	
Data Processing	1,072.50	
Delegate Expense	5,441.00	
Investment Services	49,371.06	
Office Equipment	2,366.90	
Office Expense	14,330.93	
Salaries	92,681.59	
Taxes, Insurance, Affiliate Dues	16,079.25	
Accounts Payable - Withheld Taxes	<u>(6,498.66)</u>	196,594.57
Refund - Dividend Received Not Due		6,875.00
Investments Purchased		252,940,265.91
Cash Balance - December 31, 1980		<u>\$ 7,496.83</u>
TOTAL		<u>\$260,330,570.00</u>

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

STATEMENT OF INCOME AND DEDUCTIONS

For the Year Ended December 31, 1980

INCOME

Income from Employer Contributions:

State of Minnesota-Basic	\$5,873,035.93	
-Coordinated	370,560.96	
Federal Programs -Basic	392,922.09	
-Coordinated	<u>50,565.91</u>	\$ 6,687,084.89

Income from Members:

Payroll Deductions-Basic	3,949,429.78	
-Coordinated	420,570.56	
Payment for Outside Service	29,903.56	
Return of Refunded Dues	<u>16,606.47</u>	4,416,510.37

Interest on Investments, plus accumulated discount, less amortized premiums, less deferred yield adjustments		6,360,278.69
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Dividends on Stock		1,074,065.48
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Gains on Sale of Stock		809,049.21
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Miscellaneous Receipts		<u>57.25</u>
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Total Income		<u>\$19,347,045.89</u>
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DEDUCTIONS FROM INCOME

Benefits Paid:

Pensions	\$5,534,913.72	
Reversionary Pensions	24,961.44	
Survivor Benefits	239,173.51	
Family Benefits	96,896.28	
Disability Benefits	328,935.98	
Bonus Checks	<u>398,443.32</u>	\$ 6,623,324.25

Contribution Refunds:

Resignation	487,111.25	
Death	45,294.89	
Outside Service	<u>23,128.00</u>	\$ 555,534.14

Administrative Expense		190,398.57
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Loss on Sale of Stock		<u>283,466.22</u>
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7,652,723.18

Applied to Total Reserves Required		<u>11,694,322.71</u>
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Total Deductions from Income		<u>\$19,347,045.89</u>
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St. Paul Teachers' Retirement Fund Association

RECONCILIATION OF ASSET BALANCES
(December 31, 1980)

Asset Balance - December 31, 1979 \$79,622,860.05

Additions:

Employer Contributions	\$6,687,084.89	
Member Contributions	4,416,567.62	
Investment Income	7,434,344.17	
Net Gain on Sale of Stock	<u>525,582.99</u>	<u>19,063,579.67</u>

Sub-Total \$98,686,439.72

Deductions:

Benefit Payments	\$6,623,324.25	
Refunds	555,534.14	
Administrative Expenses	<u>190,398.57</u>	<u>7,369,256.96</u>

Asset Balance, December 31, 1980 \$91,317,182.76

St. Paul Teachers' Retirement Fund Association

FINANCIAL BALANCE SHEET
(December 31, 1980)

Present Value of Benefits Expected to be Paid by Retirement Fund

To Active Teachers for

Retirement	\$195,706,644
Disability	17,629,938
Survivorship	12,478,819
Refund	<u>1,807,654</u>

Total \$227,623,055

To Vested Teachers 669,858

To Teachers on Leave 3,017,051

To Former Teachers without
Vested Rights 264,563

To Teachers and Beneficiaries
Now Receiving Benefits for

Retirement	\$ 53,935,642
Disability	2,537,700
Survivorship	<u>3,102,639</u>

Total \$ 59,575,981

Total Value of Benefits \$291,150,508

Less Value of Expected Future Contributions* 77,691,058

Accumulated Contribution Requirement

Assuming Full Funding During
Prior Service Period \$213,459,450

Assets on Hand 91,317,183

Accumulated Contribution Requirement
to be Amortized by 2009 \$122,142,267

* As Determined by the Entry Age Normal Cost Method.

