EMPLOYEES' RETIREMENT SYSTEM

ANNUAL REPORT OF THE RETIREMENT BOARD

FISCAL YEAR ENDED JUNE 30, 1966



State of Rhode Island and Providence Plantations

## EMPLOYEES' RETIREMENT SYSTEM

#### ANNUAL REPORT OF THE RETIREMENT BOARD

FISCAL YEAR ENDED JUNE 30, 1966

(as constituted June 30, 1966)

HON. RAYMOND H. HAWKSLEY, Chairman General Treasurer

G. ALDEN WINTER Warwick

HON. FRANCIS P. SMITH Chairman, Senate Finance Committee

HON. MICHAEL SEPE Chairman, House Finance Committee

JOSEPH H. O'DONNELL Director of Administration

ROBERT M. SCHACHT Director of Business Regulation

DR. WILLIAM P. ROBINSON Commissioner of Education

JAMES E. CONLON Supit. South Kingstown School Department

> CHARLES W. HILL State Controller

JOSEPH G. IANNELLI Executive Secretary

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March 23, 1967

To His Excellency the Honorable John H. Chafee Governor, State of Rhode Island and Providence Plantations Providence, Rhode Island

Sir:

I take pleasure in submitting herewith for transmittal to the General Assembly, the Annual Report of the Retirement Board of the Employees' Retirement System of the State of Rhode Island for the fiscal year ended June 30, 1966.

Respectfully submitted,

Raymond H. Hawksley Chairman

#### SUMMARY OF FINANCIAL AND STATISTICAL FACTS

| At Year-End                         |              |
|-------------------------------------|--------------|
| Reserves (Net Assets)               | \$83,118,675 |
| Number of Contributing<br>Members - |              |
| State Employees                     | 10,488       |
| Teachers                            | 7,616        |
| Number of Pensioners -              |              |
| State Employees                     | 1,275        |
| Teachers                            | 1,171        |
| Unfunded Accrued Liability -        |              |
| State Employees                     | \$33,760,447 |
| Teachers                            | \$74,430,890 |
|                                     |              |
| For the Year                        |              |
| Total Revenue                       | \$16,025,213 |
| Total Expenditures                  | 7,660,187    |
| Member Contributions                | 6,165,864    |
| State Contributions                 | 3,940,739    |
| Contributions by Cities & Towns     | 2,158,481    |
| Investment Income                   | 3,737,086    |
| Pension and Benefit Payments        | 6,380,153    |
| Refunds to Withdrawing Members      | 1,270,575    |
| Number of retirements               | 301          |
| Deaths among retirants              | 127          |

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### Employees' Retirement System of the State of Rhode Island

ANNUAL REPORT OF THE RETIREMENT BOARD FOR THE FISCAL YEAR ENDED JUNE 30, 1966

There is presented herewith the annual report of the Retirement Board of the Employees' Retirement System of the State of Rhode Island for the fiscal year ended June 30, 1966.

This report discusses the operations of the System for the year and includes a report on an actuarial valuation under the prescribed benefit schedule.

#### MEMBERSHIP STATISTICS

|                       |                 | Employees    | Teacher-l        |              |
|-----------------------|-----------------|--------------|------------------|--------------|
|                       | Male            | Female       | Male             | Female       |
| Active conti          | ributing member | rs to Jacobs | र वितेष तित । कर |              |
| Number                | 5,829           | 4,659        | 2,751            | 4,865        |
| Aggregate<br>salaries | \$35,232,313    | \$20,876,496 |                  | \$28,808,303 |
| Average salary        | \$6,044         | \$4,481      | \$6,013          | \$5,922      |
| Average age           | 46.9            | 46.3         | 39.2             | मेंगे . 0    |
| Average<br>service    | 9.1             | 8.2          | 9.3              | 10.6         |

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## MEMBERSHIP STATISTICS - continued

|                                 |               | 7                   | Teache     | r-Members   |
|---------------------------------|---------------|---------------------|------------|-------------|
|                                 | State<br>Male | Employees<br>Female | Male       | Female      |
| Inactive mem                    | 1,366         | 912                 | 561        | 935         |
| Pensioners -                    | 716           | 559                 | 192        | 979         |
| Aggregate<br>annual<br>pensions | \$1,252,610   | \$881,786           | \$651,966  | \$3,248,830 |
| Average<br>annual<br>pension    | \$1,749.45    | \$1,577.44          | \$3,395.66 | \$3,318.52  |
| Average age                     | 71.4          | 71.0                | 70.6       | 72.3        |

#### FINANCIAL OPERATIONS

Reserves of the System at June 30, 1966 totalled \$83,118,675.00. This compares with the amount of \$74,757,006.00. The increase for the year was \$8,361,669.00. This compares with the excess of total revenues over total expenditures for the preceding year of \$7,592,290.00.

Total revenues amounted to \$16,025,213.00 compared with \$14,394,004.00. Total expenditures were \$7,660,187.00 compared with \$6,896,024.00. The excess of revenues over expenditures was \$8,365,026.00. After adjustment for the difference in the accounts payable for the year of \$3,357,000.00, the amount transferred to reserves was equal to the increase in reserves as stated above of \$8,361,669.00.

#### BUDGETING PENSION COST

It is noted that during the year legislation was enacted providing for the distribution of the pension cost among the departments or agencies of the government, thus placing the cost in the budgets of the several departments where it properly belongs. This is a realistic approach to an important basic problem. As has been stated in explanation of this legislation "this is a very substantial step forward in the refinement of budgetary and cost allocation techniques" for pension cost.

This method of budgeting has many advantages. It makes it possible to take such cost into account in any revisions of personnel policy, changes in rates of compensation or in the employment of new personnel. It gives effect to the principle that pension cost is a direct operating expense, being in a sense deferred salary. It should, therefore, be reflected in the current budgets. This new method of treating pension cost as a departmental obligation represents a progressive policy and conforms to the practices in effect in the Federal government and in other States.

## INVESTMENTS

The investments of the System at the close of the year totalled \$82,865,306.00 at par value for bonds and cost for common stocks and mutual funds, and \$82,378,845.00 at amortized cost for bonds and cost for common stocks and mutual fund investments.

Investment earnings for the year amounted to \$3,734,566.00.

Upon the basis of the average amount of investments owned during the year, the yield for the year was 4.75%. The average yield on all investments at the close of the year was somewhat higher than the aforesaid rate.

It is also of interest to note that the ratio of investment earnings for the year to total revenues was 23.3%. This is approximately equal to the average rate of earnings, as a proportion of total revenues, of all 2,300 public retirement systems in operation in the United States. This rate for the System, however, should increase in the future under the progressive policies maintained in the operation of the investment account and the increase in the measure of funding resulting from the recently revised rate of state contributions covering the period of 10 years from July 1, 1967.

The following statement illustrates the several types of securities comprising the investment account of the System, the

amounts of securities of each type and the proportion of each type of investments as compared with the total of the account.

| Type of Security                        | Cost or Par Value     | Per Cent<br>of Total |
|---|-----------------------|----------------------|
|   |                       | 32.56%               |
| 1. U. S. Government                     | \$27,059,500.00       |                      |
| 2. Federal Land Bank                    | 1,500,000.00          | 1.81                 |
| 3. Federal Home Loan Bank               | 200,000.00            | 0.24                 |
| 4. Export-Import Bank                   | 500,000.00            | 0.60                 |
| 5. World Bank                           | 500,000.00            | 0.60                 |
| 6. Certificates of Deposit              | 500,000.00            | 0.60                 |
| 7. Commercial Paper                     | 500,000.00            | 0,60                 |
| 8. State - Municipal                    | 2,074,000.00          | 2.50                 |
| 9. Railroad Bonds -<br>Equipment Trusts | 4,040,000.00          | 4.86                 |
| 10. Public Utility Bonds                | 18,659,000.00         | 22.69                |
| 11. Industrial Bonds                    | 8,577,000.00          | 10.32                |
| 12. Preferred Stocks                    | 582,828.00            | 0.70                 |
| 13. Common Stocks                       | 17,549,688.00         | 21.17                |
| 14. Mutual Funds                        | 623.290.00            | 0.75                 |
| Totals                                  | \$82,865,306.00       | 100.00%              |
|   | A A CONTRACTOR OF THE | A = 11 /-            |

Common stock holdings and mutual fund investments show substantial increases in value as will be noted by the following statement:

|               | Cost            | Market          | Excess of market over cost |
|---------------|-----------------|-----------------|----------------------------|
| Common stocks | \$17,549,688.00 | \$24,109,614.00 | \$6,559,926.00             |
| Mutual funds  | 623.290.00      | 850,231.00      | 226,941.00                 |
| Totals        | \$18,172,978.00 | \$24,959,845.00 | \$6,786,867.00             |
|               |                 |                 |                            |

closing prices of stocks at June 30, 1966 shown by the New York Stock Exchange and the American Stock Exchange were used in the Stock Exchange and the appreciation in the value of stocks aforesaid valuations. The appreciation in the value of stocks may be considered as an offset to the unfunded accrued liability which at June 30, 1966 amounted to \$108,191,337.00. In the valuation Balance Sheet presented by the actuary as of that valuation Balance Sheet presented by the actuary as of that date, the bond investments were applied at amortized book value and stocks were taken at their cost. Hence, to arrive at a more realistic appraisal of the condition of the System from a strictly technical standpoint, actual values might be applied which would fix the unfunded accrued liability at that date at \$101,404,470.00.

#### NEW LEGISLATION

Several amendments to the law governing the System were enacted at the 1966 session of the General Assembly affecting benefits for State employees and teacher members. These are briefly discribed.

- H-1821 A State employee or a teacher-member may retire after completing 35 years of service, regardless of age without a discount, effective May 21, 1966.
- H-1429 The minimum amount of service for ordinary disability annuity for State employees and teachers was reduced from 10 years to 7 years. Those members who have between 7 and 15 years are given 15 years of service credit for the computation of such annuities, effective April 20. 1966.

- H-1572 The Ordinary death benefit insurance after retirement in the full amount for the first year and reduced by 25% each year thereafter, with a minimum of \$1,000.00, was extended to teacher-members who retire on or after May 26, 1966.
- S-595 The maximum age limit of 60 was raised to age 65 for coverage for accidental disability benefits for State and teacher-members, effective May 3, 1966.
- S-564 State employees were granted the privilege of purchasing up to one year of educational leave, either by December 31, 1966 or within one year after the return from leave, whichever is later, effective May 24, 1966.
- H-1626 State employees and teacher-members having attained a "vested right" may now select Options 2, 3, or 4, effective May 26, 1966.
- S-744 A minimum of \$2,000.00 per year for a retired teacher with 20 or more years of service was granted under this Act, effective May 26, 1966.

#### APPROPRIATIONS TO THE SYSTEM

Appropriations by the employer to the Employees' Retirement System consist of a rate per cent of payroll reflecting a projection of the requirements for expenditures by the System after crediting the amounts contributed by the members. The percentage is to be applied to the estimated payment for personal services to the members of the System covered by the budget for the year in question. The rate of contribution in force is 5%.

The appropriations budgeted for the System for the 1967 fiscal year are given below with the amounts for the year covered by this report given for comparison.

|   | 1966-1967<br>Fiscal Year | 1965-1966<br>Fiscal Year |
|---|--------------------------|--------------------------|
| State Employees  5% of assumed payroll for personal service of the members of the system for the year covered by the budget | \$2,740,112.00           | \$2,386,604.00           |
| Normal Requirements -   |                          |                          |

3-1/2% of assumed payroll of teacher-members of the

cities and towns of the

State

The total rate of contribution on account of teacher-members is 7% of payroll. The requirements of the System for these members are shared equally by the State and the cities and towns.

\$1.644,811.00

\$1,531,160.00

#### TEN-YEAR COST PROJECTION

As provided by the law, the actuary completed a cost projection for the purpose of establishing the contribution rates for the State and the cities and towns on account of State employees and teacher members of the System for the period of ten years dating from July 1, 1967.

The results of this comprehensive cost study were made available to the board during the year. The rates of contribution recommended by the actuary are as follows:

5.55% State employees 7.80% Teacher-members

These rates have been certified to the appropriate agencies of the State government and to the cities and towns, the latter sharing equally in cost of pensions on account of teachermembers.

#### ACTUARIAL VALUATION

An actuarial valuation of the assets, liabilities and reserves of the System was completed as of June 30, 1966. The results are reported in the accompanying report of the actuary.

The report of the actuary discloses that the unfunded accrued liability has increased during the year from \$100,379,061.00 to \$108,191,337.00, or \$7,812,276.00. This increase was due to the method of financing the system's obligations according to a partial funded basis. Besides the inadequacy of this method in meeting the accruing current service cost, the interest accrual at the rate of 3 per annum must be met on the unfunded accrued liability. The two amounts, as explained by the actuary, account for the aforesaid amount of increase in the unfunded accrued liability.

### CONCLUSION

The results of operations for the year were satisfactory.

Judged by the usual standards, the System is developing on a sound and constructive basis fulfilling effectively its role as an adjunct of a progressive personnel policy for government. Considering the fact that its benefit schedule is supplemental, in full measure, to federal social security, it is difficult to understand the large number of recurring amendatory proposals to further liberalize benefits or qualifying conditions. On a combined basis, federal social security and the supplemental plan are providing the employees of the State a measure of security which is greater than is provided in most other States for similar occupational groups of employees.

In the light of the cost aspects of these new proposals, both current and prospective, the Board will continue to resist any changes in the benefit schedule of a major character which will impose further disproportionate cost burdens on the State government. It must be considered also that social security is being expanded and this expansion is accompanied by increases in tax rates for both the employees and employer. Thus, if total costs to both the employees and the State are to be kept within reasonable limitations, further liberalizations in the benefits of the Employees' Retirement System must be avoided.

The policies of the Board are constantly directed towards the maintenance of a high standard of efficiency in the administration of the System in order to provide the members with maximum service consistent with the expressed and implied provisions of the governing law.

Retirement Board of the Employees' Retirement System of the State of Rhode Island,

RAYMOND H. HAWKSLEY, Chairman

G. ALDEN WINTER

FRANCIS P. SMITH

MICHAEL SEPE

JOSEPH H. O'DONNELL

ROBERT M. SCHACHT

DR. WILLIAM P. ROBINSON

JAMES E. CONLON

CHARLES W. HILL

JOSEPH G. IANNELLI Executive Secretary

# ACTUARIAL VALUATION AS OF JUNE 30, 1966

An actuarial valuation of the Employees' Retirement System of the State of Rhode Island was completed as of June 30, 1966. The valuation was undertaken to establish the liabilities and reserve requirements for the accrued and prospective pension credits under the prescribed benefit schedule. The financial condition of the System is determined by means of such valuation. A valuation balance sheet is prepared to show the result of the valuation including the accrued and prospective liabilities and the present and prospective assets to meet these liabilities. The valuation is made with the use of certain standards reflecting the probable experience of the System with respect to mortality, turnover and other such factors.

Because of the long-term character of the pension accumulation period, as well as the period of payment of benefits, a forecast of the future must be made based upon an extended period of past operations on the membership comprising the System. Short-term fluctuations or transitory factors are disregarded in this process except to the extent that they affect benefits of a current operating character.

In the valuation a determination is made of the liabilities incurred for the several benefit obligations and the reserves required to most the

the members. The factors of mortality, turnover and interest are basic in such calculations. Other factors are also prominent in actuarial procedure including rates of salary and their progression until maturity of the obligations, interest earnings, disability incidents and ages at retirement.

