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75th
Annual Report
of the
BOARD OF TRUSTEES

Year Ended December 31, 1984

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
St. Paul, Minnesota 55102

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Pursuant to Mn Stat 356.20

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Touche Ross & Co.

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McGladrey Hendrickson & Pullen

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Capital Supervisors, Inc.

Legal Counsel

Doherty, Rumble and Butler

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

Room 303 555 Wabasha Street

St. Paul, Minnesota 55102

612-222-8689



Saint Paul Teachers' Retirement Fund Association

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Secretary-Treasurer

555 WABASHA STREET, ROOM 303

SAINT PAUL, MINNESOTA 55102

PHONE: 222-8689

The Board of Trustees of St. Paul Teachers' Retirement Fund Association submits herewith the Annual Financial Report for the year ended December 31, 1984 in accordance with the provisions of Minnesota Statutes 356.20.

The total membership increased from 3,874 to 3,936. The regularly appointed members increased by 23, the substitutes currently working increased by 30, the inactive members decreased by 2, and the number of retirees at year end increased by 11 over last year. The complete membership statistics are included in this report.

Our investments on hand increased by \$16,292,218 to \$151,521,170. 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 Capital Supervisors, our Investment Counsel, as well as the complete listing of our holdings.

Our Association was organized in October 1909 and we celebrated our 75th Anniversary in October 1984 with a reception at the St. Paul College Club.

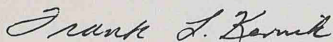
The Legislature made some important changes in the laws affecting retirement during the 1984 session. The law adopted provided for the Rule of 85 for all public employees, payment of interest on all refunds, and new interest and salary assumptions for actuarial purposes.

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

Portions of the Actuarial Valuation and the comments from our actuary, Touche Ross & Co. 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



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

We have examined the balance sheets of the ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION as of December 31, 1984 and 1983, and the related statements of revenues, expenses and changes in fund balance for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial status of the St. Paul Teachers' Retirement Fund Association as of December 31, 1984 and 1983, and the changes in its financial status for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the change, with which we concur, in the method of accounting for the deferred yield adjustment account, as described in Note 6 to the financial statements.

McGladrey Hendrickson & Pullen

St. Paul, Minnesota

April 22, 1985

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

BALANCE SHEETS December 31, 1984 and 1983

ASSETS		1984	1983
			(Restated)
INVESTMENTS, aggregate market value of \$152,317,000 in 1984 and \$132,209,000 in 1983 (Note 4):			
Commercial paper and certificates of deposit	\$ 9,245,330	\$ 10,027,879	
United States Treasury notes and bonds	15,316,470	9,043,751	
Corporate bonds	50,605,430	49,976,386	
Common stocks	64,931,894	54,642,472	
Real estate, limited partnership	729,766	729,392	
	<u>\$140,828,890</u>	<u>\$124,419,880</u>	
RECEIVABLES			
Governmental units	\$ 766,938	\$ 805,241	
Interest	1,881,939	1,595,397	
Dividends	181,734	186,642	
Bonds, principal repayments	81,480	26,921	
	<u>\$ 2,912,091</u>	<u>\$ 2,614,201</u>	
CASH		<u>\$ 81,021</u>	<u>\$ 32,512</u>
FURNITURE AND FIXTURES, at cost, less accumulated depreciation of \$16,180 in 1984 and \$14,592 in 1983		<u>\$ 10,801</u>	<u>\$ 11,205</u>
Total assets	<u>\$143,832,803</u>	<u>\$127,077,798</u>	
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 3,680	\$ 3,027	
Security purchases payable	1,174,903	206,250	
Accrued bonus payable to annuitants	719,164	662,588	
Total liabilities	<u>\$ 1,897,747</u>	<u>\$ 871,865</u>	
FUND BALANCE			
Actuarial present value of:			
Projected benefits payable to teachers and beneficiaries now receiving benefits	\$ 76,947,976	\$ 83,515,747	
Projected benefits payable to deferred vested and inactive teachers	2,870,837	4,124,857	
Credited projected benefits for active teachers	107,103,634	120,196,369	
	<u>\$186,922,447</u>	<u>\$207,836,973</u>	
Unfunded actuarial present value of credited projected benefits	<u>(44,987,391)</u>	<u>(81,631,040)</u>	
Total fund balance	<u>\$141,935,056</u>	<u>\$126,205,933</u>	
Total liabilities and fund balance	<u>\$143,832,803</u>	<u>\$127,077,798</u>	

See Notes to Financial Statements.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE

Years Ended December 31, 1984 and 1983

	1984	1983 (Restated)
Fund balance, beginning (Note 6)	<u>\$126,205,933</u>	<u>\$111,592,941</u>
Add:		
Investment income (loss)-		
Interest	\$ 8,319,291	\$ 7,825,334
Dividends	3,476,058	2,846,092
Gain on sale of investments	3,501,666	2,779,567
Loss on sale of investments	(2,306,710)	(1,263,656)
Direct investment expenses	<u>(69,088)</u>	<u>(64,792)</u>
	<u>\$ 12,921,217</u>	<u>\$ 12,122,545</u>
Contributions (Note 3):		
Governmental units-		
State of Minnesota	\$ 7,961,410	\$ 5,690,918
Federal programs	<u>409,339</u>	<u>299,293</u>
	<u>\$ 8,370,749</u>	<u>\$ 5,990,211</u>
Members-		
Required withholdings	\$ 5,376,800	\$ 5,648,301
Voluntary	<u>96,929</u>	<u>42,292</u>
	<u>\$ 5,473,729</u>	<u>\$ 5,690,593</u>
Total additions	<u>\$ 26,765,695</u>	<u>\$ 23,803,349</u>
Deduct:		
Benefits to participants-		
Retirement	\$ 8,555,490	\$ 7,754,659
Disability	447,841	396,303
Survivor	438,356	385,931
Dependent children	82,134	90,898
Contribution refunds	<u>1,329,843</u>	<u>377,524</u>
	<u>\$ 10,853,664</u>	<u>\$ 9,005,315</u>
Administration expenses	<u>182,908</u>	<u>185,042</u>
Total deductions	<u>\$ 11,036,572</u>	<u>\$ 9,190,357</u>
Fund balance, ending (Note 6)	<u><u>\$141,935,056</u></u>	<u><u>\$126,205,933</u></u>

See Notes to Financial Statements.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

Basis of accounting and financial statement presentation:

The St. Paul Teachers' Retirement Fund Association maintains its accounting records on the accrual basis. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as prescribed in the National Council on Governmental Accounting Statement 1, Governmental Accounting and Financial Reporting Principles.

Investments:

Investments in real estate limited partnerships, notes and bonds are reported at amortized cost. Investments in equity securities, commercial paper and certificates of deposit are reported at cost as of year-end.

Revenue recognition:

Member employee contributions are recorded as revenues when withheld 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 based upon covered payroll for the month.

Income taxes:

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

Note 2. Plan Description

The following brief description of the Plans are provided for general information purposes only. Participants should refer to the Plan agreements for more complete information.

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

General:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Pension benefits:

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

Disability benefits:

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

Other benefits:

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

Bonus payments:

The Plans provides a bonus payment plan for all annuitants who have been receiving benefits for at least three years. The bonus consists of .5% of the Plan's assets at the end of each year and is payable in each year that the Fund earns a return on investments in excess of 5-1/2%. Each annuitant receiving benefits for more than three years receives a bonus payment based upon a dollar amount per each year of service. Bonus payments totaling \$719,164 and \$662,588 were accrued for the years ended December 31, 1984 and 1983, respectively.

Note 3. Funding Policy

Member employees, under the basic program, contributed 8% of their salaries during the years ended December 31, 1984 and 1983, except for the period January 1, 1983 to June 30, 1983 when the contribution was 10% of their salaries. Employer contributions are paid by the State of Minnesota in an amount provided by statute, which was 12.63% for the years ended December 31, 1984 and 1983, except for the period January 1, 1983 to June 30, 1983 when the contribution rate was 8.63%.

Effective July 1, 1978, the Association established, pursuant to Minnesota statutes, a coordinated retirement program for all new teachers qualifying for membership and any present members who wished to coordinate with social security. Participants contributed 4.5% of their salaries for the years ended December 31, 1984 and 1983, except for the period January 1, 1983 to June 30, 1983 when the contribution was 6.5% of their salaries. Employer contributions under this program are also paid by the State of Minnesota in the amount equal to 4.5% for the years ended December 31, 1984 and 1983, except for the period January 1, 1983 to June 30, 1983, when the contribution rate was .5%.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The 4.0% decrease in funding by the State of Minnesota during the period January 1, 1983 to June 30, 1983, was partially offset by the increase of 2% in the employees' contribution during that period.

During the year ended December 31, 1984, the Association was required by the State of Minnesota to refund the 2% excess contributions received from member employees for the period January 1, 1983 to June 30, 1983. Refunds totalling \$794,000, including interest of \$109,000, were paid to members during the year. The State of Minnesota contributed an additional \$305,685 during the year ended December 31, 1984 to assist with the decreased contribution rate for the period January 1, 1983 to June 30, 1983.

