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Maine State Retirement System Combined Annual Reports for the Fiscal Year Ended June 30, 1992 and the Fiscal Year Ended June 30, 1993

Maine State Retirement System

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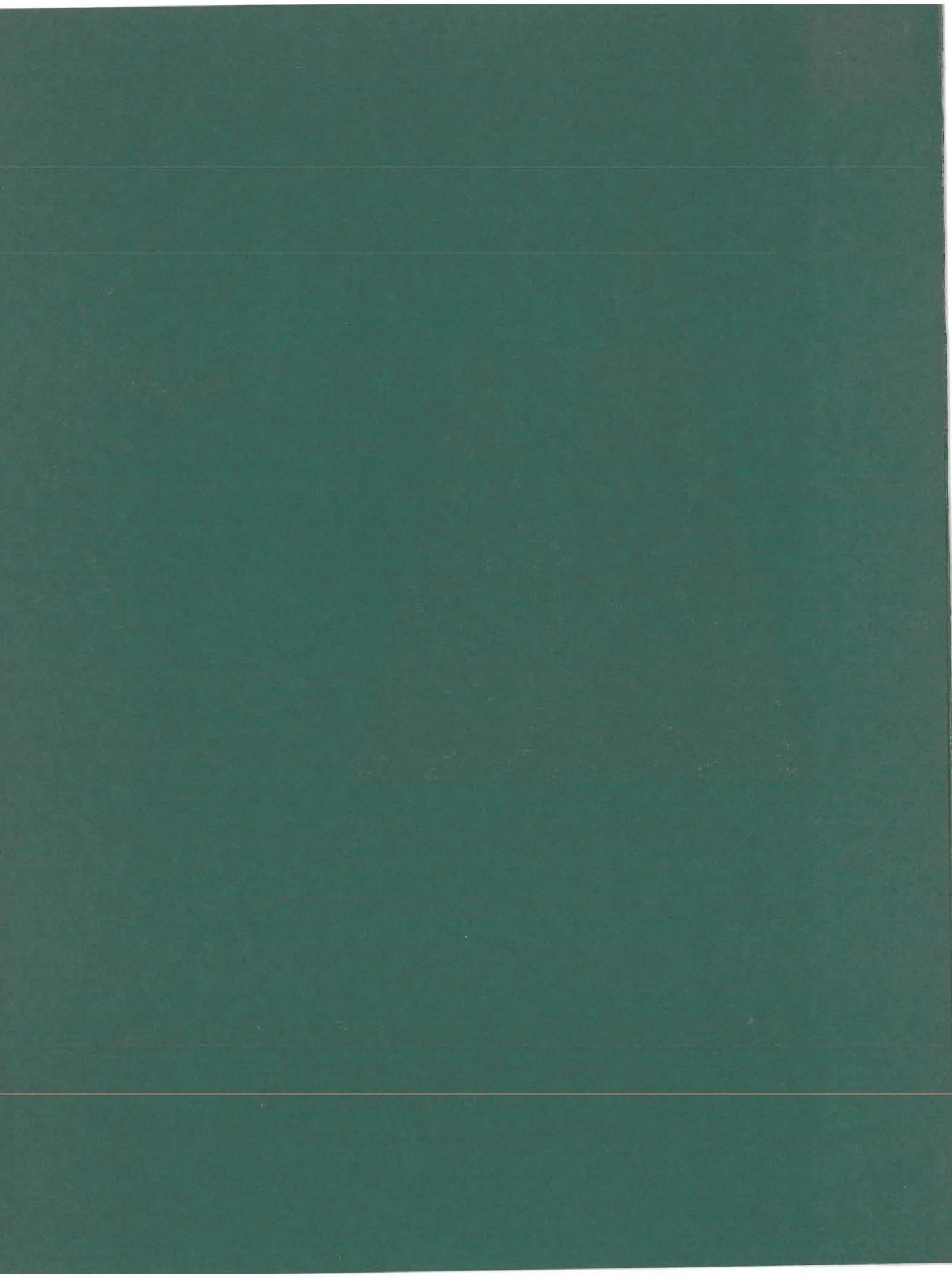
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MAINE STATE RETIREMENT SYSTEM

Combined Annual Reports for
the Fiscal Year Ended June 30, 1992
and the Fiscal Year Ended June 30, 1993

AUG 11 1994





MAINE STATE RETIREMENT SYSTEM

Combined Annual Reports for
the Fiscal Year Ended June 30, 1992
and the Fiscal Year Ended June 30, 1993

Maine State Retirement System
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This report has been produced as required by 5 MRSA 17102 (10), which states that the MSRS Board of Trustees must publish an annual report showing "the fiscal transactions of the retirement system for the fiscal year and the assets and liabilities of the retirement system at the end of the fiscal year; and [t]he actuary's report on the actuarial valuation of the financial condition of the retirement system for the fiscal year."

Costs for producing this report were paid from the Administrative Fund of the Maine State Retirement System.

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EXECUTIVE DIRECTOR'S REPORT

It is fair to say that the single most important factor affecting the Maine State Retirement System in fiscal 1992 and 1993 was the downturn in the Maine economy that began in the late 1980s. Notable for its intensity, breadth of impact, and duration, the economic slide touched every aspect of life in Maine and had measurable and significant effects on some.

For the Retirement System, the effects of the downturn were major, though caused indirectly. They impacted the System's funding and benefit structure and altered, albeit for the short term, the process by which one of the System's fundamental actuarial assumptions is established. The impacts were the result of the absolutely central place held by the State's budget in the attention of the executive and legislative branches of Maine State government. This focus of attention was commanded by the precipitous decline in State tax revenues. The gulf between the State's revenues and expenditures, and the fact that retirement costs for the State's employees and teachers accounted for a significant and growing portion of the State's budget in fiscal 1992 and 1993 meant that reducing the State's retirement contributions was irresistibly attractive to the executive and legislative branches in the two-years-and-counting budget crisis—irresistible, despite an increasingly sophisticated understanding of the troublesome short- and long-term implications that some of the steps taken to reduce contributions would have for

the System.

The details of the steps ultimately adopted by the Legislature and signed by the Governor as part of the State's biennial budget are described in the separate Legislative Summary set out below and on the next page. In summary, the amount of required State contributions, as calculated by the System's actuary on the basis of System assets, liabilities, and actuarial assumptions adopted by the System's Board of Trustees in consultation with the actuary, was reduced by \$200 million. The reduced funding requirement was arrived at through the combination of a legislatively-mandated investment earnings assumption, the extension to 35 years of the amortization schedule for the System's unfunded liability and accompanying inclusion of the "old system teachers" liability, and extensive benefit modifications. The benefit modifications produced a reduction in the unfunded actuarial liability of \$544 million.

The role of the System's Trustees and staff with respect to the State's budget concerns and the steps taken by the Legislature and the Governor that impacted the System was to provide sound actuarial and financial information as a basis for decision-making. Further, the Board and staff insisted that the executive and legislative branches did not overlook or ignore the impacts of proposed approaches and actual decisions on the System's present and future soundness and on the Sys-

Legislative Summary

The following brief summary provides an overview of the statutory changes made by Maine's State Legislature during the 1992 and 1993 fiscal years. It focuses on those changes that affect major portions of the MSRS membership and does not describe every change made by every bill. More thorough reviews of legislative changes can be obtained from the MSRS's Public Information Division.

During Fiscal 1992

- The supplemental budget bill passed in 1992 provided for a 1% increase in the employee contribution rate for State and teacher members hired after July 1, 1992. The effect of this change for most of these new hires was to make their employee contribution rate 7.5% (rather than 6.5%).
- Emergency legislation was passed in response to federal law requiring that all states eliminate age discrimination from their disability retirement plans. The bill passed by the Maine Legislature provided for all those MSRS members (including State, teacher, PLD, Legislative System, and Judicial System members) hired for MSRS-covered employment on or after October 16, 1992, to be eligible for coverage under the State's disability retirement plans regardless of age. Active members who were in the MSRS before October 16, 1992, had the option either to be grandparented in the existing (age-discriminatory) plan or to move into the new (non-age discriminatory) plan.
- The division of a member's rights and benefits under a qualified domestic relations order (QDRO)



tem's members. The Trustees remain very concerned on both of these counts, particularly as to the long-term costs of contribution deferrals and as to matters of equity among the System's State and teacher members (and among the Legislative and Judicial Retirement System members also), who now are relegated into two very different benefit structures on the basis of their years of creditable service as of June 30, 1993. The fact that the biennial budget bill also created a four-person independent Committee to Study the Retirement System suggests that there is some legislative and executive uneasiness with the steps taken and recognition of a need for a more coherent, thoughtful, and thorough assessment than is possible during legislative sessions.

Participating Local Districts

The System's participating local districts (PLDs) are, of course, unaffected by the changes discussed above. While in many respects PLDs' benefit structures are very similar to the benefit structure of the State and teacher plan, PLDs' investment assets and benefit liabilities exist entirely separate from the assets and liabilities of the State and teacher plan. When the State revises its funding plan and benefit structure for purposes having to do with the State budget, the revisions do not take into account and do not affect the PLDs or their members. In fact, the biennium that was so difficult for the State/teacher plan produced a major

and positive change for the System's PLDs. The Consolidated Plan for Participating Local Districts, under discussion since 1987 and in the hands of the legislatively established Participating Local District Advisory Committee since late 1989, became a formal Advisory Committee proposal in November 1992 and a rule adopted by the Board in the spring of 1993. It now stands ready to be implemented on July 1, 1993.

The Consolidated Plan positively affects PLD employees and employers alike. It establishes consistency of benefits between what were formerly 250 different plans for 250 different districts. It will provide portability of benefits for PLD employees, pooling and accompanying leveling of costs for employers, and simpler plan provisions for both employees and employers to understand and for Retirement System staff to administer. The work of the PLD Advisory Committee, the Board of Trustees, and the MSRS staff has been invaluable in bringing this complex project to fruition.

The Consolidated Plan rule provides a three-year window, beginning July 1, 1993, and ending July 1, 1996, during which PLDs may join the Consolidated Plan. To support this period of decision-making, the System began an intensive communication and education effort in the spring of 1993. The effort is designed to provide PLDs and their members with

Legislative Summary (continued)

was made possible by the enactment of a bill held over from the prior session.

During Fiscal 1993

The prime bill of general interest passed in 1993 was the budget bill, which made significant benefit changes affecting State, teacher, Legislative System, and Judicial System members. (These benefit changes did not affect PLD members.) The changes include:

- The employee contribution rates were increased 1.15% so that most State employees and all teachers, legislators, and judges started paying 7.65%.
- A new cap was put on the amount of a State or teacher member's earnable compensation that is

used to calculate that member's average final compensation. In brief, the new cap allows the inclusion in earnable compensation of no more than a 5% increase between each of the three high years with a total increase of no more than 10% over those three years.

- Except for members of special plans, all State, teacher, Legislative System, and Judicial System members with less than 10 years of service as of July 1, 1993, had their normal retirement age set at age 62. Those with 10 years as of that date continue to have the normal retirement age of 60.
- State and teacher members with less than 10 years of service on July 1, 1993, became ineligible to have payments for vacation and sick leave



information about the Consolidated Plan so they can make informed choices, and it will continue throughout the three-year decision-making period.

Investments

All of the System's employers and all of their employees are affected by the performance of the System's investments. The System's portfolio has performed very well over the last five years. Its biennial performance was better still than its five-year performance, but investment performance assessments over so short a period as two years are more a matter of interest than a basis for any conclusion. Over the five-year period, annualized returns were 11.5%, ranking the Retirement System in the top 34% of all public pension funds in the country.

The System's Board of Trustees has adopted a well-balanced investment portfolio designed to take advantage of market conditions without assuming undue or excessive risk. The Board also continues to explore new investment opportunities for the future. Prior to making any investment, the Board enters into an extensive process that combines information-gathering and analysis in order to make well-informed decisions. Comparison of recent years' investment performance with that of the past indicates that the process established by the Board has resulted in greatly improved performance. Although

this recent history of investment performance cannot be used to predict future returns, the Board of Trustees believes that the current investment structure has been carefully planned so that it will continue to perform well in the future on a relative basis, whatever the market environment.

Administrative and Operational Changes

The 1993-95 State budget bill also made the MSRS a public instrumentality of the State, a status with greater independence than that afforded State agencies and departments. The change reflects the position of the System's Trustees and staff and the conclusion of the Legislature that the System can administer its own affairs better as an independent entity than as part of State government.

With this legislation, a process that began a few years ago with greater independence in financial management is now complete. The System's independent management of most of its financial affairs has proven effective and efficient. It now has the ability to structure and manage its own personnel and will use the tools of financial, administrative, and operational independence to improve its internal operations for the purpose of improving its service to members, retirees, and employers. Faster payment of retirement benefits, a program already targeted to begin on July 1, 1994, will be one of the first improvements. The System also

Legislative Summary (continued)

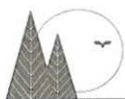
included in their earnable compensation. Those with 10 years as of that date continue to be eligible for this inclusion, but the payments are included under the compensation cap described above.

- Cost-of-living adjustments (COLAs) (which may be awarded each year up to 4%) were changed from being applied to the benefits of those retirees who have been receiving a retirement benefit for at least six months to those who have been receiving a retirement benefit for at least 12 months.
- The benefit reduction for members who retire before reaching normal retirement age was changed for members with less than 10 years of service as of July 1, 1993, from being an amount based on actuarial tables (which is approximately 2-1/8% per

year for each year before normal retirement age) to 6% per year. Members with 10 years of service continue to have the actuarial tables used for benefit reduction.

The budget bill also made some other changes, some of which affect all of the MSRS, notably:

- It continued to provide that compensation that would have been received by State employees during unpaid furlough and shutdown days would be included in the calculation of State members' average final compensation at retirement. But it did not extend this provision for teacher and PLD members.
- It required that employers pay the additional actuarial and/or administrative costs related to early retirement incentives they offer their employees.



expects to make internal organizational changes to improve productivity, accountability, and accuracy.