St. Paul Teachers' Retirement Fund Association

ACTUARIAL REQUIREMENTS
(December 31, 1980)

TOTAL REQUIREMENTS

Expected Future Contributions on Behalf of Active Teachers	\$ 77,691,058
Accumulated Contribution Assuming Full Funding During Prior Service Period	<u>213,459,450</u>
Total - Value of All Benefits Payable to Present Members	\$291,150,508

AMORTIZATION RATE REQUIREMENT

Accumulated Contribution Requirement	\$213,459,450	
Assets on Hand	<u>91,317,183</u>	
Amount to be Amortized	\$122,142,267	
Contribution Requirement for Amortization Period of 29 Years	\$ 8,066,949	
Current Payroll	\$ 58,224,248	
Amortization Rate Requirement		13.8550%

LEVEL CONTRIBUTION (ENTRY AGE NORMAL) RATE REQUIREMENT

Expected Future Contributions on Behalf of Active Teachers	\$ 77,691,058	
Expected Future Payroll	\$656,674,800	
Total Entry Age Normal Rate Requirement	11.8310%	
Teacher Contribution Rate*	<u>7.4238</u>	
Employer Entry Age Normal Rate Requirement		4.4072%

ACTUARIAL BALANCE

Employer Statutory Contribution Rate**		11.2915%
Rate Requirements		
Amortization Rate Requirement	13.8550%	
Entry Age Normal Rate Requirement	4.4072	
Expenses Rate Requirement	<u>0.3270</u>	
Total Rate Requirement		18.5892%
Deficit of Statutory Rate over Rate Requirement		(7.2977%)

* Weighted by Current Payroll 83.54% Basic and 16.46% Coordinated.

** Rate established by Minnesota Statute, 12.63% Basic and 4.5% Coordinated weighted by Current Payroll.

St. Paul Teachers' Retirement Fund Association

STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN
UNFUNDED ACCUMULATED CONTRIBUTION REQUIREMENT
(Year Ended December 31, 1980)

Revenue:

Employer Contributions	\$6,687,084.89	
Employee Contributions	4,416,567.62	
Net Investment Income	<u>7,959,927.16</u>	
Total Revenue		\$19,063,579.67

Expenditure:

Benefits	6,623,324.25	
Refund of Dues	555,534.14	
Administrative Expense	<u>190,398.57</u>	
Total Expenditures		<u>7,369,256.96</u>

Increase in Assets (1980)		\$11,694,322.71
Increase in Accumulated Contribution Requirement		<u>17,871,565.00</u>
Increase (Decrease) in Unfunded Accumulated Contribution Requirement		<u>\$ 6,177,242.29</u>

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STATE OF MINNESOTA

St. Paul Teachers' Retirement Fund Association

INCREASE (DECREASE) IN UNFUNDED REQUIREMENTS

Unfunded	December 31, 1979	\$115,965,025
Unfunded	December 31, 1980	<u>122,142,267</u>
Increase (Decrease)		<u>\$ 6,177,242</u>

ALLOCATION OF INCREASE (DECREASE) IN UNFUNDED REQUIREMENT

Change in Average Earnings		\$ 7,812,460
Principal of Unfunded Anticipated in Total Rate Requirement	\$(1,745,439)	
Deficiency in Total Rate Require- ment over Statutory Rate	<u>3,882,026</u>	
Increase Due to Amortization		2,136,587
Investment Income in excess of 5%: Loss (Gain)		(3,339,337)
Experience Variation: Loss (Gain)		<u>(432,428)</u>
<u>Total Increase (Decrease)</u>		<u>\$ 6,177,242</u>

St. Paul Teachers' Retirement Fund Association

RECONCILIATION OF MEMBERS

ACTIVE

Active (Including 179 on Leave) December 31, 1979	2,840
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Additions:

New Apointments 1980	150	
Reappointments	<u>19</u>	<u>169</u>

Total		3,009
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Separations:

Retirements	47	
Deaths	5	
Terminations	<u>115</u>	<u>167</u>

Active (Including 168 On Leave) December 31, 1980	<u>2,842</u>
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Substitutes and Part-Time currently working	<u>510</u>
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Inactive Members	<u>45</u>
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RETIRED

Retired Members December 31, 1979	<u>874</u>
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Additions During 1980:

Retirement	43	
Disability	<u>4</u>	<u>47</u>

Total		921
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Separations - Deaths	<u>41</u>
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Retired Members December 31, 1980	<u>880</u>
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Beneficiaries:

Reversionary	13	
Survivor	46	
Children	<u>24</u>	

Total	<u>83</u>	
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Capital Supervisors, Inc. / 20 North Clark Street, Suite 700, Chicago, Illinois 60602 / Phone (312) 236-8271

January 9, 1981

A. Lee Thurow

President

Mr. Lyle T. Farmer
Chairman, Investment Committee
Saint Paul Teachers' Retirement
Fund Association
555 Wabasha Street - Room 303
Saint Paul, Minnesota 55102

Dear Members of the Board:

1980 proved to be a very satisfactory investment year in spite of a shaky and erratic economic environment. Not only did your portfolio continue to experience positive gains, it beat an even tougher comparison -- the rate of inflation. The total portfolio increased about 14% prior to contributions.

The portfolio is at new highs in most comparisons including assets and income. The total portfolio is now in excess of \$80 million with an income of almost \$8 million which is a yield of a little less than 10%. The star performer in 1980 was common stocks which appreciated about 25%. This was particularly significant since this area received the most new funds, increasing market value from about \$15 million at the start of 1980 to over \$30 million by year-end.

In recent years we have commented on the difficult and confusing economic environment. This year is no exception. The January 5th Wall Street Journal contained an article with twelve leading economists predicting where the prime rate would be by year-end. The estimates ranged from 9% to 30% with a few "no ideas" thrown in. Part of the difficulty arises from disagreement as to whether the recession is ended or starting. A new administration in Washington promising major changes in policy further clouds most crystal balls.

Recognizing the variety of uncertainties, we continue to maintain significant buying reserves. These funds are presently earning well over 15% and provide considerable safety. They also smooth out longer term performance while building in a positive bias.

Despite some likely sharp twists and turns in the market, we generally are pleased with the shift in political attitude toward greater concern toward capital formation and investors. Should this trend continue, we should have substantially better results in the 80's than those experienced in the 70's. In any event, you can be assured that we will be striving to maintain good performance while adhering to the preservation of principal policies that are appropriate for a public pension fund.

Sincerely,

A. Lee Thurow
Lee Thurow
President

LT:lmw

St. Paul Teachers' Retirement Fund Association

CHANGES IN INVESTMENT HOLDINGS

During 1980

Investments on Hand, December 31, 1979 \$79,332,601.17

Corporate Bonds at Par Value, December 31, 1979 \$32,206,259.89

Purchases During 1980 (At Par):

	<u>Maturity Date</u>	<u>Interest Rate</u>	
American Telephone & Telegraph	11-01-92	4.750	\$ 455,000.00
Ashland Oil Co.	8-15-02	8.200	500,000.00
Chrysler Corp. - Gov't. Gtd.	6-01-90	10.350	1,000,000.00
Citicorp Floating Rate Notes	9-01-98	14.250	1,000,000.00
Ford Motor Co.	8-01-04	9.150	500,000.00
J.C. Penney Co.	6-15-99	9.000	500,000.00
Pacific Telephone & Telegraph	7-15-90	11.350	1,000,000.00
Pembroke Capital Co. Inc.	8-01-05	11.500	1,000,000.00
Southern California Edison	3-15-01	8.875	500,000.00
Trailer Train	7-15-96	11.875	1,000,000.00
Union Carbide Corp.	1-15-05	8.500	1,200,000.00
United States Steel	1-01-96	4.625	<u>705,000.00</u>
			\$ 9,360,000.00

Sales During 1980 (At Par):

American Telephone & Telegraph	11-01-92	4.750	\$ 455,000.00
American Telephone & Telegraph	10-01-96	4.375	255,000.00
Citicorp Floating Rate Notes	5-01-04	12.700	1,000,000.00
Consolidated Edison - New York	2-15-03	7.750	500,000.00
Goodyear Tire & Rubber	9-30-95	8.600	446,000.00
Houston Lighting & Power	3-01-05	8.750	500,000.00
New York Telephone	8-15-12	8.300	500,000.00
Southern California Gas	5-01-96	8.750	500,000.00
Tenneco Inc.	4-01-02	8.375	750,000.00
Trailer Train	7-01-92	8.200	700,000.00
United States Steel	1-01-96	4.625	<u>455,000.00</u>
			\$ 6,061,000.00