Note 4. Investments

The approximate market values of investments, based principally on published market prices as of December 31, 1984 and 1983, are summarized as follows:

	1984	1983
Commercial paper and certificates of deposit	\$ 9,245,000	\$ 10,028,000
United States Treasury notes and bonds	11,035,000	8,968,000
Corporate bonds (face amount \$64,995,901 in 1984 and \$58,716,365 in 1983)	53,235,000	46,856,000
Common stocks	78,072,000	65,628,000
Real estate limited partnership, at amortized cost	730,000	729,000
Total	<u>\$152,317,000</u>	<u>\$132,209,000</u>

Note 5. Actuarial Present Value of Accumulated Plan Benefits

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The actuarial present value of accumulated plan benefits is determined by an actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations were (a) life expectancy of participants (the 1951 Group Annuity Mortality Table projected through 1965 was used), (b) retirement age assumptions (the assumed average retirement age was 62), (c) investment return (8% in 1984, 5% in 1983) and (d) salary scale (6-1/2% in 1984 and 3-1/2% in 1983 per annum compounded annually). The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Using the above actuarial assumptions prescribed by state statutes as of December 31, 1984, the consulting actuary has calculated the employer's required contribution rate to be 9.5350% of covered payroll. The current statutory employer's contribution rate is 10.4180%.

The present value of accumulated plan benefits (benefits to which participants are entitled, regardless of future service) for both plans as of December 31, 1984 and 1983, (as restated) is as follows:

	1984	1983
Retired members and beneficiaries	\$ 76,947,976	\$ 83,515,747
Deferred vested and inactive members	2,870,837	4,124,857
Active members	<u>107,103,634</u>	<u>120,196,369</u>
	<u>\$186,922,447</u>	<u>\$207,836,973</u>

The December 31, 1983 present value of accumulated plan benefits has been increased by \$10,000,000 from the figure which was previously included in the 1983 financial statements due to a typographical error by the consulting actuary.

The above amounts are in excess of the net assets available for benefits by approximately \$44,987,000 at December 31, 1984, and \$81,631,000 at December 31, 1983.

During 1984, the total actuarial present value of accumulated plan benefits decreased by approximately \$41,810,000 as a result of changes in actuarial assumptions and plan amendments from the amount it would have been if the changes and amendments had not been made.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 6. Change in Accounting Principle

In prior years, the Association accounted for its gains and losses on sale of debt securities incurred subsequent to 1969 in a deferred yield adjustment account in accordance with statutory reporting requirements. These gains and losses were reported on the balance sheet and amortized over the average life of the debt securities. Pursuant to Minnesota State statutes, the Association discontinued its practice of accounting for these gains and losses in the deferred yield adjustment account. The Association is currently recording these gains and losses in the statements of revenues, expenses and changes in fund balance in accordance with generally accepted accounting principles (GAAP).

The effect of this change on prior periods was a decrease in total assets of \$5,649,058 at December 31, 1983 and an increase in interest income of \$480,563, an increase in gain on sale of investments of \$318,985 and an increase in loss on sale of investments of \$647,030 for the year ended December 31, 1983 and a decrease in fund balance of \$5,801,576 as of December 31, 1982.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

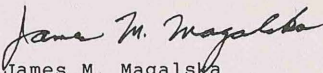
FINANCIAL REPORT
(December 31, 1984)

A. Assets	
Deposits in Banks	\$ 81,020.62
Employer Contribution Receivable	766,937.65
Accrued Interest on Investments	1,890,822.94
Dividends Declared Not Yet Received	172,850.00
Repaid Principal Receivable	81,479.45
Investment in Bonds at Amortized Cost	62,933,169.45
Investment in Mortgages at Amortized Cost	2,988,730.67
Investment in Real Estate at Amortized Cost	729,766.64
Investment in Common Stocks at Cost	64,931,894.41
Short-term Investments	9,245,330.12
Equipment at Cost, Less Depreciation	10,801.40
Total Assets	\$143,832,803.35
B. Unfunded Accrued Liability	\$117,454,767.11
C. Current Liabilities - Securities Purchase and withholding Tax Payable	\$ 1,178,584.46
D. Accrued Liability as per Attached Schedule (A) + (B) - (C)	\$260,108,986.00
E. Accumulated Members' Contributions (without interest)	\$ 44,713,484.15

Certification

The above exhibit has been prepared in accordance with the Entry Age Normal Cost (Level Normal Cost) basis, interest at the rate of 8% per annum and other provisions of Minnesota Statutes. The data with respect to assets, current liabilities, and employee contributions are those submitted to us by the Association.

TOUCHE ROSS & CO.


James M. Magalska
Fellow, Society of Actuaries

JMM:jb

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

Present Value of Future Benefits
(December 31, 1984)

Present Value of Benefit Expected to be Paid by Retirement Fund to:

A. Active Teachers:

Retirement	\$ 199,233,649
Disability	12,145,829
Survivorship	7,684,878
Refund	16,640,476
Bonus Payments	<u>7,304,217</u>

Total \$ 243,009,049

B. Vested Teachers 394,260

C. Teachers on Leave 2,057,425

D. Former Teachers without
Vested Rights 419,152

E. Teachers and Beneficiaries
Now Receiving Benefits:

Retirement	\$ 67,960,769
Disability	2,309,003
Survivorship	4,160,716
Bonus Payments	<u>2,517,488</u>

Total 76,947,976

F. Total Present Value of Benefits
(A) + (B) + (C) + (D) + (E) \$ 322,827,862

G. Present Value of Future Normal
Cost \$ 62,718,876

H. Accrued Liability (F) - (G) \$ 260,108,986

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
Report on Membership
December 31, 1984

Active Members

Total regular members (including 159 on leave) 12/31/83		2,543
New Appointments 1984	118	
Re-Appointments and Recalls	<u>35</u>	<u>153</u>
Total		2,696
Resignations/terminations from active service	129	
Deaths in active service	<u>1</u>	<u>130</u>
Total regular members (including 140 on leave) 12/31/84		2,566
Substitutes and Part Time currently working		<u>380</u>
Total active members Basic 1,816 Coordinated 1,130		2,946
<u>Inactive Members</u>		35

Retired Members

Number of retired members December 31, 1983		943
Additions during 1984		
Basic Pension	54	
Coordinated Pension	1	
Disability Benefit	4	
Combined Service	<u>5</u>	<u>64</u>
Total		1,007
Deaths during 1984		52
Number of retired members December 31, 1984		955
Total number of members December 31, 1984		<u><u>3,936</u></u>

Reversionary Beneficiaries December 31, 1984		9
Survivor Beneficiaries " " "		82
Child Beneficiaries " " "		<u>15</u>
		106

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

STATEMENT OF INCOME AND DEDUCTIONS

For the Year Ended December 31, 1984

INCOME

Income from Employer Contributions:

State of Minnesota-Basic	\$6,944,062.65	
-Coordinated	711,661.93	
1983 Reduction Loss	305,684.80	
Federal Programs -Basic	377,503.21	
-Coordinated	<u>31,836.09</u>	\$ 8,370,748.68

Income from Members:

Current Dues -Basic	\$4,639,756.66	
-Coordinated	737,043.78	
Outside Service	24,950.53	
Repayment of Refunded Dues	<u>76,671.93</u>	\$ 5,478,422.90

Interest on Investments, plus accumulated discount, less unamortized premium		\$ 7,987,037.58
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Asset Adjustment (M.S. 356.215 Sub 4(6)(b))	946,218.11	
Dividends on Stock	3,359,699.63	
Gains on Sale of Stock	3,155,538.75	
Miscellaneous Receipts	<u>184.81</u>	
Total Income		<u>\$29,297,850.46</u>

DEDUCTIONS FROM INCOME

Benefits Paid:

Pensions	\$7,815,567.79	
Reversionary Pensions	20,758.62	
Survivor Benefits	438,355.96	
Family Benefits	82,133.65	
Disability Benefits	447,840.93	
Bonus Checks	<u>659,536.57</u>	\$ 9,464,193.52
Refund of Dues		645,091.05
2% Refunds		684,751.87
Administrative Expenses		255,094.73
Loss on Sale of Stock		1,516,665.20
Loss on Sale of Equipment		137.74
Change in Accounting Method		5,649,058.21
Applied to Total Reserves Required		<u>11,082,858.14</u>
Total Deductions from Income		<u>\$29,297,850.46</u>

COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS
St. Paul Teachers' Retirement Fund Association
Years Ended December 31, 1983 and 1984

Cash on Hand, December 31, 1982	\$	59,922.47		
Cash on Hand, December 31, 1983	\$		\$	32,512.42

RECEIPTS

	1983		1984	
Employer Contributions				
State of Minnesota				
-Basic	5,307,150.86		6,985,691.49	
-Coordinated	285,351.69		706,194.11	
-1983 Reduction Loss	-0-		305,684.80	
ISD 625 (Federal Programs)				
-Basic	282,508.41		380,744.15	
-Coordinated	10,961.28		30,737.35	
Member Dues				
-Basic	4,912,057.22		4,639,756.66	
-Coordinated	736,243.68		737,043.78	
-Outside Service	12,114.61		20,256.92	
-Refunds Repaid	12,890.27		49,854.55	
Interest-Refunds Repaid & Outside Service	18,586.08		31,510.99	
Investment Income				
-Interest	7,320,111.10		7,662,630.26	
-Dividends	2,766,932.72		3,360,734.41	
Miscellaneous Receipts	3,458.14		3,453.40	
Total Cash Receipts	\$ 21,668,366.06		\$ 24,914,292.89	
Investments Sold	183,049,387.97		122,654,937.68	
Total Receipts and Cash Balance	<u>\$204,777,676.50</u>		<u>\$147,601,742.99</u>	