Rates reflecting these basic factors are formulated in prior years based upon a survey and investigation of the past operating experience. Separate rates are applied for State employees and teacher-members. A further division is made between male and female members to give effect to the diverse physiological conditions and employment characteristics affecting the two sexes. Some variations from these established standards frequently occur in current operations. These are taken into account by means of an adjustment of the final results of the valuation following the application of the basic factors.

#### BASIS OF VALUATION

The benefit and contribution provisions forming the basis of this valuation are summarized in the appendix. The rate of interest assumption was  $3\frac{1}{2}\%$  per annum. The actuarial functions used were those previously established for the System in the last actuarial survey and investigation of its operating

## RESULTS OF VALUATION

A test of progress in the operation of any retirement system is measurable by the extent to which the liabilities for earned pension credits have been met. This assumes that the system is fully funded, that is, the accruing pension credits are financed currently, in full measure, and that the unfunded accrued liability is being systematically amortized. Pension liabilities represent discounted sums which include the interest factor, therefore the liabilities for prior years currently accrue at interest at the assumed rate.

The Employees: Retirement System is subject to partial funding of its liabilities. Contributions by the employer represent the average annual requirements for benefits according to a 10-year projection of payments by the system. The rate per cent of contributions established in 1957, which was the last computation date, was 5% of salaries for the State employees and 7% for the teacher-members. These are the rates applicable for the 1966 fiscal year. New rates have been established for the 10-year period dating from July 1, 1967.

Since partial funding results in a continuous deferment of the remainder of the accruing cost, the unfunded accrued liability has been in a steady and persistent upward trend.

In the case of the Employees' Retirement System, operations for the 1966 fiscal year disclosed an increase in the unfunded accrued liability amounting to \$7,812,276.00. This increase is reconciled as follows:

Interest accrual at 3½% on the unfunded accrued liability at June 30, 1965 \$3,513,267.00

Deficiency in current service requirements for the 1965-1966 fiscal year 4.299.009.00

Total \$7,812,276.00

The full funded cost of financing current service on account of the members of the system as a percentage of salary is as follows:

State employees 8.5%
Teacher-members 10.1%
Combined 9.2%

A decrease has occurred in the full funded cost during the year principally to separations from service with refund above the expectancy according to rates established in our previous survey.

## VALUATION BALANCE SHEET

The Valuation Balance Sheet presented in the following pages shows the financial condition of the System at June 30, 1966. A retirement system is considered to be in a sound financial condition from the actuarial standpoint when its present asset are equal to the difference between (a) the total of all accretion and prospective liabilities, and (b) the present value of future contributions to be received by the system from the members and the employer. A system attaining this status will have provide for all actuarial reserve requirements.

on andorrs of the nyster a percentage of salary is an

serves has courred in the 'ull randed cost during the principally to reparations from service with refund above especially according to rates established in our previous

### VALUATION BALANCE SHEET

### AS OF JUNE 30, 1966

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the from exported panalon

State of Flode Island

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BOLAL VSREEZ

The State of Rhode Island and the cities and towns share of the cost of the certain pensions.

## VALUATION BALANCE SHEET - JUNE 30, 1966

## Statement of Assets, Liabilities and Reserves

#### ASSETS

| NET PRESENT ASSETS:   |  |     |                |
|---|--|-----|----------------|
| Cash  |  | \$  | 9,512.00       |
| Investments   |  |     | 82,378,845.00  |
| Accrued Interest Receivabl  | е  |     | 739,319.00     |
| DEFERRED ASSETS:  | 1.1(3.21)/4.                                 |     |                |
| Present value of future service of service of service of subsequent to July 1, 1966 | vice   |     |                |
| State employees -<br>Members<br>State of Rhode Island                               | \$ 8,433,961.00<br>15,086,111.00             |     |                |
| Teacher-Members<br>Members<br>State of Rhode Island<br>Cities and Towns             | 9,936,364.00<br>8,719,938.00<br>8,719,938.00 |     | 50,896,312.00  |
| UNFUNDED ACCRUED LIABILITY:   |  |     |                |
| Due from employers for unfunded accrued pension credits                             |  |     |                |
| State of Rhode Island   | \$70,975,892.00                              |     |                |
| Cities and Towns $\frac{1}{2}$  | 37.215.445.00                                |     | 108,191,337,00 |
| TOTAL ASSETS  |  | \$2 | 242,215,325.00 |
|   |  | =   |                |

<sup>1/</sup> The State of Rhode Island and the cities and towns share equally in the cost of teachers' pensions.

## VALUATION BALANCE SHEET - JUNE 30, 1966

## Statement of Assets, Liabilities and Reserves

### LIABILITIES AND RESERVES

| CURRENT | LIABILITIES |
|---------|-------------|
|         |             |

Unclaimed benefits

\$ 9,002.00

#### FUTURE SERVICE LIABILITY:

State employees Teacher-members \$22,989,033.00 \_27.907,279.00

50,896,312.00

#### RESERVE REQUIREMENTS:

#### RESERVE FOR MEMBER CONTRIBUTIONS -

State Employees For service retirement and
disability annuities
For future refunds

\$ 8,729,012.00 9.586.007.00

18,315,019.00

Teacher-Members -

For future refunds

For service retirement and disability annuities

\$13,188,361.00 8.085,383.00

21,273,714.00

RESERVE FOR SURVIVOR BENEFITS

2,028,901.00

RESERVE FOR EMPLOYER CONTRIBUTIONS -For service retirement and disa-

For service retirement and disability annuities on active members -State Employees -

Total requirements Employee contributions \$40,686,021.00 9.729,012.00

30,957,009.00

Teacher-Members Total requirements
Employee contributions

\$74,694,523.00 13,188,361.00

61,506,162.00

RETIREMENT AND BENEFITS RESERVE -

State Employees

19,064,445.00

Teacher-Members

38.164.731.00

TOTAL LIABILITIES AND RESERVES

\$242,215,325.00

The following explanation of the several items comprising the assets, liabilities and reserves of the system is given to facilitate an understanding of their function and meaning.

Present Assets require no explanation. They comprise the assets on hand as taken from a report of the accountant of the

Deferred Assets consist of the obligations of the members and the employers for service to be rendered subsequent to June 30, 1966. They represent discounted amounts, actuarially determined, giving effect to the factors of mortality, interest, turnover and others that enter into the computation of liabilities for annuities and benefits accruing on account of future service.

system.

Unfunded Accrued Liability constitutes the amounts accrued and unpaid on account of service rendered prior to the balance sheet date. This is an accrued obligation of the State and the cities and towns to be discharged in future years by increasing allocations to the system.

Current Liabilities represent certain current accounts payable as shown by the financial statements prepared by the system.

Future Service Liability is an offset to Deferred Assets and represents the present value of the proportionate pension credit to be earned by the members during future service from the balance sheet date to the assumed ages of retirement.

Reserve for Members' Contributions consists of the amounts of the members' contribution credits at the balance sheet date. Part of these credits are subject to refund in future years on account of resignation, dismissal or death. A part of these credits are available to finance a portion of the annuities and benefits to become due in the case of members now in service who will ultimately qualify for retirement.

Reserve for Survivor Benefits represents the accumulation of contributions by the teacher-members and the cities and towns towards the survivor benefit provision specifically applicable to these members.

Reserve for Employer Contributions represents the amounts that must be provided to finance the employer's portion of the accrued pension credits for those employees now in service who will ultimately qualify for pensions at the ages assumed for their retirement.

Retirement and Benefits Reserve constitutes the amount necessary to pay out during the future lifetime of the pensioners on the roll the pensions already granted and in force at the balance sheet date.

#### CERTIFICATION

The accompanying Valuation Balance Sheet exhibits all assets, accrued liabilities and reserves of the system as of June 30, 1966. Present assets were taken from the financial statements submitted by the accountant of the system.

In our opinion, the accompanying Valuation Balance Sheet correctly presents the condition of the Employees' Retirement System of the State of Rhode Island at June 30, 1966, after giving effect to all accrued liabilities and actuarial reserve requirements for the several annuities and benefits under the applicable law in effect at such date.

A. A. Weinberg
Actuary

March 24, 1967

#### FINANCIAL STATEMENTS

- 1. Financial Balance Sheet as of June 30, 1966
- Statement of Revenues and Expenditures for the Fiscal Year Ended June 30, 1966
- Statement of Cash Receipts and Disbursements for the Fiscal Year Ended June 30, 1966
- 4. Comparative Statement of Net Investment Income for Fiscal Years Ended June 30, 1965 & 1966
- 5. Statement Of Investment Earnings for Fiscal Year Ended June 30, 1966

| -24-   | <b>-</b> 25 <b>-</b>   |
|--|--|
| FINANCIAL BALANCE SHEET - JUNE 30, 1966                | STATEMENT OF REVENUES AND EXPENDITURES                                   |
| A S S E T S  | FOR THE FISCAL YEAR ENDED JUNE 30, 1966                                  |
| \$ 9,512.6   | FOR 1112 1 200112 20111 30, 1900   |
|  | CEO MEVEZA   |
| Cash Accrued Interest \$82,865,306.48 739,319.2        | Member Contributions -   |
| Receivable   | State Employees \$2,803,488.35 Teachers 3,021,503.92 Teachers 339,741.37 |
| Unamortile 4 186.461.29                                | neth Renatit Premiums =  |
| Premiums Premiums                                      |  |
| , , , , ,  | 06 General Fund Appropriations -   |
| Total Assets   | State Employees \$2,386,604.00 Teachers 1,531,160.00                     |
| LIABILITIES AND RESERVES                               | Certain State Employees  |
| 2 202 27   | Municipal Contributions -  |
| Current Liabilities \$ 9,002.81 Unclaimed Benefits     | Teachers \$1,817,079.74 Teachers' Survivors \$1,817,079.74 2,158,481.28  |
| Contribution Reserves                                  | Miscellaneous Refunds 12,746.20  |
| State Employees \$18,315,017.70<br>20,399,851.34       | Unclaimed Benefits 10,296.17   |
| Teachers' Sur- 873.893.08                              | Investment Income:   |
| Total Members' Reserves 39,588,764.30                  | Investment Earnings \$3,657,665.95 Gain on Sale of                       |
| General Reserves                                       | Investments 79,420.22 3,737,086.17                                       |
| State Employees \$29,174,321.53 Teachers 13,170,669.37 | <u>TOTAL REVENUES</u> \$16,025,213.45                                    |
| Teachers' Sur-<br>vivors 1,155,008.23                  | EXPENDITURES   |
| Certain State Employees 29,077.36                      | Pensions and Death Benefits -  |
| Certain Teachers 833.38                                | State Employees \$2,330,495.31   |
| Total General Reserves 43,529,909.87                   | Teachers 4,016,413.00  |
| 4.8  | vors 12,892.08   |
| Total Liabilities and Reserves \$83,127,6              | 77.00 Certain Teachers 1.419.96 \$ 6,380,153.16                          |
|  | -continued-  |

| continu  | <u>10d</u>               |                |
|--|--------------------------|----------------|
| EXPENDITURES - continu                               | ons:                     |                |
| Refunds of Contra                                    | 730,091.18<br>467,444.79 |                |
| State Employees Teachers Teachers Teachers           | 31,468.19                |                |
| vivors Teach-  |                          |                |
| vivors Interest - Teach- ers' Survivors Contribution | 91.95                    |                |
| Refund Fund -  | 4,912.87                 |                |
| To Municipalities                                    | 13,230.32                |                |
| a/c Teachalities                                     | 23.336.18                | \$1,270,575.48 |
| a/c leading  | 23,330.10                | 6,938.25       |
| Unclaimed Benefits                                   |                          |                |
| Investment Expenses:                                 |                          |                |
| Commissions on Pur-                                  | 2,406.25                 |                |
| chases<br>Postage & Insur-<br>ance on Purchases_     | 114.22                   | 2,520.47       |
| TOTAL EXPENDIT                                       | URES                     |                |
| EXCESS OF REVE                                       | ENUE OVER EXPE           | NDITURES       |
|  |                          |                |

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS FISCAL YEAR ENDED JUNE 30, 1966

| Cash Balance July 1, 1965   | 405,414.42      |
|---|-----------------|
| Receipts:   | 7-2,4-4-4       |
| Investments Sold and Matured \$14,226,305.17 Investment Earnings 3,224,695.18 Discounts on Purchases 342,721.10 Gain on Sale of 79.420.22 \$17,873,141.67 |                 |
| Member Contributions -  |                 |
| State Employees \$ 2,803,488.35 Teachers 3,021,503.92 Teachers' Sur-  |                 |
| vivors 339,741.37 Ins. Benefit Prem. Retired Emp. 470.99 Ins. Benefit Prem.   |                 |
| Garage Fund Contributions   |                 |
| \$7,660,187.36  State Employees \$ 2,386,604.00 Teachers 1,531,160.00  Certain State Employees 22,975.00 3,940,739.00                                     |                 |
| Municipal Contributions-  |                 |
| Teachers \$ 1,817,079.74 Teachers Sur- vivors 341,401.54 2,158.481.28   |                 |
| Unclaimed Benefits 10,296.17 Wiscellaneous Refunds 12,746.20 Interfund Transfers 36,329.50  |                 |
| TOTAL RECEIPTS  | 30,197,598.45   |
| TOTAL AVAILABLE   | \$30,603,012.87 |

-continued-

| Statement of Cash Receipts and Disbu   | rsements - continued |             |
|--|----------------------|-------------|
| ash Receipts and   |                      |             |
| The tement of Casi   |                      |             |
|  |                      |             |
| Disbursements:  Disbursements Pur- \$22,734,375.10   |                      |             |
| serts 1 4 522. 134,  |                      |             |
|  |                      |             |
| Accrued  |                      |             |
| Accrued Inc. Accrued Inc. On Purchases On Purchases 23,316.25  |                      |             |
| Premiums   |                      | Inv         |
| chases Commissions on 2,406.25   |                      |             |
| Purchases Insur-   | \$22,899,503.83      | Ad          |
| Postage all hoses  |                      | 0           |
| Postage and Thomas ance on Purchases   |                      | A           |
| Benefits - Death Bosto   |                      |             |
| Pension Benefits - Death Pension Benefits - Death Retirement Allowances  Death Retirement Allowances   |                      |             |
| Death Retification   \$ 2,330,495.31   4,016,413.00  |                      |             |
| State Employees 4,016,413.00   |                      |             |
| - h 0718   |                      |             |
| Teachers Sur 12,092.00   |                      |             |
| vivors<br>Certain State 18,932.81  |                      | 1 7000      |
| - 7.7009   | 6,380,153.16         | I. On a I   |
| Certain Teachers   |                      |             |
| a gentributions -  |                      |             |
| Refunds of Contributions -   |                      |             |
| State Employees \$ 730,091.18  |                      | Ad          |
| m-schong Taril (0 30   |                      | 7           |
| Teachers Survivors 31,466.19   |                      | Contract of |
| Tatamost - Tagoners  |                      |             |
| Survivors Contribut  | 1,229,096.11         |             |
| tion Refund 91.95  |                      |             |
| Municipalities a/c   |                      |             |
| Teachers   | 36,566.50            |             |
|  | 2/ 200 50            |             |
| Interfund Transfers  | 36,329.50            |             |
|  | 6,938.25             | Ne          |
| Unclaimed Benefits   | 0,930.23             |             |
| Transfer Residue   | 4,912.87             |             |
| Transfer Westage   | 4.712.01             |             |
| TOTAL DISBURSEMENTS  | \$3                  | 0,593,500.2 |
| 1,000 007,00   | 43                   | 0,77,700,0  |
|  | · ·                  |             |
| Cash Balance June 30, 1966   | \$                   | 9,512.6     |
| A Committee of the Comm | (12)                 | T. CHIOL    |

