

LABORERS' AND RETIREMENT BOARD
EMPLOYEES' ANNUITY AND
BENEFIT FUND

ANNUAL STATEMENT
AS OF
DECEMBER 31, 1957

DONALD F. CAMPBELL
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Chicago 1, Illinois

TELEPHONE STATE 2-1336

February 26, 1959

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, 1957, 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 1957 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.

It will be noted in the Gain and Loss Exhibit that the Fund went behind \$762,520.22 during the year. This loss was due to first the 1957 amendments to the Act, and second, because of the increase in the fund membership and salaries for the fund's members.

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 provision, and the method of valuation stated in the Act the reserve deficiency shown on the attached Balance Sheet would be increased by about \$2,600,000.00.


Based on the preceding assumptions, the present Fund membership, and salaries I estimate that a yearly tax levy of \$3,165,000.00 will amortize the total deficiency by around the year 1990. This is about eleven years after the thirty year period specified in the Act.

It is suggested that consideration be given to increasing the levy up to the maximum amount authorized by the Act for the year 1961 and following years.

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 future operating experience of the Fund will indicate what changes will be necessary.

Respectfully submitted,



Actuary.

DFC-mac

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

BALANCE SHEET

AS OF

DECEMBER 31, 1957

ASSETS

AND

LIABILITIES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ASSETS

AS OF DECEMBER 31, 1957

CASH ON DEPOSIT \$ 805,577.13 ^

ACCOUNTS RECEIVABLE:

Salary Deductions Accrued \$ 178,773.57 ^
Miscellaneous From Employees 26,053.54 ^
Total Accounts Receivable 204,827.11 ^

INTEREST RECEIVABLE:

Accrued Interest On Bonds 135,570.59 ^

INVESTMENTS:

Bonds - Par Value \$29,070,000.00 ^
Bonds - Premiums and Discounts (662,863.37) ^
Total Investments 28,407,136.63

TAXES RECEIVABLE:

Year of Levy	Uncollected Taxes	Reserve For Loss And Cost	Net Taxes Receivable
1946	\$ 77,556.82	\$ 77,556.82	\$ 0
1947	72,862.35	72,862.35	0
1948	87,782.69	87,322.79	459.90
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	224,887.46	223,931.82	955.64
1953	208,906.04	206,707.34	2,198.70
1954	187,026.00	186,613.00	413.00
1955	286,901.20	229,678.76	57,222.44
1956	298,299.60	215,321.09	82,978.51
1957	<u>2,871,000.00</u>	<u>215,325.00</u>	<u>2,655,675.00</u>
Total	<u>\$4,897,481.75</u>	<u>\$2,096,679.11</u>	

Net Taxes Receivable

2,800,802.64 ^

GROSS LEDGER ASSETS

\$32,353,914.10

LESS: ACCOUNTS PAYABLE:

Miscellaneous to Employees \$ 210,802.60 ^
Military Service Deductions - Excess Refunds 1,533.41 ^
Total 212,336.01

NET LEDGER ASSETS DECEMBER 31, 1957

\$32,141,578.09

DEFERRED ASSETS; RESERVE DEFICIENCY:

Future Contributions Payable By City 9,864,812.76 ^
For Reserve Deficiency

NET LEDGER AND DEFERRED ASSETS DECEMBER 31, 1957

\$42,006,420.85

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

LIABILITIES AND FUND BALANCES

AS OF DECEMBER 31, 1957

FOR SERVICE AFTER JULY 1, 1935:

LIABILITY RESERVES:

ANNUITY PAYMENT FUND ACCOUNT:

Employee Annuitants	\$ 1,846,042.54	
Employee Annuities Fixed	1,739,602.02	
Widow Annuitants	995,887.42	
Wives' Annuities Fixed	<u>728,705.84</u>	
Total Annuity Payment Fund		\$ 5,310,240.82

SALARY DEDUCTION FUND ACCOUNT:

Employees	\$ 9,509,943.17	
Wives of Employees	<u>1,484,606.07</u>	
Total Salary Deduction Fund		10,994,549.24

CITY CONTRIBUTION FUND ACCOUNT:

