

LABORERS' AND RETIREMENT BOARD  
EMPLOYEES' ANNUITY AND  
BENEFIT FUND

ANNUAL STATEMENT  
AS OF  
DECEMBER 31, 1958

DONALD F. CAMPBELL  
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139 North Clark Street  
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April 15, 1960

The Retirement Board of the Laborers'  
and Retirement Board Employees'  
Annuity and Benefit Fund,  
Chicago, Illinois.

Gentlemen:

This is to certify that the annual statement of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund as of December 31, 1958, appended hereto, consisting of six exhibits, as follows:

<u>Exhibit</u>	<u>Title</u>	<u>Page</u>
A	Assets and Liabilities.....	1--2
B	Income and Expenditures.....	3--4
C	Gain and Loss.....	5--6
D	Comparative Analysis-- Assets and Liabilities.....	7--8
E	Cash Reconciliation.....	9
F	Taxes Receivable.....	10

is to the best of my knowledge and belief a true and correct statement of the affairs and conditions of said Fund for the year 1958 with the Fund balances and liabilities computed in accordance with the provisions of the Act.

This statement has been prepared from the books of the Fund as substantiated by our letters of recommendation to the Retirement Board.

The liability in the Prior Service Annuity Fund account for the excess liability due to the minimum annuity provision is based on actuarial tables obtained from the operating experience of an annuity and benefit fund with a similar service. It is also based on three per cent interest and present salary scales.

Page Two.


If the Fund's liabilities were computed on the assumption of three per cent interest earnings, the Combined Annuity Table of Mortality, present salary scales, the service table used in computing the excess liability for the minimum annuity provisions, and the entry age normal method of funding, I estimate that the reserve deficiency shown on the attached Balance Sheet would be increased by about \$8,800,000.00.

Based on the preceding assumptions, the Fund membership, and salaries as of December 31, 1958, I estimate that a yearly tax levy of \$3,500,000.00 will amortize the total deficiency by around the year 1982. This is about three years after the thirty year period specified in the Act.

Future changes in the factors affecting the costs will result in different tax levy requirements. The rate of future retirements and the amounts of future salaries are major factors in this respect. The rate of interest earnings on the Fund's assets is also an important factor. The Gain and Loss Exhibit indicates improvement in mortality rates and greater numbers of members retiring.

If retirement rates continue to increase and rates of mortality continue to decrease and other factors remain practically the same as at present a tax levy in excess of the necessary increase stated above will result.

Respectfully submitted,

  
\_\_\_\_\_  
Actuary.

DFC-mac

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

BALANCE SHEET

AS OF

DECEMBER 31, 1958

ASSETS

AND

LIABILITIES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ASSETS

AS OF DECEMBER 31, 1958

CASH ON DEPOSIT \$ 451,541.53

ACCOUNTS RECEIVABLE:

Salary Deductions Accrued	\$ 183,313.19	
Miscellaneous From Employees	<u>26,300.56</u>	
<b>Total Accounts Receivable</b>		<b>209,613.75</b>

INTEREST RECEIVABLE:

Accrued Interest on Bonds	<u>169,009.65</u>	
<b>Total Interest Receivable</b>		<b>169,009.65</b>

INVESTMENTS:

Bonds -- Par Value	\$33,630,000.00	
Bonds -- Premiums and Discounts	<u>(678,430.09)</u>	
<b>Total Investments</b>		<b>32,951,569.91</b>

TAXES RECEIVABLE:

Year of Levy	Uncollected Taxes	Reserve For Loss And Cost Collections	Net Taxes Receivable
1948	\$ 87,782.69	\$ 87,782.69	\$ 0
1949	89,966.45	89,852.40	114.05
1950	233,663.75	233,123.17	540.58
1951	258,629.39	258,384.57	244.82
1952	216,304.61	215,319.06	985.55
1953	203,773.60	202,400.94	1,372.66
1954	183,564.93	182,306.55	1,258.38
1955	273,821.75	229,678.76	44,142.99
1956	256,828.31	215,321.09	41,507.22
1957	290,354.55	229,670.44	60,684.11
1958	<u>2,871,000.00</u>	<u>215,325.00</u>	<u>2,655,675.00</u>
<b>Total</b>	<u>\$4,965,690.03</u>	<u>\$2,159,164.67</u>	

Net Taxes Receivable 2,806,525.36

GROSS LEDGER ASSETS

\$36,588,260.20

LESS: ACCOUNTS PAYABLE:

Miscellaneous to Employees	\$ 207,574.41	
Military Service Deductions -- Excess Refunds	<u>1,533.41</u>	
<b>Total</b>		<u>209,107.82</u>

NET LEDGER ASSETS DECEMBER 31, 1958

\$36,379,152.38

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

LIABILITIES AND FUND BALANCES

AS OF DECEMBER 31, 1958

FOR SERVICE AFTER JULY 1, 1935:

LIABILITY RESERVES:

ANNUITY PAYMENT FUND ACCOUNT:

Employee Annuityants	\$ 2,158,416.01	
Employee Annuities Fixed	2,021,669.68	
Widow Annuityants	1,127,430.32	
Wives' Annuities Fixed	<u>768,455.32</u>	
Total Annuity Payment Fund		\$ 6,075,971.33

SALARY DEDUCTION FUND ACCOUNT:

Employees	\$11,093,982.02	
Wives of Employees	<u>1,719,442.59</u>	
Total Salary Deduction Fund		12,813,424.61

CITY CONTRIBUTIONS FUND ACCOUNT:

Employees	\$12,611,857.05	
Wives of Employees	3,403,074.04	
Supplemental Annuities	<u>23,562.51</u>	
Total City Contribution Fund		16,038,493.60

SURPLUS RESERVES:

Annuity Payment Fund Account	\$ 911,395.70	
Child's Annuity Fund Account	0	
Duty Disability Fund Account	0	
Expense of Administration Account	0	
Investments and Interest Fund Account	0	
Ordinary Disability Fund Account	<u>0</u>	
Total Surplus Reserves		<u>911,395.70</u>

TOTAL LIABILITY AND SURPLUS RESERVES

FOR SERVICE AFTER JULY 1, 1935		\$35,839,285.24
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FOR SERVICE PRIOR TO JULY 1, 1935:

PRIOR SERVICE FUND ACCOUNT:

Estimated Excess Minimum Annuity Provision	\$ 5,052,886.56	
Employee Annuityants	3,282,488.58	
Employee Annuities Fixed	223,161.22	
Widow Annuityants	744,776.73	
Wives Annuities Fixed	454,150.71	
Contributions For Employees	894,747.95	
Contributions for Wives	<u>337,623.41</u>	
Total Prior Service Fund		10,989,835.16

DEDUCT: Obligations of Fund For Prior Service Fund Liabilities

(10,449,968.02)	<u>539,867.14</u>
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TOTAL NET LIABILITIES AND FUND BALANCES DECEMBER 31, 1958

\$36,379,152.38

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

INCOME

YEAR 1958

INCOME

AND

EXPENDITURES

## LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

INCOMEYEAR 1958

## SALARY DEDUCTIONS:

Employees	\$2,066,592.39	
Wives of Employees	<u>274,240.84</u>	
Total Salary Deductions		\$2,340,833.23

## PAYMENTS BY EMPLOYEES

FOR TEMPORARY SERVICE		83,265.14
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## PAYMENTS BY EMPLOYEES

FOR REFUND REPAYMENTS		1,650.48
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## CITY CONTRIBUTIONS:

Employee Annuities	\$1,987,767.45	
Wife Annuities	575,062.96	
Child Annuities	11,722.64	
Duty Disability	79,948.26	
Ordinary Disability	160,260.58	
Expense of Administration	81,324.15	
Interest On Income	45,162.75	
Deficiency In Current Requirements	<u>(285,573.79)</u>	
Total City Contributions		2,655,675.00

## INCOME ON INVESTMENTS:

Bond Interest	\$ <u>881,372.28</u>	
Total Income On Investments		<u>881,372.28</u>

TOTAL INCOME YEAR 1958		\$5,962,796.13
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TOTAL EXPENDITURES YEAR 1958		<u>1,727,754.34</u>
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EXCESS INCOME OVER EXPENDITURES		\$4,235,041.79
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ADD: INCREASE IN TAXES RECEIVABLE FOR PRIOR YEARS		<u>2,532.50</u>
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NET EXCESS INCOME OVER EXPENDITURES YEAR 1958		<u>\$4,237,574.29</u>
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LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

EXPENDITURES

YEAR 1958

BENEFITS PAID:

Annuities - Employees	\$ 816,415.24	
Annuities - Widows	254,648.51	
Compensation Widows' Annuities	5,804.90	
Child's Annuities	11,722.64	
Duty Disability Benefits	77,739.23	
Ordinary Disability Benefits	<u>160,584.37</u>	
Total Benefits Paid		\$1,326,714.89

EXPENSE OF ADMINISTRATION:

Salaries	\$ 35,276.18	
Legal Services	3,000.00	
Audit	3,000.00	
Medical Examinations	3,000.00	
Medical Services	4,495.00	
Actuarial Department	23,879.02	
Printing	1,620.61	
Postage	1,110.00	
Telephones	420.30	
Rent	4,235.48	
Premiums On Surety Bonds	218.80	
Office Supplies	1,011.46	
Office Equipment and Repairs	<u>57.30</u>	
Total Expense of Administration		81,324.15

REFUNDS

319,715.30

TOTAL EXPENDITURES YEAR 1958

\$1,727,754.34

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

GAIN AND LOSS

YEAR 1958

GAINS

AND

LOSSES

## LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

GAIN AND LOSSYEAR 1958

## SURPLUS BALANCES DECEMBER 31, 1958:

Annuity Payment Fund	\$ 911,395.70	
Expense Fund	0	
Investment and Interest Fund	0	
Ordinary Disability Fund	0	
Prior Service Annuity Fund	<u>(10,449,968.02)</u>	
Total		\$(9,538,572.32)

## SURPLUS BALANCES JANUARY 1, 1958:

Annuity Payment Fund	\$ 796,536.12	
Expense Fund	0	
Investment and Interest Fund	0	
Ordinary Disability Fund		
Prior Service Annuity Fund	<u>(9,864,842.76)</u>	
Total		<u>(9,068,306.64)</u>

NET (LOSS) YEAR 1958 CURRENT OPERATIONS

\$ (470,265.68)

LABORERS' RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ANALYSIS OF GAIN AND LOSS

YEAR 1958

GAIN BECAUSE OF ANNUITY AND BENEFIT PURPOSES:	<u>P.S.A.F.</u>	<u>A.P.F.</u>	
Mortality Employee Annuitants	\$ (89,890.30)	\$ (34,569.34)	
Mortality Employees' Annuities Fixed	(27,603.51)	15,507.09	
Mortality Widow Annuitants	(10,772.66)	(22,175.97)	
Mortality Wives' Annuities Fixed	(49,326.99)	21,300.76	
Excess Contributions On Refunds - Prior Service	12,808.43		
Excess Contributions On Refunds - Age and Service	272,542.49		
Excess Contributions When Annuities Are Fixed	104,417.78	501,597.57	
Refunds After Fixed		(35,339.50)	
Salary Deductions - After Fixed		94,247.21	
Total Gain Because Of Safeguards	<u>\$ 212,175.24</u>	<u>\$ 540,567.82</u>	\$ 752,743.06
 ANNUITY PAYMENT FUND SURPLUS TRANSFERRED TO I. & I. FUND AND P.S.A.F.	 \$(239,711.96) <u>(214,089.52)</u>	 <u>\$ 453,801.48</u>	
 INTEREST ON BALANCE OF JANUARY 1, 1958:			
Annuity Payment Fund Account		\$ 31,861.44	
Deficiency In Investment And Interest Fund Account		<u>(239,711.96)</u>	
Total Gain Because Of Surplus Reserve Purposes			(207,850.52)
 TAX REQUIREMENT PURPOSES:			
Interest On Deferred Obligations		\$(463,335.98)	
City Current Contribution Deficiency		<u>(289,341.99)</u>	
Total Tax Requirement Purposes			<u>(752,677.97)</u>
 NET GAIN FOR YEAR 1958 BEFORE SETTING UP PRESENT VALUE OF EXCESS LIABILITY MINIMUM ANNUITY TO NEW MEMBERS			\$(207,785.43)
DEDUCT: Increase In Present Value Excess Minimum Annuity			(265,012.75)
ADD: Increase In Taxes Receivable Prior Years			<u>2,532.50</u>
 TOTAL NET (LOSS) YEAR 1958			<u>\$(470,265.68)</u>

