

The Rochester Society of Security Analysts

THE ROCHESTER SOCIETY OF SECURITY ANALYSTS, INC.
for the year July 1, 1995 - June 30, 1996

On behalf of the Board of Directors, I am pleased to submit to you the 1995 Annual Report of the Rochester Society of Security Analysts, Inc.

ANNUAL REPORT

to

MEMBERS

The Rochester Society of Security Analysts, Inc. was founded in 1955 as a non-profit organization to provide a forum for the exchange of ideas and information among security analysts in the Rochester area. The Society's primary purpose is to promote the professional development of its members and to provide a means for the advancement of the security analysis profession. The Society's activities include the publication of a newsletter, the holding of seminars and workshops, and the sponsorship of conferences and other educational programs. The Society's membership is open to all individuals who are interested in the field of security analysis and who are willing to contribute to the Society's activities. The Society's financial statements for the year ended June 30, 1996 are set forth in the accompanying financial statements. The Board of Directors is composed of the following members: [List of Board Members]

July 1, 1995 through June 30, 1996

MEMBERS

The following table sets forth the membership of the Rochester Society of Security Analysts, Inc. for the year ended June 30, 1996. The membership is classified as follows: [Table with columns for membership type and number]

<i>Founded</i>	<i>1955</i>
<i>Affiliated F. A. F.</i>	<i>1955</i>
<i>Affiliated A. I. M. R.</i>	<i>1990</i>
<i>Incorporated</i>	<i>1970</i>

President's Report

THE ROCHESTER SOCIETY OF SECURITY ANALYSTS, INC. for the year July 1, 1995 - June 30, 1996

On behalf of the Board of Directors, I am pleased to submit to members the 1996 Annual Report for the Rochester Society of Security Analysts, Inc.

Statement of Mission

The Rochester Society of Security Analysts, Inc. charter is to represent those area professionals involved in any aspect of investment management or investment research through our status as an affiliated Society with the Association for Investment Management and Research (AIMR). These responsibilities include insuring our representation in investment matters of national importance, including securities industry regulation at both the State and National level. Further, the RSSA provides its members with quality programs designed to further enhance the knowledge and investment skills of our membership. In the area of education, the RSSA provides coordination and assistance to those individuals seeking to earn the professional designation of Chartered Financial Analyst (CFA) from the Institute of Chartered Financial Analysts (ICFA).

PROGRAMS

Once again, Matt Kaufler, our Program Chair, did a wonderful job putting together this year's schedule of luncheon presentations. A complete listing of this year's program can be found in Appendix A. We all know that organizing luncheon presentations is the most difficult and time-consuming job assigned to an RSSA officer. Doing it for one year is stressful enough, but Matt has generously donated two years of his time at this position and he has done a great job. We thank Matt for his service and commend him for his efforts. Matt will be handing over the reins of Program Chair to the capable hands of John Piccione for the 1997 fiscal year. As always, if any one has suggestions for future program ideas, feel free to call John or any other member of the Board of Directors.

MEMBERSHIP

Our total membership stood at 129 members at fiscal year end. We gained 6 new regular, 4 affiliate members, 6 student members, and lost 14 existing members during the year. The majority of lost members involved their relocation to other areas. A more detailed record of our membership for the year can be found in Appendix B.

I would like to thank Tom Bartlett for a job well done as Membership Chairman this year. Doug Lyon will be assuming the duties of Membership Chairman this coming fiscal year and we look forward to his services.

FINANCES

Our financial condition continues to be strong. Our combined reserve and checking account balances stood at \$14,523 on June 30, 1996, down \$376 from last year. Our total reserve closed the year at \$94 per member. Thanks to Glenn Jordan for his service as Treasurer this year. Tom Bartlett will be taking over duties as Treasurer for the 1997 fiscal year. A summary of our financial condition as of June 30, 1996 can be found in Appendix C.