DISBURSEMENTS

Member Pensions	\$ 7,070,590.55		\$ 7,817,319.16	
Bonus Checks	588,504.04		660,255.31	
Reversionary Pensions	22,132.92		20,758.62	
Survivor Benefits	385,931.46		438,355.96	
Disability Benefits	396,302.74		447,840.93	
Family Benefits	91,637.26		82,133.65	
Refund of Dues	339,754.60		536,012.60	
Interest on Refunds	37,769.85		109,182.87	
2% Refunds	-0-		685,445.93	

DISBURSEMENTS (continued)

	<u>1983</u>	<u>1984</u>
Actuarial Service	\$ 10,500.00	\$ 10,500.00
Administrative Expense	1,715.50	1,664.11
Auditing	7,250.00	7,600.00
Data Processing	4,044.90	690.00
Delegate Expense	7,975.00	7,935.00
Insurance	7,739.50	8,755.11
Investment Services	64,791.74	69,088.87
Legal	18,920.00	2,610.00
Membership Dues-Affiliations	165.00	270.00
Office Equipment	3,548.28	1,331.00
Office Expense	2,348.45	2,792.89
Office Rent	4,400.06	4,786.71
Postage	3,212.33	3,858.50
Printing	2,010.70	2,423.02
Salaries	108,778.88	117,808.95
Taxes-Social Security/Unemployment	7,517.91	8,182.05
Telephone	1,547.09	1,476.27
Bank Charges	2,742.15	3,056.87
Accounts Payable-December 31,	(3,026.97)	(3,681.68)
Accounts Payable 1982-Paid in 1983	2,839.48	-0-
Accounts Payable 1983-Paid in 1984	<u>-0-</u>	<u>3,026.97</u>
Total Cash Disbursements	\$ 9,191,643.42	\$ 11,051,479.67
Investments Purchased	<u>195,553,520.66</u>	<u>136,473,242.70</u>
Total Disbursements	\$204,745,164.08	\$147,524,722.37
Cash on Hand, December 31,	<u>32,512.42</u>	<u>81,020.62</u>
Total Disbursements and Cash Balance	<u><u>\$204,777,676.50</u></u>	<u><u>\$147,605,742.99</u></u>
Imprest Cash	\$ 100.00	\$ 100.00
American National Bank	5,293.72	30,776.28
First Bank St. Paul	17,762.58	50,144.34
Norwest Bank St. Paul	<u>9,356.12</u>	<u>-0-</u>
Cash on Hand, December 31,	<u><u>\$ 32,512.42</u></u>	<u><u>\$ 81,020.62</u></u>

ACTUARIAL DATA

March 29, 1985

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

BASIC AND COORDINATED PENSION PLANS

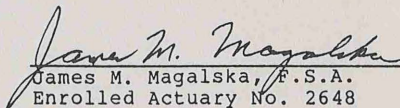
ACTUARIAL VALUATION CERTIFICATION

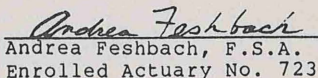
We present in this report the results of the actuarial valuation of the St. Paul Teachers' Retirement Fund Association Basic and Coordinated Pension Plans as of December 31, 1984.

The employee data and financial information used in this valuation were provided by the Association, and are assumed to be correct.

All costs, liabilities, and other factors under the Plans were determined in accordance with generally accepted actuarial principles and procedures, using the actuarial assumptions and methods described herein. In our opinion, the costs and actuarial exhibits presented in this report fully and fairly disclose the actuarial position of the Plans.

TOUCHE ROSS & CO.


James M. Magalska, F.S.A.
Enrolled Actuary No. 2648


Andrea Feshbach, F.S.A.
Enrolled Actuary No. 723

COMMENTS

This report describes the actuarial valuation of the St. Paul Teachers' Retirement Fund Association Pension Plans as of December 31, 1984.

This valuation has been completed in accordance with Minnesota Law under the supervision of an approved actuary. These laws require the use of the Entry Age Normal Cost method, as well as assumed salary increases of 6-1/2% and an assumed investment return of 8% per year. (Changed from 3-1/2% and 5%, respectively, last year.)

The first section of this report presents a summary of the members participating in the Plans, followed by a summary of the Financial Statements of Plan Assets. The third section presents our determination of the actuarial status of the Plans. A summary of plan provisions and actuarial assumptions concludes the report.

The statutory employer contribution rate of 10.4180% of payroll (weighted average for Basic and Coordinated Plans) is slightly above the actuarial requirement of 9.5350% of payroll. The actuarial requirement is the contribution rate that would pay the current cost under the Entry Age Normal cost method (the Normal Cost), and fund the past service liability by the year 2009. This actuarial requirement decreased significantly from 19.2475% last year, due primarily to changes in the actuarial assumptions and methods used to prepare this year's valuation, as documented in Section III, Actuarial Status of Plans and in Section V, Statement of Actuarial Assumptions.

Table 14 - Reconciliation of Asset Balances
(December 31, 1984)

Asset Balance - December 31, 1983		\$132,517,578.86
Additions:		
Employer Contributions	\$ 8,370,748.68	
Member Contributions	5,478,422.90	
Investment Income	11,790,517.61	
Gain on Sale of Bonds	346,127.01	
Gain on Sale of Stock	3,155,538.75	
Miscellaneous Income	<u>184.81</u>	29,141,539.76
Asset Adjustment Pursuant to M.S. 356.215 Sub 4(6)(b)		<u>946,218.11</u>
Sub-Total		\$162,605,336.73
Deductions:		
Benefit Payments	\$9,464,193.52	
Refunds	1,329,842.92	
Administrative Expenses	255,094.73	
Loss on Sale of Bonds	790,045.15	
Loss on Sale of Stock	<u>1,516,665.20</u>	13,355,841.52
Change in Accounting Method Pursuant to Ch. 383 Laws of MN 1984		<u>5,649,058.21</u>
Asset Balance - December 31, 1984		<u>\$143,600,437.00</u>

A. BASIC AND COORDINATED PLANS COMBINED

Table 16 - Present Value of Future Benefits
(December 31, 1984)

Present Value of Benefits Expected to be Paid by Retirement Fund to:

(a) Active Teachers:

Retirement	\$199,233,649
Disability	12,145,829
Survivorship	7,684,878
Refund	16,640,476
Bonus Payments	<u>7,304,217</u>

Total \$243,009,049

(b) Vested Teachers 394,260

(c) Teachers on Leave 2,057,425

(d) Former Teachers without Vested Rights 419,152

(e) Teachers and Beneficiaries
Now Receiving Benefits:

Retirement	\$ 67,960,769
Disability	2,309,003
Survivorship	4,160,716
Bonus Payments	<u>2,517,488</u>

Total \$ 76,947,976

Total Present Value of Benefits \$322,827,862

Table 17 - Unfunded Liability

(a) Present Value of Benefits	\$322,827,862
(b) Present Value of Future Normal Costs	\$62,718,876
(c) Accrued Liability (a) - (b)	260,108,986
(d) Assets	143,600,437
(e) Unfunded Liability (c) - (d)	116,508,549

A. BASIC AND COORDINATED PLANS COMBINED (continued)

Table 18 - Rate Requirement for Amortization
of Unfunded Liability

Amount to be Amortized	\$116,508,549
Contribution Requirement for Amortization Period of 25 Years on an Open Group level Percent of Pay Basis (Beginning of Year)	5,484,075
Current Payroll	75,982,828
Amortization Rate Requirement (Beginning of Year)	7.2175%
Amortization Rate Requirement (Mid-Year)	7.5062%

Table 19 - Level Contribution (Entry Age Normal)
Rate Requirement

Entry Age Normal Rate Requirement in Dollars (Beginning of Year)	\$ 6,386,081
Current Payroll	75,982,828
Entry Age Normal Rate Requirement as a Percent of Pay (Beginning of Year)	8.4046%
Adjustment for Mid-Year Payment	.3362%
Teacher Contribution Rate*	<u>7.0477%</u>
Employer Entry Age Normal Rate Requirement	1.6931%

Table 20 - Actuarial Balance

Employer Statutory Contribution Rate**	10.4180%
Rate Requirements	
Amortization Rate Requirement	7.5062%
Entry Age Normal Rate Requirement	1.6931%
Expenses Rate Requirement	<u>.3357%</u>
Total Rate Requirement	<u>9.5350%</u>
Deficit (surplus) of Statutory Rate over Rate Requirement	(<u>.8830%</u>)

* Weighted by Current Payroll, 72.79% Basic and 27.21% Coordinated.