# STATEMENT OF INVESTMENT EARNINGS FISCAL YEAR ENDED JUNE 30, 1966

| Investment Income -   |               |              | \$3,481,707.77 |
|---|---------------|--------------|----------------|
| Adjustments, account of over from Cash to Accr                        | change<br>ual |              |                |
|   | 20,802.93     |              |                |
| Accrued Interest<br>Purchased<br>Unamortized Pre-                     | 18,516.29     |              |                |
| miums   | 63,008.08     | \$802,327.30 |                |
| Less:<br>Unamortized Discount   | 8             | 549.469.37   |                |
| Net Addition  |               |              | 252,857.93     |
| Adjusted Gross Investme   | nt Income     |              | \$3,734,565.70 |
| Less:<br>Gain on Sales  |               | 79,420.22    |                |
| Investment Expense<br>Commissions on<br>Purchases<br>Postage & Insur- | ,,,,,,,,      |              |                |
| ance on Purchases   | 114.22        | 2,520.47     | 76,899.75      |
| Net Investment Earning  | s             |              | \$3,657,665.95 |
|   |               |              |                |

## Investments

|  | No. of she | ares     |   |                  |
|--|------------|----------|---|------------------|
|  |            |          | te Maturity                                   |                  |
|  | face val   | ue m     |   | Carrying         |
| Description                                  |            |          |   | THE W            |
| Descent                                      |            |          |   | - Toom           |
|  |            |          | d 0 10 20 20 20 20 20 20 20 20 20 20 20 20 20 | The state of     |
| United States of America:                    | \$ 500,0   | 000 4.72 |   |                  |
| Imited States of American                    | 350,0      | 000 4.77 |   |                  |
| United States bills Treasury bills           | 1.000,0    | 000 3.73 | 0 Aug.15,1967<br>4 Aug.15,1968                |                  |
| Treasury bills Treasury notes Treasury bonds | 550,0      | )00 5 57 | Dec.15,1968                                   |                  |
| Treasury bonds                               | 1,350,0    |          | Oct. 1,1969                                   | 550              |
| m - a cilly borre                            | 1,550,0    | ,_       | Dec.15,1969                                   | 1,350            |
| The collection of the collection             | 100,0      |          | Feb. 15, 1970                                 | 1,55             |
| mangilly bolids                              | 1,350,0    | 00       | Feb.15,1970                                   | - 6 . 10         |
| m-cecilty bolias                             | 13,0       | 00       | Aug.15,1970                                   | 1,350            |
| ManagellTV Dollar                            | 1,400,00   | - 10     | Nov. 15, 1971                                 | 1 3              |
| Tropsilly Dollas                             | 2,550,00   |          |   | 1,400            |
| Tropsilty Dollar                             | 759,00     |          | Aug. 15, 1972                                 | 2,000            |
| Treasury bonds                               | 97,50      | 0 7/0    |   | 5050             |
| Treasury bonds Treasury bonds                | 700,00     | - /-     | Dec. 15, 1972                                 | 109,1            |
| Treasury bonds                               | 1,000,00   |          | Aug. 15, 1973                                 | 1011 700         |
| Treasury bonds                               | 850,00     |          | Nov.15,1973                                   | 1,000            |
| Treasury bonds                               | 670,00     |          | Feb. 15, 1974                                 | - Forn = 850     |
| Treasury Donus                               | 1,000,000  | 0 4 1/8  | May.15,1974                                   | 670              |
| Treasury bonds                               | 500,000    | 7/4      | May 15,1974                                   | 1,000            |
| Treasury bonds                               | 1,500,000  |          | Nov.15,1974                                   | 500              |
| Treasury bonds                               | 200,000    |          | Feb. 15, 1980                                 | 1,500            |
| Treasury bonds                               | 1,825,000  |          | Jun.15,1983                                   | 2001 June 2001   |
| Treasury bonds                               | 500,000    |          | May 15,1985                                   | 1,825            |
| Treasury bonds                               | 500,000    |          | May 15,1985                                   | 2022 500         |
| Treasury bonds                               | 1,945,000  |          | Feb.15,1990                                   | 500,1            |
| Treasury bonds                               | 2,300,000  |          | Aug. 15, 1992                                 | 1,945)           |
| Treasury bonds                               | 1,000,000  | - 1-     | May 15,1994                                   | 2,300,1          |
| Treasury bonds                               | , ,        | /-       | ,       | 1,000            |
| Total United States of                       | America    |          | 0   | 27,040           |
| The Twelve Federal Land Banks:               | 7          |          |   |                  |
| Consolidated Federal Farm Loan               | 500,000    | 4 1/8    | Feb.20,1978                                   | 500,1            |
| Consolidated Federal Farm Loan               | 500,000    | 4.375    | Apr.21,1975                                   | 500,             |
| Consolidated Federal Farm Loan               | 500,000    | 5        | Feb.24,1976                                   | 500,             |
|  |            |          |   | 1,500            |
| Federal Home Loan Banks                      | 200,000    | 5.40     | Mar. 27, 1967                                 | 200,             |
| Certificate of Deposit:                      | ,          |          | ,       |                  |
| Rhode Island Hospital Trust                  |            |          |   |                  |
| Company                                      | 500,000    | 4.4      | Sep. 8,1966                                   | 5001             |
| International Bank for Reconstructi          | 000,000    | T 0 T    | neh. 0,1900                                   |                  |
| Bonds  |            |          |   | <b>A</b> 400 000 |
| Bonds  | 400,000    | 3 1/2    |   | \$ 400,000       |
| *  | 100,000    | 4 1/4    | Jan.15,1979                                   | 100,00050        |
|  |            |          |   | (Continued)      |

## Investments, Continued

| No. | of | shares |
|-----|----|--------|
|-----|----|--------|

| <u>Description</u>          | or<br>face value | Rate     | Maturity       | Carrying  | value*         |
|-----------------------------|------------------|----------|----------------|-----------|----------------|
| Commercial paper:           | •                |          |                |           |                |
| Genesco, Inc.               | \$ 500,000       | Discount | Jul,26,1966    |           | 497.021        |
| State of Rhode Island:      |                  |          |                | -         | 491.0KI        |
| Blackstone Valley Sewer Dia | strict Loan      | of 1959. |                |           |                |
| Series B                    | 50,000           | 2 1/2%   |                | 12        |                |
| Series C                    | 120,000          | 2 3/4    | May 1,1986     | \$ 50,000 |                |
| Series D                    | 100,000          | 4        | Aug. 1,1983    | 120,000   |                |
| Penal and Charitable        |                  | •        | Sep. 1,1975    | 100,000   | 270,000        |
| Institutions                | 10,000           | 4        | Mar. 1,1977    |           |                |
| State Office Building       | 12,000           | 4        | Jun. 1,1977    |           | 10,000         |
| Third Courthouse Loan       | 22,000           | 4        | Mar.20,1981    |           | 12,000         |
| Washington Bridge Loan      | 6,000            |          | May 1,1977     |           | 22,000         |
|                             |                  | -        | 1197 T, 1977   |           | 6.000          |
| Total State of Rhode        | Island           |          |                |           | <b>390 000</b> |
| unicipalities:              |                  |          |                |           | 320,000        |
| City of Central Falls:      |                  |          |                |           |                |
| Refunding                   | 10,000           | 2 3/4    | Tun 1 1007     |           |                |
| Refunding                   |                  | 2.90     | Jun. 1,1967    | 10,000    |                |
| Refunding                   | 35,000           | 3.90     | Jun. 1,1973-74 | 7,000     |                |
| School                      | 10,000           | 2 1/4    | Aug. 1,1971    | 35,000    |                |
| City of Cranston:           | 10,000           | ~ 1/4    | Jul. 1,1968    | 10,000    | 62,00          |
| School, Series A            | 45,000           | 2 1/2    |                | × 10      |                |
| School, Series E            | 68,000           |          | Jun. 1,1976    | 45,000    |                |
| School, Series C            | 70,000           |          | Feb.15,1978-79 | 68,000    |                |
| School, Series B            | 65,000           |          | Nov.15,1976-78 | 70,000    |                |
| Sewerage, Series E          |                  |          | Jul. 1,1969-76 | 65,000    |                |
| Sewerage, Series H          | 5,000            |          | Oct. 1,1980-81 | 5,000     |                |
| Sewerage, Series D          | 10,000           |          | Mar. 1,1976    | 10,000    |                |
| Sewerage, Series I          | 4,000            |          | Jun. 1,1978    | 4,000     |                |
| Town of Cumberland:         | 15,000           | 2 1/2    | Jun. 1,1976    | 15,000    | 282,00         |
| School                      | 4                |          |                |           | ,0             |
| Water Supply Installation   | 45,000           |          | Oct.15,1971-72 | 45,000    |                |
| WHIEF SUPPLY Installation   | 3,000            | 1.90     |                |           |                |
| agoot pupping the cattactor | 2,000            | T . 30   | Jan. 1,1976    | 3.000     | 48,00          |

(Continued)

## Investments, Continued

|   | No. of share:  | Rate Maturity   | C  |              | No.   | of shares                                    | tments.               | Continued  |  |                     |
|---|--|---|--|--------------|---|--|-----------------------|--|--|---------------------|
| Description   | face value   | RECE -  | Carryin  | R ABINE      | Description fa  | or<br>ace value                              | Rate                  | Maturity   | Carrying v                                   | alue*               |
| Municipalities: City of East Providence: Elementary school School building                            | 7,000 3  | 1/2 Jul. 1,1970<br>1/2 Apr. 1,1969<br>1/2 Jul. 1,1970-76      | \$ 15,000<br>25,000<br>25,000<br>7,000<br>48,000<br>95,000 |              | Municipalities, continued: City of Pawtucket: Refunding Water Town of Portsmouth: Fire district water City of Providence: Fire department | 65,000                                       |                       | Jun. 1,1968<br>Sep. 1,1967<br>May 1,1976-79                                      | 3,000<br>5,000                               | 8,000<br>65,000     |
| School bull extension Sewer trumk extension Sewer Sewer Sever Street and drainage Threat and drainage | 95,000 2<br>135,000 3<br>5,000 2<br>45,000 3             | 1/2 Apr. 1,1969<br>70 Feb. 1,1967<br>75 Feb. 1,1976-78        | 135,000<br>5,000<br>45,000                                 | 400,0        | modernization Highway construction Sewer construction Water supply Town of Smithfield: School City of Warwick:                            | 20,000<br>4,000<br>16,000<br>35,000          | 2<br>2<br>4           | Jan. 1,1974<br>Jan. 1,1974<br>Jan. 1,1974<br>Jan. 3,1968<br>Jun. 1,1967-76       | 20,000<br>4,000<br>16,000<br>35,000          | 75,000<br>50,000    |
| Town of Gloostruction and School construction and extension Town of Hopkinton: School building and    | 20,000 2 3,  |   |  | 30,0<br>20,0 | Highway<br>School<br>School<br>Water  | 35,000<br>30,000<br>2,000<br>5,000<br>24,000 | 2.70<br>3.10<br>3 1/4 | Oct. 1,1973-74<br>Dec. 1,1984-86<br>Dec. 1,1968<br>Oct. 1,1979<br>Oct. 1,1972-73 | 35,000<br>30,000<br>2,000<br>5,000<br>24,000 | 96,000              |
| Town of James volution<br>School construction<br>Town of Johnston:<br>School                          | 30,000 3<br>87,000 2.90                                  |   |  | 30,0<br>87,0 | Town of Westerly: School Town of West Warwick: Sewer Sewer  | 50,000<br>12,000<br>30,000                   | 2 1/2                 | Sep. 1,1969-70 Jul. 1,1966-71 Jul. 1,1978-79                                     | 12,000<br>30,000                             | 50,000              |
| Town of Lincoll building Elementary school building and equipment Figh School building                | 30,000 3 1/2<br>15,000 2.35                              | Mar. 1,1967   | 30,000<br>15,000   | 45,0         | City of Woonsocket:     Junior High School     Sewer     Total municipalities   | 48,000<br>25,000                             | 4 1/4                 | Apr.15,1971-77<br>Jun. 1,1972-74   | 48,000<br>25,000                             | 73,000<br>1,754,000 |
| Beach repair School construction Oity of Newport:   | 48,000 2.70<br>34,000 3.70<br>15,000 3.70<br>9,000 2 1/4 | Jan. 1,1977-80<br>May 1,1982<br>July 1,1976<br>Mar. 1,1968-70 | 48,000<br>34,000<br>15,000<br>9,000                        | Ra 82,1      | ilroads: Atchison, Topeka and Santa Fe General Mortgage Equipment trust, Series A Baltimore & Ohio Railroad                               | Railway:<br>100,000<br>300,000               | 4                     | Oct. 1,1995<br>Mar.15,1967   |  | 100,000<br>300,000  |
| Water works Town of North Kingstown:  |  | Apr. 1,1976   |  | 60.1         | Company: First Consolidated Mortgage Series B   | 50,000                                       | 4                     | Sep. 1,1980  |  | 50,000              |
| building  | 0,000 3.50   | Jul. 1,1966-72  | 20,000   | 7            | Boston & Maine Railroad Co.:<br>Equipment trust<br>Chesapeake and Ohio Railway  | 25,000                                       | 6                     | Mar. 1,1967  |  | 25,000              |
| Funding 10  | 0,000 3<br>,000 3 1/2                                    | Jun. 1,1972-73  | 10,000   |              | Co.:<br>Equipment trust   | 50,000                                       | 3                     | Feb.20,1970  | 50,000                                       |                     |
| Highway reconstruction 20,  | ,000 3 1/2<br>.000 3                                     | Jul. 1,1975-76<br>Sep. 1,1967                                 | 20,000<br>35,000<br>15,000                                 | 25,1         | Refunding and improvement<br>mortgage, Series E<br>Refunding and improvement  |  | 3 1/2                 | Aug. 1,1996  | 9,000  | 157 000             |
| Sewer 15,   | 000 3  | Jun. 1,1972-74  | (Continued)  |              | mortgage, Series H  | 94,000                                       | 3 7/8                 | Dec. 1,1973  | 94,000<br>(Cont                              | 153,000<br>inued)   |