The System's ongoing effort to automate its records, its record-keeping, and its processes will continue to receive the highest priority as the single most significant step toward improved service and improved employee job performance and satisfaction. No one is more aware than the System's employees of the complexity of the System's programs and of the challenges and frustrations of working with and understanding them. No one is more aware of the difficulties and time delays involved in managing vast numbers of paper records and of researching those records in order to provide the System's constituents with accurate information, advice, and decisions. Automation is as absolutely essential for our staff as it is for our members, retirees, and employers and, in the interest of all, we intend to proceed at an accelerated pace toward completion of this effort.

Looking Ahead

It is fair to say that the time of change and challenge is not over for the Retirement System. Through these times, the System's Board of Trustees will continue to carry out its fundamental responsibility of serving the System's members, retirees, and employers as objective fiduciaries overseeing the operations of the Retirement System. The Board will continue to work to

maintain a well-balanced and well-positioned investment portfolio that will produce better-than-average returns with lower-than-average risk. It will continue to analyze proposals to change the Retirement System and to point out the implications and impacts of those proposals. It will continue to advocate for soundness, equity, and coherence in benefit design and System structure. It will continue to work to provide accurate and complete data to the executive and legislative branches so that decision-making is sound and well informed. It will continue to consider and implement administrative and operational changes to improve services. The System's staff recognizes and fully accepts its charge to help shape, to support, and to implement the Board's vision of the System's mission and goals.

Claude R. Perrier
Executive Director

Legislative Summary (continued)

- It lengthened the amortization schedule the State is to follow in paying money it owes to the MSRS for payment of the System's unfunded liability. The former amortization schedule had been down to 25 years, and the schedule for paying the unfunded liability related to the "old system" for teachers had been down to less than a decade. The budget bill combined both of these under one amortization schedule of 35 years.
- It changed the investment earnings assumption from 8% to 8.2%, substituting a legislative mandate for the analytical process carried out by the Board in setting the investment earnings assumption.
- It established a four-person committee to review all aspects of the MSRS to ensure its present and future fiscal soundness. The bill specified that the committee would look at several specific points, including the underlying causes of the unfunded liability, the equity of the current benefit structure, the affordability of the current benefit structure, and the Legislature's obligations and rights concerning benefit modifications, in view of the *Spiller* decision made by the Maine Supreme Court on earlier benefit modifications made by the State.
- It made the MSRS a public instrumentality of the State. While the MSRS remains a public entity administering and following the laws that govern the System, it became independent of the State's administration.

System Summary



INTRODUCTION

As of June 30, 1993, the Maine State Retirement System administered over two hundred retirement systems. These include the Legislative Retirement System, the Judicial Retirement System, the system that covers both public school teachers and State employees, and the approximately 250 separate systems covering various political subdivisions that choose to participate in the MSRS, which under MSRS law are called participating local districts (PLDs). The MSRS is also responsible for the payment of benefits from the Governors Retirement Fund.

In addition to administering these public pension systems, the MSRS is also responsible for administering the State Group Life Insurance Program. This program provides life insurance benefits for both active and retired State employees, public school teachers, and many PLD employees, and for members and retirees of the Legislative and Judicial Retirement Systems.

RETIREMENT PROGRAM

As the chart below shows, the membership in the MSRS has continued to increase during the last few years. The membership includes both active and inactive members. Active members are those who are currently working for an MSRS participating employer and who are, therefore, contributing to the MSRS. Inactive members are those who have contributed in the past and whose contributions remain with the System but who are not contributing presently because they are not working for an MSRS participating employer.

ACTIVE MEMBERS			
	<u>1991</u>	<u>1992</u>	<u>1993</u>
State Employees*	14,658	15,064	14,723
Teachers	22,905	24,848	27,296
PLD Members*	8,966	9,126	8,869
Legislative System Members	123	123	162
Judicial System Members	47	46	48
	<hr/>	<hr/>	<hr/>
TOTAL	46,699	49,207	51,098
INACTIVE MEMBERS			
	<u>1991</u>	<u>1992</u>	<u>1993</u>
State Employees*	11,842	12,115	12,599
Teachers	20,865	21,193	21,696
PLD Members*	5,327	5,599	5,984
Legislative System Members	0	0	0
Judicial System Members	2	2	2
	<hr/>	<hr/>	<hr/>
TOTAL	38,036	38,909	40,281
TOTAL MEMBERSHIP			
	<u>1991</u>	<u>1992</u>	<u>1993</u>
State Employees*	26,500	27,179	27,322
Teachers	43,770	46,041	48,992
PLD Members*	14,293	14,725	14,853
Legislative System Members	123	123	162
Judicial System Members	49	48	50
	<hr/>	<hr/>	<hr/>
TOTAL	84,735	88,116	91,379

*This includes both regular and special plan members.



The MSRS benefits payroll has also increased slightly during the last two years. Those on the benefits payroll include four categories of recipients:

- those who are receiving a service (or "regular") retirement benefit.
- those who are beneficiaries either of deceased service retirees or of active members and disability retirees who died from a work-related injury.
- those who are receiving a disability retirement benefit.
- those who are beneficiaries of active members or disability retirees who died before service retirement benefits became effective.

Below are the figures for the last three fiscal years for the MSRS benefits payroll:

MONTHLY BENEFITS PAYROLL

	<u>1991</u>		<u>1992</u>		<u>1993</u>	
	Number of People	Payroll Dollars	Number of People	Payroll Dollars	Number of People	Payroll Dollars
Service Retirees	19,237	\$13.0 million	19,827	\$14.5 million	20,190	\$15.3 million
Retiree/ Accidental Death Bene.	2,514	1.2 million	2,518	1.3 million	2,626	1.4 million
Disability Retirees	1,034	1.0 million	1,258	1.2 million	1,308	1.4 million
Ordinary Death Beneficiaries	1,006	0.3 million	1,010	.3 million	1,003	.3 million
TOTAL	23,791	\$15.5 million	24,613	\$17.3 million	25,127	\$18.4 million

Financial Summary

ASSETS

The following financial summaries are meant to provide a brief overview of the retirement program's financial picture. Detail about the MSRS's finances for 1992 and 1993 can be found in the "Statistical and Financial Information" sections of the 1992 and 1993 reports, respectively.

As of June 30, 1993, the book value of the total assets of the Maine State Retirement System was \$2,293.7 million, an increase of \$228.9 million over the assets at the beginning of the fiscal year. The breakdown of the book value of assets as of the end of the last two fiscal years is as follows:

	<u>1992</u>	<u>1993</u>
Stocks	\$1,125.9 million	\$1,296.5 million
Bonds	729.3 million	763.6 million
Mortgage-Type Investments	185.2 million	199.7 million
Cash Due from Other Funds	27.0 million	31.6 million
Other Assets	10.2 million	16.0 million
Assets Due the Legislative and Judicial Retirement Systems	(12.8) million	(13.7) million
TOTAL	\$2,064.8 million	\$2,293.7 million

TRUST FUND RESERVES

The System's trust fund reserves were \$2,279.5 million as of June 30, 1993, an increase of \$221.6 million over reserves at the beginning of the fiscal year. A comparison of these reserves by membership groups for the last two fiscal years is as follows:

	<u>June 30, 1992</u>	<u>June 30, 1993</u>
State Employees	\$ 646.4 million	\$ 688.3 million
Teachers (post-July 1, 1924)	936.8 million	1,050.3 million
Teachers (pre-July 1, 1924)*	(216.4) million	(207.8) million
Participating Local Districts	497.2 million	535.5 million
Consolidated (Disability and Survivor Benefits)	193.9 million	213.2 million
TOTAL	\$2,057.9 million	\$2,279.5 million

* This deficit represents the excess of benefit payments with interest charges over any funding or contributions made by the State and individual teachers in this particular category.



Employer contributions to the System for benefits during the past two years were made as follows:

	<u>1992</u>	<u>1993</u>
State Employees	\$57.4 million	\$64.5 million
Teachers	85.4 million	139.4 million
Participating Local Districts	29.2 million	28.2 million

Individual member contributions totaled \$78.5 million in 1992 and the same amount in 1993.

NET INCOME FROM INVESTMENTS - 1992

1. Net Gain/Sale of Securities		\$79.2 million
2. Income from Investments		
A. Bond Interest	\$49.1 million	
B. Stock Dividends	12.6 million	
C. Loan Premiums	0.4 million	
D. Cash Pools	1.3 million	
TOTAL		\$63.4 million
3. Less: Investment/Management Fees		(\$4.8) million
TOTAL INCOME FROM INVESTMENTS		\$137.8 million
4. Investment Income Distribution		
A. Maine State Retirement System	\$136.9 million	
B. Judicial Retirement System	0.8 million	
C. Legislative Retirement System	0.1 million	
TOTAL DISTRIBUTION OF INVESTMENT INCOME		\$137.8 million

NET INCOME FROM INVESTMENTS - 1993

1. Net Gain/Sale of Securities		\$90.0 million
2. Income from Investments		
A. Bond Interest	\$43.0 million	
B. Stock Dividends	12.8 million	
C. Loan Premiums	0.5 million	
D. Cash Pools	1.8 million	
TOTAL		\$58.1 million
3. Less: Investment/Management Fees		(\$5.6) million
TOTAL INCOME FROM INVESTMENTS		\$142.5 million
4. Investment Income Distribution		
A. Maine State Retirement System	\$141.6 million	
B. Judicial Retirement System	0.8 million	
C. Legislative Retirement System	0.1 million	
TOTAL DISTRIBUTION OF INVESTMENT INCOME		\$142.5 million



STATE GROUP LIFE INSURANCE PROGRAM

The State Group Life Insurance Program is available to all public school teachers, State employees, and the employees of those PLDs that elect to provide the coverage for their employees, as well as members of the Legislative and Judicial Retirement Systems. In addition to basic coverage for the employee, supplemental coverage for the employee as well as coverage for dependents is also available to the program's participants.

Some specifics concerning the State Group Life Insurance Program's assets for the last two fiscal years are as follows:

	<u>1992</u>	<u>1993</u>
Cash	\$ 1.6 million	\$ 0 million
Bonds	21.7 million	23.1 million
Stocks	.3 million	.3 million
Accrued interest	.1 million	.1 million
TOTAL	\$23.7 million	\$23.5 million

Funds received during the last two fiscal years are as follows:

	<u>1992</u>	<u>1993</u>
Premiums from employees and employers	\$5.8 million	\$5.6 million
Earnings on investments	.8 million	.8 million
TOTAL	\$6.6 million	\$6.4 million

Charges to the program included:

Claims from active employees/dependents	\$2.9 million	\$4.0 million
Claims from retired persons	1.9 million	2.2 million
Administrative expenses	.5 million	.5 million

The Reserve for Future Premiums, which totaled \$7.9 million as of June 30, 1993, is held for payment of premiums of retired State employees and teachers. Retired persons who participated in the Group Life Insurance Program for 10 continuous years prior to their retirement carry into retirement approximately 40% of the level of life insurance coverage they had when employed at no cost. Premiums for retired State employees and teachers are paid from the Reserve for Future Premiums. Premiums for retired PLD employees are paid by their former employers.

Detail about the State Group Life Insurance Program's finances for 1992 and 1993 can be found on the respective statements of operations and balance sheets on the program provided in the "Statistical and Financial Information" sections of the 1992 and 1993 reports.

BOARD OF TRUSTEES

The responsibility for the operation of the Maine State Retirement System, including all the various retirement systems and the State Group Life Insurance Program, is held by the MSRS Board of Trustees, which is composed of eight members. State law specifies the Board's composition. The State Treasurer fills the one non-voting position. The seven voting positions include three positions that are to be filled by MSRS members. One of these three is to be a teacher member elected by the Maine Education Association; the second is to be a State employee elected by the Maine State Employees' Association; the third is to be a PLD member appointed by the Maine Municipal Association.

The remaining four voting Board members are all appointed by the Governor. Two of them are to have training or experience in investments, accounting, banking, or insurance, or as actuaries; one is to be chosen from a list of nominees submitted by the Maine Retired Teachers' Association; and one is to be an MSRS retiree, chosen from nominees of State and PLD retirees.



The Board members as of June 30, 1993 are:

David S. Wakelin, Chair
John H. Kimball, Vice Chair
William C. Bullock Jr.
George A. Burgoyne
Eunice Cotton
Charles M. Jackson
Grover B. MacLaughlin
Samuel Shapiro, State Treasurer

Governor's Appointment
Maine Education Association
Governor's Appointment
Maine State Employees' Association
Governor's Appointment (State Retiree)
Maine Municipal Association
Governor's Appointment (MRTA)
Ex-officio Member

The Board employs an actuary, which as of June 30, 1993, is the firm of Milliman and Robertson. The actuary prepares annual valuations of the assets and liabilities of each of the more than two hundred systems administered by the Board. For the State employee and teacher system, and for the Judicial and Legislative systems, the actuary also provides information and recommendations as to sound and appropriate actuarial assumptions, which the Board utilizes, together with valuation information, to determine the Systems' funding requirements.

The Board's management of MSRS investments is governed by its detailed investment policy, which states the Board's underlying investment philosophy and goals and establishes guidelines and criteria for choice of investment types, for asset allocation among investment types, for investment manager selection and evaluation, and for allotment of investment funds to investment managers. The Board employs the firm of Ennis and Knupp to assist in development and implementation of investment policy.

The Board is the final administrative decision-maker in matters involving the rights, credits, and benefits of members. It has established an administrative appeals process for the making of such decisions, through which the relevant factual information and legal requirements are identified and analyzed. In decisions on disability retirement appeals, a statutorily created three-person Medical Board provides recommendations as to the medical aspects of disability.