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

A. BASIC AND COORDINATED PLANS COMBINED (continued)

Table 21 - Statement of Revenue, Expenditures, and
Changes in Unfunded Liability
(Year Ended December 31, 1984)

(a) Revenue:			
Employer Contributions	\$ 8,370,748.68		
Employee Contributions	5,478,422.90		
Net Investment Income	<u>8,282,817.73</u>		
Total Revenue			\$22,131,989.31
(b) Expenditures:			
Benefits	9,464,193.52		
Refund of Dues	1,329,842.92		
Administrative Expenses	<u>255,094.73</u>		
Total Expenditures			<u>\$11,049,131.17</u>
(c) Increase in Assets (1984): (a) - (b)			11,082,858.14
(d) Increase in Accrued Liability			
(i) Accrued Liability at 12/31/84	260,108,986.00		
(ii) Accrued Liability at 12/31/83	<u>286,416,780.00</u>		
(iii) Increase (Decrease)			(26,307,794.00)
(e) Increase (Decrease) in Unfunded Liability			
			<u>\$ (37,390,652.14)</u>

A. BASIC AND COORDINATED PLANS COMBINED (continued)

Table 22 - Analysis of Increase (Decrease) in
Unfunded Liability
(December 31, 1984)

(a)	Change in Earnings in Excess of 3.5%	\$6,727,447
(b)	Principal of Unfunded Liability Anticipated in Total Rate Requirement	(3,546,228)
(c)	Difference between expected statutory and actual contributions	(1,251,652)
(d)	Deficiency in Total Rate Requirement over Statutory Rate	<u>5,639,912</u>
(e)	Increase Due to Amortization	842,032
(f)	Investment Income in Excess of 5%: Loss (Gain) on old asset valuation method	(6,289,777)
(g)	Experience Variation: Loss (Gain)	7,033,296
(h)	Change in definition of valuation payroll	8,922,148
(i)	Change in actuarial assumptions and plan amendments	(70,409,178)
(j)	Change to directly value bonus payment	9,821,705
(k)	Change in asset valuation method (equals change in accounting method less asset adjustment)	4,702,840
(l)	Rule of 85 plan amendment	<u>1,258,835</u>
(m)	Total Increase (Decrease)	<u>\$(37,390,652)</u>

B. BASIC PLAN

Table 23 - Present Value of Future Benefits
(December 31, 1984)

Present Value of Benefit Expected to be Paid by Retirement Fund to:

(a) Active Teachers:

Retirement	\$186,251,251
Disability	11,355,021
Survivorship	7,337,281
Refund	14,216,669
Bonus Payment	<u>6,753,812</u>

Total \$225,914,034

(b) Vested Teachers 394,260

(c) Teachers on Leave 1,967,936

(d) Former Teachers without Vested Rights 189,751

(e) Teachers and Beneficiaries Now Receiving Benefits:

Retirement	\$67,574,541
Disability	2,309,003
Survivorship	4,160,716
Bonus Payment	<u>2,505,510</u>

Total \$ 76,549,770

Total Present Value of Benefits \$305,015,751

Table 24 - Unfunded Liability

(a) Present Value of Benefits \$305,015,751

(b) Present Value of Future Normal Costs 52,188,560

(c) Accrued Liability (a) - (b) 252,827,191

(d) Assets 137,155,942

(e) Unfunded Liability (c) - (d) 115,671,249

B. BASIC PLAN (continued)

Table 25 - Rate Requirement for Amortization
of Unfunded Liability

Amount to be Amortized	\$115,671,249
Contribution Requirement for Amortization Period of 25 Years on an Open Group Level Percent of Pay Basis (Beginning of Year)	5,444,663
Current Payroll	55,309,106
Amortization Rate Requirement (Beginning of Year)	9.8441%
Amortization Rate Requirement (Mid-Year)	10.2378%

Table 26 - Level Contribution (Entry Age Normal)
Rate Requirement

Entry Age Normal Rate Requirement in Dollars (Beginning of Year)	\$ 5,489,990
Current Payroll	55,309,106
Entry Age Normal Rate Requirement as a Percent of Pay (Beginning of Year)	9.9260%
Adjustment for Mid-Year Payment	.3970%
Teacher Contribution Rate	<u>8.0000%</u>
Employer Entry Age Normal Rate Requirement	<u>2.3230%</u>

Table 27 - Actuarial Balance

Employer Statutory Contribution Rate*	12.6300%
Rate Requirements	
Amortization Rate Requirements	10.2378%
Entry Age Normal Rate Requirement	2.3231%
Expenses Rate Requirement	<u>.3357%</u>
Total Rate Requirement	<u>12.8966%</u>
Deficit (surplus) of Statutory Rate over Rate Requirement	<u>.2666%</u>

* Rate Established by Minnesota Statute.

B. BASIC PLAN (continued)

Table 28 - Statement of Revenue, Expenditures, and
Changes in Unfunded Liability
(Year Ended December 31, 1984)

(a) Revenue:			
Employer Contributions	\$ 7,625,732.04		
Employee Contributions	4,741,379.12		
Net Investment Income	<u>7,938,262.57</u>		
Total Revenue			\$20,305,373.73
(b) Expenditures:			
Benefits	9,416,202.22		
Refund of Dues	1,082,237.62		
Administrative Expenses	<u>185,687.50</u>		
Total Expenditures			<u>\$10,684,127.34</u>
(c) Increase in Assets (1984): (a) - (b)			9,621,246.39
(d) Increase in Accrued Liability			
(i) Accrued Liability at 12/31/84	252,827,191.00		
(ii) Accrued Liability at 12/31/83	<u>279,522,901.00</u>		
(iii) Increase (Decrease)			(26,695,710.00)
(e) Increase (Decrease) in Unfunded Liability			<u><u>\$(36,316,956.39)</u></u>

A. BASIC PLAN (continued)

Table 29 - Analysis of Increase (Decrease) in
Unfunded Liability
(December 31, 1984)

(a)	Change in Earnings in Excess of 3.5%	\$5,781,732
(b)	Principal of Unfunded Liability Anticipated in Total Rate Requirement	(3,502,194)
(c)	Difference between expected statutory and actual contributions	(1,200,298)
(d)	Deficiency in Total Rate Requirement over Statutory Rate	<u>6,027,038</u>
(e)	Increase Due to Amortization	1,324,546
(f)	Investment Income in Excess of 5%: Loss (Gain) on old asset valuation method	(6,026,661)
(g)	Experience Variation: Loss (Gain)	7,443,968
(h)	Change in definition of valuation payroll	8,608,559
(i)	Change in actuarial assumptions	(68,474,465)
(j)	Change to directly value bonus payment	9,259,322
(k)	Change in asset valuation method (equals change in accounting method less asset adjustment allocated to divisions on same basis as investment income)	4,507,208
(l)	Rule of 85 Plan Amendment	<u>1,258,835</u>
(m)	Total Increase (Decrease)	<u>\$(36,316,956)</u>

C. COORDINATED PLAN

Table 30 - Present Value of Future Benefits
(December 31, 1984)

Present Value of Benefits Expected to be Paid by Retirement Fund to:

(a) Active Teachers:

Retirement	\$12,982,398
Disability	790,808
Survivorship	347,597
Refund	2,423,807
Bonus Payment	<u>550,405</u>

Total \$17,095,015

(b) Vested Teachers 0

(c) Teachers on Leave 89,489

(d) Former Teachers without
Vested Rights 229,401

(e) Teachers and Beneficiaries
Now Receiving Benefits:

Retirement	\$386,228
Disability	0
Survivorship	0
Bonus Payment	<u>11,978</u>

Total \$ 398,206

Total Present Value of Benefits \$17,812,111

Table 31 - Unfunded Liability

(a) Present Value of Benefits \$17,812,111

(b) Present Value of Future
Normal Costs 10,530,316

(c) Accrued Liability (a) - (b) 7,281,795

(d) Assets 6,444,495

(e) Unfunded Liability (c) - (d) 837,300

C. COORDINATED PLAN (continued)

Table 32 - Rate Requirement for Amortization
of Unfunded Liability

Amount to be Amortized	\$837,300
Contribution Requirement for Amortization Period of 25 Years on an Open Group Level Percent of Pay Basis (Beginning of Year)	39,412
Current Payroll	20,673,722
Amortization Rate Requirement (Beginning of Year)	.1906%
Amortization Rate Requirement (Mid-Year)	.1983%

Table 33 - Level Contribution (Entry Age Normal)
Rate Requirement

Entry Age Normal Rate Requirement in Dollars (Beginning of Year)	\$ 896,091	
Current Payroll	20,673,722	
Entry Age Normal Rate Requirement as a Percent of Pay (Beginning of Year)	4.3344%	
Adjustment for Mid-Year Payment	.1734%	
Teacher Contribution Rate*	<u>4.5000%</u>	
Employer Entry Age Normal Rate Requirement		<u>.0078%</u>

Table 34 - Actuarial Balance

Employer Statutory Contribution Rate**		4.5000%
Rate Requirements		
Amortization Rate Requirements	.1983%	
Entry Age Normal Rate Requirement	.0078%	
Expenses Rate Requirement	<u>.3357%</u>	
Total Rate Requirement		<u>.5418%</u>
Deficit (surplus) of Statutory Rate over Rate Requirement		<u>(3.9582%)</u>

** Rate Established by Minnesota Statute.

C. COORDINATED PLAN (continued)

Table 35 - Statement of Revenue, Expenditures, and
Changes in Unfunded Liability
(Year Ended December 31, 1984)