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|  |   | Continued                      |           |                         |   |               |          |   |             |           |
|--|---|--------------------------------|-----------|-------------------------|---|---------------|----------|---|-------------|-----------|
|  | Investmen                               | tsContinued                    |           |                         |   | Investment.   | s, Conti | nued  |             |           |
|  | of shares                               | Meturity                       | Carm      |                         | 1   | No. of shares |          |   |             |           |
| No   | or lug B                                | are nava                       |           | Vine Value              |   | or            | D 1      | W   |             | 2*        |
|  | Caca value R                            |                                |           | Als                     | Description   | face value    | Rate     | Maturity  | Carrying ve | Trie.     |
| Description  |   |                                |           |                         |   |               |          |   |             |           |
|  |   | - 2007                         | \$ 50,000 |                         |   |               |          |   |             |           |
| Railroads, continued: & Chicago, Burlington, & Chicago, Burlington, &  | 50,000 5 1,                             | /2% Apr. 1,1967                | 50,000    |                         | Railroads, continued:<br>Southern Railway Company:    |               |          |   |             |           |
| Railroads, continued: Chicago, Eurlington, & Chicago, Railroad Co.: Quincy Railroad Co.:   | 50,000 4                                | /2% Feb. 1,1967<br>Jan.15,1971 | 100,000   |                         | n-winnent trust                                       | \$ 100,000    | 4 1/4%   | Nov.15,1972   | 8           | 100,000   |
| owincy harmat  | 20,000 4                                | Aug. 1,1977                    | 200,000   |                         | St. Louis & San Francisco                             |               |          | F (444) 31. (44 | -           |           |
| Milliant Langt   | 200,000 4                               |                                |           |                         | n-dlimy Co-:  | 200,000       | 4 2/0    | W 35 3055   |             | 000 000   |
| Equipment trust Equipment trust  | 200,0                                   | /8 Aug. 1,1970                 | 50,000    |                         | Equipment trust, Series O<br>Wabash Railroad Company: | 200,000       | 4 3/8    | May 15,1977   |             | 200,000   |
| Equipment trust Equipment trust  | 50,000 2 7/                             | 0                              |           | 450,0                   | Equipment trust, Series G                             | 50,000        | 3        | Apr. 1,1967   |             | 50.000    |
|  |   |                                | FO 00     | 14                      | •   |               |          | -,  | -           |           |
| Mortgag Valkee, St. Paur   | 50,000 4 1/2                            | 2 Aug. 1,1966                  | 50,000    |                         | Total railroads                                       |               |          |   | _           | 4.040.000 |
| Chicago, Milwaukee, Stries<br>& Pacific Railroad Co.:<br>& Pacific Railroad Co.: | 50,000 4 1/2                            | Feb. 1,1967                    | 50,000    | 100                     |   |               |          |   |             |           |
| Rould Dillott  | 50,000                                  | Mar. 1,1973                    | 200,000   | -00,0                   | Public utilities:                                     |               |          |   |             |           |
| Equipment Railway:   | 00,000 4 1/8                            |                                | 115,000   |                         | Alabama Power Co.:<br>First mortgage bonds            | 100,000       | 4.875    | Sep. 1,1995   |             | 100,000   |
| Great Northeat 1   | 15,000 4 1/4                            | April                          |           | 315,0                   | American Telephone &                                  |               |          |   |             |           |
| Duar   |   |                                |           | 9044                    | Telegraph Co.:  | 000           |          |   |             |           |
| Louisville a   | 4                                       | Mar. 15, 1975                  | 100,000   | 1440                    | Debentures  | 200,000       | 3 3/8    |   | \$ 200,000  |           |
| Railroad Co.: Requipment trust, Series EE 10 Equipment trust, Series II 20   | 00,000 4 1/8                            | Mar. 1,1972                    | 200,000   |                         | Debentures  | 200,000       | 4.375    | Apr. 1,1985   | 200,000     |           |
| Faulinment Grade, Garries II 20  | 7,000 5,125                             | Mar.15,1977                    | 387,000   | 687,0                   | Debentures<br>Debentures                              | 100,000       |          | Apr. 1,1985<br>Jul. 1,1990  | 125,000     |           |
| Equipment trust, Series RR 387<br>Equipment trust, Series RR 587   | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | . 1 1060                       | 50,000    | 2,14                    | Debentures  | 250,000       |          | Feb. 1,1994   | 250,000     |           |
| Norfolk & Western Railway Co.:<br>Norfolk & Western Railway Co.:   | 0,000 3 1/4                             | Apr. 1,1969<br>Jan. 1,1974     | 250,000   |                         | Debentures  | 100,000       | 4 3/4    | Jun. 1,1998   | 100,000     |           |
| Norfolk & Western Railing D 50<br>Equipment trust, Series D 250  | 0.000 5 7/8                             | May 1,1975                     | 100,000   |                         | Debentures  | 200,000       | 5.125    | Apr. 1,2001   | 200,000     | 1,175,000 |
|  | ,000 4                                  | May 1,1570                     | 200,000   | 400,0                   | Appalachian Electric Power Co                         | 455 220       |          |   |             |           |
| Equipment trust,   | 4 60                                    | Dec.15,1969-70                 | 100,000   |                         | First mortgage bonds                                  | 475,000       | 3 1/4    | Dec. 1,1970   | 475,000     |           |
| North American car out 100,<br>Equipment trust 150,  | ,000 4.60                               | Dec.15,1972-74                 | 150,000   | Ora .                   | First mortgage bonds<br>First mortgage bonds          | 25,000        |          |   | 25,000      |           |
|  | 000 4.70                                | 200121                         |           | 250,0                   | Baltimore Gas & Electric Co.:                         |               | 4        | May 1,1988  | 100,000     | 600,00    |
| Northern Pacific Rallway   | 000 3 1/8                               | Feb. 16, 1969                  | 100,000   |                         | First refunding mortgage                              |               |          |   |             |           |
| Equipment trust  | 000 3 7/8                               | Jan. 10, 1970                  | 200,000   | 300,0                   | sinking fund  | 123,000       | 4 7/8    | June 1,1980   |             | 108.00    |
| Benjamont trust  | 000 0 170                               | - The second of the second     |           | 000,0                   | Bell Telephone Company of                             | , , , , , ,   | ,0       | 0.000 1,1800  |             | 123,00    |
| Coobserd Air Line Railroad Co.   | 000 2 7/8                               | Nov. 1,1969                    | 50,000    |                         | Pennsylvania:   |               |          |   |             |           |
| Fouriement trust, Series P   |   | Feb. 1,1972                    | 250,000   | 300,0                   | Debentures  | 200,000       | 4 3/4    | May 1,2001  |             | 200,0     |
|  | 00 1                                    |                                |           |                         | Carolina Power & Light Co.:                           |               |          | •   |             | 200,0     |
| outhern Pacific Company:   | 00 2 5/8                                | Apr. 1,1968                    | 10,000    |                         | First mortgage bonds                                  | 250,000       | 5 1/8    | Apr. 1,1996   |             | 250,0     |
| Equipment trust, Series NN 10,00<br>Equipment trust, Series RR 50,00   |   | Sep. 1,1968                    | 50,000    |                         | Central Illinois Light Co.:                           | -             |          | * 2 30/5  |             |           |
| Equipment trust, Series VV 100,00  |   | Nov. 1,1968                    | 100,000   | art best and            | First mortgage bonds                                  | 100,000       | ) 4      | Jul. 1,1988   | 3           | 100,      |
| Equipment trust, Series 21 100,000   |   | May 1,1969                     | 100,000   | 260,0                   | Central Maine Power Co.:                              |               |          |   |             | ,         |
| quipmont of up of portion in a poof of   |   | •                              |           | 11111                   | First and general mortgage                            |               |          |   |             |           |
|  |   |                                | (Conti    | nued)                   | bonds   | 18,000        | 3 1/3    | 2 Oct. 1,197  | 0 18,000    | )         |
|  |   |                                | •         | Section 1               | First and general mortgage bonds                      |               |          | 1-  |             |           |
|  |   |                                |           | Total State of the last | First and general mortgage                            | 50,00         | 0 3 3/   | 8 Apr. 1,198  | 5 50,000    | )         |
|  |   |                                |           | 33/1                    | bonds general mortgage                                |               |          |   |             |           |
|  |   |                                |           |                         |   |               |          |   |             |           |
|  |   |                                |           |                         | bolids  | 48,00         | 0 4 7/   | '8 May 1,198  | 48,00       | 0 116     |
|  |   |                                |           | APE                     | bolids  | 48,00         | 0 4 7/   | '8 May 1,198  | 48,00       | 0 116     |

Investments\_\_Continued No: of shares Tace raine Bace Maturity Degeription Public utilities, continued; \$ 25,000 4 3/4 Apr. 1,1989 Central Power and Light Co. First mortgage, Series 1 Cancingsti Gas & Ejectric Co. May 1,1987 250,000 4 1/8 First martgage bands July 1,1970 Cleveland Electric Illumi 100,000 3 150,000 3 5/8 Sep. 1,1980 Columbia Gas System, Inc.; nating Co. Jan. 1,1990 150,000 4.875 Debentures, Series E Commonwealth Edison Company; 50.000 4 1/4 Mar. 1,1987 Sinking fund debentures 75,000 3 1/8 Oct. 1,2004 Sinking fund debentures Connecticut Light & Power Coo: First refunding mortgage, Sep. 1,1974 50,000 3 Series I First refunding mortgage, 100,000 4 7/8 Feb. 1,1990 Series I Consolidated Edison Company of New York, Inc. 3 First refunding mortgage, 100,000 2 5/8 Apr. 1,1977 Series B First refunding mortgage, 200,000 4 1/4 Oct. 1,1986 Series M First refunding mortgage, Oct. 1,1987 100,000 5 Series N

100,000 4

200,000 4 5/8

84,000 4 7/8

200,000 4 3/8

250,000 4 5/8

250,000 3 7/8

200,000 3 3/8

100,000 3 1/4

145,000 5

First refunding mortgage,

First refunding mortgage,

Consolidated Natural Gas Co.:

Series 0

Series AA

Consumers Power Co.;

First mortgage and

Detroit Edison Company:

collateral trust

First mortgage bonds

Delaware Power & Light Co.:

General refunding mortgage,

General refunding mortgage,

Debentures

Debentures

Debentures

Series K

Series 0

CailAins Ast

Investments, Continued No of shares Description face value Rate Maturity Carrying value\* > Public utilities, continued: Duke Power Company: First refunding mortgage \$ 100,000 3 % Jan 1,1975 \$ 100,000 First refunding mortgage 100,000 4 1/2 Feb 1,1992 100,000 \$ Duquesne Light Company: 200,000 First mortgage bonds 60,000 3 1/8 Jul. 1,1984 Florida Power & Light Co.: 60,000 First mortgage bonds 100,000 3 1/8 Jun. 1,1978 100,000 First mortgage bonds 100,000 4 5/8 Mar. 1,1995 100,000 200,000 Florida Power Corp : First mortgage bonds 91,000 4 3/4 Oct. 1,1990 91,000 Florida Power Corp :: First mortgage bonds 250,000 4 7/8 Nov 1,1995 250,000 General Telephone Company of California: First mortgage bonds 50,000 4 1/2 Sep. 1,1986 50,000 First mortgage bonds 50,000 5 Jun. 1,1887 50,000 First mortgage bonds 100,000 5 Dec. 1,1995 100,000 200,00 Gulf States Utilities Co .: First mortgage bonds 100,000 5 1/4 Dec. 1,1989 100,000 First mortgage bonds 200,000 4 7/8 Jul. 1,1990 200,000 300,00 Houston Lighting & Power Co .: First mortgage bonds 25,000 4 3/4 Nov. 1,1987 25,000 First mortgage bonds 75,000 4 7/8 Aug. 1,1989 75,000 100,0 Idaho Power Co.: First Mortgage bonds 100,000 5 May 15,1989 100,0 Illinois Bell Telephone Co .: First mortgage, Series C 53,000 3 1/8 Apr. 1,1984 53,000 First mortgage, Series E 100,000 4 1/4 Mar. 1,1988 100,000 100,000 4 3/8 First mortgage, Series F Mar. 1,1994 100,000 253, Indiana and Michigan Electric Co .: 100,000 5 1/8 Sinking fund debentures Jun. 1,1986 100,000 First mortgage bonds 50,000 4 3/4 Nov. 1,1988 50,000 150, Iowa Power & Light Co.: First mortgage bonds 200,000 4 5/8 200 Jan. 1,1991 Kansas Gas & Electric Co .: First mortgage bonds 250,000 4 5/8 250 Jan. 1,1991 Long Island Lighting Company: 50 50,000 3 3/8 First mortgage, Series H Nov, 1,1985 First mortgage, Series D 250,000 3 5/8 Dec. 1,1976 250 Louisiana Power & Light Co .: 20 First mortgage bonds 200,000 5 Apr. 1,1990 Michigan Bell Telephone Co .: 17 175,000 4 5/8 Debentures Aug. 1,1996

(Continued)

(Continued)