Repaid Principal \$ 40,934.19

Corporate Bonds at Par Value, December 31, 1980 \$35,464,325.70

U.S. Gov't. Securities at Par Value, December 31, 1979 \$ 6,125,000.00

Purchases During 1980 (At Par):

	<u>Maturity Date</u>	<u>Interest Rate</u>	
Government National Mortgage Assn.	8-15-09	9.500	\$ 992,146.27
Government National Mortgage Assn.	10-15-09	9.150	172,170.43
Government National Mortgage Assn.	12-15-09	9.500	830,754.17
Government National Mortgage Assn.	8-15-10	11.500	350,000.00
Government National Mortgage Assn.	10-15-10	11.500	643,549.38
U.S. Treasury Note	5-15-86	7.875	1,000,000.00
U.S. Treasury Note	5-15-89	9.250	1,000,000.00
U.S. Treasury Bonds	8-15-93	8.625	<u>700,000.00</u>
			\$ 5,688,620.25
Repaid Principal			\$ 230,517.09
U.S. Gov't. Securities at Par Value, December 31, 1980			\$11,583,103.16
Foreign Bonds at Par Value, December 31, 1980			\$ 1,050,000.00
Total Bonds at Par Value, December 31, 1980			<u>\$48,097,428.86</u>

Common & Preferred Stock at Cost, December 31, 1979 \$15,116,718.67

Purchases During 1980: (At Cost)

	<u>Shares</u>	
Apple Computer Inc.	900	\$ 19,800.00
Capital Holding Corp.	30,000	556,755.00
Central Louisiana Energy	20,000	806,287.50
Deluxe Check	5,000	220,950.00
Dow Chemical	21,000	665,450.00
Exxon	2,000	158,160.00
FMC Corp.	25,000	611,902.03
General Electric	8,400	438,404.16
General Signal Corp.	14,000	507,350.00
Great Northern Nekoosa	10,000	321,824.00
Harris Corp.	10,000	320,462.50
Int'l. Business Machines	10,900	679,809.00
Int'l. Minerals & Chemical	10,000	494,550.00
Eli Lilly & Co.	15,000	767,250.00
Litton Industries	4,000	228,000.00
Minnesota Mining & Mfg.	11,000	602,698.91
Mobil Corp.	10,000	746,600.00
Nabisco Inc.	20,000	489,550.00
N.L. Industries	10,000	379,100.00

Stock Purchases (continued)

	<u>Shares</u>	
Norton Simon	5,000	\$ 59,250.00
Pillsbury Co.	10,000	349,000.00
Public Service - Colorado	40,000	546,930.00
Revlon Inc.	5,000	182,150.00
Seaboard Coastline Ind.	10,000	429,079.30
Southwestern Public Service	40,000	465,887.50
Super Valu Stores	200	5,474.00
Tampa Electric	30,000	493,625.00
Transco Co.	10,000	371,325.00
United Technologies	5,000	198,450.00
United Technologies Conv. Pfd.	10,000	778,462.50
Worthington Industries	10,000	142,500.00
Xerox Corp.	6,000	337,902.50
		<u>\$13,374,938.90</u>

Sales During 1980: (At Cost)

Apple Computer Inc.	900	\$ 19,800.00
Becton Dickinson	10,000	331,450.00
Fluor Corp.	6,000	163,140.00
General Telephone & Electronics	15,000	452,650.00
I.C. Industries	20,000	486,058.27
Marine Midland Banks	7,001	128,888.41
McDonalds Corp.	5,000	321,358.08
Monsanto Co.	5,000	404,181.90
Mountain Fuel Supply	12,000	432,000.00
United Technologies	12,500	425,125.00
		<u>\$ 3,164,651.66</u>