NATIONAL NEWS

AIMR conducted a survey this past year in which 69 societies participated and the results were interesting. For example, average society dues are \$48 per member, the majority of society meetings are corporate programs, and 21 societies use an administrative firm costing them on average \$13,500 per year (must be nice!). Other facts include: only 46 societies are incorporated, 12 have a society benefits brochure and 12 have a home page on the Internet.

The survey results are broken into responses by small, medium, large and extra large societies. A summary of the overall results is enclosed in Appendix D. Also enclosed in Appendix D is a letter from Tom Bowman which highlights a few of the major activities that took place during fiscal 1996 at the national level.

SUMMARY

Fiscal 1996 was another successful year for your Society. I would like to thank each of our Board members for their service and dedication over the past year. As you know, Van Harris moved on to bigger and better things in Hartford just before his term as President started. It was my honor to be called out of retirement and pressed into duty as your President for another year. I would like to thank each of our members for this privilege. It is a pleasure for me now to turn the reins over to Glenn Jordan who will serve as our President for the 1997 fiscal year. I look forward to his leadership going forward. A list of the Board of Directors of The Rochester Society for the 1994-1995 Fiscal Year can be found in Appendix E.

Respectfully submitted,



David F. Khalil, CFA
President

Appendix A

RSSA Programs 1995 - 1996

<u>1995</u>	<u>Company</u>	<u>Speaker/Title</u>
June 22	McDonald & Co.	Michael L. Bowyer
July 12	Bear, Stearns & Co.	Dr. Wayne D. Angell
Sept. 13	MFS Communications	Ronald Beaumont, CEO & President
Sept. 27	Letchworth Independent Bancshares	Jim Fulmer, President & CEO
	Bank of Castile	Brenda Copeland, President
Oct. 25	International Paper	James Melican, Exec. Vice President
Nov. 16	NY Public Service Commission	Robert Whitaker, Dir., Office/Regulatory Economics
Dec. 5	Ralcorholdings	Patrick T. Farrell, VP, Corporate Affairs
<u>1996</u>		
Jan. 9	Home Properties	Amy Tait, Chief Operating Officer
Feb. 28	Rochester Community Savings Bank	Leonard Simon, President & CEO
March 13	State Street Global Advisors	Jeffrey P. Davis
April 11	First Boston	Michael J. Maubaussin, Director
May 30	Eaton Corp.	Steve Hardis, Chairman & CEO
June 5	Ericsson	Lars Jonsteg, Vice President

ROCHESTER SOCIETY OF SECURITY ANALYSTS

Membership Report

1996 Fiscal Year

	<u>Current Membership</u>	<u>New Members</u>	<u>Lost Members</u>
Regular Members	77	6	7
Affiliate Members	22	4	7
Retired Members	7	0	0
Local Members	16	0	0
Student Members	6	6	8
Total Membership	<u>129</u>	<u>16</u>	<u>22</u>

<u>New Members</u>	<u>Lost Members</u>	<u>Student Members</u>
Eleftherios Aris	Eleftherios Aris	Jeffrey C.H. Au
Cheryl H. Duke, CFA	John J. Clark, III, CFA	Yusuf Ertac
Edward N. Everett	Bruce A. DiPietro	Lou M. Lombardi
Jeffrey P. Lessard	Donald Dorschel	Stephen C.F. Mortimer
Keith A. Maier	Richard E. Exton	Warren Wang
Joseph C. Marsh	Stephen J. Fauer, CFA	Jason P. Weiner
Stephen P. Moulton	Jill Weather Flanagan	
Timothy G. Mulligan	Todd D. Green, CFA	
Richard A. Stein	Bonnie Griffith	
Anthony A. Tanner	Van Harissis, CFA	
	Stephen C. Krauss, CFA	
	Ariadna Rodriguez	
	Ziad S. Wehbe	
	Thomas M. Zeifang	

RSSA Treasurer's Report

Annual Review

June 30, 1995 - June 30, 1996

I. CHECKING ACCOUNT

Balance Forward, June 30, 1995		\$1,477.59
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Receipts:

Luncheons	\$2,763.00
Member Dues	\$4,170.00
Vanguard Transfer	<u>\$2,000.00</u>
Total	\$8,933.00

Disbursements:

Luncheons	\$4,978.84
Postage, Printing, Misc.	\$1,046.52
AIMR Conference	\$1,682.70
AIMR Leadership Conference	\$251.73
RAF - Charitable Contribution	<u>\$100.00</u>
Total	\$8,059.79

Ending Balance, June 30, 1996		<u>\$2,350.80</u>
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II. INVESTMENT ACCOUNT - Vanguard S-T Bond Fund

Balance Forward, June 30, 1995		\$13,420.81
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Interest and Net Capital Gains	\$751.03
Redemption - Credit to checking	(\$2,000.00)

Ending Balance, June 30, 1996		<u>\$12,171.84</u>
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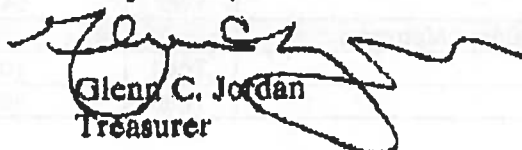
III. TOTAL BALANCE - Checking & Investment Accounts

Balance Forward, June 30, 1995		\$14,898.40
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Net Change	(\$375.76)
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Ending Balance, June 30, 1996		<u>\$14,522.64</u>
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Respectfully submitted,



Glenn C. Jordan
Treasurer

Appendix D

1995-96 SOCIETY SURVEY - OVERALL RESULTS

	Overall Results Number Responded: Small (19), Medium (18), Large (22), X-Large (10), Total (69)	Small 1-60	Medium 61-160	Large 161-399	X-Large 400 +	
Dues						
Regular/Affiliate	Average \$ 47.45	\$ 43.61	\$ 46.67	\$ 45.81	\$ 60.56	
Retired	Average \$ 31.80	\$ 31.11	\$ 34.72	\$ 27.90	\$ 36.39	
Non-Primary	Average \$ 32.20	\$ 26.11	\$ 32.22	\$ 29.05	\$ 51.67	
Meeting Fees						
Members	Average \$ 17.36	\$ 15.80	\$ 16.17	\$ 16.86	\$ 22.50	
Guests	Average \$ 21.13	\$ 19.06	\$ 18.40	\$ 21.24	\$ 28.30	
Students	Average \$ 16.24	\$ 14.54	\$ 18.00	\$ 15.60	\$ 20.75	
No-Shows	Average \$ 19.93	\$ 20.00	\$ 17.38	\$ 17.20	\$ 27.83	
Company Fee						
Flat Fee	Average \$ 508.33	\$ 250.00	\$ 525.00	\$ 447.22	\$ 1,025.00	
Fee per Attendance	Average \$ 12.00	\$ 11.50	\$ -	\$ -	\$ 12.50	
Fee based on Attendance	Average \$ 20.00	\$ -	\$ -	\$ 30.00	\$ 10.00	
At cost	Total	19	4	6	4	5
Other (See attached document)	Total	20	5	5	4	6
Meeting Frequency						
Daily	Total	1	0	0	0	1
Weekly	Total	11	0	1	5	5
Bi-Weekly	Total	21	1	6	11	3
Monthly	Total	35	16	10	7	2
Meeting Types						
Breakfast	Total	11	3	2	4	2
Lunch	Total	64	17	15	22	10
Dinner	Total	15	2	7	4	2
Cocktails	Total	11	3	2	4	2
Annual Meeting/Outing	Total	18	3	3	7	5
Other (See attached document)	Total	16	4	3	6	3
Meeting Percentage						
Corporate	Total	51	52	64	44	44
Educational	Total	48	56	38	47	54
Social	Total	9	7	10	11	6
Other (See attached document)	Total	19	0	14	30	0
Yearly Education Budget	Average \$ 17,457	\$ 1,025	\$ 2,000	\$ 4,900	\$ 54,333	
Speaker Fee						
Yes	Total	7	1	0	3	3
No	Total	62	18	18	19	7
How Much?	Average \$ 500	0	0	\$ 500	\$ 500	
Pay Speaker Expenses						
Yes	Total	18	3	3	8	4
No	Total	51	16	15	14	6
# Board Meetings per Year	Total	7	7	7	6	9
CFA Charter Required for Society Officers						
Yes	Total	13	1	3	6	3
No	Total	54	18	14	15	7
CFA Charter Required for Board Members						
Yes	Total	10	1	3	4	2
No	Total	56	18	14	16	8