LABORERS' AND RETIREMENT BOARD  
EMPLOYEES' ANNUITY AND  
BENEFIT FUND

COMPARATIVE ANALYSIS

YEAR 1966

ASSETS

AND

LIABILITIES

## LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

COMPARATIVE ANALYSISASSETS

	<u>Jan. 1, 1958</u>	<u>Dec. 31, 1958</u>	<u>Increase (Decrease)</u>
CASH ON DEPOSIT	\$ 805,577.13	\$ 451,541.53	\$ (354,035.60)
ACCOUNTS RECEIVABLE:			
Salary Deductions Accrued	\$ 178,773.57	\$ 183,313.19	\$ 4,539.62
Miscellaneous From Employees	26,053.54	26,300.56	247.02
Total Accounts Receivable	\$ 204,827.11	\$ 209,613.75	\$ 4,786.64
INTEREST RECEIVABLE:			
Accrued Interest On Bonds	\$ 135,570.59	\$ 169,009.65	\$ 33,439.06
Accrued Interest On Tax			
Anticipation Warrants	0	0	0
Due Bond Interest Receivable	0	0	0
Total Interest Receivable	\$ 135,570.59	\$ 169,009.65	\$ 33,439.06
INVESTMENTS:			
Bonds - Par Value	\$29,070,000.00	\$33,630,000.00	\$4,560,000.00
Bonds - Premium and Discounts	(662,863.37)	(678,430.09)	(15,566.72)
Total Investments	\$28,407,136.63	\$32,951,569.91	\$4,544,433.28
TAXES RECEIVABLE (After Deductions For Loss And Cost Of Collection):			
Year 1948	\$ 459.90	\$ 0	\$ (459.90)
1949	114.05	114.05	0
1950	540.58	540.58	0
1951	244.82	244.82	0
1952	955.64	985.55	29.91
1953	2,198.70	1,372.66	(826.04)
1954	413.00	1,258.38	845.38
1955	57,222.44	44,142.99	(13,079.45)
1956	82,978.51	41,507.22	(41,471.29)
1957	2,655,675.00	60,684.11	(2,594,990.89)
1958	0	2,655,675.00	2,655,675.00
Net Taxes Receivable	\$ 2,800,802.64	\$ 2,806,525.36	\$ 5,722.72
GROSS LEDGER ASSETS	\$32,353,914.10	\$36,588,260.20	\$4,234,346.10
LESS: ACCOUNTS PAYABLE:			
Miscellaneous To Ess.	\$ 210,802.60	\$ 207,574.41	\$ (3,228.19)
Military Service Ded. Excess From Refunds	1,533.41	1,533.41	0
Total Accounts Payable	\$ 212,336.01	\$ 209,107.82	\$ (3,228.19)
NET LEDGER ASSETS	\$32,141,578.09	\$36,379,152.38	\$4,237,574.29

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY BENEFIT FUND

COMPARATIVE ANALYSIS

LIABILITIES AND FUND BALANCES

	<u>Jan. 1, 1958</u>	<u>Dec. 31, 1958</u>	<u>Increase (Decrease)</u>
FOR SERVICES AFTER JULY 1, 1935:			
LIABILITY RESERVES:			
ANNUITY PAYMENT FUND ACCOUNT:			
Employee Annuitants	\$ 1,846,042.54	\$ 2,158,416.01	\$ 312,373.47
Employees' Annuities Fixed	1,739,602.02	2,021,669.68	282,067.66
Widow Annuitants	995,887.42	1,127,430.32	131,542.90
Wives' Annuities Fixed	728,708.84	768,455.32	39,746.48
Total Annuity Payment Fund	<u>\$ 5,310,240.82</u>	<u>\$ 6,075,971.33</u>	<u>\$ 765,730.51</u>
SALARY DEDUCTION FUND ACCOUNT:			
Employees	\$ 9,509,943.17	\$11,093,982.02	\$1,584,038.85
Wives of Employees	1,484,606.07	1,719,442.59	234,836.52
Total Salary Deduction Fund	<u>\$10,994,549.24</u>	<u>\$12,813,424.61</u>	<u>\$1,818,875.37</u>
CITY CONTRIBUTION FUND ACCOUNT:			
Employees	\$11,047,736.62	\$12,611,857.05	\$1,564,120.43
Wives of Employees	2,930,522.07	3,403,074.04	472,551.97
Supplemental Annuities	27,152.73	23,562.51	(3,590.22)
Total City Contribution Fund	<u>\$14,005,411.42</u>	<u>\$16,038,493.60</u>	<u>\$2,033,082.18</u>
SURPLUS RESERVES:			
Annuity Payment Fund Account	\$ 796,536.12	\$ 911,395.70	\$ 114,859.58
Child's Annuity Fund Account	0	0	0
Duty Disability Fund Account	0	0	0
Investment and Interest Account	0	0	0
Expense Of Administration Account	0	0	0
Ordinary Disability Fund Account	0	0	0
Total Surplus Reserves	<u>\$ 796,536.12</u>	<u>\$ 911,395.70</u>	<u>\$ 114,859.58</u>
TOTAL LIABILITY AND SURPLUS RESERVES FOR SERVICE AFTER JULY 1, 1935	<u>\$31,106,737.60</u>	<u>\$35,839,285.24</u>	<u>\$4,732,547.64</u>
FOR SERVICE PRIOR TO JULY 1, 1935:			
PRIOR SERVICE FUND ACCOUNT:			
Estimated Excess Minimum			
Annuity Provision	\$ 5,145,878.63	\$ 5,052,886.56	\$ (92,992.07)
Employee Annuitants	2,882,084.82	3,282,438.58	400,403.76
Employees' Annuities Fixed	283,167.07	223,161.22	(60,005.85)
Widow Annuitants	751,640.40	744,776.73	(6,863.67)
Wives' Annuities Fixed	399,779.99	454,150.71	54,370.72
Contributions For Employees	1,037,802.07	894,747.95	(143,054.12)
Contributions For Wives	399,330.27	337,623.41	(61,706.86)
Total Prior Service Fund	<u>\$10,899,683.25</u>	<u>\$10,989,835.16</u>	<u>\$ 90,151.91</u>
DEDUCT: (PER CONTRA):			
Obligations Of City For Prior Service Credits	<u>9,864,842.76</u>	<u>10,449,968.02</u>	<u>585,125.26</u>
NET LIABILITIES FOR SERVICE PRIOR TO JULY 1, 1935	<u>\$ 1,034,840.49</u>	<u>\$ 539,867.14</u>	<u>\$ (494,973.35)</u>
TOTAL NET LIABILITIES AND FUND BALANCES	<u>\$32,141,578.09</u>	<u>\$36,379,152.38</u>	<u>\$4,237,574.29</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