(a) Revenue:		
Employer Contributions	\$ 745,016.64	
Employee Contributions	737,043.78	
Net Investment Income	<u>344,555.16</u>	
Total Revenue		\$1,826,615.58
(b) Expenditures:		
Benefits	47,991.30	
Refund of Dues	247,605.30	
Administrative Expenses	<u>69,407.23</u>	
Total Expenditures		\$ 365,003.83
(c) Increase in Assets (1984): (a) - (b)		1,461,611.75
(d) Increase in Accrued Liability		
(i) Accrued Liability at 12/31/84	7,281,795.00	
(ii) Accrued Liability at 12/31/83	<u>6,893,879.00</u>	
(iii) Increase (Decrease)		387,916.00
(e) Increase (Decrease) in Unfunded Liability		<u>\$(1,073,695.75)</u>

C. COORDINATED PLAN (continued)

Table 36 - Analysis of Increase (Decrease) in
Unfunded Liability
(December 31, 1984)

(a) Change in Earnings in Excess of 3.5%	\$ 945,715
(b) Principal of Unfunded Liability Anticipated in Total Rate Requirement	(44,034)
(c) Difference between expected statutory and actual contributions	(51,354)
(d) Deficiency surplus in Total Rate Requirement over Statutory Rate	<u>(387,126)</u>
(e) Increase (Decrease) Due to Amortization	(482,514)
(f) Investment Income in Excess of 5%: Loss (Gain) on old asset valuation method	(263,116)
(g) Experience Variation: Loss (Gain)	(410,672)
(h) Change in definition of valuation payroll	313,589
(i) Change in actuarial assumptions	(1,934,713)
(j) Change to directly value bonus payment	562,383
(k) Change in asset valuation method (equals change in accounting method less asset adjustment allocated to divisions on same basis as investment income)	195,632
(l) Total Increase (Decrease)	<u><u>\$(1,073,696)</u></u>

Note: No one eligible for Rule of 85.

PORTFOLIO HOLDINGS



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

January 7, 1985

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:

We are delighted to report the ninth consecutive year of progress. Asset value and annual income have again moved to record highs. In 1984 the total portfolio was up 12%. This maintains your consistent better than 10% annual return. In the process of outperforming your peers we maintained your traditional position in the low end of the risk range.

The best relative performers were your stocks, producing total returns of 8.7% when the Dow Jones Industrials were up 1.0% and the S&P 500 6.1%. Early returns indicate that two thirds of managed portfolios lagged behind the S&P 500 with some very aggressive ones having negative total returns.

1984 was a year that started out with high expectations and most investors were disappointed partly due to their high goals. We look for a reversal of this in 1985 with much more modest expectations being exceeded and the year ending on a much more positive note. Stocks should produce better total returns than bonds.

We expect the economy to move ahead but at a reduced rate with the Federal Reserve continuing to be accommodating until the recovery is firmly back on track from the present pause. Opinion is greatly divided on whether we continue disinflation or turn back to rapid inflation. Fortunately, there will be plenty of opportunities to react in either direction as the year moves along and more data is available.

As in past years, we want to thank you for the opportunity to work with you. You can be assured that we value this relationship and will be making every effort to maintain your progress while following your prudent investment policies with emphasis on safety and income.

Sincerely,

Lee Thuro
Lee Thuro
Chairman of the Board

LT:bj

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

CHANGES IN INVESTMENT HOLDINGS

During 1984

Investments on Hand, December 31, 1983 \$135,228,952.14

Corporate Bonds at Par Value, December 31, 1983 \$ 43,586,076.06

Purchases During 1984 (At Par):

	<u>Maturity Date</u>	<u>Interest Rate</u>	
Chevron Capital USA	11-01-88	11.750	\$ 2,000,000.00
DCS Capital Corp.	10-15-96	12.375	1,000,000.00
Deere & Company	11-01-89	11.500	1,000,000.00
Internorth Inc.	10-15-87	12.250	500,000.00
Mobil Corp.	06-15-01	8.500	1,000,000.00
Natural Gas Pipeline	06-01-92	15.375	1,000,000.00
New York Telephone Co.	07-15-21	15.625	2,325,000.00
Pacific Tel. & Tel.	07-15-90	11.350	1,000,000.00
Standard Oil Indiana	01-15-98	6.000	650,000.00
Standard Oil Ohio	01-01-00	8.500	250,000.00
Teledyne Inc.	06-01-84	10.000	750,000.00
Texaco Inc.	07-15-97	5.750	650,000.00
Union Carbide	01-15-05	8.500	500,000.00
Virginia Electric Power	09-01-06	8.750	500,000.00
			<hr/>
			\$ 13,125,000.00

Sales During 1984 (At Par):

	<u>Maturity Date</u>	<u>Interest Rate</u>	
Aluminum Co. Of America	11-15-96	7.450	\$ 250,000.00
Bell Tel. Pennsylvania	04-15-21	15.125	1,325,000.00
Chrysler Corp.	11-01-98	8.000	750,000.00
Deere & Company	11-01-89	11.500	1,000,000.00
Kerr McGee Corp.	06-01-06	8.500	500,000.00
New York Telephone	07-15-21	15.625	2,325,000.00
Pacific Tel. & Tel.	07-15-90	11.350	1,000,000.00
Standard Oil Ohio	01-01-00	8.500	1,000,000.00
Texaco Inc.	07-15-97	5.750	650,000.00
Transamerica Financial	07-01-01	8.500	750,000.00
Union Oil of California	06-01-98	6.625	650,000.00
Virginia Electric Power	03-01-06	9.250	500,000.00
			<hr/>
			\$ 10,700,000.00

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

Repaid Principal \$ 295,215.00

Redeemed During 1984 (At Par):

National Fuel Gas 06-15-84 9.000 500,000.00

Change in Par Value of Bonds Due to Conversion:

Borg Warner Corp. 11-15-02 4.950 1,000,000.00

Corporate Bonds at Par Value, December 31, 1984 \$ 44,215,861.06

U.S. Gov't & Agency Bonds at Par Value, Dec. 31, 1983 \$ 25,119,006.70

Purchases During 1983 (At Par):

	<u>Maturity Date</u>	<u>Interest Rate</u>	
U.S. Treasury Bond	08-15-01	8.000	\$ 500,000.00
U.S. Treasury Note	05-15-87	12.500	1,000,000.00
U.S. Treasury Note	08-15-87	12.375	<u>1,000,000.00</u>
			\$ 2,500,000.00

Sold During 1983 (At Par):

U.S. Treasury Note	05-15-87	12.500	\$ 500,000.00
U.S. Treasury Bond	05-15-05	8.250	<u>500,000.00</u>
			\$ 1,000,000.00

Repaid Principal \$ 1,039,201.07

U.S. Gov't & Agency Bonds at Par Value, Dec. 31, 1984 \$ 25,579,805.63

Mortgage Backed Securities

Purchases During 1984 (At Par):

American Southwest Financial	12-01-93	13.500	\$ 1,000,000.00
Federal National Mortgage Assn.	03-15-01	12.500	750,000.00
Investors GNMA CMO	08-25-02	12.500	965,657.77
Norwest Mortgage Conventional	02-01-97	12.000	1,000,000.00
Norwest Mortgage Insured	01-01-96	12.125	1,000,000.00
Norwest Mortgage Insured	10-01-96	12.250	<u>1,000,000.00</u>

Mortgage Backed Securities December 31, 1984 \$ 5,715,657.77

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

Foreign Bonds at Par Value, December 31, 1983			\$ 1,050,000.00
Purchases During 1984 (At Par):			
Province of Ontario	05-15-01	7.850	500,000.00
Sales During 1984 (At Par):			
Province of Ontario	11-15-05	9.250	<u>500,000.00</u>
Foreign Bonds at Par Value, December 31, 1984			\$ 1,050,000.00
Total Bonds at Par Value, December 31, 1984			<u>\$ 76,561,324.46</u>

Common Stock at Cost, December 31, 1983 \$ 54,642,472.41

Purchases During 1984 (At Cost):

	<u>Shares</u>	
American Home Products	35,000	\$ 522,850.00
Archer Daniels Midland	28,500	457,995.00
Bell South Corp.	7,000	197,297.50
Boeing Company	20,000	1,056,950.00
Bristol Meyers Corp.	10,000	437,750.00
Burroughs Corp.	30,000	1,679,440.50
Capital Holding Corp.	10,000	350,050.00
Commonwealth Edison	80,000	1,857,650.00
Consolidated Foods	10,000	269,937.50
F.M.C. Corp.	25,000	1,127,037.50
General Electric Corp.	20,000	1,105,800.00
General Re Corp.	25,000	1,461,175.00
Genuine Parts Company	25,000	774,125.00
Hospital Corp. of America	30,000	1,230,400.00
Houston Industries	50,000	968,700.00
Intel Corp.	25,000	796,250.00
International Business Machines	15,000	1,751,887.50
Interpublic Group	20,000	584,500.00
Liz Clairborne Inc.	25,000	597,500.00
McDonald's Corp.	15,000	1,039,300.00
J.C. Penney Corp.	15,000	802,450.00
Pfizer Inc.	10,000	378,900.00
Schering Plough Corp.	25,000	925,625.00
Southwest Airlines	31,200	660,973.50
Southwestern Bell Corp.	26,500	1,616,427.50
Super Valu Stores	20,000	565,475.00
Texas Utilities	25,000	594,750.00
United Technologies	25,000	897,250.00
Worthington Industries	50,000	<u>1,198,125.00</u>
		\$ 25,906,571.50