\$

50,000

75,000

50,000

100,000

100,000

200,000

100,000

100,000

200,000

84,000

200,000

145,000

200,000

100,000

Jun. 1,1988

Dec. 1,1993

Jun. 1,1982

Aug. 1,1983

Feb. 1,1985

Aug. 1,1991

Jun. 1,1988

Nov. 15, 1976

May 15,1980

|   |          | tmentsC   | ontinued                                  |           |           |   |            |         |                                |                   |         |
|---|----------|-----------|---|-----------|-----------|---|------------|---------|--------------------------------|-------------------|---------|
|   | Inves    | CHOIL     |   |           |           |   | Investmen  | ts. Con | tinued                         |                   |         |
|   | No of sh | ares      | Maturity                                  | Carm      |           | No  | of shares  |         |                                |                   |         |
|   | or       | lue Rate  | Warner                                    | =×T.T.X   | ing value |   | or         |         |                                |                   |         |
|   | face_Va  | 422       |   |           | -ads      |   | face value | Rate    | Maturity                       | Carrying          | value*  |
| pescription   |          |           |   |           |           | Public utilities, continued:                        |            |         |                                |                   |         |
|   |          | lad       | Aug. 1,1976                               |           | \$        | avia Power Co.                                      |            |         |                                |                   |         |
| Public utilities, continued:  Michigan Consolidated Gas  Michigan wortgage bonds  Sirst mortgage & Light Co:                                    | 100.00   | 00 3 1/2% | , Aug                                     |           | 100,0     | First mortgage bonds                                | \$ 100,000 | 3 0     | An., 3 3000 #                  |                   |         |
| Public utilities, lidated Gas   | \$ 100,  | . 4/1     | Mar. 1,1987                               |           |           |   | 100,000    | 4 7/8   | Apr. 1,1971 \$<br>Nov. 1,1987  | 100,000           | 000 000 |
| mortgas a Hight Co  | 50,00    | 00 4 3/4  |   |           | .50,0     | Oklahoma Gas & Electric Co:<br>First mortgage bonds |            |         | 1,1307                         | 100,000 \$        | 200,000 |
| Power honds   |          |           | Sep. 1,1977                               |           |           | First mortgage bonds                                | 100,000    | 2 3/4   | Feb. 1,1975                    | 100,000           |         |
| Minnesota Power & Light<br>Minnesota Power bonds<br>First mortgage bonds<br>Monogahela Power Co:  | 50,00    | 00 0      |   | \$ 29,000 | 50,0      | Pacific Gas & Electric Co .:                        | 200,000    | 3 7/8   | Jun. 1,1988                    | 200,000           | 300,000 |
| Monongahela Power bonds   | 29,00    | vo 3      | Sep. 1,1974                               | 200,000   |           | First and refunding                                 |            |         |                                |                   |         |
| Monongahela Power  Monongahela Power  First mortgage bonds  First mortgage series A  Narragansett Electric Co.:  Narraganset mortgage, Series E | 29,00    | 0 3 1/2   | Mar. 1,1986                               | 2000      | 229,0     | mortgage, Series L                                  | 100,000    | 3       | Jun. 1,1974                    | 100,000           |         |
| Narragans   | 200,00   |           | Sep. 1,1971                               |           |           |   | 250 000    | _       | -,2011                         | 200,000           |         |
| Narragansett ortgage, Series E<br>First mortgage, Series E<br>First mortgage, Series Co.  | 129,00   | 0 4       |   |           | 129,0     | mortgage, Series K<br>First and refunding           | 250,000    | 3       | Jun. 1,1971                    | 250,000           |         |
|   | 120,00   |           | Jun. 1,1988                               |           |           |   | 50,000     | 4 1/2   | Dec 1 1000                     | 50 000            |         |
| Series C Power Co.:   | 200,000  | 0 4       |   |           | 200,0     | First and refunding                                 |            |         | Dec 1,1986                     | 50,000            |         |
|   |          |           | May 1,1984                                | 100,000   |           | mortgage, Series LL                                 | 150,000    | 4 5/8   | Jun. 1,1997                    | 150,000           |         |
| New England First mortgage, Series n First mortgage, Series n New Jersey Bell Telephone Co.:  | 100,000  | 0 3 1/4   | Nov. 1,2000                               | 100,000   | 200,0     | First and refunding                                 |            |         | -,                             | 200,000           |         |
| Name Tarsey   | 100,000  | 0 4 7/8   |   |           | D,000     | mortgage, Series Z                                  | 50,000     | 3 3/8   | Dec. 1,1988                    | 50,000            |         |
| Debentures  |          |           | Oct. 1,1990                               |           | 100,0     | First and refunding mortgage, Series MM             | 150,000    | 5 2/0   | T 1 1000                       | 350,000           |         |
| Debentures New Jersey Power & Light Co.:  | 100,000  | ) 5       |   |           | D,0       | First and refunding                                 | 130,000    | 5 5/8   | Jun. 1,1998                    | 150,000           |         |
| Debentures New Orleans Public Service, Inc  | : 000    | 5         | Jun. 1,1991                               |           | 200,0     | mortgage. Series GG                                 | 200,000    | 4 1/2   | Jun. 1,1993                    | 200,000           | 950,000 |
| New Orleans Public Service,   | 200,000  |           | - 1075                                    |           |           | Pacific Power & Light Co .:                         |            | -,      |                                |                   | ,       |
| New Orleans Public bonds First mortgage bonds First Morer & Light Co.:  | 200 000  | 2 3/4     | Mar. 1,1975                               |           | 100,0     | First mortgage bonds                                | 100,000    | 5       | Oct. 1,1995                    |                   | 100,000 |
| New York Power bonds  | 100,000  | ,         |   |           |           | Pacific Telephone & Telegraph                       |            |         |                                |                   |         |
| New York Power & Day<br>First mortgage bonds<br>First State Electric &  |          |           | 1 1001                                    |           | 200 -     | Coss  | 100 000    | 1 7/0   | A 1F 1000                      | 100,000           |         |
| New York Doals  | 200,000  | 4 5/8     | May 1,1991                                |           | 200,0     | Debentures  | 100,000    |         | Aug. 15, 1988<br>Nov. 15, 1989 | 100,000           |         |
| Gas corporate bonds   |          |           | - 1 1078                                  | 150,000   |           | Debentures  | 50,000     |         | Aug . 15, 1991                 | 50,000            |         |
| New York Telephone Co.:   | 150,000  | 3 1/8     | Feb. 1,1978<br>Oct.15,1989                | 110,000   |           | Debentures<br>Debentures                            | 150,000    |         | May 1,2000                     | 150,000           | 400,000 |
| New York Telephone Co. Series E<br>Refunding mortgage, Series H   | 770 000  |           | Sep. 1,1993                               | 100,000   |           | Pennsylvania Electric Co.:                          |            |         |                                |                   |         |
| Refunding mortgage, Series H<br>Refunding mortgage, Series K  | 100 000  | 4 1/0     | Jan. 1,2006                               | 250,000   | 610,0     | First mortgage bonds                                | 200,000    |         |                                | 200,000           | 300,000 |
| Refunding mortgage, Series K<br>Refunding mortgage, Series P  | 250,000  | 4 7/8     | Jan. 1,2000                               |           | 20,0      | First mortgage bonds                                | 100,000    | 3 1/8   | Mar. 1,1984                    | 100,000           | 300,000 |
| Refunding mortgage, Series P<br>Refunding mortgage, Series P  |          |           | Jun. 1,1988                               | 300,000   |           | Pennsylvania Power & Light Co.                      | :          | 7       | Oct. 1,1975                    |                   | 50,000  |
|   | 300,000  | 3 7/8     | Apr. 1,1990                               | 200,000   | 500,0     | First mortgage bonds                                | 50,000     | Э       | 000. 1,1910                    |                   |         |
|   | 200,000  | 4 3/4     | Wh: - + + + + + + + + + + + + + + + + + + |           |           | Peoples Gas Light & Coke Co.:                       |            |         |                                |                   |         |
|   |          | _         | Jun. 1,1984                               |           | 91,0      | First and refunding                                 | 182,000    | 4 5/8   | May 1,1986                     |                   | 182,000 |
| Northern Illinois Gas Co.:<br>First mortgage bonds  | 91,000   | 5         | Julio 1,100                               |           |           | mortgage, Series J<br>Philadelphia Electric Co.:    |            |         |                                | 00 000            |         |
| Northern States Power Co.:  |          | 0 7/4     | Oct. 1,1975                               | 50,000    |           | mortgage  | 80,000     | 3 1/8   | Apr. 1,1985                    | 80,000<br>100,000 | 180,000 |
| Northern States lower First mortgage bonds  | 50,000   | 2 3/4     | Jul. 1,1988                               | 100,000   | 150,0     | First refunding mortgage                            | 100,000    | 5       | Oct. 1,1989                    | 100,000           | 100,000 |
| First mortgage bonds  | 100,000  | 4         | Jul. 1,1000                               |           | 35.3      | Public Service Company of                           |            |         |                                |                   |         |
|   |          | -         | Feb. 1,2006                               |           | 250,0     | Colorado:   |            | /       | May 1,1987                     | 100,000           |         |
| Debentures  | 250,000  | 5         | reb. 1,2000                               |           |           | First mortgage bonds                                | 100,000    | 4 3/8   |                                |                   | 300,000 |
| Ohio Edison Co.:  |          | 0 7/4     | Apr. 1,1975                               | 75,000    |           |   | 200,000    | ) 4 1/4 |                                |                   |         |
| t bonde   | 75,000   |           | Jun. 1,1991                               | 100,000   | 175,0     | 11100 mos -8-8                                      |            |         |                                | (Cont             | inued)  |
| First mortgage bonds  | 100,000  | 4 3/4     | Jun. 1,1331                               |           |           |   |            |         |                                |                   |         |
|   |          |           |   | (Cont:    | inued)    |   |            |         |                                |                   |         |
|   |          |           |   | (         |           |   |            |         |                                |                   |         |

| Investments. Continued   |                                   |                         |  |   |                |   |                    |                               |
|--|-----------------------------------|-------------------------|--|---|----------------|---|--------------------|-------------------------------|
| No. of shares<br>or<br>face value Rate Maturity  | Carry                             | ing Values              | Description  | Investme of share or face value         | nts Cor        |   |                    |                               |
| 1 Public utilities, continued: Public Service Company of Public Service Company of New Hampshire: First mortgage, Series H First mortgage, Series H First mortgage Electric &  | 4                                 | \$<br>96, <sub>0)</sub> | Public utilities, continued:<br>Purginia Electric & Power Co.:   |   |                | TA  | Carrying           | Velue*                        |
| Public Serving  Gas Co:: 101,000 5 3/4 Jun 1,1991  Debentures 250,000 4 3/4 Sep. 1,1995  Debentures 250,000 4 5/8 Aug. 1,1988  | 200,000<br>250,000<br>65,000      | , 10 <sup>0</sup>       | First refunding mortgage,<br>Series P<br>Washington Gas Light Co.:<br>Refunding mortgage<br>West Penn Power Co.: | 100,000                                 | 3 7/8<br>4 5/8 | Jun. 1,1988 ;<br>Sep. 1,1990              | 200,000            |                               |
| First refunding mortgage First refunding mortg | 200,000<br>130,000                | 816, <sub>0)</sub>      | First mortgage, Series N<br>First mortgage, Series U<br>Western Union Telegraph Co.:                             | 250,000                                 | 4 7/8          | May 1,1986<br>Mar. 1,1979<br>Dec. 1,1995  | 100,000            | 300,000<br>100,000            |
| First refunding mer 5 100,000 1 5,000 Series M Southwestern Bell Telephone Co.: 100,000 3 1/8 May 1,1983   | 100,000                           | 230,00<br>100,00        | Wisconsin Public Service Corp.:  |   | 3 1/4          | Feb. 1,1987<br>Aug. 1,1971<br>Oct. 1,1984 |                    | 350,000<br>250,000<br>250,000 |
| Southwestern Gas and Electrical Southwestern Gas and Electrical Southwestern Public Service  |                                   | 250,00                  | Total public utilities   | 25,000                                  | 4 1/2          | Jul. 1,1992                               |                    | 100,000<br>25,000             |
| Company: 50,000 3.35 Feb. 1,1981 First mortgage bonds Tampa Electric Co.: 50,000 4 1/4 Jul. 1,1988 First mortgage bonds Tennessee Gas Transmission Co.: 50,000 3.7/8 Feb. 1,1976   |                                   | 50,00<br>50,00          | anks:<br>The Chase Manhattan Bank<br>First National City Bank of<br>New York                                     | 100,000                                 |                | Jun. 1,1990<br>Jul. 1,1990                |                    | 100,000                       |
| First mortgage pipeline Texas Electric Service Co.:  | 50,000<br>58,000<br><u>78,000</u> | 186,00 Ind              | Total banks dustrial and miscellaneous: Allied Chemical and Dye Corp.:   |   |                | 2,2000                                    |                    | 65,000<br>165,000             |
| First mortgage bonds Texas Power & Light Co: First mortgage bonds Union Electric Company of Missouri:  First mortgage bonds 250,000 4 1/2 Jan. 1,1991  Missouri:   |                                   | 250,00                  | Debentures Aluminium Co. of America Sinking Fund debentures American Can Co.:                                    | 300,000<br>50,000                       |                | Apr. 1,1978<br>Apr. 1,1983                |                    | 300,000<br>50,000             |
| First mortgage bonds 100,000 4 3/8 Mar. 1,1988 The Union Light, Heat & Power Co.:  |                                   |                         | Beneficial Finance Co.:<br>Debentures  | 100,000<br>100,000                      | 4 3/4          | Apr. 1,1988<br>Jul.15,1990<br>Nov. 1,1977 | 100,000<br>100,000 | 200,000                       |
| Virited Gas Corp.:  First mortgage and  collateral trust  Utah Power & Light Co.:  |                                   | 00,00<br>18,00          | Debentures Sethlehem Steel Corporation: Consolidated mortgage, sinking fund, Series K                            | 100,000                                 |                | May 15,1993  Jan. 1,1979                  | 100,000            | 200,000                       |
| First mortgage bonds 100,000 4 7/8 Sep. 1,1990   | 100                               |                         |  | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                | -,  |                    | tinued)                       |

(Continued)

### Investments, Continued

|  | Investments, continued  |    |
|--|---|----|
| Description  | No. of shares<br>or<br>face value Rate Maturity Carrying value*   |    |
| Industrial and miscellaneous Burroughs Corporation Sinking Fund Debentures C.I.T. financial corp.: Debentures Debentures Debentures Commercial Credit Corp. Debentures Debentures Continental Can Co.: Debentures Continental Oil Corp.: Sinking fund debentures Eximbank portfolio partici- | \$ 172,000 4 3/8% Jul. 1,1983 \$ 172,000  100,000 3 5/8 Sep. 1,1970 \$ 100,000  100,000 4 1/4 Oct. 1,1971 100,000  150,000 4 7/8 Sep.15,1987 150,000  100,000 4 1/4 Oct. 1,1974 100,000  248,000 4 5/8 Oct. 1,1985 248,000  161,000 3 Nov.11,1984 161,000   | 00 |
| pation Family Finance Corp.: Debentures General American Trans-  | 500,000 5 1/2 Mar.15,1973 500,00<br>200,000 5 Oct.15,1981 200,00  |    |
| portation Corp.:<br>Equipment trust<br>General Electric Company:<br>Debentures<br>General Motors Acceptance  | 77,000 4 7/8 May 1,1980 77,000<br>300,000 3 1/2 May 1,1976 300,000  |    |
| Corp.: Debentures Debentures Debentures Debentures Debentures Debentures Debentures W. T. Grant Co.: Convertible sub. debentures Household Finance Corp.: Debentures Debentures  | 250,000 3 Jul.15,1969 250,000<br>150,000 3 1/2 Mar.15,1972 150,000<br>100,000 3 5/8 Sep. 1,1975 100,000<br>25,000 5 Aug.15,1977 25,000<br>200,000 4 Mar. 1,1979 200,000<br>200,000 4 7/8 Dec. 1,1987 200,000<br>250,000 4 3/4 Jan. 1,1987 250,000<br>150,000 4 7/8 Sep.15,1993 150,000<br>150,000 5 Jul. 1,1982 250,000 400,000 |    |
| International Harvester Co.: Debentures, Series A Local Finance Corporation: Debentures Lone Star Cement Co.: Debentures   | 350,000 4 5/8 Nov. 1,1979 350,000<br>200,000 5 1/2 Jun. 1,1978 200,000<br>250,000 4 7/8 Jul. 1,1990 250,000   |    |
|  |   |    |

(Continued)

Investments, Continued

|  | Thvestmen | ts. ra. |             |            |           |
|--|-----------|---------|-------------|------------|-----------|
| No.  | of shares | Con     | tinued      |            |           |
| f., 1, 2,  |           | 1       |             |            |           |
| fa   | ice value | ъ.      |             |            |           |
|  |           | Mate    | Maturity    |            |           |
| 10.00  |           |         | TCA         | Carmis     |           |
| Industrial and miscellaneous, contin             | ned.      |         |             | Carrying v | alue*     |
| Man T. DOMOZ                                     |           |         |             |            |           |
| Debentures \$                                    | 250 000   |         | Aug. 1,1990 |            |           |
| National Cash Register:                          | ,000      | 4 7/8%  | Ana -       |            |           |
| Sinking fund debentures                          | 200,000   |         | rag. 1,1990 |            |           |
| National Tea Company:<br>Sinking fund debentures |           | 0.0     | Sep.15,1991 | *          | 250,000   |
| Northwest Bancorporation:                        | 28,000    |         |             |            |           |
| Northwest Bancorporation:<br>Debentures          |           |         | Aug. 1,1977 |            | 200,000   |
| Peabody Coal Company:                            | 250,000   | 4 3/4   |             |            | 29 000    |
| Sinking fund debentures                          |           | - 3/4   | Oct.15,1990 |            | 28,000    |
| Procter & Gamble Co.:                            | 87,000    | 5 1/4   |             |            | 250,000   |
| Debentures                                       |           |         | Oct. 1,1976 |            | ,000      |
| R. J. Reynolds Tobacco Co.:                      | 100,000   | 3 7/8   |             |            | 87,000    |
| Debentures                                       |           |         | Sep. 1,1981 |            |           |
| Sears, Roebuck Acceptance                        | 100,000   | 3       |             |            | 100,000   |
| Corporation:                                     |           |         | Oct. 1,1973 |            | 100 000   |
| Debentures                                       | E0 000    |         |             |            | 100,000   |
| Sears, Roebuck & Co.:                            | 50,000    | 5       | Jul.15,1982 |            |           |
| Sinking fund debentures                          | 570 000   |         | 7.10,1902   |            | 50,000    |
| Shell Oil Co.:                                   | 572,000   | 4 3/4   | Aug. 1,1983 |            | ,000      |
| Sinking fund debentures                          |           |         | -, -, -, -, |            | 572,000   |
| Standard Oil Company of Indiana:                 | 300,000   | 4 5/8   | Aug. 1,1986 |            |           |
| Debentures                                       |           |         |             |            | 300,000   |
| Standard Oil Company of New                      | 192,000   | 4 1/2   | Oct. 1,1983 |            |           |
| Jersey:  |           |         |             |            | 192,000   |
| Debentures                                       | 250 000   | 0 - 1   |             |            |           |
| Texaco, Inc.:                                    | 250,000   | 2 3/8   | May 15,1971 |            | 250 000   |
| Debentures                                       | 300,000   | /-      |             |            | 250,000   |
| Imited States Steel                              | 500,000   | 3 5/8   | May 1,1983  |            | 300,000   |
| Corporation:                                     |           |         |             |            | 300,000   |
| Sinking fund debentures                          | 350 000   |         |             |            |           |
| Weyerhaeuser Co.:                                | 350,000   | ) 4     | Jul.15,1983 |            | 350,000   |
| Sinking fund debentures                          | 250 000   |         |             |            | 200,000   |
| Shiking raid dependines                          | 250,000   | 5.2     | May 1,1995  |            | 250,000   |
| Matal industrials 1                              |           |         |             |            |           |
| Total industrials and mi                         | scellane  | ous     |             |            | 8,712,000 |
|  |           |         |             |            |           |
|  |           |         |             | (Cont      | cinued)   |
|  |           |         |             |            |           |