Common & Preferred Stock at Cost, December 31, 1980 \$25,327,005.91

Short Term Inventory (Face Value), December 31, 1979

	<u>Rate</u>	<u>Due</u>	
Northwestern National Bank CD	13.100	1-02-80	\$ 458,764.10
First National Bank CD	14.250	1-02-80	512,072.92
Mack Financial Corp.	13.947	1-02-80	610,000.00
Int'l. Harvester Credit Corp.	12.350	1-02-80	899,159.58
First National Bank CD	14.300	1-04-80	199,647.50
Postal Finance Co.	13.500	1-09-80	470,231.25
Mack Financial Corp.	13.680	1-11-80	1,315,000.00
Montgomery Ward Credit Corp.	13.125	1-14-80	573,033.59
Sears Roebuck Acceptances	13.050	1-14-80	572,987.69
Montgomery Ward Credit Corp.	13.875	1-14-80	759,250.00
Postal Finance Co.	14.000	1-15-80	874,950.00
Pillsbury Co.	13.909	1-16-80	870,000.00
Equico Lessors Inc.	14.421	1-16-80	870,000.00

Short Term (continued)

	Rate	Due	
First National Bank CD	12.500	1-17-80	\$ 903,906.25
J.I. Case Credit Corp.	14.188	1-17-80	980,000.00
Honeywell Finance Co.	13.750	1-21-80	886,855.53
Con Agra Inc.	14.444	1-21-80	660,000.00
Rodman Industries Inc. LCFNB	13.800	1-25-80	528,372.00
General Motors Acceptance Corp.	13.500	1-25-80	972,600.00
Gamble Skogmo Inc.	13.750	1-25-80	972,833.33
Allis Chalmers Credit Corp.	13.750	1-25-80	972,833.33
Pru-Lease	13.550	1-25-80	972,646.67
Commercial Credit Co.	13.500	1-25-80	972,600.00
General Electric Credit Corp.	13.500	1-25-80	972,600.00
Ford Motor Credit Corp.	12.500	1-28-80	650,492.01
Sears Roebuck Acceptances	13.500	1-28-80	940,811.25
Associates Corp. of America	13.500	1-28-80	940,811.25
J.I. Case Credit Corp.	14.310	1-30-80	610,000.00
American National Bank CD	14.250	2-01-80	720,034.48
American National Bank CD	14.000	2-12-80	284,625.00
Federal Farm Credit Banks	10.650	3-03-80	526,477.08
Northwestern National Bank CD	12.750	3-03-80	873,131.46
American National Bank CD	13.300	3-03-80	480,633.04
American National Bank Savings			10,565.51
First National Bank Savings			5,387.20
Northwestern National Bank Savings			11,310.59
Total Short Term at 12-31-79			<u>\$24,834,622.61</u>

Short Term Inventory (Face Value), December 31, 1980

	Rate	Due	
Ford Motor Credit Corp.	17.250	1-02-81	\$ 101,485.42
First National Bank CD	14.125	1-05-81	665,557.12
Allis Chalmers Credit Corp.	14.000	1-05-81	834,333.61
Northwestern National Bank CD	15.200	1-09-81	745,719.33
Montgomery Ward Credit Corp.	19.250	1-09-81	431,817.71
Int'l. Harvester Credit Corp.	20.600	1-12-81	269,700.81
Northwestern National Bank CD	20.050	1-15-81	874,369.17
Peavey Co.	16.050	1-19-81	1,000,000.00
Con Agra Inc.	18.126	1-19-81	1,000,000.00
Con Agra Inc.	20.941	1-22-81	850,000.00
Pru-Lease	19.000	1-22-81	182,755.00
Postal Finance Co.	19.250	1-23-81	213,144.17
Barclays American Corp.	20.375	1-26-81	618,354.11
CIT Financial Corp.	18.125	1-27-81	1,521,901.04
Equico Lessors Inc.	19.048	1-30-81	1,030,000.00
Commercial Credit Co.	17.000	1-30-81	867,744.58
Hornel Co.	20.338	1-30-81	1,000,000.00
American National Bank CD	14.000	2-02-81	766,187.78
Equico Lessors Inc.	21.030	2-09-81	550,000.00
Allis Chalmers Credit Corp.	20.250	2-12-81	1,078,647.75

Short Term (continued)