Employees	\$11,047,736.62	
Wives of Employees	2,930,522.07	
Supplemental Annuities	<u>27,152.73</u>	
Total City Contribution Fund		14,005,411.42

SURPLUS RESERVES:

Annuity Payment Fund Account	\$ 796,536.12	
Child's Annuity Fund Account	0	
Duty Disability Fund Account	0	
Expense of Administration Account	0	
Investment and Interest Fund Account	0	
Ordinary Disability Fund	<u>0</u>	
Total Surplus Reserves		<u>796,536.12</u>

TOTAL LIABILITY AND SURPLUS RESERVES
FOR SERVICE AFTER JULY 1, 1935

\$31,106,737.60

FOR SERVICE PRIOR TO JULY 1, 1935:

PRIOR SERVICE FUND ACCOUNT:

Estimated Excess Minimum		
Annuity Provision	\$ 5,145,878.63	
Employee Annuitants	2,882,084.82	
Employee Annuities Fixed	283,167.07	
Widow Annuitants	751,640.40	
Wives' Annuities Fixed	399,779.99	
Contributions for Employees	1,037,802.07	
Contributions for Wives	<u>399,330.27</u>	
Total Prior Service Fund		10,899,683.25

TOTAL LIABILITIES AND FUND BALANCES DECEMBER 31, 1957

\$42,006,420.85

LABORERS' AND RETIREMENT BOARD

**EMPLOYEES' ANNUITY AND
BENEFIT FUND**

INCOME

YEAR 1957

INCOME

AND

EXPENDITURES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

INCOMEYEAR 1957

SALARY DEDUCTIONS:

Employees	\$1,873,017.59	
Wives Of Employees	<u>247,045.01</u>	
Total Salary Deductions		\$2,120,062.60

PAYMENTS BY EMPLOYEES
FOR TEMPORARY SERVICE

64,138.34

CITY CONTRIBUTIONS:

Employee Annuities	\$1,784,002.29	
Wife Annuities	516,947.82	
Child Annuities	10,130.00	
Duty Disability	82,582.90	
Ordinary Disability	164,317.69	
Expense Of Administration	79,281.31	
Interest On Income	31,055.55	
Deficiency In Current Requirements	<u>(12,662.56)</u>	
Total City Contributions		2,655,675.00

INCOME ON INVESTMENTS:

Bond Interest	\$ 705,718.58	
Total Income On Investments		<u>705,718.58</u>

TOTAL INCOME YEAR 1957

\$5,545,594.52

TOTAL EXPENDITURES YEAR 1957

1,631,163.45

EXCESS INCOME OVER EXPENDITURES

\$3,914,431.07

ADD: INCREASE IN TAXES RECEIVABLE FOR PRIOR YEARS

52,076.50

NET EXCESS INCOME OVER EXPENDITURES YEAR 1957

\$3,966,507.57

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

EXPENDITURES

YEAR 1957

BENEFITS PAID:

Annuities - Employees	\$ 721,092.78	
Annuities - Widows	238,498.01	
Compensation Widows' Annuities	6,250.06	
Child's Annuities	10,130.00	
Duty Disability Benefits	74,489.73	
Ordinary Disability Benefits	<u>169,991.22</u>	
Total Benefits Paid		\$1,220,451.80

EXPENSE OF ADMINISTRATION:

Salaries	\$ 36,443.11	
Legal Service	3,000.00	
Audit	3,000.00	
Medical Examinations	175.00	
Medical Services	3,300.00	
Actuarial Services	21,613.03	
Printing	1,567.61	
Postage	775.00	
Telephone	416.46	
Rent	3,653.34	
Premiums On Surety Bonds	218.80	
Office Supplies	747.88	
Office Equipment and Repairs	<u>4,371.08</u>	
Total Expense of Administration		79,281.31

REFUNDS

331,430.34

TOTAL EXPENDITURES YEAR 1957

\$1,631,163.45

LABORERS' AND RETIREMENT BOARD

EMPLOYEES' ANNUITY AND

BENEFIT FUND

GAIN AND LOSS

YEAR 1957

GAINS

AND

LOSSES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

GAIN AND LOSS

YEAR 1957

SURPLUS BALANCES DECEMBER 31, 1957:

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

SURPLUS BALANCES JANUARY 1, 1957:

Annuity Payment Fund	\$ 648,444.41	
Expense Fund	0	
Investment And Interest Fund	0	
Ordinary Disability Fund	0	
Prior Service Annuity Fund	<u>(8,954,230.83)</u>	
Total		<u>\$(8,305,786.42)</u>

NET (LOSS) YEAR 1957 CURRENT OPERATIONS

\$(762,520.22)

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

ANALYSIS OF GAIN AND LOSS

YEAR 1957

	<u>P.S.A.F.</u>	<u>A.P.F.</u>	
GAIN BECAUSE OF ANNUITY AND BENEFIT PURPOSES:			
Mortality Employee Annuitants	\$ (38,537.58)	\$ (41,877.12)	
Mortality Employees' Annuities Fixed	43,377.36	(99,106.04)	
Mortality Widow Annuitants	26,182.61	(16,816.85)	
Mortality Wives' Annuities Fixed	92,769.43	(14,265.99)	
Excess Contributions On Refunds - Prior Service	2,775.54		
Excess Contributions On Refunds - Age And Service	322,249.74		
Excess Contributions When Annuities Are Fixed	(12,822.80)	482,763.46	
Refund After Fixed		(30,408.98)	
Salary Deductions After Fixed		70,009.65	
Total Gain Because Of Safeguards	<u>\$ 435,994.30</u>	<u>\$ 350,298.13</u>	\$ 786,292.43
ANNUITY PAYMENT FUND SURPLUS TRANSFERRED TO PRIOR SERVICE ANNUITY FUND		<u>\$ 228,144.20</u>	
INTEREST ON BALANCE OF JANUARY 1, 1957:			
Annuity Payment Fund Account		\$ 25,937.78	
Deficiency In Investment And Interest Fund Account		<u>(266,803.13)</u>	
Total Gain Because Of Surplus Reserve Purposes			(240,865.35)
TAX REQUIREMENT PURPOSES:			
Interest On Deferred Obligations		\$(426,834.74)	
City Current Contribution Deficiency		<u>(12,642.56)</u>	
Total Tax Requirement Purposes			<u>(439,477.30)</u>
NET GAIN FOR YEAR 1957 BEFORE SETTING UP PRESENT VALUE OF EXCESS LIABILITY MINIMUM ANNUITY TO NEW MEMBERS			\$ 105,949.78
DEDUCT: Increase In Present Value Liability Minimum Annuity			(920,546.50)
ADD: Increase In Taxes Receivable Prior Years			<u>52,076.50</u>
TOTAL NET (LOSS) YEAR 1957			<u>\$(762,520.22)</u>