(Continued)

#### Investments, Continued

| 122   | No. of shares    |          |                       |  | Investment            |           |          |                    |
|---|------------------|----------|-----------------------|--|-----------------------|-----------|----------|--------------------|
| Description   | or<br>face value | Rate Mat | urity Carryin         | g* No.   | Investments, (        | Continued | ı        |                    |
|   |                  |          |                       |  | Ore                   |           |          |                    |
| Bank stocks:  |                  |          |                       | f  | ace value             |           |          |                    |
| Bank of America   | 0 770 -1         |          |                       | 0+1-   | 200                   | Rate      | Maturity | Co                 |
| Dankers Trust Company   | 9,310 shares     |          | \$ 370                | Other corporate stocks;  |                       |           | TWO TLY  | Carrying           |
|   | 5,777            |          | \$ 376, <sub>22</sub> | Actor  |                       |           |          | <u>Value</u> *     |
| The Chase Manhattan Bank -<br>New York                            | 0,777            |          | 230,34                | Allegh Insurance C   | 3 000                 |           |          |                    |
| Chemical Bank New York  | 8,940            |          |                       |  | 3,000 shares<br>3,750 |           |          |                    |
|   | • 2 8000         |          | 347,96]               |  | 5,000                 |           |          | \$ 57              |
| Continental-Illinois W  | 4,200            |          |                       | American Cyanamid Co.  | 5 000                 |           |          | 37.468             |
|   |                  |          | 109,094               | American Cyanamid Co.  American Electric Power Co., Inc.  American Home Products Corp. | 2,400                 |           |          | 143,213<br>132,220 |
|   | 74 000           |          |                       | American Home Product Co. Inc.   | 6,000                 |           |          | 234,388            |
| First National Bank of Boston                                     | 14,960           |          | 000                   | American Home Products Corp. American Hospital Supply Corp. American Telephone & Tale  |                       |           |          | 90.738             |
|   | 6,098            |          | 270,096               | American Telephone & Toler   | 2,500                 |           |          | 155,287            |
|   | 8,208            |          | 224,559               |  | ~,000                 |           |          | 153,366            |
| Industrial National Bank of<br>Rhode Island                       | 0,200            |          | 250 ==                | Automati Public Service Co   | 2,400                 |           |          | 147,029            |
|   | 19,500           |          | 259,573               | Beechnut Timbeell UO of A-   | 3,000                 |           |          | 44,574             |
| Irving Trust Company-New York Manufacturers Hanover Trust Company | 8,269            |          | 460,561               |  | 4,030                 |           |          | 144,424            |
| Company Company   |                  |          | 197,677               | Blackstone was Corporation   | 4,000                 |           |          | 95,417             |
| Morgan Guaranta Tomas   | 4,443            |          | ,077                  | Floor- Jugs &  | 3,000                 |           |          | 132,005            |
|   |                  |          | 124,392               | Boston Edison C 5.6% preferred   | 1                     |           |          | 122,877            |
| Plantations Renk - 0 D  | 5,500            |          |                       | Cumil ptime - 4.25%  | 1,000                 |           |          | 140,486            |
|   | 6,500            |          | 302,421               | Campbell Source  | 500                   |           |          | 202                |
|   | 00 77 4          |          | 204,474               |  | 7,500                 |           |          | 101,820            |
| Shawmut Association, Inc.   | 20,714           |          |                       | Central & Southwest Corp.  | 2,000                 |           |          | 50,813             |
|   | 2,940            |          | 751,490               | Cleveland Electric Illuminating  | 3,000                 |           |          | 126,531            |
| United States Trust Company of<br>New York                        | 5,670            |          | 99,312                | Co. Co.  | -,000                 |           |          | 36,625             |
|   | 4,200            |          | 113,635               | Commonwealth Edison Co.  | 3,954                 |           |          | 104,048            |
| Western Bancorporation  | 6,100            |          | 040                   |  | 4,613                 |           |          |                    |
| Total banks   | -,200            |          | 242,831               | Insurance Co.  | 200                   |           |          | 103,482            |
|   |                  |          | 193,457               | Consolidated Edison Company of New York, Inc.  | 1,000                 |           |          | 131,576            |
| nvestment companies and trusts:                                   |                  |          | A 500 300             | New York, Inc.   | •                     |           |          | 740                |
| Affiliated Fund, Inc.   |                  |          | 4,508,105             | Consumers Power Co.  | 2,500                 |           |          | 146,850            |
|   | 4,748            |          |                       | Continental Casualty Co.   | 4,000                 |           |          | 101 400            |
| Massachusetts Investors Trust                                     | 9,757            |          | 257 003               | Continental Oil Company of Delaware  | 1,500                 |           |          | 101,491            |
| investors Trust 19  | ,690             |          | 251,031               | Corn Products Co.  | 7 000                 |           |          | 109,088<br>126,375 |
| Total investment  |                  |          | 152,568               | Corning Cl   | 3,000                 |           |          | 120,575            |
| Total investment companies and                                    | d trusts         |          | 219,691               | Corning Glass Works  | 1,500                 |           |          | 153,352            |
|   |                  |          | 623,290               | Crown Zellerback Corp.   | 1,000                 |           |          | 81,854             |
|   |                  |          | 023,290               |  | 2,000                 |           |          | 152,022            |
|   |                  |          | (Continued)           | E. I. DuPont de Nemours & Co.,   | 5,000                 |           |          | 103,045            |
|   |                  |          | (Denumba)             | Factor II  | 1 500                 |           |          | 92,483             |
|   |                  |          |                       | Eastman Kodak Co.  | 1,500                 |           |          | ,                  |
|   |                  |          |                       |  | 3,050                 |           |          | 331,248            |
|   |                  |          |                       |  |                       |           |          | 184,404            |

#### Investments, Continued

| March March    | $\underline{\texttt{Description}}$   | No. of shares<br>or<br>face value                         | Rate | Maturity   | Carrying<br>value*  |  |
|----------------|--|---|------|------------|---|--|
|                | Other corporate stocks, continued: Federal Insurance Co. The Foxboro Co. Franklin Life Insurance Co. General Electric Co. General Foods Corporation General Motors Corporation | 3,500 shares<br>5,250<br>2,204<br>3,500<br>1,500<br>5,290 |      | \$         | 249,150<br>136,065<br>90,909<br>271,725<br>118,878<br>119,726 |  |
|                | General Public Utilities Corporation Gillette Co. Ginn & Co. W. T. Grant Co. Gulf Oil Corporation  | 4,040<br>3,500<br>2,700<br>3,000<br>4,000                 |      |            | 123,920<br>118,074<br>72,132<br>48,336<br>160,329             |  |
|                | Gulf States Utilities Co.<br>Harcourt, Brace & World Co., Inc.<br>Hartford Fire Insurance Co.<br>Holt, Rhinehart & Winston, Inc.<br>Honeywell. Inc.                            | 7,000   |      |            | 134,079<br>76,159<br>171,692<br>74,422<br>111,696             | Street, Square, Square |
|                | Honeywell, Inc 3% convertible<br>preference<br>Indiana General Corp.<br>Insurance Co. of North America<br>International Business Machines                                      | 1,500<br>3,500<br>2,000                                   |      |            | 147,594<br>130,586<br>179,046                                 | The state of the s |
|                | Corp.<br>International Harvester Co.<br>International Nickel Co. of  | 2,153<br>4,000  |      |            | 412,397<br>98,174   |  |
|                | Canada, Ltd.<br>International Paper Co.  | 3,000<br>4,080<br>6,000                                   |      |            | 145,098<br>127,311<br>96,506                                  |  |
| J<br>K         | Cowa Electric Light & Power Co.<br>Cohns Manville Corp.<br>imberly Clark Corp.<br>cGraw-Hill Publishing Co.,Inc.   | 3,000<br>2,000<br>2,300                                   |      |            | 153,790<br>157,474<br>66,528                                  |  |
| Me<br>Me<br>Mi | cKesson & Robbins, Inc.<br>crck & Co., Inc.<br>ddle South Utilities, Inc.  | 2,500<br>3,000<br>8,000                                   |      |            | 109,970<br>79,936<br>97,913                                   |  |
| Moi            | nsanto Co.   | 2,200<br>3,606  |      |            | 148,681<br>186,745<br>155,753                                 |  |
| Nar            | ragansett Electric Company -   | 4,000<br>2,200  |      |            | 106,700   |  |
|                |  |   |      | (Continued | ) •   |  |

Investments Continued

|                                   | or puares     |            |          |               |            |
|-----------------------------------|---------------|------------|----------|---------------|------------|
| Description                       | or            |            |          |               |            |
|                                   | face value    | ъ.         |          | Con           |            |
|                                   |               | Rate       | Maturity |               | rrying     |
| other corporate stocks, continued |               |            |          | Y             | ttue"      |
| National Cash Register Co.        | 7.7           |            |          |               |            |
| National Steel Corporation        | 1,575 sh      | Ares       |          |               |            |
| Niagara Mohawk Power Corp.        | 2,000         | 05         |          |               | 120,492    |
| North American Aviation, Inc.     | 4,000         |            |          |               | 74,736     |
| Northern States Power Co.         | 1,000         |            |          |               | 89,436     |
| The Norwich Pharmacal Co.         | 3,500         |            |          |               | 51,191     |
| Ohio Edison Co.                   | 3,000         |            |          |               | 124,519    |
|                                   | 6,000         |            |          |               | 130,390    |
| Owens Corning Fiberglas Corp.     | 1,800         |            |          |               | 136,499    |
| Panhandle Eastern Pipeline        | 4,100         |            |          |               | 151,828    |
| J. C. Penney Co.                  | 2,000         |            |          |               | 97,956     |
| Pfizer (Chas.) Co.                | 2,000         |            |          |               | 87,375     |
| Phillips Petroleum Co.            | 3,000         |            |          |               | 63,649     |
| Plough, Inc.                      | 2,000         |            |          |               | 139,009    |
| Polaroid Corp.                    | 1,500         |            |          |               | 67,290     |
| Procter & Gamble Co.              | 1,500         |            |          |               | 68,027     |
| Radio Corp. of America            | 6,732         |            |          |               | 91,268     |
| Scott Paper Co.                   | 6,000         | Enter      |          |               | 103,677    |
| Sears, Roebuck & Co.              | 4,000         |            |          | Mily a        | 192,189    |
| Sinclair Oil Corporation          | 4,000         |            |          | Ya            | 96,043     |
| Socony Mobil Oil Company, Inc.    |               |            |          |               | 182,822    |
| Southern California Edison Co.    |               |            |          |               | 187,447    |
| 4.24% cumulative preferred        | 2,000         |            | 9        |               |            |
| 4.78% cumulative preferred        | 1,500         |            |          | 1,465         | 51,100     |
| Standard Oil Company of Califo    | rnia:         |            |          | 2,430,        | 38,325     |
| \$3.30 cumulative convertible     |               |            |          | 50            |            |
| preferred                         | 1,000         |            |          | 10, 191       | 86,476     |
| Standard Oil Company of           |               |            |          |               |            |
| New Jersey                        | 5,000         |            |          | 30,39n<br>394 | 276,039    |
| Texaco, Inc.                      | 5,250         |            |          | 494           | 209,367    |
| Texas Utilities Co.               | 3,000         |            |          |               | 112,797    |
| Transamerica Corp.                | 6,765         |            |          |               | 170,834    |
| Union Bag - Camp Paper Corpora    |               |            |          |               | 242,286    |
| Union Carbide Corporation         | 5,400         |            |          |               | 320,201    |
|                                   | 7,000         |            |          |               | 129,061    |
| Union Electric Co.                |               |            |          |               | 104,386    |
| U. S. Fidelity & Guarantee Co.    |               |            |          |               | 225,011    |
| United States Gypsum Co.          | 2,500         |            |          |               | 278,597    |
| United States Steel Corporation   | n 4,000       |            |          |               | 144,728    |
| Virginia Electric & Power Co.     | 5,000         |            |          |               |            |
| Western Massachusetts Companie    | s 3,000       |            |          |               | 75,375     |
| Westinghouse Electric Corp.       | 5,000         |            |          |               | 195,893    |
| Total other corporate s           | tocks         |            |          |               | 13,624,412 |
| • Total investments - emp         | lovees' retir | ement fund |          | *             | 82,843,792 |
| + 10 car man ob omenop - omi      |               |            |          |               |            |

The difference between this total and the amount shown on the Halance Sheet is the difference between the face and carrying values of Treasury Hills and commercial paper and is included in Unamortized Discounts.