	<u>Rate</u>	<u>Due</u>	
Montgomery Ward Credit Corp.	20.375	2-12-81	\$ 1,126,397.67
Pru-Lease	20.125	2-13-81	1,196,962.92
American National Bank CD	18.500	3-09-81	1,099,102.08
U.S. Treasury Bills	14.345	3-12-81	85,000.00
First National Bank Savings			4,379.41
American National Bank Savings			4,290.94
Northwestern National Bank Savings			<u>6,350.08</u>
Total Short Term at 12-31-80			\$18,124,200.70
Investments on Hand, December 31, 1979			\$79,332,601.17
Total Purchases - Bonds & Stock			\$28,423,559.15
Total Sales - Bonds & Stock			9,497,102.94
Net Decrease in Short Term Inventory			<u>6,710,421.91</u>
Investments on Hand, December 31, 1980			<u>\$91,548,635.47</u>
Bonds at Par Value			\$48,097,428.86
Stock at Cost			25,327,005.91
Short Term at Face Value			<u>18,124,200.70</u>
			<u>\$91,548,635.47</u>

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

INVESTMENTS ON HAND

DECEMBER 31, 1980

BONDS

<u>CORPORATE BONDS</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Par Value</u>
Louisiana Power & Light Co.	9.500%	11-01-81	\$ 500,000
National Fuel Gas	9.000%	6-15-84	500,000
General Electric Credit	8.125%	1-15-85	750,000
Grand Trunk Western Railroad	9.250%	3-15-85	109,245
Pacific Lighting Service	9.300%	11-01-85	500,000
Bear Creek Security Corp.	8.125%	3-01-88	1,000,000
Cincinnati Gas & Electric	5.000%	5-01-90	200,000
Chrysler Corp. Gov't. GTD	10.350%	6-01-90	1,000,000
Pacific Tel. & Tel.	11.350%	7-15-90	1,000,000
Wisconsin Natural Gas	4.875%	10-01-90	325,000
Consolidated Edison Co. N.Y.	4.375%	6-01-92	197,000
Standard Oil of California	5.750%	8-01-92	500,000
American Tel. & Tel.	4.750%	11-01-92	755,000
New England Power	4.375%	12-01-92	700,000
Ryder Systems Inc.	7.800%	5-01-93	500,000
Ford Motor Credit Co.	7.875%	7-15-93	500,000
Union Electric Co.	4.500%	11-01-93	250,000
Southern Bell Tel. & Tel.	4.625%	12-01-93	675,000
Int'l. Harvester Credit Corp.	7.500%	1-15-94	700,000
Philadelphia Electric Co.	4.500%	5-01-94	200,000
Continental Pipeline	7.500%	5-01-94	139,000
Delaware Power & Light	4.625%	10-01-94	250,000
Niagara Mohawk Power	4.625%	12-01-94	550,000
Natural Gas Pipeline Co.	9.250%	3-01-95	440,000
Southwestern Bell Tel. Co.	4.625%	8-01-95	1,000,000
Kansas Nebraska Natural Gas	9.000%	1-01-96	682,000
U.S. Steel	4.625%	1-01-96	250,000
Tampa Electric Co.	5.500%	4-01-96	500,000
Public Service Co. of Colorado	5.375%	5-01-96	650,000
Trailer Train Co.	11.875%	7-15-96	1,000,000
Aluminum Co. of America	7.450%	11-15-96	250,000
Commonwealth Edison Co.	5.375%	4-01-97	750,000
Exxon Co.	6.000%	11-01-97	620,000
Standard Oil of Indiana	6.000%	1-15-98	350,000
John Deere Credit Corp.	7.500%	4-30-98	500,000
Citicorp Floating Notes	10.400%	9-01-98	1,000,000
Carolina Power & Light	6.875%	10-01-98	550,000
Vermont Yankee Nuclear Power	9.625%	10-01-98	487,000
Chrysler Corp.	8.000%	11-01-98	750,000
General American Transportation	9.000%	11-15-98	600,000
J.C. Penney Co.	9.000%	6-15-99	500,000
Long Island Lighting Co.	8.200%	9-01-99	500,000
Research Properties Inc.	8.250%	11-01-99	494,891
Pacific Gas & Electric Co.	6.875%	12-01-99	250,000
Sohio Trans-Alaska Pipeline	9.750%	12-01-99	500,000
Penin Properties Inc.	8.750%	12-01-99	205,189
Consolidated Edison Co. N.Y.	9.375%	9-15-00	250,000
Pacific Gas & Electric	6.750%	12-01-00	475,000