ADMINISTRATION

The Board of Trustees appoints the Executive Director of the MSRS, who is responsible for the work of the MSRS staff. The Executive Director oversees the System's investments and the work of the System's investment advisors and coordinates actuarial work with the System's actuary. The personnel, building, and other staff-related functions are also the concern of the MSRS's executive offices. In addition to these responsibilities, the Executive Director oversees the following divisions of the MSRS:

Benefits

Retirement claims for both service retirement and disability retirement are handled in this division. Retirement claims specialists offer informational assistance to individuals within one year of service retirement and ensure the proper handling of service retirement paperwork. Disability claims specialists likewise provide information to those applying for disability retirement benefits and coordinate review of both disability applications and benefit continuance.

Accompanying the retirement and disability claims units is the calculations unit, which calculates and verifies all benefits payable for both service and disability retirements as well as for death and survivor benefits.

The processing of claims for the State Group Life Insurance Program, along with the associated information and assistance, is handled through a unit devoted to the life insurance program within this division.



Data Processing

Responsibility for computer systems and programming is one of the three major charges of this division. Continuing to work on the MSRS's complete automation continues to be a high priority for this division while its staff also maintains the System's computer equipment. The division also has responsibility for entering data into its current systems and for managing the MSRS's microfilm records.

Finance

This division's work includes handling the monthly benefits payroll for approximately 25,000 recipients (as of June 30, 1993). This division is also responsible for the accounting and bookkeeping functions needed to process and post monthly payroll reports and payments from approximately 250 participating local districts and 165 school administrative units, in addition to the State's payrolls and payments. The audit unit within the division follows up with each employer reporting unit to help business managers, payroll clerks, and others who work with the MSRS to understand and meet the applicable reporting requirements.

Public Information

All publications as well as most mass mailings are produced by this division. Materials produced include the System's forms, lawbook, rulebook, annual report, and several newsletters. Brochures for members and an up-to-date employer manual are planned for the near future. Media contacts, informational meetings, and training sessions are also part of this division's responsibilities.

Report for 1992

STATISTICAL AND FINANCIAL INFORMATION—1992

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Note: Where there are differences between the "Statistical and Financial Information—1992" and the "Actuaries' Report: MSRS—1992," such differences are attributable to the different purposes for which these separate reports are prepared. Those with any specific questions about such differences are encouraged to contact the MSRS's Communications Group.



STATISTICAL DATA SUMMARY FOR FISCAL YEARS 1987 TO 1992

RETIREMENT AND SURVIVOR BENEFIT PAYMENTS

<u>Fiscal Year ending June 30</u>	<u>Retirement Payments</u>	<u>Survivor Benefit Payments</u>
1992	\$198,569,867	\$3,255,279
1991	180,240,581	3,094,169
1990	167,483,164	2,508,650
1989	155,286,147	2,186,009
1988	143,426,113	2,139,130
1987	133,329,267	2,231,083

MEMBER AND EMPLOYER CONTRIBUTIONS

<u>Fiscal Year ending June 30</u>	<u>Employee</u>	<u>Employer</u>
1992	\$78,479,531	\$172,090,046
1991	72,350,546	168,770,434
1990	67,973,299	217,814,910
1989	61,303,632	187,138,244
1988	55,866,375	176,388,571 *
1987	51,322,687	146,804,654 *

*Includes \$19,859,100 funding for the non-contributory teachers provided by the Legislative Appropriation Act.

NUMBERS OF RETIREMENT ALLOWANCE RECIPIENTS

<u>Fiscal Year ending June 30</u>	<u>Total</u>
1992	24,613
1991	23,791
1990	23,212
1989	22,806
1988	22,071
1987	20,298

**BALANCE SHEET AS OF JUNE 30, 1992****ASSETS**

1. Investments	
A. Bonds	\$ 729,357,465.83
B. Common Stocks	1,125,987,806.31
C. Mortgages	0.00
D. Commingled Funds	
1. Morgan Guaranty	172,405,554.04
2. Travelers	12,809,149.13
E. Insured Guaranteed Contract	0.00
F. Land and Buildings	2,505,687.30
G. Due Other Funds*	(12,852,945.04)

Total Investments	\$2,030,212,717.57
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2. Other Assets	
A. Cash—Due from Other Funds	\$ 23,337,576.15
B. Cash—Fiduciary Due from Other Funds	3,683,282.91
C. Accrued Interest	5,847,158.73
D. Capital Equipment	1,727,711.39
E. Accounts Receivable	56,778.47

Total Other Assets	\$ 34,652,507.65
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<u>TOTAL ASSETS</u>	<u>\$2,064,865,225.22</u>
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TRUST RESERVES AND LIABILITIES

1. Trust Reserves	
A. Members Contribution Fund—Current	\$ 856,812,829.08
B. Members Contribution Fund—Prior	39,450.35
C. Retirement Allowance Fund	1,159,133,425.04
D. Survivor Benefit Fund	41,987,121.18

Total Trust Reserves	\$2,057,972,825.65
----------------------	--------------------

2. Liabilities and Operating Reserves	
A. Accounts Payable	(\$ 96,835.13)
B. Reserve for Expenditures	1,130,737.62
C. Retirees Health Insurance	5,740,641.71
D. Suspense Account	117,855.37

Total Liabilities and Operating Reserves	\$ 6,892,399.57
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<u>TOTAL TRUST RESERVES AND LIABILITIES</u>	<u>\$2,064,865,225.22</u>
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* Assets due the Judicial Retirement System	\$11,718,671.14
Assets due the Legislative Retirement System	\$ 1,134,273.90



TRUST RESERVES AND LIABILITY DETAIL AS OF JUNE 30, 1992

1. TRUST RESERVES

A. Members Contribution Fund—Current

1. State	\$258,594,648.18
2. Teachers	
a. pre-July 1, 1924	0.00
b. post-July 1, 1924	462,009,213.47
3. Participating Districts	119,393,301.73
4. Consolidated Disability Account	16,815,665.70

Total \$ 856,812,829.08

B. Members Contribution Fund—Prior

1. Teachers pre-July 1, 1924 \$ 39,450.35

C. Retirement Allowance Fund

1. State	\$387,801,731.81
2. Teachers	
a. pre-July 1, 1924	(216,386,499.45)
b. post-July 1, 1924	474,758,002.12
3. Participating Districts	377,811,208.32
4. Consolidated Accounts	
a. Accidental Death	6,191,918.75
b. Disability	128,957,063.49

Total \$1,159,133,425.04

D. Survivor Benefit Fund \$ 41,987,121.18

TOTAL TRUST RESERVES

\$2,057,972,825.65

2. LIABILITIES AND OPERATING RESERVES

A. Accounts Payable	\$ (96,835.13)
B. Reserve for Expenditures	1,130,737.62
C. Retirees Health Insurance	5,740,641.71
D. Suspense Account	117,855.37

TOTAL LIABILITIES AND OPERATING RESERVES

\$ 6,892,399.57

TOTAL TRUST RESERVES AND LIABILITIES

\$2,064,865,225.22



COMPARATIVE BALANCE SHEET FOR THE FISCAL YEARS ENDING JUNE 30, 1992, AND JUNE 30, 1991

<u>ASSETS</u>	<u>at June 30, 1992</u>	<u>at June 30, 1991</u>	<u>Increase (Decrease)</u>
1. Investments			
A. Bonds	\$ 729,357,465.83	\$ 676,604,458.19	\$ 52,753,007.64
B. Common Stocks	1,125,987,806.31	1,041,317,070.73	84,670,735.58
C. Mortgages	0.00	48,568.31	(48,568.31)
D. Commingled Funds			
1. Morgan Guaranty	172,405,554.04	155,101,648.03	17,303,906.01
2. Travelers	12,809,149.13	12,854,438.86	(45,289.73)
E. Land and Building	2,505,687.30	2,377,511.72	128,175.58
F. Due Other Funds*	(12,852,945.04)	(11,668,433.81)	(1,184,511.23)
Total Investments	\$2,030,212,717.57	\$1,876,635,262.03	\$ 153,577,455.54
2. Other Assets			
A. Cash—Due from Other Funds	\$ 23,337,576.15	\$ 16,353,675.79	\$ 6,983,900.36
B. Cash—Fiduciary Due from Other Funds	3,683,282.91	(11,591,877.84)	(15,265,160.75)
C. Accrued Interest	5,847,158.73	9,330,056.42	(3,482,897.69)
D. Capital Equipment	1,727,711.39	1,510,861.88	216,849.51
E. Accounts Receivable	56,778.47	306,591.20	249,812.73
Total Other Assets	\$ 34,652,507.65	\$ 15,909,307.45	\$ 18,743,200.20
<u>TOTAL ASSETS</u>	<u>\$2,064,865,225.22</u>	<u>\$1,892,544,569.48</u>	<u>\$ 172,320,655.74</u>
 <u>TRUST RESERVES AND LIABILITIES</u>			
1. Trust Reserves			
A. Members Contribution Fund—Current	\$ 856,812,829.08	\$ 788,452,855.37	\$ 68,359,973.71
B. Members Contribution Fund—Prior	39,450.35	39,450.35	0.00
C. Retirement Allowance Fund	1,159,133,425.04	1,056,572,964.47	102,560,460.57
D. Survivor Benefit	41,987,121.18	38,908,061.25	3,079,059.93
Total Trust Reserves	\$2,057,972,825.65	\$1,883,973,331.44	\$173,999,494.21
2. Liabilities and Operating Reserves			
A. Accounts Payable	(\$ 96,835.13)	\$ 257,790.26	(\$ 354,625.39)
B. Reserve for Expenditures	1,130,737.62	596,953.04	533,784.58
C. Retirees Health Insurance	5,740,641.71	7,615,686.25	1,875,044.54
D. Suspense Account	117,855.37	100,808.49	17,046.88
Total Liabilities and Operating Reserves	\$ 6,892,399.57	\$ 8,571,238.04	\$ 1,678,838.47
<u>TOTAL TRUST RESERVES AND LIABILITIES</u>	<u>\$2,064,865,225.22</u>	<u>\$1,892,544,569.48</u>	<u>\$172,320,655.74</u>

*Amounts shown are due the Legislative and Judicial Retirement Systems.



NET INCOME FROM INVESTMENT OPERATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1992

Gains/Losses on Security Sales		
A. Gain on Sale of Stocks	\$57,799,894.85	
B. Gain on Sale of Bonds	<u>21,392,420.77</u>	
Net Gain on Security Sales		\$79,192,315.62
Income from Investments		
A. Interest on Bonds	\$49,121,749.92	
B. Cash Dividends on Stock	12,561,306.03	
C. Premiums Paid on Loan of Securities	403,392.94	
D. Interest on Cash Pools	<u>1,289,229.63</u>	
Total Income from Investments		\$63,375,678.52
Deductions from Investment Income		
A. Investment Advisor and Custodial Fees	\$4,583,324.61	
B. General Operating Expenses	183,988.12	
C. Miscellaneous Fees	<u>30,768.11</u>	
Total Deductions from Investment Income		(\$ 4,798,080.84)
<u>NET INCOME FROM INVESTMENTS*</u>		<u>\$137,769,913.30</u>

<i>*Income due the Judicial Retirement System</i>	\$807,343.99
<i>Income due the Legislative Retirement System</i>	\$ 34,526.87



INVESTMENT BOOK AND MARKET VALUES AS OF JUNE 30, 1992

<u>Investments</u>	<u>Book Value</u>	<u>Market Value</u>
Bonds	\$ 729,357,465.83	\$ 828,571,856.59
Stocks	1,125,987,806.31	1,381,794,970.38
Mortgages	0.00	0.00
Commingled Funds:		
Morgan Guaranty	172,405,554.04	205,842,855.00
Travelers Insurance	12,809,149.13	10,967,829.00
Land and Buildings	2,505,687.30	2,301,000.00
Cash—Due from Other Funds	23,337,576.15	23,337,576.15
Cash—Fiduciary	3,683,282.91	3,683,282.91
Accrued Interest	5,847,158.73	5,847,158.73
Capital Equipment	1,727,711.39	1,727,711.39
Accounts Receivable	56,778.47	56,778.47
	<hr/>	<hr/>
SUBTOTAL	\$2,077,718,170.26	\$2,464,131,018.62
Due Other Funds*	(12,852,945.04)	0.00
	<hr/>	<hr/>
<u>TOTAL</u>	<u>\$2,064,865,225.22</u>	<u>\$2,464,131,018.62</u>

*Assets due the Judicial and Legislative Retirement Systems



CHANGES IN TRUST FUND RESERVES FOR THE FISCAL YEAR ENDING JUNE 30, 1992

<u>BALANCE IN TRUST FUND RESERVES ON JULY 1, 1991</u>		\$1,883,973,331.44
ADDITIONS		
A. Employer Contributions		
1. State Employees	\$ 57,397,796.00	
2. Teachers	85,424,744.00	
3. Participating Districts	29,267,506.00	
	<hr/>	
Total Employer Contributions		\$ 172,090,046.00
B. Employee Contributions		
1. State Employees	\$ 22,695,387.92	
2. Teachers	40,279,536.83	
3. Participating Districts	15,504,606.69	
	<hr/>	
Total Employee Contributions		\$ 78,479,531.44
C. Net Income from Investments		<u>\$ 137,769,913.30</u>
TOTAL ADDITIONS		\$ 388,339,490.74
DEDUCTIONS		
A. Retirement Allowances Paid and COLA	\$198,569,867.00	
B. Survivor Benefits	3,255,278.81	
C. Refunds	12,514,850.72	
	<hr/>	
TOTAL DEDUCTIONS		<u>\$214,339,996.53</u>
NET INCREASE		173,999,494.21
<u>BALANCE IN TRUST FUND RESERVES ON JUNE 30, 1992</u>		<u>\$2,057,972,825.65</u>