LABORERS' AND RETIREMENT BOARD
EMPLOYERS' ANNUITY AND
BENEFIT FUND

COMPARATIVE ANALYSIS

YEAR 1957

ASSETS

AND

LIABILITIES

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

COMPARATIVE ANALYSIS

	<u>ASSETS</u>		
	<u>Jan. 1, 1957</u>	<u>Dec. 31, 1957</u>	<u>Increase (Decrease)</u>
CASH ON DEPOSIT	\$ 342,771.40	\$ 805,577.13	\$ 262,805.73
ACCOUNTS RECEIVABLE:			
Salary Deductions Accrued	\$ 149,396.41	\$ 178,773.57	\$ 29,377.16
Miscellaneous From Ees.	25,839.72	26,053.54	213.82
Total Accounts Receivable	<u>\$ 175,236.13</u>	<u>\$ 204,827.11</u>	<u>\$ 29,590.98</u>
INTEREST RECEIVABLE:			
Accrued Interest On Bonds	\$ 116,143.48	\$ 135,570.59	\$ 19,427.11
Accrued Interest On Tax			
Anticipation Warrants	0	0	0
Due Bond Interest Receivable	0	0	0
Total Interest Receivable	<u>\$ 116,143.48</u>	<u>\$ 135,570.59</u>	<u>\$ 19,427.11</u>
INVESTMENTS:			
Bonds - Par Value	\$25,220,000.00	\$29,070,000.00	\$3,850,000.00
Bonds - Premium and Discounts	(24,109.09)	(662,863.37)	(238,754.28)
Total Investments	<u>\$24,795,890.91</u>	<u>\$28,407,136.63</u>	<u>\$3,611,245.72</u>
TAXES RECEIVABLE (After Deductions For Loss And Cost Of Collection):			
Year 1946	\$ 41.18	\$ 0	\$ (41.18)
1947	221.85	0	(221.85)
1948	953.25	459.90	(493.35)
1949	605.04	114.05	(490.99)
1950	1,988.55	540.58	(1,447.97)
1951	1,056.64	244.82	(811.82)
1952	2,589.77	955.64	(1,634.13)
1953	5,332.51	2,198.70	(3,133.81)
1954	6,077.01	413.00	(5,664.01)
1955	84,484.36	57,222.44	(27,261.92)
1956	2,641,320.00	82,978.51	(2,558,341.49)
1957	0	2,655,675.00	2,655,675.00
Net Taxes Receivable	<u>\$ 2,744,670.16</u>	<u>\$ 2,800,802.64</u>	<u>\$ 56,132.48</u>
GROSS LEDGER ASSETS	\$28,374,712.08	\$32,353,914.10	\$3,979,202.02
LESS: ACCOUNTS PAYABLE:			
Miscellaneous To Ees.	198,141.84	210,802.60	12,660.76
Military Service Deds.			
Excess From Refunds	1,422.72	1,533.41	110.69
Total Accounts Payable	<u>\$ 199,641.56</u>	<u>\$ 212,336.01</u>	<u>\$ 12,694.43</u>
NET LEDGER ASSETS	<u>\$28,175,070.52</u>	<u>\$32,141,578.09</u>	<u>\$3,966,507.57</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

COMPARATIVE ANALYSIS

LIABILITIES AND FUND BALANCES

	<u>Jan. 1, 1957</u>	<u>Dec. 31, 1957</u>	<u>Increase (Decrease)</u>
FOR SERVICES AFTER JULY 1, 1935:			
LIABILITY RESERVES:			
ANNUITY PAYMENT FUND ACCOUNT:			
Employee Annuitants	\$ 1,512,381.17	\$ 1,846,042.54	\$ 333,661.37
Employees' Annuities Fixed	1,366,550.80	1,739,602.02	373,051.22
Widow Annuitants	897,852.09	995,887.42	98,035.33
Wives' Annuities Fixed	546,178.69	728,708.84	182,530.15
Total Annuity Payment Fund	<u>\$ 4,322,962.75</u>	<u>\$ 5,310,240.82</u>	<u>\$ 987,278.07</u>
SALARY DEDUCTION FUND ACCOUNT:			
Employees	\$ 8,176,767.66	\$ 9,509,943.17	\$1,333,175.51
Wives Of Employees	1,295,591.87	1,484,606.07	189,014.20
Total Salary Deduction Fund	<u>\$ 9,472,359.53</u>	<u>\$10,994,549.24</u>	<u>\$1,522,189.71</u>
CITY CONTRIBUTION FUND ACCOUNT:			
Employees	\$ 9,807,830.93	\$11,047,736.62	\$1,239,905.69
Wives Of Employees	2,550,158.02	2,930,522.07	380,364.05
Supplemental Annuities	24,117.70	27,152.73	3,035.03
Total City Contribution Fund	<u>\$12,382,106.65</u>	<u>\$14,005,411.42</u>	<u>\$1,623,304.77</u>
SURPLUS RESERVES:			
Annuity Payment Fund Account	\$ 648,444.41	\$ 796,536.12	\$ 148,091.71
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>\$ 648,444.41</u>	<u>\$ 796,536.12</u>	<u>\$ 148,091.71</u>
TOTAL LIABILITY AND SURPLUS RESERVES FOR SERVICE AFTER JULY 1, 1935	<u>\$26,825,873.34</u>	<u>\$31,106,737.60</u>	<u>\$4,280,864.26</u>
FOR SERVICE PRIOR TO JULY 1, 1935:			
PRIOR SERVICE FUND ACCOUNT:			
Estimated Excess Minimum			
Annuity Provision	\$ 4,524,607.89	\$ 5,145,878.63	\$ 621,270.74
Employee Annuitants	2,605,261.22	2,882,084.82	276,823.60
Employees' Annuities Fixed	319,268.17	283,167.07	(36,101.10)
Widow Annuitants	797,886.43	751,640.40	(46,246.03)
Wives' Annuities Fixed	431,145.57	399,779.99	(31,365.58)
Contributions For Employees	1,172,654.49	1,037,802.07	(134,852.42)
Contributions For Wives	452,604.24	399,330.27	(53,273.97)
Total Prior Service Fund	<u>\$10,303,428.01</u>	<u>\$10,899,683.25</u>	<u>\$ 596,255.24</u>
DEDUCT: (PER CONTRA):			
Obligations Of City For Prior Service Credits	<u>8,954,230.83</u>	<u>9,864,842.76</u>	<u>910,611.93</u>
NET LIABILITIES FOR SERVICE PRIOR TO JULY 1, 1935	<u>\$ 1,349,197.18</u>	<u>\$ 1,034,840.49</u>	<u>\$ 314,356.69</u>
TOTAL NET LIABILITIES AND FUND BALANCES	<u>\$28,175,070.52</u>	<u>\$32,141,578.09</u>	<u>\$3,966,507.57</u>