## INVESTMENTS ACQUIRED

## From July 1, 1965 to June 30, 1966

|                             | bountings | investments | Maturity    | Par Valu   | e or Cost*  |
|-----------------------------|-----------|-------------|-------------|------------|-------------|
| Description                 |           | darano Rate | Madu        |            | _           |
| United States of America    |           |             | 3/31/66     | 300,000.   | 5.9Kr.      |
| Treasury Bills              | हरे हरी   | Disct.      | 7/14/66     | 500,000.   |             |
| " "                         |           | "           | 8/11/66     | 350,000.   |             |
| " "                         |           |             | 8/15/67     | 1,000,000. |             |
| " Bonds                     |           | 3 3/4%      | 8/15/68     | 550,000.   |             |
| " Bonds                     |           | 3/3/4       | 10/1/69     | 550,000.   |             |
| . "                         |           | 000,4       | 2/15/70     | 363,000.   | 1000        |
| i n                         |           | age .4      | 2/15/80     | 200,000    | 3,813,000.  |
|                             |           | * A.4       | 2/17/00     | 100        | 2,010,000,  |
|                             |           | 7: H . T.   |             |            |             |
| Federal Land Banks          |           |             |             | 7          |             |
| Togeral Dana Dana           |           | 208.1       | 5/2/66      | 500,000.   |             |
| Consolidated Federal Farm   | n Loan    | 3 1/4       | 5/2/00      | 500,000.   | · bl        |
| U II II                     | "         | 4 3/8       | 4/21/75     | 500,000.   |             |
| ,, ,, ,,                    | n         | 5           | 2/24/76     | 500,000.   | 2 000       |
| " " "                       | "         | 4 1/8       | 2/20/78     | 500,000.   | 2,000,000.  |
|                             |           | *1          |             |            | · The State |
| Federal Home Loan Banks     |           | 2.1         | 1 - 1//     | 000        | 5859        |
| Notes                       |           | 4.30        | 1/25/66     | 250,000.   |             |
| Notes                       |           | 4.35        | 3/25/66     | 500,000.   | ' r#        |
|                             |           | 5.40        | 3/27/67     | 200,000.   | 950,000.    |
|                             |           | 1630        |             |            |             |
| Certificates of Deposit     |           |             |             |            |             |
| certificates of Deposit     |           |             | cul . s. M. |            |             |
| Franklin National Bank      |           | 5           | 6/16/66     | 500,000.   |             |
|                             |           | 4 1/4       | 11/12/65    | 800,000.   |             |
| Industrial National Bank    |           | 4 3/8       | 12/16/65    | 800,000.   | 2,100,000.  |
| " "                         |           | 4 3/0       | 12.14.      |            |             |
| Commercial Paper            |           |             |             |            | - 10        |
| COMMETCIAL TAPEL            |           |             | 1.5         |            |             |
| Associates Investment Co.   |           | Disct.      | 2/21/66     | 500,000.   |             |
| Banks for Cooperative Debe  | nt unas   | "           | 2/1/66      | 500,000.   |             |
|                             | ncures    |             | 7/26/66     | 500,000.   |             |
| Genesco Corp.               |           |             | 11/8/65     | 900,000.   |             |
| Household Finance Corp.     |           |             | 8/9/65      | 900,000.   |             |
| Redisco Corp.               |           |             |             |            |             |
| Sears Roebuck & Co.         |           |             | 11/12/65    | 900,000.   | . /00 000   |
| " " "                       |           | , n         | 4/11/66     | 400,000.   | 4,600,000.  |
|                             |           |             |             |            |             |
| Railroads                   |           |             | 9.1         | 182        |             |
|                             |           | 10 mg / R   |             |            |             |
| Louisville & Nashville Rail |           | 500,2       | 2 ( a low   |            |             |
| Equipment Trust, Series R   |           | 5 1/8       | 3/15/77     | 387,000.   |             |
| Atchison, Topeka & Santa Fe |           |             |             |            |             |
| Equipment Trust, Series A   | 51        | 5 3/8       | 3/15/67     | 300,000.   | 687,000.    |
|                             |           |             |             |            |             |

| -49-  |        |          |                  | CONTRACTOR OF THE PARTY OF THE |
|---|--------|----------|------------------|---|
| Description   | _      |          |                  |   |
| Public Utilities  | Rate   | Maturity | Par Value or Cos |   |
|   |        |          | value of Cos     | <u>t</u>  |
| Alabama Power Co.   |        |          |                  |   |
| First Mortgage Bonds  | 1.77/0 |          |                  |   |
| American Telephone & Telegraph Co.<br>Debentures            | 4 7/8  | 9/1/95   | 100,000.         |   |
| Appalachian Electric Power Co.                              | 5 1/8  | 4/1/01   | 200 000          |   |
| First Mortgage Bonds  |        |          | 200,000.         |   |
| Carolina Power & Light Co.                                  | 3 1/4  | 12/1/70  | 250,000.         |   |
| First Mortgage Bonds<br>Cleveland Electric Illuminating Co. | 5 1/8  | 1./1./04 |                  |   |
| Debentures Co.  | ,0     | 4/1/96   | 250,000.         |   |
| Columbia Gas System, Inc.                                   | 3      | 7/1/70   | 100,000.         |   |
| Debentures  | 1.7/0  | 101.1-   |                  |   |
| Consolidated Natural Gas Co. Debentures                     | 4 7/8  | 10/1/90  | 150,000.         |   |
| Florida Power Corp.   | 5      | 2/1/85   | 50,000.          |   |
| First Mortgage Bonds  |        |          |                  | · ·   |
| General Telephone Company of Calif.                         | 4 7/8  | 11/1/95  | 250,000.         |   |
| First Mortgage Bonds  | 5      | 12/1/05  | 100.000          |   |
| Long Island Lighting Co.                                    | -      | 12/1/95  | 100,000.         |   |
| First Mortgage, Series D<br>Monongahela Power Co.           | 3 5/8  | 12/1/76  | 250,000.         |   |
| First Mortgage Bonds  | 2      |          |                  |   |
| New England Gas & Electric Co.                              | 3      | 9/1/77   | 2,000.           |   |
| Series C  | 4      | 9/1/71   | 129,000.         |   |
| New Jersey Power & Light Co.                                | •      | 27 17 11 | 127,000.         |   |
| Debentures  | 5      | 10/1/9   | 00 100,000.      |   |
| New York Telephone Co. Refunding Mortgage, Series P         | /      |          |                  |   |
| Ohio Bell Telephone Co.                                     | 47/    | 8 1/1/06 | 250,000.         |   |
| Debentures  | 5      | 2/1/0    | 6 250,000.       |   |
| Pacific Gas & Electric Co.                                  |        | -, ., -  | 2,0,000          |   |
| First Refunding Mortgage, Series LL                         | 4 5/   |          |                  |   |
| · · · · · · · · · · · · · · · · · · ·                       | 5 3,   |          |                  |   |
| " " " K   | 3      | 6/1/7    |                  |   |
| Pacific Power & Light Co.                                   | ,      | 6/1/     | 71 250,000.      |   |
| First Mortgage Bonds  | 5      | 10/1     | /95 100,000.     |   |
| Public Service Electric & Gas Co.                           |        |          |                  |   |
| First Refunding Mortgage                                    |        | 3/4 9/1/ |                  |   |
| Debentures  | 5 3    | 3/4 6/1/ | 91 200,000.      |   |
| Southwestern Gas & Electric Co.                             | 2      | 1/4 2/1, | /70 250,000.     |   |
| First Mortgage, Series A<br>West Penn Power Co.             | ,      | 1/4 2/1/ | 2,0,000.         |   |
| First Mortgage, Series U                                    | L      | 7/8 12/  | 1/95 250,000.    |   |
| Wisconsin Power & Light Co.                                 |        |          |                  |   |
| First Mortgage, Series A                                    | 3      | 1/4 8/1  | /71 250,000.     | 4,381,000.  |
|   |        |          |                  |   |
| Industrial & Miscellaneous                                  |        |          |                  |   |
|   |        |          |                  |   |
| C. I. T. Finance Corporation                                | 1      | 3/4 2/   | 1/70 100,000     | ٠.  |
| Debentures  | 4      | . 3/4 7/ | 1,10             | -   |
| Commercial Credit Corporation                               | 1.     | 7/8 9/   | 15/87 150,000    |   |
| Debentures  |        | 1/4 10   | 0/1/74 100,00    | O.  |
| II .  |        |          |                  |   |

|   |            |                   | Par Value or Cost           |
|---|------------|-------------------|-----------------------------|
|   | Rate       | Maturit           | y Tai you                   |
| Description                               | -          |                   |                             |
| Industrial & Miscellaneous - Continued    |            |                   |                             |
| Industrial & Miscellaneous - Constitution |            |                   |                             |
| Eximbank Portfolio Fund                   | 5 1/2      | 3/15/73           | 500,000.                    |
| Participation Certificates                | 5 1/2      |                   | 200,000.                    |
| General Motors Acceptance Corporation     | 4 7/8      | 12/1/87           | 200,000.                    |
| Debentures                                |            |                   | 250,000.                    |
| W. T. Grant Co.                           | 4 3/4      | 1/1/87            | 2,0,000                     |
| Convertible Sub. Debentures               |            | - 14 100          | 250,000.                    |
| Household Finance Corp. Debentures        | 5<br>4 7/8 | 7/1/82<br>9/15/93 | 150,000.                    |
| " Decentaries                             | 4 7/8      | 9/15/75           |                             |
| International Harvester Co.               | 10         | 11/1/79           | 250,000.                    |
| Debentures, Series A                      | 4 5/8      |                   |                             |
| Lone Star Cement Co.                      | 4 7/8      | 7/1/90            | 250,000.                    |
| Debentures                                | 4 //0      |                   |                             |
| Montgomery Ward & Co.                     | 4 7/8      | 8/1/90            | 250,000.                    |
| Debentures                                | 4 1/0      |                   |                             |
| National Cash Register Co.                | 5.6        | 6/15/91           | 200,000.                    |
| Sinking Fund Debentures                   | ,          |                   |                             |
| Northwest Bancorporation Debentures       | 4 3/4      | 10/15/90          | 250,000.                    |
| Weyerhauser Co.                           |            |                   | 050 000 2 150 000           |
| Sinking Fund Debentures                   | 5.2        | 5/1/91            | <u>250,000.</u> 3,150,000.  |
| orinizing rand population                 |            |                   |                             |
| Bank Stocks                               |            | Shares            |                             |
|   |            | 0.700             | 155,587.50                  |
| Chase Manhattan Bank                      |            | 2,700<br>1,600    | 91,000.00                   |
| First National Bank of Boston             |            | 1,708             | 84.654.54                   |
| First National City Bank of New York      |            | 2,800             | 143,675.00 474,917.04       |
| Bank of America                           |            | 2,800             | 140,010.00 414,917.04       |
| Conservat - Ct - alea                     |            |                   |                             |
| Corporate Stocks                          |            |                   |                             |
| Ginn & Co.                                |            | 400               | 13,945.00                   |
| Harcourt Brace & World Co.                |            | 200               | 11,189,10                   |
| Holt, Rinehart & Winston                  |            | 300               | 11.966.25                   |
| Honeywell, Inc.                           |            | 1.500             | 111,696.00                  |
| International Business Machines           |            | 53                | 15,132.98                   |
| McGraw Hill Publishing Co.                |            | 300               | 13,926.00                   |
| Monsanto Co.                              |            |                   | 85,800,36                   |
| National Cash Register Co.                |            | 1,000             |                             |
| Union Carbide Corp.                       |            |                   | 120,492.33                  |
| U. S. Fidelity & Guaranty Co.             |            | 800               | 50,161.84                   |
| Western Bancorporation                    |            |                   | 104,386.30                  |
|   |            | 1,000             | <u>39,761.90</u> 578,458.06 |
|   |            |                   |                             |
| Total Purchases for the year              |            |                   | •                           |
| Total                                     |            |                   | \$22,734,375.10             |
|   |            |                   |                             |

## INVESTMENT REDEMPTIONS & SALES

From July 1, 1965 to June 30, 1966

| Description Jun  | ie 30 1044  |  |  |         |
|--|---|--|--|---------|
| Description  |   | 2  |  |         |
| United States of America   | Rate  | Maturity   | Par Value or Cost  |         |
| Treasury Bills   | Strates   |  |  |         |
| Federal Land Banks   | Disct.  | 3/31/66  | 300,000, 300,000   |         |
| Consolidated Federal Farm Loans  | 4%<br>3 1/4   | 10,20/65<br>5/2/66   | 900,000.   |         |
| Federal Home Loan Banks  |   | 2/2/00   | 500,000, 1,400,00  | . · ·   |
| Notes " Certificates of Deposit  | 4.3<br>4.35   | 1/25/66<br>3/25/66   | 250,000.<br>500,000.<br>750,0                                | ····    |
| Franklin National Bank """"  Industrial National Bank """"  Rhode Island Hospital Trust Co.  Commercial Paper                            | 4 3/8<br>4 3/8<br>5<br>4 1/4<br>4 3/8<br>4 3/8<br>4 3/8 | 1/11/66<br>6/16/66<br>10/14/65<br>11/12/65<br>12/16/65<br>1/11/66      | 800,000  | ,000.   |
| Commercial raper   |   |  |  |         |
| Associates Investment Co.  " " "  Banks for Cooperative Debentures Household Finance Corp. Redisco Corp.  Sears Roebuck & Co.  " " " " " | Disct.  | 7/8/65<br>2/21/66<br>2/1/66<br>11/18/69<br>8/9/65<br>7/8/65<br>11/12/6 | 500,000.<br>5 900,000.<br>900,000.<br>250,000.<br>5 900,000. | 0,000.  |
| Municipalities   |   |  |  |         |
| City of Central Falls Refunding Town of Johnston School  | 2 3/4   | , ,  |  |         |
| Town of North Providence   | 2.90  | 9/1/65   | 20,000.  |         |
| Funding<br>Highway<br>Town of West Warwick   | 3<br>3 1/2  | 7/1/65<br>7/1/65   | 3,000.<br>15,000.  |         |
| Sewer  | 2 1/2   | 7/1/65   | 2,000.   |         |
| City of Woonsocket<br>Water  | 4 1/1   | 6/1/66   |  | 48,000. |

|       |  | <b>-52-</b> |                |                |                |
|-------|--|-------------|----------------|----------------|----------------|
|       | Description  |             | Rate Mat       | rity Par Va    | alue or Cost   |
|       | Railroads  |             |                |                |                |
|       | N. Y. N. H. & H. R. R. Co.   | W 143       | 3 3/4 1/1/     | 66 50,00       | 0.             |
|       | Equipment Trust, Series A  |             |                |                |                |
|       | Seaboard Air-Line R. R.  | 3           | 11/1           | 10,000         | 0.             |
|       | Equipment Trust, Series K<br>Southern Pacific Co.                  | 1.7         |                |                |                |
|       | Equipment Trust, Series 17 Southern Railway                        | . 4         |                |                |                |
|       | Equipment Trust, Series WW   | 4           | 4/10/          |                | 2 210,000.     |
|       | Public Utilities   |             |                |                |                |
|       | Baltimore Cas & Electric Co.<br>First Refunding Mortgage Sinking F | and 1. 5    | 7/8 6/1/80     | 21,000         | - If the short |
|       | Consumers Power Co.  |             |                |                |                |
|       | First Mortgage Bonds   | 4 3         | /4 10/1/8      | 7 16,000.      | 1. 4.7.        |
|       | Northern Illinois Gas Co.<br>First Mortgage Bonds                  | 5           | 6/1/84         | 4,000.         |                |
|       | Tennessee Gas Transmission Co.                                     | ,           | 0/1/04         | from Line      | No. 11 treat   |
|       | First Mortgage Pipeline  | 5 1/        | 4 11/1/79      | 2,000.         |                |
|       | United Gas Corporation   |             | 1. /a.         | and throughout | of the second  |
|       | First Mortgage & Collateral Trust                                  | 5           | 11/1/80        | 2,000.         | 45,000.        |
|       | Industrial & Miscellaneous   |             |                |                |                |
|       | Atlantic Refining Co.  |             |                |                |                |
|       | Debentures   | 2 5/8       | 1/15/66        | 200,000.       |                |
|       | Continental Can Co.  | ~ )/0       | 1717700        | 200,000.       | Consum         |
|       | Debentures   | 4 5/8       | 10/1/85        | 2,000.         |                |
|       | Douglas Aircraft Co., Inc.   |             |                | egos, f        |                |
|       | Convertible Subordinate Debentures National Tea Co.                | 4           | 2/1/77         | 10,000.        |                |
|       | Sinking Fund Debentures  | -           | 4/1/20         | stanced wh     |                |
|       | Peabody Coal Company   | 5           | 8/1/77         | 2,000.         |                |
|       | Sinking Fund Debentures  | 5 1/4       | 10/1/76        | 9 000          |                |
|       | Sears Roebuck & Co.  | 7 1/4       | 10/1/70        | 8,000.         |                |
|       | Sinking Fund Debentures  | 4 3/4       | 8/1/83         | 21,000.        | 243,000.       |
| Co    | rporate Stocks   |             | Shares         |                |                |
| A     | merican Sterilizer Co.   |             | 1 7//          | ••             |                |
| С     | hampion Spark Plug Co.   |             | 1,766          | 52,591.30      |                |
| G     | orham Manufacturing Co.  |             | 2,500          | 98,867.39      |                |
| Ot    | utboard Marine Corp.   |             | 2,000<br>1,500 | 52,000.00      | r yar.FO       |
| Panle | Charles  |             | 1,000          | 43.347.58 2    | 246,806.27     |
|       | Stocks   |             |                |                |                |
| Rho   | ode Island Hospital Trust Co.                                      |             | 2 000          | di nasi b      |                |
|       |  |             | 2,000          | 83,498.90      | 83,498.90      |
|       | Total Redemptions & Sale   | g for th    | - 81.          | V 1- 11        | May 11         |
|       | La Carre   | o for th    | e year         | \$14,22        | 26,305.17      |
|       |  |             |                |                | 1,121          |

## SUMMARY OF INVESTMENTS

## From July 1, 1965 to June 30, 1966

| Total Investments July 1, 1965  |                 |
|---------------------------------|-----------------|
| Add:                            | \$74,357,236.55 |
| Purchases during year           |                 |
|                                 | 22,734,375.10   |
|                                 | 97,091,611.65   |
| Deduct:                         |                 |
| Redemptions & Sales during year |                 |
| Total Investments June 30, 1966 | 14,226,305.17   |
| 2.7 1700                        | \$82,865,306.48 |

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#### STITE TELE

Service retirement allowance; Retirement is optional with a member upon altainment of the age of 60 years, provided he has at least 10 years of credited service. Any member are 60 on a reduced 30 years of service may retire, under are 60 on a reduced allowance which is the actuarial equivalent of the amount pays able at age 60. A member may retire under use 60 on a full service.