SUMMARY OF EARNINGS

<u>Fiscal Year Ending June 30</u>	<u>Book Value of Investments</u>	<u>Net Increase in Investment Book Value</u>	<u>Earnings for the Year * (Accrual Basis)</u>
1943	\$ 576,142.97	\$ 318,000.00	\$ 1,884.35
1944	1,026,142.97	450,000.00	12,154.46
1945	1,486,142.97	460,000.00	25,560.90
1946	1,930,142.97	444,000.00	50,140.29
1947	2,489,142.97	559,000.00	52,522.09
1948	7,263,648.72	4,774,505.75	159,487.91
1949	9,038,648.72	1,775,000.00	206,934.14
1950	11,023,648.72	1,985,000.00	256,688.07
1951	12,934,768.72	1,911,120.00	317,497.98
1952	15,432,488.89	2,497,720.17	368,620.65
1953	17,823,719.34	2,391,230.45	464,578.19
1954	21,346,256.29	3,522,536.95	576,314.21
1955	24,801,155.43	3,454,899.14	713,411.34
1956	20,012,312.28	4,211,156.85	820,511.51
1957	33,137,935.09	4,125,622.81	1,014,162.82
1958	38,302,811.29	4,164,876.20	1,233,750.20
1959	44,511,070.88	6,208,259.59	1,473,324.30
1960	50,880,174.72	6,359,103.84	1,781,368.02
1961	57,633,773.71	6,753,598.99	2,145,427.31
1962	66,498,248.08	8,864,474.37	2,540,623.88
1963	75,022,765.44	8,524,517.36	2,925,300.13
1964	85,913,758.52	10,890,993.08	3,328,056.40
1965	96,930,762.57	11,017,004.05	3,870,496.12
1966	108,555,742.38	11,624,979.81	4,475,359.34
1967	120,564,775.29	12,009,032.91	5,070,389.31
1968	135,081,371.78	14,516,596.49	5,741,943.99
1969	150,501,422.09	15,420,050.31	6,103,338.79
1970	163,500,431.87	12,999,009.76	6,310,034.78
1971	175,261,654.19	11,761,222.32	6,357,344.92
1972	184,789,453.85	9,527,799.66	6,593,475.25
1973	185,867,989.22	1,078,535.37	6,651,554.76
1974	188,846,484.91	2,978,495.69	8,344,366.67
1975	188,397,103.61	(449,381.30)	9,386,916.98
1976	193,878,411.56	5,481,307.95	8,861,728.87
1977	206,401,915.73	12,523,504.17	10,751,249.86
1978	230,676,904.21	24,274,988.48	12,899,069.24
1979	247,923,507.81	17,246,603.60	16,314,180.33
1980	272,523,379.27	24,599,871.46	21,918,345.94
1981	346,806,884.82	74,283,505.55	28,628,894.51
1982	383,750,315.90	36,943,431.08	37,883,766.72
1983 **	558,616,451.76	174,866,135.86	39,351,815.31
1984	608,064,138.37	49,447,686.61	38,999,433.27

* Earnings applicable to all trust fund reserves

** Includes \$105,000,000 in "New Cash" for Fiscal Year 1983



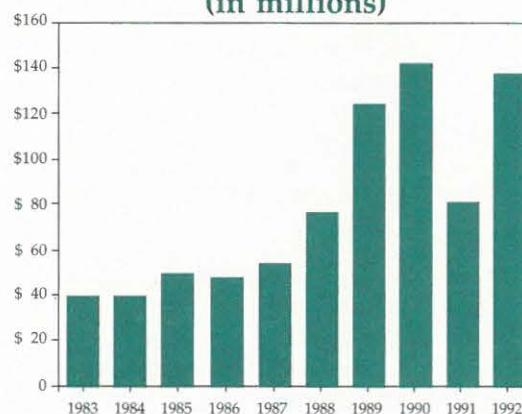
SUMMARY OF EARNINGS

(continued)

<u>Fiscal Year Ending June 30</u>	<u>Book Value of Investments</u>	<u>Net Increase in Investment Book Value</u>	<u>Earnings for the Year * (Accrual Basis)</u>
1985	\$ 739,717,509.89	\$116,892,719.22	\$ 49,530,863.11
1986	985,219,232.88	245,501,722.99	47,093,860.43
1987	1,133,419,105.21	148,199,872.33	53,417,394.28
1988	1,232,019,924.16	98,600,818.95	76,190,284.72
1989	1,493,743,313.45	261,723,389.29	124,309,924.44
1990	1,720,957,778.06	227,214,464.61	142,029,430.02
1991	1,904,213,003.29	183,255,224.23	80,859,162.94
1992	2,077,718,170.26	173,505,166.97	137,769,913.30

* Earnings applicable to all trust fund reserves

**10-Year Summary of
Annual Earnings
1983 - 1992
(in millions)**



**10-Year Summary of
Assets at Book Value
1983-1992
(in millions)**





TRUST FUND BALANCES AS OF JUNE 30, 1992

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
1	State of Maine	\$258,594,648.18	\$387,801,731.81	\$646,396,379.99
2	Portland	20,434,083.14	40,142,045.22	60,576,128.36
3	Millinocket	1,373,290.11	4,625,561.52	5,998,851.63
4	Presque Isle	1,985,693.81	6,331,385.13	8,317,078.94
5	Cumberland County	897,741.11	2,542,445.77	3,440,186.88
6	Disability	16,815,665.70	128,957,063.49	145,772,729.19
7	Teachers (post-July 1, 1924)	462,009,213.47	474,758,002.12	936,767,215.59
8	Camden	316,974.40	926,272.78	1,243,247.18
9	South Portland	2,542,992.87	12,878,408.61	15,421,401.48
10	Houlton	276,464.74	1,362,496.96	1,638,961.70
11	Penobscot County	452,479.82	2,051,585.72	2,504,065.54
12	Kittery Water District	334,151.77	685,689.46	1,019,841.23
13	Ellsworth	476,585.45	1,546,079.60	2,022,665.05
14	Kittery	684,848.26	2,665,808.54	3,350,656.80
15	Bar Harbor	293,888.14	1,238,530.28	1,532,418.42
16	Mount Desert	347,062.99	1,064,289.59	1,411,352.58
17	Fort Fairfield	71,909.36	630,067.01	701,976.37
18	Rockland	888,382.98	4,717,617.24	5,606,000.22
19	Bath Water District	205,225.27	820,839.11	1,026,064.38
20	Bangor	11,086,125.77	34,212,402.83	45,298,528.60
21	Boothbay Harbor Water District	52,796.57	338,561.19	391,357.76
22	Bangor Public Library	415,060.56	1,121,492.49	1,536,553.05
23	Augusta	5,101,182.55	15,251,912.07	20,353,094.62
24	Gardiner	846,509.98	2,255,824.45	3,102,334.43
25	Teachers (pre-July 1, 1924)	0.00	(216,386,499.45)	(216,386,499.45)
26	Houlton Water District	605,977.39	2,190,282.90	2,796,260.29
27	Auburn	3,538,290.77	15,795,794.91	19,334,085.68
28	York	911,233.21	1,734,824.24	2,646,057.45
29	Limestone Water/Sewer	52,547.59	96,857.99	149,405.58
30	Saint Agatha	12,363.07	125,178.24	137,541.31
31	Kennebec Water District	248,376.51	672,883.98	921,260.49
32	Livermore Falls Water District	135,710.15	415,679.53	551,389.68
33	Knox County	58,969.50	343,275.89	402,245.39
34	Augusta Water District	231,835.89	1,255,499.25	1,487,335.14
35	Belfast	330,726.70	1,300,983.10	1,631,709.80
36	Calais	385,294.79	1,046,537.29	1,431,832.08
37	York County	334,899.11	1,620,303.87	1,955,202.98
38	Maine Maritime Academy	2,102,104.13	11,222,452.23	13,324,556.36
39	York Water District	146,675.40	375,674.77	522,350.17
40	Washington County	246,969.64	870,094.67	1,117,064.31
41	Portland Public Library	924,441.61	2,132,042.92	3,056,484.53
42	Brunswick	2,100,080.38	7,559,497.99	9,659,578.37
43	Auburn Public Library	86,377.83	312,681.44	399,059.27
44	Maine-NH Bridge Authority	0.00	0.00	0.00
45	Jay	484,371.05	1,433,356.79	1,917,727.84
46	Waldo County	184,316.29	706,597.91	890,914.20
47	Kennebec County	313,897.26	1,178,759.14	1,492,656.40
48	Lewiston	6,002,177.92	24,657,228.72	30,659,406.64



TRUST FUND BALANCES AS OF JUNE 30, 1992

(continued)

<u>Ref Nbr</u>	<u>Plan or District Name</u>	<u>Members' Contribution</u>	<u>Retirement Allowance</u>	<u>Total Trust Fund Reserves</u>
49	Maine Turnpike Authority	5,856,797.74	15,376,898.88	21,233,696.62
50	SAD 31	96,367.51	396,601.50	492,969.01
51	Auburn Sewer District	97,789.21	253,274.77	351,063.98
52	Auburn Water District	263,397.17	727,707.64	991,104.81
54	East Millinocket	558,465.79	1,726,797.48	2,285,263.27
55	Maine Municipal Association	149,845.65	403,273.19	553,118.84
56	Hancock County	272,987.96	1,124,081.26	1,397,069.22
57	Oxford County	356,399.49	1,372,636.70	1,729,036.19
58	Falmouth Memorial Library	51,012.08	113,042.60	164,054.68
59	Bangor Water District	234,991.79	881,129.49	1,116,121.28
60	Rumford Fire/Police	610,653.74	4,225,169.24	4,835,822.98
61	Orono	298,744.80	918,298.40	1,217,043.20
62	Kennebunk Light/Power	276,418.64	762,042.41	1,038,461.05
63	Brewer	1,709,321.52	3,741,719.39	5,451,040.91
64	Augusta Sanitary District	475,314.79	1,107,429.87	1,582,744.66
65	Rumford Water District	107,809.17	458,102.61	565,911.78
66	Waterville Fire/Police	1,698,059.96	4,606,742.51	6,304,802.47
67	Androscoggin County	459,843.25	1,971,278.64	2,431,121.89
68	Brewer Water District	67,714.03	208,930.77	276,644.80
69	Baileyville	59,077.15	300,468.13	359,545.28
70	Westbrook Fire/Police	987,580.85	7,318,387.16	8,305,968.01
71	Greater Portland Public Development	0.00	0.00	0.00
72	Brunswick Sewer District	173,074.87	492,696.49	665,771.36
73	Bath	2,381,638.39	11,570,399.60	13,952,037.99
74	Mexico	206,793.85	495,812.67	702,606.52
75	Accidental Death	0.00	6,191,918.75	6,191,918.75
76	Lincoln	323,022.09	966,720.10	1,289,742.19
77	SAD 34	269,601.57	1,243,788.55	1,513,390.12
78	SAD 28	0.00	22,598.71	22,598.71
79	Old Town Water District	207,106.66	352,052.29	559,158.95
80	Skowhegan	668,254.41	2,463,882.86	3,132,137.27
81	Topsham	203,740.60	584,870.09	788,610.69
82	Madawaska	792,122.31	1,882,742.34	2,674,864.65
83	Sanford	1,686,408.66	5,892,361.39	7,578,770.05
84	Kennebunk	252,099.46	1,042,585.33	1,294,684.79
85	Cape Elizabeth	769,941.08	2,718,487.33	3,488,428.41
86	Wilton	152,276.97	314,404.58	466,681.55
87	Falmouth	325,596.61	1,020,159.92	1,345,756.53
88	Lubec Water/Electric	38,975.95	263,186.12	302,162.07
89	Sanford Sewer District	142,038.40	339,747.55	481,785.95
90	Rumford	1,022,547.57	2,577,173.48	3,599,721.05
91	Fort Kent	157,305.93	395,135.06	552,440.99
92	Lincoln Water District	45,660.90	139,714.89	185,375.79
93	Maine Municipal Bond Bank	150,392.52	220,482.32	370,874.84
94	Greater Portland Council of Government	60,962.15	630,484.17	691,446.32
95	Lincoln County	151,878.63	858,927.73	1,010,806.36
96	Sagadahoc County	62,673.49	742,002.01	804,675.50
97	Dexter	101,651.15	357,168.65	458,819.80

**TRUST FUND BALANCES AS OF JUNE 30, 1992**

(continued)