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

CASH RECONCILIATION

RECEIPTS AND DISBURSEMENTS

BALANCE JANUARY 1, 1957 PER BOOKS \$542,771.40

RECEIPTS:

Salary Deductions	\$2,077,161.90 ✓	
Interest On Bonds	648,665.00 ✓	
Installments On Taxes Receivable	2,651,619.02 ✓	
Securities Matured	400,000.00 ✓	
Treasurer's Receipts	73,233.38 ✓	
Cancelled Checks	2,527.38 ✓	
Miscellaneous	<u>1,074.62 ✓</u>	
Total Receipts		\$5,854,281.30

DISBURSEMENTS:

Annuities - Employees	\$ 721,438.14 ✓	
Annuities - Widows	244,891.55 ✓	
Annuities - Children	10,130.00 ✓	
Ordinary Disability Benefits	147,001.88 ✓	
Duty Disability Benefits	65,572.89 ✓	
Refunds	349,530.95 ✓	
Operating Expenses	79,290.91 ✓	
Securities Purchased - Par Value	4,250,000.00 ✓	
Discount	(306,796.87) ✓	
Accrued Interest Purchased	<u>30,416.12 ✓</u>	
Total Disbursements		<u>5,591,475.57</u>

EXCESS RECEIPTS OVER DISBURSEMENTS 262,805.73

BALANCE DECEMBER 31, 1957 PER BOOKS \$805,577.13

OUTSTANDING CHECKS DECEMBER 31, 1957 93,504.77

BALANCE PER TREASURER DECEMBER 31, 1957 \$899,081.90

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND

TAXES RECEIVABLE

DECEMBER 31, 1957

<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 12-31-57</u>	<u>Total Estimate For Loss And Cost Of Collection 12-31-57</u>	<u>Net Accounts Receivable Taxes</u>
1946	\$ 77,556.82	\$ 77,515.64	\$ 41.18	\$ 77,556.82	\$ 0
1947	72,862.35	72,640.50	221.85	72,862.35	0
1948	87,782.69	86,829.44	493.35	87,322.79	459.90
1949	89,966.45	89,361.41	490.99	89,852.40	114.05
1950	233,663.75	231,675.20	1,447.97	233,123.17	540.58
1951	258,629.39	258,384.57	0	258,384.57	244.82
1952	224,887.46	226,802.74	(2,870.92)	223,931.82	955.64
1953	208,906.04	215,320.15	(8,612.81)	206,707.34	2,198.70
1954	187,026.00	215,322.70	(28,709.70)	186,613.00	413.00
1955	286,901.20	229,678.76	0	229,678.76	57,222.44
1956	298,299.60	229,680.00	(14,358.91)	215,321.09	82,978.51
1957	<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>\$4,897,481.75</u>	<u>\$1,933,211.11</u>	<u>\$163,468.00</u>	<u>\$2,096,679.11</u>	<u>\$2,800,802.64</u>