	Overall Results Number Responded: Small (19), Medium (18), Large (22), X-Large (10), Total (69)		Small 1-60	Medium 61-160	Large 161-399	X-Large 400 +
Is Your Society Incorporated?						
Yes	Total	46	8	13	17	8
No	Total	21	11	5	4	1
Does Society Use Administrative Firm?						
Yes	Total	21	1	5	9	6
No	Total	48	18	13	13	4
Cost per year	Average	\$ 13,482	\$ 1,000	\$ 1,880	\$ 4,450	\$ 38,420
Satisfaction with Administrative Firm						
Excellent	Total	9	1	1	5	2
Good	Total	8	0	4	2	2
Fair	Total	3	0	0	1	2
Poor	Total	0	0	0	0	0
Services Provided by Firm (See attached)	Total					
Full or Part-Time Staff						
Yes Full Time	Total	2	0	0	0	2
Yes Part Time	Total	8	0	4	1	3
No	Total	57	19	14	18	6
Yes Number of Full Time Staff	Total	14	0	3	0	11
Yes Number of Part Time Staff	Total	8	0	1	1	6
Other (See attached document)	Total	3	0	0	0	3
Newsletter Frequency						
Monthly	Total	5	0	1	0	4
Quarterly	Total	3	0	0	0	3
Bi-annual	Total	9	3	0	4	2
Annual	Total	6	2	2	1	1
Not-Applicable	Total	44	14	15	15	0
Does Your Society Sponsor the Following?						
Continuing Education	Total	31	8	7	7	9
Investment Courses	Total	12	1	0	5	6
Local Conferences	Total	11	2	1	3	5
CFA Review Courses	Total	41	7	9	16	9
Other (See attached document)	Total	1	0	0	0	1
Size of Society's Reserve Fund	Average	\$ 44,952	\$ 5,173	\$ 12,222	\$ 47,118	\$ 144,286
What is the Society's Probability of:						
Company Presentation						
Very Profitable	Total	5	1	1	3	0
Slightly Profitable	Total	19	7	4	4	4
Break Even	Total	32	6	11	12	3
Not Profitable	Total	6	1	1	2	2
Educational Meetings						
Very Profitable	Total	1	0	0	0	1
Slightly Profitable	Total	13	6	2	1	4
Break Even	Total	29	9	8	10	2
Not Profitable	Total	17	1	4	10	2
CFA Review Courses						
Very Profitable	Total	18	3	3	5	7
Slightly Profitable	Total	10	3	1	3	3
Break Even	Total	12	3	5	4	0
Not Profitable	Total	3	0	0	3	0