<u>Ref Nbr</u>	<u>Plan or District Name</u>	<u>Members' Contribution</u>	<u>Retirement Allowance</u>	<u>Total Trust Fund Reserves</u>
98	Frenchville	29,578.46	69,821.19	99,399.65
100	Farmington	311,025.76	1,840,155.03	2,151,180.79
101	Somerset County	205,337.66	547,051.58	752,389.24
102	Franklin County	119,007.83	463,475.35	582,483.18
103	Lisbon	531,550.08	1,959,241.14	2,490,791.22
104	Milo	37,680.81	159,845.23	197,526.04
105	Maine State Principals Association	128,326.43	366,324.67	494,651.10
106	Aroostook County	944,536.45	2,171,488.28	3,116,024.73
107	Wells	663,109.53	2,028,386.04	2,691,495.57
108	Berwick	136,141.17	214,173.99	350,315.16
109	Livermore Falls	126,067.56	247,426.87	373,494.43
110	Pittsfield	84,353.17	319,124.47	403,477.64
111	Old Town	350,789.35	2,633,618.25	2,984,407.60
112	Franklin County	174,529.62	471,151.28	645,680.90
113	SAD 66	0.00	186,449.96	186,449.96
114	Mechanic Falls	83,939.35	290,763.54	374,702.89
115	SAD 54	162,648.77	1,075,212.30	1,237,861.07
116	Yarmouth	769,094.52	2,773,434.01	3,542,528.53
117	Searsport	50,656.75	256,539.07	307,195.82
118	Farmington Village Corporation	30,762.94	61,863.24	92,626.18
119	SAD 9	443,473.67	1,575,060.40	2,018,534.07
120	Mount Desert Regional Schools	66,771.15	215,402.87	282,174.02
121	Piscataquis County	125,577.90	697,946.68	823,524.58
122	Westbrook	695,446.91	3,167,993.81	3,863,440.72
124	Searsport Water District	38,870.30	99,631.90	138,502.20
125	Norway	179,449.92	482,907.63	662,357.55
126	SAD 67	240,976.42	1,076,239.56	1,317,215.98
127	Paris	118,767.79	412,900.94	531,668.73
128	SAD 71	203,207.25	780,031.85	983,239.10
129	SAD 53	30,505.43	132,869.38	163,374.81
130	Bucksport	594,577.13	1,193,523.12	1,788,100.25
131	Fort Fairfield Utility District	25,952.27	323,050.33	349,002.60
132	Belfast Water District	50,647.23	332,878.70	383,525.93
133	Gorham	534,512.11	1,501,757.71	2,036,269.82
134	Lincoln Academy	80,057.95	216,444.44	296,502.39
135	So. Kennebec Valley Regional Planning	43,676.44	77,939.78	121,616.22
136	Norway Water District	54,862.12	151,405.01	206,267.13
137	Dover-Foxcroft Water District	0.00	33,366.49	33,366.49
138	Naples	10,324.42	102,836.95	113,161.37
139	York Sewage District	55,064.74	214,315.02	269,379.76
140	Old Orchard Beach	611,699.05	2,575,523.61	3,187,222.66
141	South Berwick	53,445.23	338,487.99	391,933.22
142	Freeport	117,491.94	415,353.33	532,845.27
143	SAD 41	490,276.25	1,414,586.03	1,904,862.28
144	Winslow	318,390.45	924,624.79	1,243,015.24
145	Auburn Housing Authority	168,539.76	485,167.75	653,707.51
146	Boothbay Harbor	53,838.67	327,867.14	381,705.81
147	Scarborough	368,832.92	1,790,740.74	2,159,573.66



TRUST FUND BALANCES AS OF JUNE 30, 1992

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
148	Cranberry Isles	0.00	501.03	501.03
149	Fryeburg	0.00	78,473.15	78,473.15
150	Hermon	106,495.22	359,234.27	465,729.49
151	Hampden	254,235.64	548,926.12	803,161.76
152	Sanford Housing Authority	79,871.05	275,089.51	354,960.56
153	Vassalboro	47,258.19	119,142.65	166,400.84
154	Lewiston Housing Authority	410,870.10	642,356.07	1,053,226.17
155	Garland	0.00	810.82	810.82
156	Exeter	6,088.56	8,496.70	14,585.26
157	Bingham Water District	83.46	27,271.64	27,355.10
158	Biddeford	1,380,689.43	3,130,405.14	4,511,094.57
159	Paris Utilities District	101,459.71	247,344.65	348,804.36
160	Hallowell	24,301.57	142,595.85	166,897.42
161	Rockport	70,284.99	231,621.17	301,906.16
162	Wallagrass Plantation	7.75	11,049.67	11,057.42
163	Lewiston-Auburn Water Pollution	84,236.20	274,292.31	358,528.51
164	Thomaston	64,105.41	271,897.27	336,002.68
165	Pleasant Point/Passamaquoddy Reserv.	38,755.72	119,146.91	157,902.63
166	Orland	32,176.27	163,893.35	196,069.62
167	Dover-Foxcroft	158,690.41	429,078.90	587,769.31
168	SAD 29	136,197.00	579,805.75	716,002.75
169	Maine Housing Authority	212,547.66	511,846.76	724,394.42
170	Sanford Water District	199,210.90	574,593.72	773,804.62
171	So Berwick Water District	14,864.21	51,910.42	66,774.63
172	New Canada Plantation	0.00	14,509.01	14,509.01
173	Indian Township/Passamaquoddy RHA	25.20	68,241.86	68,267.06
174	Glenburn	47,880.33	68,576.65	116,456.98
175	Sabattus	30,994.59	248,722.60	279,717.19
176	Bridgton	24,808.44	205,332.31	230,140.75
177	Brownville	31,216.57	156,450.92	187,667.49
178	SAD 2	0.00	0.00	0.00
179	Winthrop	423,559.40	759,812.55	1,183,371.95
180	Eliot	89,137.50	370,051.72	459,189.22
181	Lebanon	25,662.40	120,024.19	145,686.59
182	Van Buren	202,493.89	430,648.33	633,142.22
183	Hampden Water District	24,845.27	53,292.08	78,137.35
184	Monson	13,654.71	82,745.82	96,400.53
185	Portland Housing Authority	498,689.00	1,714,435.27	2,213,124.27
186	Milford	554.05	59,191.72	59,745.77
187	SAD 60	117,157.19	715,003.44	832,160.63
188	Kennebunkport	373,077.75	1,227,401.09	1,600,478.84
189	SAD 49	66,900.83	301,546.47	368,447.30
190	SAD 16	56,549.76	261,516.58	318,066.34
191	Damariscotta	29,223.57	88,554.97	117,778.54
192	Saco	625,660.47	2,595,455.22	3,221,115.69
193	Otisfield	9,293.19	67,696.58	76,989.77
194	Medway	116,647.53	227,753.90	344,401.43
195	Waldoboro	258,866.87	407,619.26	666,486.13



TRUST FUND BALANCES AS OF JUNE 30, 1992

(continued)

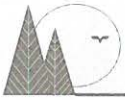
Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
196	Waterville Urban Renewal Authority	0.00	46.95	46.95
197	Dixfield	685.34	141,064.64	141,749.98
198	SAD 51	279,731.75	766,503.92	1,046,235.67
199	Bradford	0.00	9,540.24	9,540.24
200	Oxford	0.00	132,807.48	132,807.48
201	Kennebunk Sewer Authority	85,222.63	243,801.39	329,024.02
202	Phippsburg	69,458.83	119,031.42	188,490.25
203	Cheverus High School	130,148.95	368,171.62	498,320.57
204	Boothbay/Boothbay Harbor CSD	67,320.66	150,749.53	218,070.19
205	Gould Academy	79,044.67	246,898.63	325,943.30
206	South Portland Housing Authority	198,114.60	463,948.64	662,063.24
207	Berwick Sewer District	103,861.93	317,805.54	421,667.47
208	Caribou Fire and Police	424,014.46	1,371,078.12	1,795,092.58
209	Orrington	146,560.65	267,851.50	414,412.15
210	New Gloucester	182,298.61	353,687.84	535,986.45
211	SAD 21	219,631.06	461,498.89	681,129.95
212	Readfield	12,224.49	20,762.15	32,986.64
213	Richmond	39,345.45	231,658.68	271,004.13
214	Linneus	17,731.58	39,967.79	57,699.37
215	Hodgdon	20,915.27	107,213.04	128,128.31
216	Cumberland	351,397.57	597,696.16	949,093.73
217	Corinna	48,310.25	138,776.03	187,086.28
218	SAD 56	82,730.66	204,518.74	287,249.40
219	Lincoln Sanitary District	89,133.06	120,500.98	209,634.04
220	Kennebec Sanitary District	137,471.54	323,589.71	461,061.25
221	Gardiner Water District	64,654.82	104,050.11	168,704.93
222	Waterville Sewer District	153,731.54	258,853.38	412,584.92
223	SAD 13	144,783.84	350,134.12	494,917.96
224	Waldoboro Regional Voc. Region 7	10,213.68	80,255.88	90,469.56
225	Maine County Commissioners Assn.	132.31	24,601.75	24,734.06
226	Jackman Water District	20,287.04	42,934.09	63,221.13
227	Mars Hill	83,773.62	180,943.30	264,716.92
228	Lubec	40,926.70	62,098.24	103,024.94
229	Van Buren Housing Authority	34,828.95	95,909.74	130,738.69
230	Washburn	41,214.04	163,006.20	204,220.24
231	Androscoggin Valley Reg. Plg. Comm.	172,413.15	298,191.42	470,604.57
232	Howland	0.00	29,851.74	29,851.74
233	Community School District 915	74,153.44	271,396.68	345,550.12
234	Durham	55,235.59	84,489.94	139,725.53
235	China	17,077.89	56,160.11	73,238.00
236	Madawaska Water District	86,511.36	104,335.12	190,846.48
237	Penquis CAP	411,011.90	1,123,793.60	1,534,805.50
238	Milo Water District	49,564.79	153,329.87	202,894.66
239	Maine School Management Assoc.	397,042.67	722,995.59	1,120,038.26
240	Easton	189,309.51	515,930.87	705,240.38
241	Franklin County Comm. Action Council	155,250.93	354,293.47	509,544.40
242	Richmond Utilities District	32,219.62	78,469.09	110,688.71
243	Lisbon Water District	28,986.41	59,551.06	88,537.47



TRUST FUND BALANCES AS OF JUNE 30, 1992

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
244	Indian Township Tribal Government	75,113.05	539,112.84	614,225.89
245	Limestone	108,661.85	97,227.01	205,888.86
246	Bethel	43,992.20	137,898.92	181,891.12
247	Rumford/Mexico Sewer District	5,819.59	67,863.82	73,683.41
248	Brewer Housing Authority	65,131.93	132,111.81	197,243.74
249	Erskine Academy	14,418.94	89,383.33	103,802.27
250	Winter Harbor Utility District	16,830.80	8,334.91	25,165.71
251	Corinna Sewer District	47,928.54	59,730.66	107,659.20
252	Community School District 912	22,042.83	43,312.69	65,355.52
253	Bridgton Water District	20,365.67	29,009.25	49,374.92
254	North Berwick	145,133.60	269,042.06	414,175.66
255	Kennebunk/Knbkprt/Wells Water District	661,969.83	1,322,248.72	1,984,218.55
256	Auburn-Lewiston Airport	29,984.86	138,800.77	168,785.63
257	Maine Development Foundation	0.00	0.00	0.00
258	Princeton	63,082.90	133,145.34	196,228.24
259	Westbrook Housing Authority	36,113.24	49,606.67	85,719.91
260	Fairfield	128,687.31	238,014.35	366,701.66
261	Georgetown	1,764.25	30,166.37	31,930.62
262	Old Town Housing Authority	99,093.44	136,026.69	235,120.13
265	Mapleton	77,883.90	173,719.43	251,603.33
266	Wells-Ogunquit CSD	128,606.14	298,981.42	427,587.56
267	Tri-Community Sanitary Landfill	33,217.19	40,632.68	73,849.87
268	Project Lodestone	2,538.82	14,651.10	17,189.92
269	So. Penobscot Voc. School Region 4	43,144.12	54,960.64	98,104.74
270	Harpwell	72,359.01	245,170.16	317,529.17
271	Maine Veterans Home	1,008,939.54	2,019,856.54	3,028,796.08
272	Sabattus Sanitary District	0.00	0.00	0.00
273	Brunswick Public Library	51,659.37	161,499.37	213,158.74
274	Eagle Lake Water/Sewer	31,490.08	66,784.51	98,274.59
275	Fort Fairfield Housing Authority	47,254.64	57,890.06	105,144.70
276	Lovell	10,343.73	31,359.69	41,703.42
277	Carabasset Valley	21,254.94	40,144.17	61,399.11
278	Yarmouth Water District	42,004.64	101,325.53	143,330.17
279	Preschool HCS Council	36,896.39	68,345.06	105,241.45
280	Harrison	50,329.24	45,773.89	96,103.13
281	Mid-Maine Waste Action Corp.	0.00	3,342.18	3,342.18
282	Mechanic Falls Sanitary District	13,919.86	16,257.33	30,177.19
283	Mars Hills Utility District	4,722.92	4,848.49	9,571.41
284	Norway/Paris Solid Waste Corp.	10,022.32	17,436.69	27,459.01
285	The Homestead Project	12,337.05	30,258.18	42,595.23
286	No. Maine Regional Planning	0.00	0.00	0.00
287	Reserve Management Authority	0.02	2,524.17	2,524.17
288	Bangor Housing Authority	300,423.23	101,499.80	401,923.03
350	Judicial System	1,378,109.75	10,183,589.96	11,561,699.71
351	Legislative System	215,277.63	912,707.61	1,127,985.24



**GROUP LIFE INSURANCE PROGRAM
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 1992**

RECEIPTS

Premiums Collected		
Employee Contributions—State	\$1,462,277.66	
Employer Contributions—State	1,424,159.60	
Teacher and PLD's	<u>2,902,088.36</u>	
Total Premiums Collected		\$5,788,525.62
Earnings on Investments		<u>\$ 798,126.15</u>
<u>TOTAL RECEIPTS</u>		<u>\$6,586,651.77</u>

EXPENSES

Claims Paid to Insurer		
Basic	\$1,734,096.80	
Supplemental	865,753.79	
Dependent	253,201.13	
Retired Employees	<u>1,899,858.08</u>	
Total Claims Paid to Insurer		\$4,752,909.80
Program Administration		\$ 513,848.93
Retention		<u>\$ 337,326.00</u>
<u>TOTAL EXPENSES</u>		<u>\$5,604,084.73</u>