Investments on Hand (continued)

CORPORATE BONDS

	<u>Coupon</u>	<u>Maturity</u>	<u>Par Value</u>
Eltra Corp.	8.500%	1-15-01	\$ 750,000
Southern California Edison Co.	8.875%	3-15-01	500,000
Sohio Pipeline Co.	8.750%	5-01-01	750,000
Transamerica Financial Corp.	8.500%	7-01-01	750,000
Mountain Fuel Supply Co.	8.875%	8-01-01	500,000
San Diego Gas & Electric	8.000%	9-01-01	500,000
Ashland Oil	8.200%	8-15-02	500,000
Long Island Lighting Co.	7.625%	9-01-02	500,000
ICI North America	8.875%	1-15-03	285,000
Pacific Tel. & Tel.	6.500%	7-01-03	325,000
Ford Motor Co.	9.150%	8-01-04	500,000
Firestone Tire & Rubber Co.	9.250%	12-01-04	500,000
Union Carbide Corp.	8.500%	1-15-05	1,200,000
Texaco	8.875%	5-01-05	500,000
Pembroke Capital Co.	11.500%	8-01-05	1,000,000
Inland Steel Co.	7.900%	1-15-07	750,000
Virginia Electric & Power	8.625%	3-01-07	300,000
Total Corporate Bonds			<u>\$35,464,325</u>

U.S. GOVERNMENT SECURITIES

U.S. Treasury Notes	8.375%	9-30-82	200,000
U.S. Treasury Notes	7.875%	5-15-86	1,500,000
U.S. Treasury Notes	8.000%	8-15-86	300,000
U.S. Treasury Notes	9.250%	5-15-89	1,000,000
U.S. Treasury Bonds	8.625%	8-15-93	700,000
U.S. Treasury Bonds	7.875%	2-15-00	500,000
U.S. Treasury Bonds	8.375%	8-15-00	200,000
U.S. Treasury Bonds	8.250%	5-15-05	500,000
Federal Home Loan Mortgage Corp.	8.850%	3-15-08	855,000
Federal Home Loan Mortgage Corp.	9.875%	3-15-09	920,000
Federal Home Loan Mortgage Corp.	10.250%	3-15-09	920,000
U.S. Treasury Bonds	9.125%	5-15-09	1,000,000
Government Nat'l. Mortgage Assn.	9.500%	8-15-09	992,146
Government Nat'l. Mortgage Assn.	9.500%	10-15-09	172,170
Government Nat'l. Mortgage Assn.	9.500%	12-15-09	830,754
Government Nat'l. Mortgage Assn.	11.500%	8-15-10	643,134
Government Nat'l. Mortgage Assn.	11.500%	10-15-10	349,899
Total U.S. Government Securities			<u>\$11,583,103</u>

FOREIGN BONDS

Quebec Hydro Electric	6.250%	6-01-93	300,000
Province of Nova Scotia	9.750%	3-15-95	250,000
Province of Ontario	9.250%	11-15-05	500,000
Total Foreign Bonds			<u>\$ 1,050,000</u>

Total Bonds			<u><u>\$48,097,428</u></u>
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Investments on Hand (continued)