	Overall Results					
	Number Responded: Small (19), Medium (18), Large (22), X-Large (10), Total (69)					
		Small 1-60	Medium 61-160	Large 161-399	X-Large 400 +	
Investment Classes						
Very Profitable	Total	6	0	1	3	2
Slightly Profitable	Total	8	1	0	3	4
Break Even	Total	2	0	0	2	0
Not Profitable	Total	2	1	0		0
Conferences						
Very Profitable	Total	5	0	0	1	1
Slightly Profitable	Total	6	1	0	0	4
Break Even	Total	5	1	2	4	2
Not Profitable	Total	1	1	0	1	0
Other Courses						
Yes	Total	0	0	0	0	0
Very Profitable	Total	2	2	0	0	0
Slightly Profitable	Total	2	1	0	0	1
Break Even	Total	2	0	0	0	1
Not Profitable	Total	1	0	0	0	1
Price for CFA Review Courses	Average	\$ 349	\$ 277	\$ 188	\$ 304	\$ 544
Instructor Fee	Average	\$ 253	\$ 183		\$ 303	\$ 229
Do You Offer Job Placement Services?						
Yes	Total	36	4	10	13	9
No	Total	33	15	8	9	1
Scholarship/Educational/Community Program?						
Yes	Total	27	5	6	9	7
No	Total	41	14	12	13	2
Have You Been Able to Increase Membership?						
Yes (See attached)	Total	53	16	12	18	7
No	Total	14	3	6	4	1
Who Approves Membership Applications?						
Membership chair	Total	20	7	4	6	3
Membership committee	Total	12	0	1	6	5
Society Board	Total	51	12	15	15	9
Do You Survey Your Members?						
Yes	Total	42	5	12	19	6
No	Total	27	14	6	3	4
Do You Have the Following?						
Society Telephone Number	Total	19	1	3	6	9
Society Answering Machine	Total	11	0	1	3	7
Voice Mail	Total	15	0	2	5	8
Society Post Office Box Number	Total	21	5	4	8	4
Society Brochure	Total	12	0	2	4	6
Media Guide	Total	4	1	0	1	2
Internet Home Page	Total	11	1	2	5	3
Other (See attached document)	Total	7	0	0	2	5

May 1996

Dear AIMR Member:

As AIMR nears the end of its fiscal year, I thought it would be an appropriate time to highlight a few of the many activities that those of us in Charlottesville, along with hundreds of dedicated volunteers, are conducting on your behalf. The past year has witnessed exceptional change and growth for your organization and the CFA program.

- The Board of Governors at its May meeting authorized the implementation of a pro-active public awareness program for the CFA designation and AIMR. Focused on targeting the clients and employers of CFA charterholders and members, the awareness program will integrate public relations, advertising and related communications tools to spotlight the values embodied in the CFA designation and by the AIMR membership.
- This year, more than 33,000 candidates from more than 60 countries enrolled for the CFA exam. This is three times the number that were enrolled in 1990, and is a tribute to the quality of the CFA Program and the high esteem in which it is held around the world.
- AIMR introduced a comprehensive World Wide Web site on the Internet with information on the CFA program, AIMR seminars and publications, our affiliated local societies, and many other related topics. Our presence on the Internet greatly enhances our ability to serve our members, especially our non-North American members and candidates, quickly and cost-effectively. We also initiated a service bureau in Hong Kong to assist the nearly 2,000 AIMR members and CFA candidates located there.
- This year we introduced Learning Outcome Statements to assist our Level III CFA candidates in assessing how well they have understood the various readings in the curriculum. We believe these Statements, which will be introduced at Levels I and II during the coming year, will help candidates better prepare for the examinations.
- We vigorously promoted the dissemination and adoption of the AIMR Performance Presentation Standards among investment professionals around the globe. In addition, we met with continued success in obtaining waivers for CFA charterholders from taking investment adviser exams in many states and provinces. In conjunction with other investment analyst organizations in Europe and Asia, we also developed a Global Code of Ethics and Standards of Professional Conduct to raise professional standards worldwide.
- To meet our goal of offering educational opportunities to members around the world, we conducted three international seminars on global topics in Singapore, London and Frankfurt, to supplement our ongoing series of seminars in the U.S. and Canada. We also re-engineered the pricing structure for our annual conference, reducing conference costs 44% compared with two years ago, and boosting attendance to record levels for recent years.

These and dozens of other initiatives would not be possible without your support and encouragement. For this we are extremely grateful. I look forward to working with you in the months ahead.

Sincerely,



Thomas A. Bowman, CFA
President and Chief Executive Officer