**GROUP LIFE INSURANCE PROGRAM
COMPARATIVE BALANCE SHEET
FOR THE FISCAL YEARS ENDING JUNE 30, 1992, AND JUNE 30, 1991**

<u>ASSETS</u>	<u>at June 30, 1992</u>	<u>at June 30, 1991</u>	<u>Increase (Decrease)</u>
Cash	\$ 1,587,236.25	\$ 1,298,160.93	\$289,075.32
Cash (Fiduciary)	0.43	0.43	0.00
Investments—Bonds	21,709,641.82	21,060,746.85	648,894.97
Investments—Stock	250,000.00	250,000.00	0.00
Accrued Interest	116,938.21	72,096.76	44,841.45
<u>TOTAL ASSETS</u>	<u>\$23,663,816.71</u>	<u>\$22,681,004.97</u>	<u>\$982,811.74</u>
 <u>RESERVES AND WORKING CAPITAL</u>			
Reserves for Future Premiums	\$10,468,174.50	\$11,887,331.36	(\$ 1,419,156.86)
Reserves for Supplemental Distributions	422,946.96	422,946.96	0.00
Suspense Account	241.97	0.00	241.97
<u>TOTAL RESERVES AND WORKING CAPITAL</u>	<u>\$10,891,363.43</u>	<u>\$12,310,278.32</u>	<u>(\$ 1,418,914.89)</u>
 <u>LIABILITIES</u>			
Accounts Payable	\$ 814.00	\$ 814.00	\$ 0.00
Premiums Payable	12,771,639.28	10,369,912.65	2,401,726.63
<u>TOTAL LIABILITIES</u>	<u>\$12,772,453.28</u>	<u>\$ 10,370,726.65</u>	<u>\$2,401,726.63</u>
<u>TOTAL RESERVES, WORKING CAPITAL AND LIABILITIES</u>	<u>\$23,663,816.71</u>	<u>\$22,681,004.97</u>	<u>\$ 982,811.74</u>



ADMINISTRATION FUND FOR THE FISCAL YEARS ENDING JUNE 30, 1992, AND JUNE 30, 1991

<u>REVENUE FROM EMPLOYER CONTRIBUTIONS</u>		<u>Fiscal Year 1992</u>	<u>Fiscal Year 1991</u>
1.	State Employees	\$1,518,330.80	\$1,427,730.81
2.	Teachers	2,228,724.84	1,784,321.77
3.	Participating Districts	527,666.20	599,356.77
4.	Other Sources	772,778.04	765,657.64
<u>TOTAL REVENUE FROM EMPLOYER CONTRIBUTIONS</u>		<u>\$5,047,499.88</u>	<u>\$4,537,066.99</u>
<u>EXPENDITURES</u>			
1.	Personal Services	\$2,223,614.24	\$1,976,720.98
2.	Actuarial Services	229,504.76	314,166.88
3.	Data Processing by State	125,626.69	221,262.75
4.	Utilities	79,574.54	53,285.24
5.	Postage and Mailing	156,277.56	110,913.74
6.	Repairs to Equipment	28,181.77	34,656.88
7.	Printing and Binding	87,976.63	56,721.14
8.	Office Supplies	87,065.52	85,406.41
9.	Retirement Costs	447,647.87	405,885.34
10.	Research and Legal Services	39,765.43	53,077.99
11.	Health Insurance	250,877.82	218,088.05
12.	STA-CAP Costs	25,344.74	63,470.35
13.	General Operating	96,123.52	140,300.88
14.	Travel	52,304.87	58,243.00
15.	Service Contract for Data Processing	77,665.44	11,907.00
16.	Unemployment	7,755.19	4,557.95
17.	Per Diem	7,779.64	9,040.68
18.	Medical Services	49,533.82	62,790.13
19.	Intragovernmental	9,410.10	18,967.73
20.	Workers' Compensation	26,817.41	11,862.90
21.	Video Production	0.00	173,793.00
22.	Building Rental	198,973.24	197,226.00
23.	Depreciation	90,000.00	60,000.00
24.	Contracted Services	115,895.54	122,165.44
<u>TOTAL EXPENDITURES</u>		<u>\$4,513,716.34</u>	<u>\$4,464,510.46</u>
Current Year Reserves		\$ 533,783.54	\$ 72,556.53
Adjustments to Reserves		557.57	0.00
Prior Year Reserves		596,396.51	524,396.51
<u>BALANCE OF RESERVES</u>		<u>\$1,130,737.62</u>	<u>\$ 596,953.04</u>

ACTUARIES' REPORT: MSRS—1992

The Maine State Retirement System has retained the firm of Milliman and Robertson, Inc., as consulting actuaries. The following report is Milliman and Robertson's actuarial valuation of the Maine State Retirement System, which covers the system for State and teacher members. This report includes the following sections:

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Reserves for Disability, Survivor, and Accidental Death Benefits	55
Membership Data	56
Summary of Plan Provisions for State Employees and Teachers	57
Actuarial Assumptions and Methods	61



EXECUTIVE SUMMARY

Overview

This report presents the results of our June 30, 1992, actuarial valuation of the Maine State Retirement System. These results provide a "snapshot" view of the System's financial condition on June 30, 1992, and do not reflect the following factors which have occurred since then that could affect the System's finances.

Such factors include:

- the State not paying required contributions on schedule
- employee furloughs resulting in lower state and member contributions but not lower future benefits
- unanticipated future liabilities created by various retirement incentive programs being offered by the various employers

We continue to be concerned about the future financial condition of the System. The combination of missed contributions and adverse experience has caused a weakening of the financial condition of the System and a sharp increase in the State's contribution level.

Two specific areas of adverse experience were analyzed: (1) the impact of vacation/sick leave credits, and (2) unanticipated pay increases at career end. As a result, actuarial assumptions were modified to reflect the added future costs of both factors. Details on the assumptions changes are presented in the Actuarial Assumptions and Methods section.

The balance of this section summarizes recent trends in the System's finances, analyzes the actuarial experience in the System during the past year, and concludes with summary tables useful for reference purposes.

System Trends

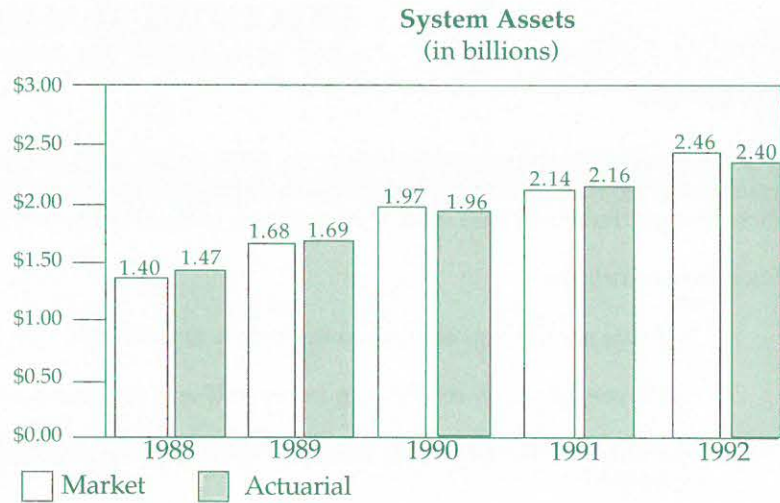


The contribution rate jumped sharply in the past year after years of stability. Should the State continue to contribute less than the required amount, we would expect this rate to continue to escalate.

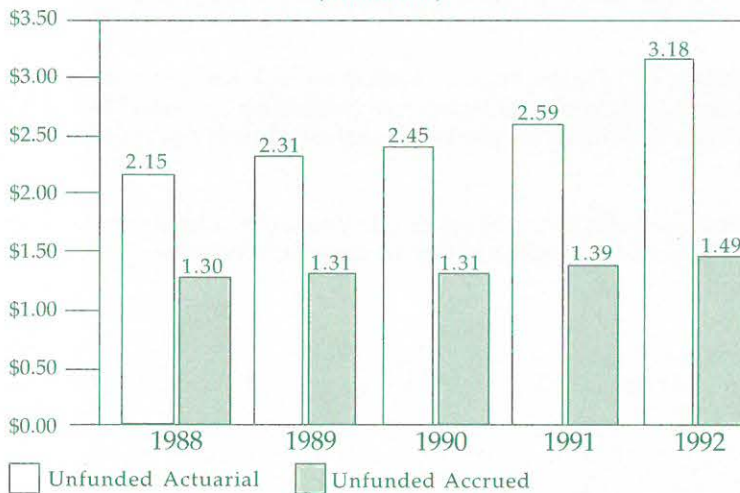
*Rates do not include retiree health insurance charges, administrative expenses or payments to fund Old System Teachers. Rates shown are composite rates for the State regular employees, MTRA teachers, and the State special groups: State Police, Game Wardens, Sea and Shore Wardens, Prison Wardens, Liquor Inspectors, and Forest Rangers.



The System's assets grew slightly more than expected from 1991 to 1992 due to an asset gain. This continues a trend of superior investment performance over the past several years.

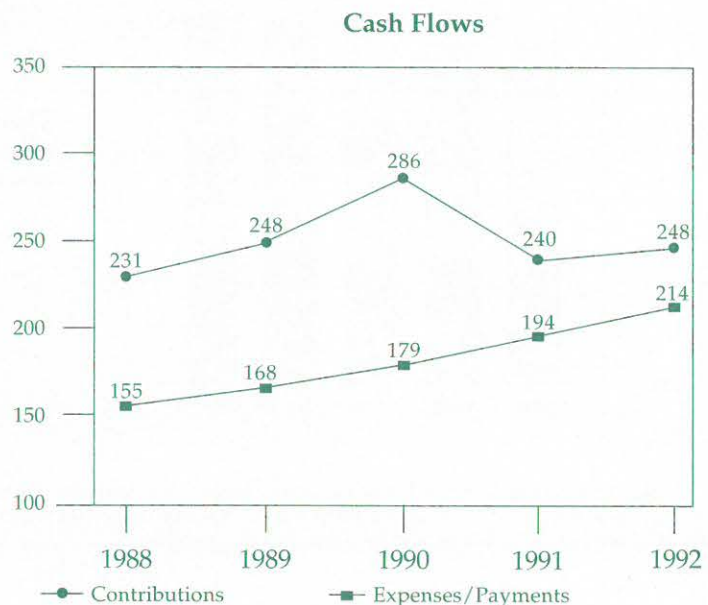


Unfunded Liabilities (in billions)



The unfunded actuarial liability increased by \$513 million over what was expected between 1991 and 1992. This amount will have to be funded by increased contributions over the next 25 years.

The net cash flows to the System have been sharply reduced over the past year. Should this trend continue, there may be an impact on investment decisions, as liquidation may be necessary.





System Experience

July 1, 1991 - June 30, 1992

The key indicator of overall experience in the System is the composite State contribution rate. The rate is set so that it will be stable from year to year if experience is exactly as expected. An increase in the rate indicates unfavorable experience and a decrease, favorable experience, during the previous year.

Since the rate increased from 19.80% to 22.09%, the overall experience of the System during the year ending June 30, 1992, was less favorable than expected.

The balance of this part examines the System's experience in more detail.

Assets

As of June 30, 1992, the System has present funds, when measured on a market value basis, of \$2.46 billion, an increase of \$0.32 billion from a 1991 figure of \$2.14 billion. When measured on an actuarial basis, using a method which smooths market fluctuations, System assets increased by \$.24 billion to \$2.40 billion in 1992 from \$2.16 billion in 1991. The components of this change are:

- + \$248 million from employer and member contributions
 - \$214 million from payment of benefits and expenses
 - + \$174 million from expected investment experience (i.e., 8.0%)
 - \$29 million from investment loss (i.e., actual rate was 9.32%)
-
- = \$237 million total increase in assets

The asset gain for state and teachers excluding participating local districts was \$20 million.

The next section of this report presents more detailed information on System assets.

Liabilities

Throughout this report we discuss three types of liability: actuarial liability, accrued benefit liability, and pension benefit obligation.

Actuarial Liability

In general, actuarial liabilities are calculated for purposes of determining future contributions and are directly dependent upon the particular "funding method" used by the actuary. Use of different funding methods would provide entirely different results, when nothing else has changed (e.g., inflation, salaries, etc.). Unfunded actuarial liabilities include future anticipated increases in pay and service credits.

As of June 30, 1992, the State's unfunded actuarial liability was \$3.18 billion. This compares to a June 30, 1991, unfunded actuarial liability of \$2.59 billion, an increase of \$586 million. This compares with an expected increase of \$73 million. The components of this increase are as follows:



Unfunded Actuarial Liability, June 30, 1991	\$2,591 million
• increase expected	73 million
• increase due to asset loss	(20) million
• increase due to contributions less than expected	83 million
• other losses (see below)	90 million
• increase due to change in assumptions	360 million
Unfunded Actuarial Liability, June 30, 1992	<u>\$3,177 million</u>

The unexpected increase in unfunded liabilities from "other losses" is attributable to the combined effect of the following factors.

- differences between assumed and actual rates of members retiring, terminating employment or dying
- growth in membership
- payment form selections made by retiring members

Accrued Benefit Liability

The second type of liability is the accrued benefit liability. This represents the liabilities for all future benefits, based on members' earnings and service credits as of the valuation date June 30, 1992. The difference between this figure and the market value of System assets represents the unfunded accrued benefit liability. As of June 30, 1992, the unfunded accrued benefit liability was \$1.49 billion, as compared to a June 30, 1991, unfunded accrued benefit liability of \$1.39 billion.

Pension Benefit Obligation

The third type of liability is the pension benefit obligation (PBO). This is similar to the accrued benefit liability, but it reflects anticipated pay increases. The PBO is a liability disclosure required by the Governmental Accounting Standards Board and is compared with the book value of System assets to determine the amount unfunded. The unfunded PBO was \$2.39 billion on June 30, 1991, and is \$2.83 billion on June 30, 1992.

Contributions

The "Contributions" section of this report, we present detailed information on the development of State contribution rates to the System, calculated as of June 30, 1992. In addition, this section discusses the application of the State contribution rate for fiscal year budget purposes.