# <u>A P P E N D I X</u>

Summary of Benefit and Contribution
Provisions

Statistical Tables

The service retirement allowance is equal to 1-2/31 of average compensations, smittplied by the number of years of total service, not to exceed by year, subject to a maximum of the the rate of compensation at the date of retirement.

continuation in service boyend such are for periods of one

the completion of it were of a ritainment of age 60, and then completion of it were of a ritae, or a ritable at confidence of return of the read were at confidence of the read were at confidence of the read were returned to the read in the read were the read were the read were the read with the read were the

#### SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

#### BENEFITS

Service retirement allowance. Retirement is optional with a member upon attainment of the age of 60 years, provided he has at least 10 years of credited service. Any member completing 30 years of service may retire under age 60 on a reduced allowance which is the actuarial equivalent of the amount payable at age 60. A member may retire under age 60 on a full service retirement allowance after 35 years of total service.

In the case of a member withdrawing from service prior to the attainment of age 60, the right to a retirement benefit vests in the member if his service credit is 10 years or more. The retirement allowance will become available to the member upon attainment of age 60, provided he has not taken a refund of his contributions.

Retirement of a member is compulsory on the first day of the calendar month next following that in which he attained age 70, unless the member requests permission to continue in service, in which case the retirement board may permit his continuation in service beyond such age for periods of one year.

The service retirement allowance is equal to 1-2/3% of average compensation 1/2, multiplied by the number of years of total service, not to exceed 45 years, subject to a maximum of 75% of the rate of compensation at the date of retirement.

Options. A member, upon or after attainment of age 60, and the completion of 10 years of service, or beginning at age 55 after 20 years of service, may elect to receive a lesser amount of service retirement allowance for himself in order to provide, on an actuarial equivalent basis, an annuity for a designated beneficiary to become payable upon his death, whether death occurs while in service or thereafter while on retirement.

1/ Average compensation means the average annual compensation earnable by a member during the 5 consecutive years within his total service when such average was the highest.

Non-occupational disability benefit. This benefit is available to any member having at least 7 years of credited service. The benefit is equal to the amount of the service retirement allowance covering the period of total credited service of the member.

A member qualifying for this benefit but not having completed scribed for 15 years of service, is entitled to receive the benefit preservice after the age of 45 years, his benefit is limited to qualify if he remained in service until the age of 60 years

Occupational disability benefit. A member becoming disabled while under age 65 as the direct result of the performance of duty is entitled to a benefit equal to 66-2/3% of his rate of compensation at the date of becoming eligible for this benefit.

Non-occupational death benefit. Upon death of a member while in service, from any cause other than occupational disability, entitled to receive a refund of his accumulated contributions, entitled to receive a refund of his accumulated contributions, contributions equal to \$250.00 for each year of total service of the member. The payment from State contributions is subject to a minimum amount of \$1,000.00 and a maximum of \$5,000.00.

If the period of service of the member has been less than one year, the minimum benefit of \$1,000.00 is reduced by the difference between the amount of accumulated contributions that the member would have had at the end of one year of accumulated contributions service had he continued to render service, and the amount of accumulated contributions actually credited at the date of death.

A State employee member retiring on or after July 1, 1964 and a teacher-member retiring on or after May 26, 1966, receives continued coverage for ordinary death benefit but on a reduced basis, reduced to the extent of 25% for each full year on retirement, down to a minimum of 25% of the amount of benefit in effect for the member at date of retirement but not less than \$1,000.00.

Members of the General Assembly may continue coverage under this benefit after withdrawal from the General Assembly by making an annual contribution of \$15.00. Occupational death benefit. Upon death of a member due to occupational causes, his accumulated contributions, including interest, are payable to such person as the member shall have designated, or if no such designation shall have been made or if the beneficiary is not alive, payment is to be made to the estate of the member.

In addition to the above payment, the surviving widow is entitled to a benefit equal to 50% of the member's salary at date of death. If no widow survives, or upon death of the widow, or if the widow remarries before any child of the member widow, or if the widow remarries before any child of the surviving has attained age 18, the 50% benefit is payable to the surviving child or children, until their attainment of age 18, or prior child or children, until their attainment of age 18, or prior death. If there be no widow or minor child or children, the benefit is payable to a dependent father or mother for life.

Death benefit after retirement. Upon death of a retired member who did not elect any of the optional provisions of the Act, his beneficiary is entitled to a refund of the excess, if Any, of the total member contributions at date of retirement, any, of the total member contributions at date of retirement, without interest, over the total retirement benefits paid to without interest, over the total retirement benefits paid to him. The minimum payment in such a case is an amount equal to five monthly installments of the retirement allowance or the sum of \$300.00, whichever is the greater.

Refunds. A member, upon withdrawal from the State service, may receive a refund of his contributions to the system equal to the full amount of his contributions, plus interest on the amounts contributed by the member prior to July 1, 1947. No interest is payable on refunds representing amounts contributed by a member after July 1, 1947.

#### CONTRIBUTIONS

By members. State employee members of the system are required to contribute at the rate of 5% of salary. This rate is uniform for all employees, both male and female.

Teacher members contribute 6% of salary. This rate is the same for all teachers.

By the State of Rhode Island. The State of Rhode Island is obligated to make regular contributions to meet the cost of the various benefits after applying the amounts contributed

by the members. These contributions are made by means of regular annual appropriations.

The contributions by the State for any fiscal year are to consist of an amount equal to the computed average annual period of ten years next succeeding the fiscal year in to be contributed by the members. A uniform rate is to be ten years from July 1, 1947.

The State's contribution to the system on account of State employees is equal to 5% of total salaries, effective July 1, 1957.

In the case of teacher-members, the rate of employer contributions, shared equally by the State and the cities and towns, is 7% of total salaries, effective as of July 1, 1958.

## EXTENSION TO SCHOOL TEACHERS - MODIFICATIONS

Effective July 1, 1949, the system was extended to include teachers of the State schools and teachers of the several cities and towns of the State of Rhode Island.

All provisions of the system relating to State employees apply with equal force to such teachers. Prior service credit is extended to teachers covering the period prior to July 1, 1949.

Contributions for leaves of absence during any year may be made for the purpose of receiving pension credit under stated conditions. Credit for teaching service in any of the public schools of the United States, outside of this State, and in any private school or institution not operated for profit, is allowed, not exceeding a total of 10 years, upon payment of certain contributions. Such credit is available, however, only if the outside service was rendered more than 10 years before retirement.

Effective July 1, 1962, any teacher may retire after 35 years of service regardless of age.

The minimum service retirement allowance in the case of a teacher having rendered at least 35 years of service is \$1,000.00 per year. The minimum was increased in 1952 under

a formula which provided an additional amount of not less than \$200.00 per year.

Any teacher having at least 20 years of credited service is assured of a minimum ordinary disability allowance (non-occupational) of \$800.00 per year. This amount was increased in 1952 under a formula which provided an additional payment of not less than \$200.00 per year.

#### SUMMARY OF SURVIVORS' BENEFITS FOR SCHOOL TEACHERS

Effective July 1, 1963, survivors' benefits are provided certain designated beneficiaries of teachers, namely, a widow or widower, a dependent parent and minor children under age 18

A survivors' benefit fund was created to which teachers make additional contributions equal to 1-1/2% of salary up to salary of \$\psi\_4,800 per year which are to be matched equally by the cities and towns. The State of Rhode Island, through the Employees' Retirement Board, is designated as administrator of this program. The State assumes the cost of administration.

No member or dependents are eligible for benefits unless contributions had been made for at least 6 consecutive calendar months prior to death or retirement. However, any teacher who retired between April 21, 1962 and September 1, 1963 may become eligible for this program by contributing for at least 6 months, 3% of salary based upon his last rate of salary, provided he makes written application to the retirement board on or before September 1, 1963.

The beneficiaries under this provision are:

- (a) a widow who was married to the deceased teacher at least one year prior to death, or was the mother of his son or daughter, or legally adopted his son or daughter while married to him while such son or daughter was under age 18, or was married to him at the time both of them legally adopted a child under age 18;
- (b) a widower who was married to the teacher for not less than one year prior to the date of her death, is the father of her children, or legally adopted a child while married to her while the child was under age 13:

- (c) a natural parent, a stepparent of the deceased member or an adopting parent who adopted the deceased teacher before the teacher attained age 18;
- (d) children including a stepchild who was in that capacity for at least one year before the death of the member or an adopted child of the member regardless of length of adoption;
- (e) former divorced wife who is the mother of his child or married to him and while they were under age 18, was adopted a child under age 18.

Widows' benefits. Payable during widowhood at age 62 or over of the widow, provided she was living with the husband at time of death. The amount of benefit payable is as follows:

| Last annual salary | Honthly<br>benefit | Last annual<br>salary | Monthly<br>benefit |
|--------------------|--------------------|-----------------------|--------------------|
| \$1200             | \$ 48.70           | \$3600                | \$ 86.70           |
| 1800               | 60.30              | 4200                  | 95.70              |
| 2400               | 69.30              | 4800 and              |                    |
| 3000               | 78.40              | over                  | 104.80             |

Benefits for annual salary not shown in this schedule must be determined by the retirement board.

Mother's benefit. Payable to a widow who is not entitled to a widow's benefit provided (a) she has in her care a child of a member entitled to child's benefits and was living with the teacher-member at the time of his death, and (b) she has not remarried. The amount of benefit payable is as follows:

| Last annual | Widow and | Widow and 2<br>children | Widow and 3 or more children |
|-------------|-----------|-------------------------|------------------------------|
| salary      | 1 child   | \$ 88.50                | \$ 88.50                     |
| \$1200      | \$ 88.50  |                         | 120.00                       |
| 1800        | 109.60    | 120.00                  | 161.60                       |
| 2400        | 126.00    | 161.60                  |                              |
| 3000        | 142.60    | 202.40                  | 202.40                       |
| 3600        | 157.60    | 236.40                  | 240.00                       |
|             | 174.00    | 254.00                  | 254.00                       |
| 4200        |           | 254.00                  | 254.00                       |
| 4800        | 190.60    | 2)4.00                  |                              |

Benefits for salaries not shown above must be determined by the retirement board.

When the youngest child attains age 18, the widow is entitled to receive the widow's annuity provided she has attained age 62, otherwise she must wait until she attains such age.

Child's benefits. These benefits are payable on account of any unmarried child under age 18 who was dependent upon the teacher at time of his death or the child was disabled which had its origin prior to age 18. The monthly amounts of benefit payable are as follows:

| Last annual salary | One child       | Two children | Three or more children |
|--------------------|-----------------|--------------|------------------------|
| \$1200             | \$ 44.30        | \$ 88.50     | \$ 88.50               |
| 1800               | 54.80           | 109.60       | 120.00                 |
| 2400               | 63.00           | 126.00       | 161.60                 |
| 3000               | 71.30           | 142.60       | 202.40                 |
| 3600               | 78.80           | 157.60       | 236.40                 |
| 4200               | 87.00           | 174.00       | 254.00                 |
| 4800               | 95.30           | 190.60       | 254.00                 |
| Benefits for a     | mounts of colem |              | -24.                   |

Widower's benefit. Payable to the widower of a deceased teacher member upon attainment of age 62 who is not entitled to a social security benefit from his own earnings equal to or greater than the amount of this benefit. The rates of benefit are the same as those prescribed for a widow.

Parent's benefit. Payable to a dependent parent or parents of a teacher who did not leave a widow, widower or eligible child surviving him, who had attained age 65 and payable while the parent is unmarried, and is not entitled to a social security benefit from his own earnings equal to or greater than the amount of this benefit. The rates of benefit are the same as those prescribed for a widow.

Refunds. Any member who dies while in service, leaving no dependents eligible for benefits, is entitled to a refund of his contributions towards this benefit, plus interest.

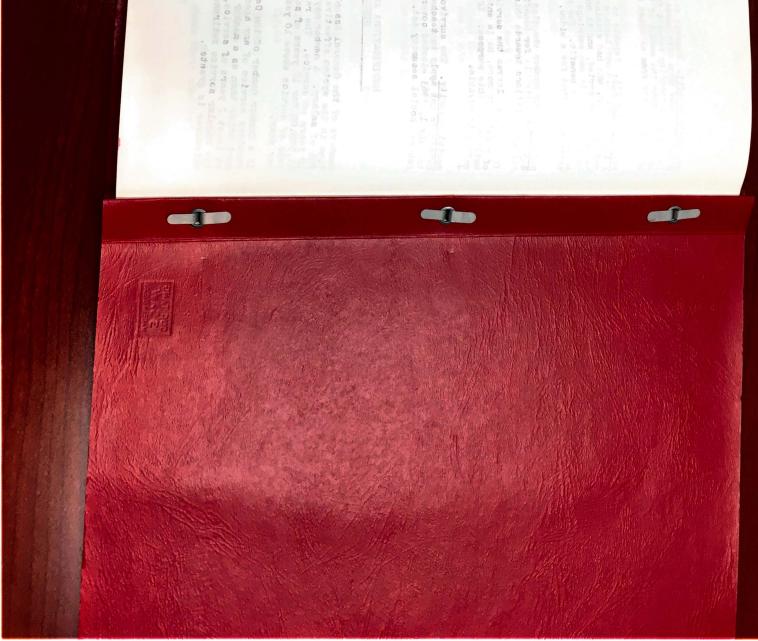
If a member leaves the service before retirement with 5 years of service or more, he is entitled to a refund of his contributions for this purpose. If service is less than 5 years, no refund is payable.

Social security. The survivors' annuity provisions described herein do not apply to teachers of any city or town who prior to July 1, 1963 elected coverage for its teachers under the federal social security act.

## MODIFICATIONS AFFECTING MEMBERS OF THE GENERAL ASSEMBLY

Members of the General Assembly became eligible for participation in the system effective July 1, 1960. Members contribute 20% of salary. A member may retire beginning at age 60 after 10 years of service. The retirement annuity is equal to \$1,500.00 for 10 years of service increased \$150.00 for each year of service above 10 years up to a maximum of \$3,000.00 per year.

If a former member of the General Assembly (not on retirement) reenters service of any agency or division of the State government other than as a member of the General Assembly and renders at least 2 years of service, he may elect the above formula or the regular service retirement allowance described hereinhefore whichever.



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