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

Sales During 1984 (At Cost) :

	<u>Shares</u>	
Aetna Life & Casualty	20,000	\$ 864,175.00
Allied Stores	35,000	1,176,400.00
American Tel. & Tel.	35,000	558,278.66
Ameritech	3,500	232,278.75
Bell Atlantic Corp.	3,500	243,770.80
Bell South Corp.	17,500	516,941.96
Borg Warner Corp.	52,640	1,000,000.00
Continental Illinois Corp.	35,000	1,054,825.00
E.I. DuPont deNemours	25,000	1,075,700.00
Goodyear Tire & Rubber	40,000	971,200.00
I.C. Industries	50,000	975,000.00
Interco Inc.	25,000	1,050,125.00
Int'l Mineral & Chemical	22,500	749,450.00
Jostens Inc.	40,000	976,070.00
Mobil Corp.	30,000	1,017,200.00
Nynex Corp.	3,500	210,970.57
Pacific Telesis Group	3,500	195,190.76
Southwestern Public Service	84,970	1,049,362.00
Teco Energy	50,000	876,573.94
U.S. West Inc.	3,500	207,988.73
Xerox Corp.	25,000	<u>1,615,648.23</u>
		\$ 16,617,149.40

Stock Conversion During 1984 (At Cost):

Borg Warner Corp.	<u>1,000,000.00</u>
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Received 52,640 shares of Borg Warner Common Stock for \$1,000,000.00 par value Borg Warner Corp. Convertible Debentures. Cost of stock is par value of bonds.

Common Stock at Cost, December 31, 1984	<u>\$ 64,931,894.51</u>
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Changes in Stock Holdings During 1984 Which Did Not Affect Cost:

Stock Dividend

		<u>Shares Received</u>
Archer Daniels Midland	5 %	3,000

Stock Splits

Interpublic Group	2 for 1	7,000
United Technologies	2 for 1	12,500
Bell South Corp.	3 for 1	7,000
McDonald's Corp.	3 for 2	15,000
N.C.R.	4 for 1	30,000

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

Stock Divestiture

Received the following shares as a result of the
A.T. & T. Divestiture:

A.T. & T.	35,000
Ameritech	3,500
Bell Atlantic Corp.	3,500
Bell South Corp.	3,500
Nynex Corp.	3,500
Pacific Telesis Group	3,500
Southwestern Bell Corp.	3,500
U.S. West Inc.	3,500

Real Estate Limited Partnership , December 31, 1984 \$ 736,161.36

Short Term Inventory (Face Value), December 31, 1983

	<u>Interest Rate</u>	<u>Maturity Date</u>		
American National Bank CD	9.050	01-03-84	\$	705,631.11
Con Agra Inc.	9.474	01-04-84		765,000.00
Commercial Credit Co.	9.472	01-06-84		730,000.00
General Electric Credit	9.444	01-06-84		270,000.00
Prudential Funding Corp.	9.624	01-11-84		775,000.00
Sears Roebuck Acceptance	9.980	01-13-84		618,000.00
Marriott Corp.	10.090	01-16-84		500,000.00
Bankers Acceptance	9.688	01-16-84		800,000.00
J.C. Penney Corp.	9.980	01-17-84		590,000.00
CLT Financial Corp.	9.881	01-20-84		600,000.00
Con Agra Inc.	10.191	01-23-84		575,000.00
Montgomery Ward Credit	10.208	01-27-84		600,000.00
Westinghouse Credit Co.	9.827	01-27-84		500,000.00
Security Pacific Finance	9.708	01-30-84		350,000.00
American National CD	9.450	03-01-84		677,498.25
Norwest Bank CD	9.500	03-26-84		<u>1,039,106.25</u>

Total Short Term at December 31, 1983 \$ 10,095,235.61

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

Short Term Inventory (Face Value), December 31, 1984

	Interest Rate	Maturity Date	
U.S. Treasury Note	7.80	01-02-85	\$ 1,075,465.83
American National CD	10.90	01-02-85	792,614.47
General Electric Credit	8.66	01-03-85	860,000.00
Prudential Funding Corp.	8.66	01-07-85	400,000.00
Prudential Funding Corp.	7.43	01-07-85	390,000.00
Westinghouse Credit Corp.	8.46	01-14-85	130,000.00
Westinghouse Credit Corp.	8.47	01-14-85	210,000.00
General Motors Acceptance	8.05	01-18-85	250,000.00
General Electric Credit	8.32	01-21-85	690,000.00
Sears Roebuck Acceptance	8.20	01-25-85	990,000.00
Commercial Credit Co.	8.31	01-28-85	550,000.00
Bankers Acceptance	8.21	01-31-85	606,000.00
Ford Motor Credit Corp.	9.24	02-01-85	870,000.00
Bankers Acceptance	8.56	02-08-85	690,000.00
American National CD	9.00	03-01-85	787,710.00

Total Short Term at December 31, 1984 \$ 9,291,790.30

Investments on Hand, December 31, 1983 \$135,228,952.14

Total Purchases - Fixed Income & Equities 48,747,229.27
Total Sales - Fixed Income & Equities 31,651,565.47

Net Decrease in Short Term Inventory 803,445.31

Investments on Hand, December 31, 1984 \$151,521,170.63

Bonds at Par Value \$ 76,561,324.46
Real Estate Limited Partnership 736,161.36
Stock at Cost 64,931,894.51
Short Term at Face Value 9,291,790.30

\$151,521,170.63

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

PORTFOLIO HOLDINGS

December 31, 1984

QUANTITY	DESCRIPTION	UNIT COST	MARKET PRICE	TOTAL COST	MARKET VALUE
COMMON STOCK					
CAPITAL GOODS					
AEROSPACE					
40,000	BOEING CO	46.43	56.63	1,857,225	2,265,000
50,000	UNITED TECHNOLOGIES CORP	33.51	36.25	1,675,713	1,812,500
TOTAL AEROSPACE				3,532,938	4,077,500
ELECTRICAL PRODUCTS					
60,000	GENERAL ELECTRIC CO	36.36	56.63	2,181,575	3,397,500
TOTAL ELECTRICAL PRODUCTS				2,181,575	3,397,500
ELECTRONICS					
40,000	INTEL CORP	35	28	1,400,000	1,120,000
TOTAL ELECTRONICS				1,400,000	1,120,000
MACHINERY					
40,000	DEERE & CO	39.55	29.75	1,582,150	1,190,000
TOTAL MACHINERY				1,582,150	1,190,000
BUSINESS EQUIPMENT					
30,000	BURROUGHS CORP	55.98	56.75	1,679,440	1,702,500
60,000	INTERNATIONAL BUSINESS MACHINES	90.36	123.13	5,421,738	7,387,499
40,000	NCR CORP	29.23	26.63	1,169,262	1,065,000
TOTAL BUSINESS EQUIPMENT				8,270,440	10,154,999
MULTI PRODUCTS					
17,000	MINNESOTA MINING & MFG CO	60.39	78.63	1,026,549	1,336,625
64,306	WORTHINGTON INDUSTRIES INC	22.52	23	1,448,125	1,479,038
TOTAL MULTI PRODUCTS				2,474,674	2,815,663
CONSTRUCTION					
20,000	CBI INDUSTRIES INC	42.26	25	845,237	500,000
TOTAL CONSTRUCTION				845,237	500,000
TOTAL CAPITAL GOODS				20,287,014	23,255,662

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

PORTFOLIO HOLDINGS

December 31, 1984

QUANTITY -----	DESCRIPTION -----	UNIT COST ----	MARKET PRICE ----	TOTAL COST -----	MARKET VALUE -----
	CONSUMER DURABLES				
	AUTOMOTIVE				
25,000	GENUINE PARTS CO	30.97	31.75	774,125	793,750
	TOTAL AUTOMOTIVE			774,125	793,750
	TIRES & RUBBER				
50,250	GOODYEAR TIRE & RUBBER CO	24.28	26	1,220,070	1,306,500
	TOTAL TIRES & RUBBER			1,220,070	1,306,500
	TOTAL CONSUMER DURABLES			1,994,195	2,100,250
	CONSUMER NON-DURABLES				
	BEVERAGE				
35,000	COCA COLA CO	46.01	62.38	1,610,425	2,183,125
	TOTAL BEVERAGE			1,610,425	2,183,125
	DRUGS & COSMETICS				
35,000	AMERICAN HOME PRODUCTS CORP	42.60	50.50	1,491,150	1,767,500
50,000	BRISTOL MYERS CO	31.63	52.38	1,581,350	2,618,750
70,000	PFIZER INC	24.76	42.25	1,732,900	2,957,500
50,000	SCHERING-PLOUGH CORP	42.04	36	2,102,125	1,800,000
	TOTAL DRUGS & COSMETICS			6,907,525	9,143,750
	FOODS				
63,000	ARCHER DANIELS MIDLAND CO	16.95	19.13	1,067,595	1,204,874
50,000	CONSOLIDATED FOODS CORP	21.94	31.75	1,097,137	1,587,500
	TOTAL FOODS			2,164,732	2,792,374
	SOAP				
30,000	PROCTER & GAMBLE CO	47	57	1,409,900	1,710,000
	TOTAL SOAP			1,409,900	1,710,000
	TEXTILE PRODUCTS				
25,000	LIZ CLAIBORNE INC	23.90	25.50	597,500	637,500
	TOTAL TEXTILE PRODUCTS			597,500	637,500