COMMON & PREFERRED STOCK

	Shares	Cost	Market Value 12-31-80
American Tel. & Tel.	7,000	\$ 344,628	\$ 335,125
Amstar Corp.	15,000	303,525	352,500
Bucyrus Erie Co.	25,000	547,650	615,625
Capital Holding Corp.	30,000	556,755	532,500
Central Louisiana Energy	20,000	806,288	1,020,000
Citicorp	12,000	434,078	291,000
CSX Corp.	13,505	429,079	644,862
Deluxe Check Printers	5,000	220,950	267,500
Dow Chemical Co.	21,000	665,450	674,625
Eli Lilly & Co.	15,000	767,250	956,250
Exxon Corp.	12,000	630,370	967,500
Fluor Corp.	24,000	326,308	1,440,000
FMC Corp.	25,000	611,902	762,500
General Electric Co.	18,000	962,964	1,102,500
General Signal Corp.	14,000	507,350	626,500
Goodyear Tire & Rubber	30,000	674,703	480,000
Great Northern Nekoosa Corp.	10,000	321,824	388,750
Harris Corp.	20,000	619,433	1,042,500
Interco Inc.	20,000	801,625	955,000
International Business Machines	27,000	1,836,310	1,832,624
International Mineral & Chemical	22,500	749,450	1,473,750
Lincoln National Corp.	10,000	320,837	400,000
Litton Industries	4,080	228,000	362,610
Marine Midland Banks	12,999	239,299	227,482
Minnesota Mining & Mfg.	17,000	1,026,649	1,003,000
Mobil Corp.	10,000	746,600	807,500
Nabisco Inc.	20,000	489,550	532,500
NL Industries	10,000	379,100	763,750
NLT Corp.	20,000	376,301	475,000
Norton Simon Inc.	20,433	356,842	319,264
Pfizer Inc.	20,000	578,850	1,070,000
Phillips Petroleum	8,000	204,512	470,000
Pillsbury Co.	10,000	349,000	375,000
Public Service Co. of Colorado	40,000	546,930	570,000
Revlon Inc.	15,000	682,621	720,000
Southwestern Public Service Co.	40,000	465,887	450,000
Squibb Corp.	10,000	321,600	295,000
Sterling Drug	20,000	321,500	455,000
Super Valu Stores	200	5,474	5,875
Tampa Electric	30,000	493,625	521,250
Texas Gas Transmission	30,000	696,480	1,226,250
Transco Companies Inc.	10,000	371,325	578,749
United Technologies	7,500	255,017	457,500
United Technologies Conv. Pfd.	10,000	778,462	760,000
United Telecommunications	20,000	392,000	345,000
Worthington Industries	20,000	317,500	395,000
Xerox Corp.	16,000	1,265,153	958,000
Total Common & Preferred Stock		<u>\$25,327,006</u>	<u>\$31,305,341</u>

Investments on Hand (continued)

SHORT TERM

	<u>Rate</u>	<u>Due</u>	<u>Face Value</u>
Ford Motor Credit Corp.	17.250	1-02-81	\$ 101,485
First National Bank CD	14.125	1-05-81	665,557
Allis Chalmers Credit Corp.	14.000	1-05-81	834,334
Northwestern National Bank CD	15.200	1-09-81	745,719
Montgomery Ward Credit Corp.	19.250	1-09-81	431,818
Int'l. Harvester Credit Corp.	20.600	1-12-81	269,701
Northwestern National Bank CD	20.050	1-15-81	874,369
Peavey Co.	16.050	1-19-81	1,000,000
Con Agra Inc.	18.126	1-19-81	1,000,000
Con Agra Inc.	20.941	1-22-81	850,000
Pru-Lease	19.000	1-22-81	182,755
Postal Finance Co.	19.250	1-23-81	213,144
Barclays American Corp.	20.375	1-26-81	618,354
CIT Financial Corp.	18.125	1-27-81	1,521,901
Equico Lessors Inc.	19.048	1-30-81	1,030,000
Commercial Credit Co.	17.000	1-30-81	867,745
Hormel Co.	20.338	1-30-81	1,000,000
American National Bank CD	14.000	2-02-81	766,188
Equico Lessors Inc.	21.030	2-09-81	550,000
Allis Chalmers Credit Corp.	20.250	2-12-81	1,078,648
Montgomery Ward Credit Corp.	20.375	2-12-81	1,126,398
Pru-Lease	20.125	2-13-81	1,196,963
American National Bank CD	18.500	3-09-81	1,099,102
U.S. Treasury Bills	14.345	3-12-81	85,000
First National Bank Savings			4,379
American National Bank Savings			4,291
Northwestern National Bank Savings			6,350
Total Short Term			<u>\$18,124,201</u>

Bonds at Par Value	\$48,097,428
Stock at Cost	25,327,006
Short Term at Face Value	<u>18,124,201</u>
	<u>\$91,548,635</u>

RETIREMENT RECORD

Year	Pensions Granted	Persons on Payroll at end of year	Benefits 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
1976	77	883	4,393,513.35
1977	63	919	5,050,507.44
1978	48	946	5,523,548.09
1979	40	946	6,240,308.59
1980	47	963	6,623,803.55