Contributions to the System consist of:

- a "normal contribution" for the portion of projected liabilities attributable to service of members during the year following the valuation date
- an "unfunded actuarial liability contribution" for the excess of projected liabilities allocated to service to date over assets on hand
- a "disability benefit" contribution for the expected value of future disability (new law) benefits to be paid as a result of disablements occurring during the year following the valuation date



- a result of disablements occurring during the year following the valuation date
- a "death benefit" contribution (consisting of two parts: survivor benefits and accidental death benefits) for the expected value of future death benefits to be paid as a result of deaths occurring during the year following the valuation date

The composite contribution rate for all State employees and teachers increased from 19.80% of payroll as of June 30, 1991, to 22.09% of payroll as of June 30, 1992. The primary components of this change are shown below.

Contribution Rate as of June 30, 1991	19.80 %
Contributions less than expected	0.40
Asset Gain	(0.10)
Net effect Liability Losses, Membership Growth, and Shifts in Payroll Among the State Employee and Teacher Groups	0.68
Change in assumptions/procedures	-1.31
Contribution Rate as of June 30, 1992	22.09 %



SUMMARY OF PRINCIPAL RESULTS

TOTAL (State and Teacher)*

1. Participant Data	<u>June 30, 1992</u>	<u>June 30, 1991</u>
Number of:		
Active Members	39,904	38,411
Retired Members and Beneficiaries	17,247	16,690
Vested Deferred Members	638	604
Annual Salaries of Active Members	\$1,047,240,382	\$985,642,223
Annual Retirement Allowances for Retired Members and Beneficiaries	\$160,709,084	\$145,936,961
2. Assets and Liabilities		
Actuarial Value of Assets	\$1,594,383,373	\$1,442,408,751
Unfunded Actuarial Liability	\$3,177,024,392	\$2,590,848,538
Market Value of Assets	\$1,634,257,822	\$1,428,708,354
Unfunded Accrued Liability	\$1,487,610,939	\$1,393,541,823
Accrued Benefit Funding Ratio	52.35%	50.62%
3. Contribution Results as a Percent of Payroll (composite rate for all State Employees and Teachers)**		
Normal Cost	6.37%	6.39%
Unfunded Actuarial Liability	14.05%	11.55%
Disability	1.29%	1.49%
Survivor Benefits	0.28%	0.27%
Accidental Death	0.10%	0.10%
Total	22.09%	19.80%

* Excludes participating local districts

**Excludes Old System Teachers and charges for retiree health insurance and administrative expenses.



SUMMARY OF PRINCIPAL RESULTS TEACHERS (MTRA)*

1. Participant Data	<u>June 30, 1992</u>	<u>June 30, 1991</u>
Number of:		
Active Members	24,840	22,905
Retired Members and Beneficiaries	8,022	7,622
Vested Deferred Members	455	417
Annual Salaries of Active Members	\$605,506,450	\$577,618,755
Annual Retirement Allowances for Retired Members and Beneficiaries	\$83,040,884	\$73,986,829
2. Assets and Liabilities		
Actuarial Value of Assets	\$1,071,461,635	\$981,754,023
Unfunded Actuarial Liability	\$1,895,838,972	\$1,484,536,038
Market Value of Assets	\$1,095,055,988	\$973,665,872
Unfunded Accrued Liability	\$719,165,634	\$658,193,346
Accrued Benefit Funding Ratio	60.36%	59.67%
3. Contribution Results as a Percent of Payroll		
Normal Cost	6.29%	6.29%
Unfunded Actuarial Liability	15.68%	12.48%
Disability	1.30%	1.50%
Survivor Benefits	0.25%	0.23%
Accidental Death	0.08%	0.08%
Total	23.60%	20.58%

* Excludes Old System Teachers and charges for retiree health insurance and administrative expenses.



SUMMARY OF PRINCIPAL RESULTS

STATE REGULAR*

1. Participant Data	<u>June 30, 1992</u>	<u>June 30, 1991</u>
Number of:		
Active Members	14,250	14,658
Retired Members and Beneficiaries	8,052	7,894
Vested Deferred Members	180	179
Annual Salaries of Active Members	\$412,821,296	\$379,919,609
Annual Retirement Allowances for Retired Members and Beneficiaries	\$63,701,205	\$59,169,745
2. Assets and Liabilities		
Actuarial Value of Assets	\$641,300,988	\$588,127,800
Unfunded Actuarial Liability	\$910,384,047	\$742,616,195
Market Value of Assets	\$655,422,895	\$583,282,526
Unfunded Accrued Liability	\$430,251,1828	\$402,817,113
Accrued Benefit Funding Ratio	60.37%	59.15%
3. Contribution Results as a Percent of Payroll (State Portion only)*		
Normal Cost	5.91%	5.91%
Unfunded Actuarial Liability	11.04%	9.49%
Disability	1.30%	1.50%
Survivor Benefits	0.32%	0.33%
Accidental Death	0.12	0.12%
Total	18.69%	17.35%

* Excludes eight special groups and charges for retiree health insurance and administrative expenses.



ASSETS

In this section we present the value assigned to assets held by the System. These assets are valued on three different bases: the book value, the market value, and the actuarial value.

Book Value of Assets

Table II-1 is a comparison, on a book value basis, of System assets as of June 30, 1992, and June 30, 1991, in total and by investment category. The book value is essentially the purchase price for equity investments and amortized value for fixed income investments such as bonds.

Market Value of Assets

For accounting statement purposes, System assets are valued at current market values. Briefly stated, these values represent the “snapshot” or “cash-out” value of System assets as of the valuation date. In addition, the market value of assets provides a reference point for comparison purposes. Table II-2 presents both book value and market value of total System assets by investment category as of June 30, 1992, and also shows the proportion of total assets by investment category for market value.

Actuarial Value of Assets

The market value of assets, representing a “liquidation” value of the funds, is not a good measure of the System’s ongoing ability to meet its obligations. Ongoing funding requirements established using market values are subject to significant variability because of the volatility of market values.

As a consequence, actuarial valuations employ a technique for determining the actuarial value of assets which dampens the swings in market value. The specific technique adopted sets the actuarial value of assets by the following method:

Step 1: Determine the total yield on the investments of the System using the full investment return (including capital gains) measured by the difference in the actuarial value of the assets at the beginning of the fiscal year just ended and the market value of assets at the end of the year (11.96%).

Step 2: Calculate the excess of the yield determined in Step 1 over the expected yield for the same year according to the actuarial assumptions. ($11.96\% - 8.00\% = -3.96\%$)

Step 3: Calculate an adjusted rate equal to the expected rate plus one-third of the rate determined in step 2. ($8.00\% + (1/3 * 3.96\%) = 9.32\%$)

Step 4: The actuarial value of assets used in this valuation equals the amount that would have existed if the actual yield on the assets had been at the rate determined in Step 3.

Allocation by Group

Since retirement benefit costs are calculated separately for State employees, teachers and other special groups, total assets (market and actuarial values) must be allocated to each of these groups. We have made this allocation as of June 30, 1992, in proportion to System reserves (provided at book value). These are shown in Table II-3. The total for each group has been further allocated between the Member Contribution Fund and the Retirement Allowance Fund. The resulting allocations are shown in Tables II-4 and II-5.



TABLE II-1
ASSET COMPARISON AT BOOK VALUE

<u>Asset Category</u>	<u>June 30, 1992</u>	<u>June 30, 1991</u>	<u>Increase (Decrease)</u>
Bonds & Cash Equivalents	\$756,378,836	\$681,366,256	\$75,012,580
Stocks	1,125,987,807	1,041,317,071	84,670,736
Commingled Fund	185,214,703	167,956,087	17,258,616
Mortgages	0	48,568	(48,568)
Land & Buildings	2,505,687	2,377,512	128,175
Other Assets	7,592,411	11,147,509	(3,555,098)
Other Liabilities	(6,892,911)	(8,571,238)	1,678,327
TOTAL	\$2,070,786,533	\$1,895,641,675	\$175,144,768

TABLE II-2
BOOK AND MARKET VALUES BY ASSET CATEGORY

<u>Asset Category</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Market Value % to Total</u>
Bonds	\$729,357,466	\$828,571,857	33.72%
Cash Equivalents	\$27,021,370	\$27,021,370	1.10
Stocks	1,125,987,807	\$1,381,794,970	56.23
Commingled Funds	185,214,703	\$216,810,684	8.82
Mortgages	0	\$0	0.00
Land & Buildings	2,505,687	\$2,301,000	0.09
Other Assets	7,592,411	7,592,411	0.31
Other Liabilities	(6,892,911)	(6,892,911)	-0.28
TOTAL	\$2,070,786,533	\$2,457,199,381	100.00%



TABLE II-3
ALLOCATION OF BOOK VALUE OF ASSETS

	Allocation to:		
	<u>Member</u> <u>Contribution Fund</u>	<u>Retirement</u> <u>Allowance Fund</u>	<u>Total</u>
RETIREMENT RESERVES			
State Employees	\$258,594,648	\$387,788,651	\$646,383,299
MRTA Teacher	\$462,048,664	\$474,739,095	\$936,787,759
Old System Teachers	\$0	(\$216,386,499)	(\$216,386,499)
Judges	\$1,378,110	\$10,183,590	\$11,561,700
Legislators	\$215,278	\$912,707	\$1,127,985
Subtotal State	\$722,236,700	\$657,237,544	\$1,379,474,244
Participating Districts	\$119,393,302	\$377,774,647	\$497,167,949
Total	\$841,630,002	\$1,035,012,191	\$1,876,642,193
COMMINGLED RESERVES			
Disability	\$16,815,666	\$128,986,493	\$145,802,159
Accidental Death	\$0	\$6,191,800	\$6,191,800
Survivor Benefits	\$0	\$42,150,381	\$42,150,381
Total	\$16,815,666	\$177,328,674	\$194,144,340
TOTAL RESERVES	\$858,445,668	\$1,212,340,865	\$2,070,786,533

TABLE II-4
ALLOCATION OF MARKET VALUE OF ASSETS

	Allocation to:		
	<u>Member</u> <u>Contribution Fund</u>	<u>Retirement</u> <u>Allowance Fund</u>	<u>Total</u>
RETIREMENT RESERVES			
State Employees	\$258,594,648	\$496,993,686	\$755,588,334
MRTA Teacher	\$462,048,664	\$633,007,324	\$1,095,055,988
Old System Teachers	\$0	(\$216,386,499)	(\$216,386,499)
Judges	\$1,378,110	\$12,136,914	\$13,515,024
Legislators	\$215,278	\$1,103,278	\$1,318,556
Subtotal State	\$722,236,700	\$926,854,703	\$1,649,091,403
Participating Districts	\$119,393,302	\$461,770,077	\$581,163,379
Total	\$841,630,002	\$1,388,624,780	\$2,230,254,782
COMMINGLED RESERVES			
Disability	\$16,815,666	\$153,619,447	\$170,435,113
Accidental Death	\$0	\$7,237,891	\$7,237,891
Survivor Benefits	\$0	\$49,271,595	\$49,271,595
Total	\$16,815,666	\$210,128,933	\$226,944,599
TOTAL RESERVES	\$858,445,668	\$1,598,753,713	\$2,457,199,381



TABLE II-5
ALLOCATION OF ACTUARIAL VALUE OF ASSETS

	Allocation to:		Total
	<u>Member Contribution Fund</u>	<u>Retirement Allowance Fund</u>	
RETIREMENT RESERVES			
State Employees	\$258,594,648	\$480,713,589	\$739,308,237
MRTA Teacher	\$462,048,664	\$609,412,971	\$1,071,461,635
Old System Teacher	\$0	(\$216,386,499)	(\$216,386,499)
Judges	\$1,378,110	\$11,845,716	\$13,223,826
Legislators	\$215,278	\$1,074,868	\$1,290,146
Subtotal State	\$722,236,700	\$886,660,645	\$1,608,897,345
Participating Districts	\$119,393,302	\$449,248,184	\$568,641,486
Total	\$841,630,002	\$1,335,908,829	\$2,177,538,831
COMMINGLED RESERVES			
Disability	\$16,815,666	\$149,947,209	\$166,762,875
Accidental Death	\$0	\$7,081,942	\$7,081,942
Survivor Benefits	\$0	\$48,209,977	\$48,209,977
Total	<u>\$16,815,666</u>	<u>\$205,239,128</u>	<u>\$222,054,794</u>
TOTAL RESERVES	\$858,445,668	\$1,541,147,957	\$2,399,593,625



LIABILITIES

Actuarial Liabilities

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. There are several methods currently used in making such a determination.

The method used for this valuation is referred to as the "entry age normal actuarial cost method." Under this method, a level-percent-of-pay employer cost is determined which, along with member contributions, will pay for projected benefits at retirement for a new entrant into the plan. It is assumed applicable to all active plan members. The level percent developed is called the normal cost rate and the product of that rate and payroll is the normal cost.

The actuarial liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability. If the employer's contributions exceed the employer's normal cost for the year, after allowing for interest earned on the previous balance of the unfunded actuarial liability, this liability will be reduced. Benefit improvements, actuarial gains and losses, and changes in actuarial procedures will also have an effect on the total actuarial liability and on the portion of it that is unfunded.

After the amount of the unfunded actuarial liability has been determined, a schedule of contributions is established to amortize that amount over a given period. Effective with the 1987 valuation, a thirty year amortization period was adopted for the Maine State Retirement System. Payments to fund the actuarial liability will be a level percentage of payroll.

In Table III-1 we have summarized the actuarial liabilities as of June 30, 1992, and the amounts that were unfunded.