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
PORTFOLIO HOLDINGS
December 31, 1984

QUANTITY -----	DESCRIPTION -----	UNIT COST ----	MARKET PRICE ----	TOTAL COST -----	MARKET VALUE -----
RETAIL & WHOLESALE					
40,000	J C PENNEY CO	48.71	46.38	1,948,500	1,855,000
60,000	SUPER VALU STORES	19.29	31.63	1,157,227	1,897,500
	TOTAL RETAIL & WHOLESALE			3,105,727	3,752,500
	TOTAL CONSUMER NON-DURABLES			15,795,809	20,219,249
RAW MATERIALS					
CHEMICALS					
25,000	FMC CORP	45.08	56.38	1,127,038	1,409,375
	TOTAL CHEMICALS			1,127,038	1,409,375
PETROLEUM					
45,000	EXXON CORP	31.52	45	1,418,359	2,025,000
	TOTAL PETROLEUM			1,418,359	2,025,000
	TOTAL RAW MATERIALS			2,545,397	3,434,375
SERVICES					
BUSINESS SERVICES					
30,000	DELUXE CHECK PRINTERS INC	25.22	57	756,538	1,710,000
50,000	INTERPUBLIC GROUP OF COS INC	28.04	34.38	1,402,124	1,718,750
40,000	JEFFERIES GROUP INC	12.38	14.50	495,000	580,000
	TOTAL BUSINESS SERVICES			2,653,662	4,008,750
FINANCE & INSURANCE					
60,000	CAPITAL HOLDING CORP	21.76	43	1,305,717	2,580,000
25,000	GENERAL RE CORP	58.45	63.75	1,461,175	1,593,750
40,000	STATE STREET BOSTON CORP	35.31	46	1,412,250	1,840,000
	TOTAL FINANCE & INSURANCE			4,179,142	6,013,750
AIRLINES					
74,950	SOUTHWEST AIRLINES CO	23.38	22	1,752,023	1,648,900
	TOTAL AIRLINES			1,752,023	1,648,900
FREIGHT & TRANSPORT					
30,000	NORFOLK SOUTHERN CORP	56.94	58.63	1,708,062	1,758,750
	TOTAL FREIGHT & TRANSPORT			1,708,062	1,758,750

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
PORTFOLIO HOLDINGS
December 31, 1984

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>UNIT COST</u>	<u>MARKET PRICE</u>	<u>TOTAL COST</u>	<u>MARKET VALUE</u>
	<u>LEISURE INDUSTRY</u>				
45,000	MCDONALDS CORP	45.01	51.63	2,025,250	2,323,124
	TOTAL LEISURE INDUSTRY			2,025,250	2,323,124
	<u>MEDICAL</u>				
50,000	HOSPITAL CORP OF AMERICA	44.31	37.75	2,215,312	1,887,500
	TOTAL MEDICAL			2,215,312	1,887,500
	<u>OIL SERVICE</u>				
25,000	SCHLUMBERGER LTD	37.34	38.13	933,500	953,125
	TOTAL OIL SERVICE			933,500	953,125
	TOTAL SERVICES			15,466,951	18,593,899
	<u>UTILITIES</u>				
	<u>ELECTRIC</u>				
80,000	COMMONWEALTH EDISON CO	23.22	27.88	1,857,650	2,230,000
100,000	HOUSTON INDUSTRIES INC	19.85	22.50	1,984,950	2,250,000
100,000	SOUTHERN CO	14.15	18.88	1,414,800	1,887,500
75,000	TEXAS UTILITIES CO	23.47	26.38	1,760,445	1,978,125
	TOTAL ELECTRIC			7,017,845	8,345,625
	<u>TELEPHONE</u>				
30,000	SOUTHWESTERN BELL CORP	60.83	70.75	1,824,829	2,122,500
	TOTAL TELEPHONE			1,824,829	2,122,500
	TOTAL UTILITIES			8,842,674	10,468,125
	TOTAL COMMON STOCK			64,932,040	78,071,560

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

PORTFOLIO HOLDINGS

December 31, 1984

QUANTITY	DESCRIPTION	UNIT COST	MARKET PRICE	TOTAL COST	MARKET VALUE
BONDS					
CORPORATE BONDS					
750,000	GE CREDIT 8.125% 1-15-85	100	99.87	750,000	749,047
14,310	GRAND TRUNK RR CSA 9.25% 3-15-85	100	99.55	14,310	14,246
500,000	PACIFIC LIGHTING SVC CO SER F 9.30% 11-1-85	103.81	99	519,050	495,000
500,000	INTERNORTH INC DEB -REG 12.250% 10/15/87	99.75	98.23	498,750	491,155
569,240	BEAR CREEK SECURITIES CORP 8.125% 3-1-88	100	89.91	569,240	511,826
2,000,000	CHEVRON CAP USA INC GTD NOTES 11.750% 11/ 1/88	101	101.38	2,020,000	2,027,500
1,000,000	DEERE & CO NTS 11.50% 11-1-89	99.06	99.38	990,610	993,750
325,000	WISCONSIN NATURAL GAS 1ST MTG 4.875% 10-1-90	80.98	72.75	263,189	236,437
1,000,000	NATURAL GAS PIPELINE CO AMER DEB REG 15.375% 6-1-92	111.59	111	1,115,900	1,110,000
500,000	FORD MOTOR CREDIT CO 7.875% 7-15-93	77.05	79	385,230	395,000
1,000,000	ATLANTIC CITY ELEC 1ST MTG-REG 11.875% 11/ 1/93	98.43	98.25	984,270	982,500
1,000,000	AMERICAN SOUTHWEST FINCL CORP 13.500% 12/ 1/93	97.63	104	976,250	1,040,000
200,000	PHILADELPHIA ELECTRIC CO 1 & REF MTG 4.50% 5-1-94	66.44	54.75	132,880	109,500
99,000	CONTINENTAL PIPELINE GTD NOTE 7.50% 5-1-94	100	73.34	99,000	72,606
1,000,000	NORWEST MTG INSD 1 INC-GNMA 12.125% 1/ 1/96	100.38	99.25	1,003,750	992,500
881,654	TRAILER TRAIN CO 11.875% 7-15-96	100	89.30	881,654	787,343
250,000	AMERICAN TEL & TEL CO DEB 4.375% 10-1-96	43.87	54.37	109,667	135,937
1,000,000	NORWEST MTG INSD 2 INC GNMA CL B REG 12.25% 10-1-96	100	99	1,000,000	990,000
1,000,000	DCS CAPITAL CORP NOTES SER B- 12.375% 10/15/96	99.60	100.25	996,000	1,002,500
830,000	UNION TANK CAR SF CTF REG 15.875% 12-15-96	100	116.25	830,000	964,875
700,000	AMERICAN TEL & TEL CO DEB REG 5.50% 1-1-97	63.85	60.75	446,950	425,250
2,000,000	AMERICAN TEL & TEL 7.75% 1-15-97	79.87	76.43	1,597,440	1,528,580
1,000,000	NORWEST MTG CONVENTIONAL 1 INC 12% 2-1-97	99.75	98.88	997,500	988,750
1,400,000	COMMONWEALTH EDISON CO 1ST MTG 5.375% 4-1-97	55.50	57.37	776,930	803,249
675,000	HAWAIIAN TEL CO 1ST MTG SER R 5.625% 4-15-97	60.67	59.25	409,515	399,937