CASH RECONCILIATION

RECEIPTS AND DISBURSEMENTS

BALANCE JANUARY 1, 1958 - PER BOOKS \$ 805,577.13

RECEIPTS:

Salary Deductions	\$2,351,330.48	
Miscellaneous Deductions	7,224.52	
Interest On Bonds	780,059.58	
Installments On Taxes Receivable	2,652,484.78	
Securities Matured	1,450,000.00	
Treasurer's Receipts	87,405.62	
Cancelled Checks	3,125.99	
Reimbursement - Forged Checks	<u>83.25</u>	
Total Receipts		\$7,331,714.22

DISBURSEMENTS:

Annuities - Employees	\$ 817,339.09	
Annuities - Widows	261,280.55	
Annuities - Children	11,722.64	
Ordinary Disability Benefits	139,470.93	
Duty Disability Benefits	66,883.25	
Refunds	381,086.32	
Operating Expenses	81,324.15	
Securities Purchased - Par Value	6,010,000.00	
Discount	(109,698.04)	
Accrued Interest Purchased	26,257.68	
Forged Checks	<u>83.25</u>	
Total Disbursements		<u>7,685,749.82</u>

EXCESS DISBURSEMENTS OVER RECEIPTS (354,035.60)

BALANCE DECEMBER 31, 1958 - PER BOOKS \$ 451,541.53

OUTSTANDING CHECKS DECEMBER 31, 1958 118,216.34

BALANCE PER TREASURER \$ 569,757.87



LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

TAXES RECEIVABLE

DECEMBER 31, 1958

<u>YEAR</u>	<u>Uncollected Taxes 12-31-57</u>	<u>Estimate For Loss And Cost Of Collection 12-31-57</u>	<u>Additional Estimate Set Up 12-31-58</u>	<u>Total Estimate For Loss And Cost Of Collection 12-31-58</u>	<u>Net Accounts Receivable Taxes</u>
1948	\$ 87,782.69	\$ 87,322.79	\$ 459.90	\$ 87,782.69	\$ 0
1949	89,966.45	89,852.40	0	89,852.40	114.05
1950	233,663.75	233,123.17	0	233,123.17	540.58
1951	258,629.39	258,384.57	0	258,384.57	244.82
1952	216,304.61	223,931.82	(8,612.76)	215,319.06	985.55
1953	203,773.60	206,707.34	(4,306.40)	202,400.94	1,372.66
1954	183,564.93	186,613.00	(4,306.45)	182,306.55	1,258.38
1955	273,821.75	229,678.76	0	229,678.76	44,142.99
1956	256,828.31	215,321.09	0	215,321.09	41,507.22
1957	290,354.55	215,325.00	14,345.44	229,670.44	60,684.11
1958	<u>2,871,000.00</u>	<u>0</u>	<u>215,325.00</u>	<u>215,325.00</u>	<u>2,655,675.00</u>
	<u>\$4,965,690.03</u>	<u>\$1,946,259.94</u>	<u>\$212,904.73</u>	<u>\$2,159,164.67</u>	<u>\$2,806,525.36</u>