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

PORTFOLIO HOLDINGS

December 31, 1984

QUANTITY	DESCRIPTION	UNIT COST	MARKET PRICE	TOTAL COST	MARKET VALUE
500,000	PUBLIC SERVICE CO COLO 1ST MTG REG 5.875% 7-1-97	53.43	60.63	267,135	303,125
2,150,000	STANDARD OIL INDIANA DEB REG 6% 1-15-98	61.64	64.75	1,325,297	1,392,125
1,100,000	CAROLINA POWER & LT CO 1ST MTG 6.875% 10-1-98	68.66	64.62	755,239	710,874
600,000	GENERAL AMERICAN TRANSPN EQ TR CTF 9% 11-15-98	98.75	76.13	592,500	456,750
1,008,000	CONSOLIDATED RAIL CO 11% 1-1-99	100	93.30	1,008,000	940,433
500,000	J C PENNEY CO SF DEB 9% 6-15-99	71.33	79.50	356,635	397,500
1,000,000	COLUMBIA GAS SYSTEM SF DEB REG 11.75% 10-1-99	96.77	94.13	967,700	941,250
438,309	RESEARCH PROP INC 8.25% 11-1-99	100.25	75.41	439,404	330,520
250,000	PACIFIC GAS & ELEC 1ST REF MTG S-PP 6.875% 12-1-99	79.80	62.87	199,488	157,187
1,000,000	SOHIO BP TRANS ALASKA P/L CAP INC 9.75% 12-1-99	91.47	84.63	914,660	846,250
174,999	PENIN PROPERTIES INC NTS 8.75% 12-1-99	100	72.56	174,999	126,974
250,000	CONSOLIDATED EDISON CO N Y 1ST MTG 9.375% 9-15-2000	87.88	78.75	219,698	196,875
500,000	DIAMOND SHAMROCK SF DEBS 9.125% 11-15-2000	76	77.88	380,000	389,375
475,000	PACIFIC GAS & ELEC CO 1ST REF MG RR 6.75% 12-1-2000	77.15	61.12	366,463	290,343
750,000	ELTRA CORP DEB 8.50% 1-15-2001	96.75	74.50	725,625	558,750
1,000,000	MOBIL CORP SF DEB-REG 8.50% 6-15-2001	69.02	75	690,190	750,000
500,000	SAN DIEGO GAS & ELECTRIC CO 1ST MTG 8% 9-1-2001	105.75	69.25	528,750	346,250
974,575	OLYMPIC PIPELINE 8.85% 9-1-2001	77.12	71.32	751,640	695,047
500,000	LONG ISLAND LIGHTING 1ST MTG REG 7.50% 12-1-2001	59.26	52.63	296,280	263,125
250,000	HARRIS CORP S/F DEB 7.75% 12-15-2001	55.97	68.62	139,918	171,562
500,000	TENNECO INC DEB 8.375% 4-1-2002	59.99	72.38	299,945	361,875
500,000	CAROLINA POWER & LIGHT CO 1 MTG REG 7.75% 5-1-2002	57.88	66.13	289,380	330,625
514,000	MAINE YANKEE ATOMIC CO 1ST MTG A 9.10% 5-1-2002	82.17	76.12	422,369	391,282
973,592.44	INVESTORS GNMA MTG BACKED SECS 11.625% 8-25-2002	99.94		972,984	972,984
736,161	BKX LIMITED PARTNERSHIP 13% 6-1-2002	99	99	728,799	728,799
600,000	DOW CHEMICAL CO DEB 7.40% 7-15-2002	70.25	66.13	421,471	396,750
500,000	LONG ISLAND LIGHTING CO 1ST MTG 7.625% 9-1-2002	82.23	52.75	411,145	263,750

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

PORTFOLIO HOLDINGS

December 31, 1984

QUANTITY	DESCRIPTION	UNIT COST	MARKET PRICE	TOTAL COST	MARKET VALUE
785,000	ICI NORTH AMERICAN INC GTD DEB 8.875% 1-15-2003	75.95	76.50	596,199	600,525
1,000,000	SOUTHWESTERN BELL TEL CO DEB REG 5.875% 6-1-2003	41.79	54.63	417,920	546,250
950,000	ILLINOIS BELL TEL CO 1ST MTG 4.375% 7-1-2003	36.13	44.50	343,225	422,750
325,000	PACIFIC TEL & TEL CO DEB 6.50% 7-1-2003	77.08	58	250,510	188,500
750,000	TELEDYNE INC S/D SER C REG 10% 6-1-2004	75.25	78.50	564,345	588,750
500,000	FORD MOTOR CO DEL SF DEB REG 9.15% 8-1-2004	61.23	76.88	306,130	384,375
700,000	WEYERHAEUSER CO DEB 8.90% 11-15-2004	75.92	76.63	531,447	536,375
1,200,000	UNION CARBIDE CORP DEB 8.50% 1-15-2005	68.70	64.88	824,356	778,500
500,000	HOUSTON LT & POWER 1ST MTG 8.75% 3-1-2005	70.33	71.50	351,670	357,500
2,000,000	PEMBROKE CAP CO 11.50% 8-1-2005	96.09	88.37	1,921,800	1,767,300
500,000	VIRGINIA ELECTRIC & PWR 1ST & RF 8.75% 9-1-2006	70.63	72.50	353,155	362,500
750,000	INLAND STEEL CO 1ST MTG SER R 7.90% 1-15-2007	98.31	57.87	737,303	434,062
300,000	VIRGINIA ELEC & PWR CO SER JJ 8.625% 3-1-2007	99.25	71.38	297,750	214,125
500,000	NEW YORK TEL CO 1ST MTG W 8.30% 8-15-2012	57.99	69.25	289,965	346,250
800,000	NEW ENGLAND TEL & TEL DEB REG 15.25% 6-15-2018	117.75	114	942,000	912,000
TOTAL CORPORATE BONDS				41,741,574	40,397,630
U.S. GOVERNMENT & AGENCY BONDS					
1,000,000	FEDERAL FARM CREDIT BKS CONS 15.80% 1-20-86	100	106.09	1,000,000	1,060,940
500,000	U S TREASURY NOTE SER N-87 12.500% 5/15/87	99.90	104.38	499,510	521,875
1,000,000	U S TREASURY NOTE SER P-87 12.375% 8/15/87	99.79	104.22	997,930	1,042,190
1,000,000	U S TREASURY NOTES 9.25% 5-15-89	88.63	94.34	886,250	943,440
1,575,000	U S TREASURY BOND CP 0% 5-15-90	39.29	54.56	618,880	859,398
2,000,000	U S TREASURY NOTE SER B -90 13% 11-15-90	95.78	106.69	1,915,625	2,133,740
750,000	FEDERAL NATL MTG ASSN DEBS 12.500% 3/15/91	100.19	102.75	751,406	770,625
1,575,000	U S TREASURY BOND CP 0% 5-15-91	34.81	48.31	548,226	760,851
1,000,000	U S TREASURY NOTE 14.875% 8-15-91	99.47	114.84	994,650	1,148,440
1,000,000	U S TREASURY NOTE 14.625% 2-15-92	99.87	114.41	998,710	1,144,060

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION

PORTFOLIO HOLDINGS

December 31, 1984

QUANTITY	DESCRIPTION	UNIT COST	MARKET PRICE	TOTAL COST	MARKET VALUE
700,000	U S TREASURY BD 8.625% 8-15-93	72.50	84.56	507,500	591,934
1,000,000	FEDERAL HOME LN MTG CORP COLL'D 11.250% 12/15/95	99.38	97.50	993,750	975,000
410,352	G N M A PASS THRU POOL 048044 13.750% 4/15/96	98.38	103.50	403,684	424,714
403,406	G N M A PASS THRU POOL 049506 13.750% 5/15/96	98.37	103.50	396,850	417,525
1,000,000	GUARANTEED MTG CORP-GNMA COLL'D SER Q 11.875% 7-1-96	97.94	96	979,375	960,000
500,000	U S TREASURY BOND 7.875% 2-15-2000	92.13	73.69	460,625	368,435
200,000	U S TREASURY BONDS 8.375% 8-15-2000/95	99.73	76.66	199,458	153,312
500,000	U S TREASURY BD 8% 8-15-2001	74.88	73.34	374,375	366,720
1,874,000	FEDERAL HOME LOAN MTG CORP 8.85% 3-15-2008	79.44	88.37	1,488,750	1,656,147
1,679,600	FEDERAL HOME LN MTG CORP GTD MTG CTF 9.40% 9-15-2008	81.66	90.75	1,371,584	1,524,237
898,000	FEDERAL HOME LOAN MTG CORP A-79 9.875% 3-15-2009	89.83	90.75	806,656	814,935
1,425,000	FEDERAL HOME LOAN MTG CORP 10.25% 3-15-2009	92.07	93.12	1,312,067	1,327,030
1,000,000	U S TREASURY BOND 2004/2009 9.125% 5-15-2009	96.06	80.06	960,625	800,620
942,510	G N M A PASS THRU POOL 033300 9.500% 8/15/09	76.72	84.41	723,092	795,572
684,000	FEDERAL HOME LOAN MTG CORP GTD 12.45% 9-15-2009	100.99	99.87	690,792	683,144
161,149	G N M A PASS THRU POOL 035121 9.500% 10/15/09	77.62	84.41	125,083	136,025
751,026	G N M A PASS THRU POOL 037637 9.500% 12/15/09	77.62	84.41	582,946	633,941
494,888	G N M A PASS THRU POOL 044797 11.500% 8/15/10	91.06	95.59	450,645	473,063
328,098	G N M A PASS THRU POOL 043755 11.500% 10/15/10	91.05	95.59	298,733	313,628
TOTAL U.S. GOVERNMENT & AGENCY BONDS				22,337,777	23,801,541
FOREIGN BONDS					
300,000	QUEBEC HYDRO ELEC COMM DEB SER BA REG 6.25% 6-1-93	80.82	71	242,460	213,000
250,000	QUEBEC HYDRO ELEC COMM SER BL 9.75% 12-15-95	72.02	85.75	180,053	214,375
500,000	ONTARIO PROVINCE CANADA 7.85% 5-15-2001	66.46	70.75	332,305	353,750
TOTAL FOREIGN BONDS				754,818	781,125
TOTAL BONDS				64,834,169	64,980,296
COMMERCIAL PAPER AND CERTIFICATES OF DEPOSIT			9,189,521	9,245,330	
TOTAL PORTFOLIO			138,955,730	152,297,186	

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
1932-33	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
1981	47	981	7,139,037.16
1982	61	996	7,725,616.62
1983	72	1042	8,555,098.97
1984	64	1061	9,466,663.63