TABLE III-1
ACTUARIAL LIABILITIES

	<u>State Employees</u>	<u>MTRA Teachers</u>	<u>Old System Teachers</u>	<u>All State Employees</u>
1. Active employees				
(a) Current accrued benefits	\$494,240,242	\$898,372,260	\$0	\$1,392,612,502
(b) Future benefit accruals	\$1,024,814,157	\$1,929,739,056	\$0	\$2,954,553,213
(c) Total active projected benefits	\$1,519,054,399	\$2,828,111,316	\$0	\$4,347,165,715
2. Inactive Employees	\$790,905,258	\$915,849,362	\$22,501,639	\$1,729,256,259
3. Total Present Value of Projected Benefits (1 + 2)	\$2,309,959,657	\$3,743,960,678	\$22,501,639	\$6,076,421,974
4. Future Contributions	\$528,354,138	\$776,660,071	\$0	\$1,305,014,209
5. Actuarial Liability (3 - 4)	\$1,781,605,519	\$2,967,300,607	\$22,501,639	\$4,771,407,765
6. Invested Assets (Actuarial Value)	\$739,308,237	\$1,071,461,635	(\$216,386,499)	\$1,594,383,373
7. Unfunded Actuarial Liability (5 - 6)	\$1,042,297,282	\$1,895,838,972	\$238,888,138	\$3,177,024,392



Accounting Statement Information

Statement No. 35 of the Financial Accounting Standards Board requires the System to disclose certain information regarding its funded status.

Statement No. 5 of the Governmental Accounting Standards Board, issued during 1986, establishes standards for disclosure of pension information by public employee retirement systems and governmental employers in notes to financial statements and supplementary information. This statement specifies that a comparison of the present value of accrued (accumulated) plan benefits with the value of plan assets must be provided by the System.

As directed by the above referenced accounting statements, the liabilities shown in Table III-2, Accrued Benefit Liabilities, do not include any projections for future creditable service and pay increases. The liabilities shown in Table III-3, GASB Disclosure, are based on current creditable service but include future pay projections.

Both present values of accrued benefits are determined assuming that the plan is ongoing and participants continue to terminate employment, retire, etc. in accordance with the actuarial assumptions.

TABLE III-2
ACCRUED BENEFIT LIABILITIES

	<u>State Employees</u>	<u>MTRA Teachers</u>	<u>Old System Teachers</u>	<u>All State Employees</u>
1. Present Value of Accrued Benefits				
(a) Employees terminated with vested rights	\$5,155,613	\$13,909,684	\$0	\$19,065,297
(b) Retired employees	\$785,749,645	\$901,939,678	\$22,501,639	\$1,710,190,962
(c) Active employees	\$494,240,242	\$898,372,260	\$0	\$1,392,612,502
(d) Total	\$1,285,145,500	\$1,814,221,622	\$22,501,639	\$3,121,868,761
2. Invested Assets (Market Value)	\$755,588,333	\$1,095,055,988	(\$216,386,499)	\$1,634,257,822
3. Unfunded Present Value of Accrued Benefits (1 - 2)	\$529,557,167	\$719,165,634	\$238,888,138	\$1,487,610,939
4. Accrued Benefit Funding Ratio (2 / 1)	58.0%	60.4%	N/A	52.4%



**TABLE III-3
GASB DISCLOSURE**

	<u>State Employees</u>	<u>MTRA Teachers</u>	<u>Old System Teachers</u>	<u>All State Employees</u>
1. Pension Benefit Obligation:				
(a) Retirees and disabled members, and beneficiaries, currently receiving benefits and vested deferred members	\$790,905,258	\$915,849,362	\$22,501,639	\$1,729,256,259
(b) Current Employees				
(1) Accumulated employee contributions including allocated investment earnings	\$258,594,648	\$462,048,664	\$0	\$720,643,312
(2) Employer-financed vested	\$202,652,005	\$393,566,628	\$0	\$596,218,633
(3) Employer-financed nonvested	\$375,371,312	\$776,482,973	\$0	\$1,151,854,285
(c) Total Pension Benefit Obligation	\$1,627,523,223	\$2,547,947,627	\$22,501,639	\$4,197,972,489
2. Net Assets Available for Benefits (at cost)	\$646,383,300	\$936,787,759	(\$216,386,499)	\$1,366,784,560
3. Unfunded Pension Benefit Obligation (not less than \$0)	\$981,139,923	\$1,611,159,868	\$238,888,138	\$2,831,187,929



CONTRIBUTIONS

General Comments

Under established procedures, contribution rates based on this June 30, 1992, actuarial valuation will be used to determine Fiscal Year 1994 State appropriations to the Maine State Retirement System. In this context, the term "contribution rate" means the percentage which is applied to a particular active member payroll to determine the actual contribution amount (i.e., in dollars) for the group.

Description of Rate Components

Except for ancillary benefits (disability, survivors' and accidental death benefits), the entry age normal method was used to develop the contribution rates in this section. Under this funding method, as with most other actuarial funding methods, a total contribution rate is determined which consists of two elements: the normal cost rate and the unfunded actuarial liability rate. The contribution rates for ancillary benefits were determined separately using a term cost method. These elements are described in more detail below.

Normal Cost Rate

For State employees, teachers (MTRA) and each special group, an individual entry age normal cost rate was determined for a typical new entrant of each respective group. This rate was determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, reducing it by the value of future member contributions, and dividing it by the value, also as of the member's entry age, of his expected future salary. The normal cost rate, so determined separately for each group, was assumed applicable to all active members of the group.

Unfunded Actuarial Liability Rate

The unfunded actuarial liability under the entry age normal method equals the present value, at time of valuation, of future benefits less the present value of future normal costs, future member contributions, and current assets. The unfunded actuarial liability rate (or amortization rate) is the level percent of active member payroll which, when applied to each year's payroll, is sufficient to amortize the unfunded actuarial liability over 30 years from June 30, 1987.

Ancillary Benefit Rate

For each separate cost group (State employees, teachers, etc.) the cost of claims expected to be incurred during the year was determined as a percent of active member payroll. The State appropriation for ancillary benefits will then be determined by applying the ancillary benefit rate to the appropriate active member payroll.

Total Contribution Rate Summary

In Table IV-1 we present total contribution rates, determined as of June 30, 1992, applicable for determining the Fiscal Year 1994 State appropriations to the System, using the cost methods described above. These were developed using actuarial assumptions and methods described in the "Actuarial Assumptions and Methods" section.

The derivations of the unfunded actuarial liability rates for each group are shown in Table IV-2.



TABLE IV-1
RECOMMENDED STATE CONTRIBUTION RATES*
FOR FISCAL YEAR 1993/1994

	RETIREMENT BENEFITS		ANCILLARY BENEFITS			
	<u>Normal Cost**</u>	<u>Unfunded Actuarial Liability</u>	<u>Disability</u>	<u>Survivor Benefits</u>	<u>Accidental Death</u>	<u>All Benefits</u>
State Employees	5.91%	11.04%	1.30%	0.32%	0.12%	18.69%
Special Groups						
State Police (Closed Plan)	20.00%	40.20%	0.82%	0.23%	0.26%	61.51%
State Police (Open Plan)	20.00%	0.00%	0.77%	0.11%	0.17%	21.05%
Sea and Shore Wardens (Closed Plan)	17.50%	37.87%	0.76%	0.21%	0.23%	56.57%
Game Wardens (Closed Plan)	20.00%	43.52%	0.58%	0.17%	0.19%	66.26%
Prison Wardens (Closed Plan)	8.00%	16.44%	1.59%	0.52%	0.54%	27.09%
Prison Wardens (Open Plan)	8.00%	0.00%	1.21%	0.19%	0.34%	9.74%
Liquor Inspectors (Closed Plan)	8.00%	17.63%	1.23%	0.35%	0.45%	27.66%
Forest Rangers (Closed Plan)	7.50%	19.16%	1.33%	0.45%	0.46%	28.90%
MTRA Teachers	6.29%	15.68%	1.30%	0.25%	0.08%	23.60%

* These rates do not include charges to cover retiree health insurance or administrative expenses.

** Includes cost of Automatic Option 2.



TABLE IV-2
DERIVATION OF UNFUNDED ACTUARIAL LIABILITY RATES

	<u>STATE REGULAR</u>	<u>STATE POLICE*</u>	<u>SEA AND SHORE WARDENS</u>	<u>GAME WARDENS</u>	<u>PRISON WARDENS*</u>	<u>LIQUOR INSPECTORS</u>	<u>FOREST RANGERS</u>	<u>MTRA TEACHERS</u>
1. Present Value of Future Benefits	2,044,597,661	131,308,817	16,578,529	54,605,423	41,180,122	3,356,945	18,332,160	3,743,960,678
2. Normal Cost Rate**	5.50%	20.00%	17.50%	20.00%	8.00%	8.00%	7.50%	6.00%
3. Present Value of Future Payroll	4,106,605,218	66,506,781	3,185,321	7,393,220	75,191,044	2,414,733	15,452,882	6,213,280,567
4. Present Value of Future Normal Costs: (2) x (3)	225,918,287	13,301,356	557,431	1,478,644	6,015,284	193,179	1,158,966	372,796,834
5. Present Value of Future Member Contributions	266,994,339	4,988,009	238,899	554,492	5,639,328	156,958	1,158,966	403,863,237
6. Actuarial Liability: (1) - (4) - (5)	1,551,685,035	113,019,452	15,782,199	52,572,287	29,525,510	3,006,808	16,014,228	2,967,300,607
7. Actuarial Value of Assets	641,300,988	48,176,332	6,727,412	22,409,770	12,585,717	1,281,700	6,826,318	1,071,461,635
8. Unfunded Actuarial Liability: (6) - (7)	910,384,047	64,843,120	9,054,787	30,162,517	16,939,793	1,725,108	9,187,910	1,895,838,972
9. Estimated Payroll	412,821,296	12,098,916	1,197,389	3,332,683	9,392,624	490,093	2,400,931	605,506,450
10. Amortization Factor	19.9712	19.9712	19.9712	19.9712	19.9712	19.9712	19.9712	19.9712
11. Unfunded Actuarial Liability Rate (8)/(9)/(10)	11.04%	26.84%	37.87%	45.32%	9.03%	17.63%	19.16%	15.68%

* Includes closed and open plans

** Does not include cost of Automatic Option 2



RESERVES FOR DISABILITY, SURVIVOR, AND ACCIDENTAL DEATH BENEFITS

Retirement benefits under the System are funded on a basis expected to result in level percent of pay contributions over the members' working lives. This funding method involves projecting the expected benefits payable in all future years and spreading the costs to produce a level pattern.

In contrast, employer contributions for certain ancillary benefits are determined on a "term cost" basis. Under this funding method, the annual cost for a year is determined as the value of benefit claims expected to be "incurred" during the year.

For example, the value (or cost) of a survivor pension expected to become payable during a year is the present value of all the future monthly payments expected because of a member's death. Under the term cost method, the employer contribution reflects only the cost of events (deaths or disabilities) expected to occur in the current year.

Types of benefits under the System which are funded using the term cost method are the "new" disability benefit (effective in 1977), survivor benefits, and accidental death benefits. The cost of benefits for members who became disabled under the old provisions is funded along with retirement benefits.

For each of these benefits funded by the term cost method, a separate trust fund reserve is maintained. Each fund is increased by employer contributions and investment earnings and decreased by benefits paid.

Each year, as a part of the actuarial valuation we compare the present value of benefits payable (theoretical reserve) with the trust fund reserve (actual reserve). Under ideal circumstances the actual reserve will exceed the theoretical reserve to allow for a margin or "cushion" to absorb future experience losses. We show the trust fund at "actuarial value", as described in the "Assets" section.

Trends in the ratio of actual to theoretical reserves may indicate a need to change the assumptions used to value benefits which, in turn, will lead to a change in employer contribution rates. For example, this year we reduced the calculated contribution rate for disability benefits by approximately 15% to reflect favorable experience in that fund.

The following sections compare the actual reserves with theoretical reserves based on an assumed rate of investment return of 8%.

A. Disability Benefits Reserve		
1. Theoretical Reserve		
a. State Employees		\$66,360,603
b. Teachers		\$58,848,446
c. Participating Districts		N/A
d. Total		N/A
2. Actual Reserve (Actuarial Value)	\$166,762,875	
3. Ratio: (2) / (1)		N/A
B. Survivor Benefits Reserve		
1. Theoretical Reserve		
a. State Employees		\$22,326,691
b. Teachers		\$10,369,424
c. Participating Districts		\$3,193,232
d. Total		\$35,889,347
2. Actual Reserve (Actuarial Value)	\$48,209,977	
3. Ratio: (2) / (1)		134.33%
C. Accidental Death Benefit Reserve		
1. Theoretical Reserve		\$3,566,774
2. Actual Reserve (Actuarial Value)	\$7,081,942	
3. Ratio: (2) / (1)		198.55%



ACTIVE MEMBER DATA

	<u>Count</u>	<u>Average Current Age</u>	<u>Average Service</u>	<u>Average Valuation Pay</u>
Teachers	24,840	42.0	11.5	\$24,376
State Regular*	14,244	42.4	10.9	\$28,965
Airplane Pilot	6	48.0	11.5	\$38,767
Forest Rangers (Closed Plan)	68	42.7	17.3	\$35,308
Game Wardens (Closed Plan)	84	42.5	18.2	\$39,675
Liquor Inspectors (Closed Plan)	12	47.6	22.3	\$40,841
Prison Wardens (Closed Plan)	156	44.5	14.4	\$33,067
Prison Wardens (Open Plan)	163	35.3	3.3	\$25,976
State Police (Closed Plan)	189	41.0	16.2	\$42,732
State Police (Open Plan)	113	30.5	5.3	\$35,599
Sea and Shore Wardens (Closed Plan)	29	41.5	17.4	\$41,289
State Totals	15,064	42.2	11.0	\$29,323

* Includes Forest Rangers, Game Wardens, Liquor Inspectors, and Sea and Shore Wardens hired after August 31, 1984, plus seasonal employees.

NON-ACTIVE MEMBER DATA

	<u>Teachers (MTRA)</u>	<u>Old System Teachers</u>	<u>State Regular</u>	<u>Special Groups</u>
<u>Retired</u> (Options 0-4)				
Count	6,766	468	5,899	499
Average Benefit	\$11,304	\$9,026	\$9,074	\$17,438
<u>Retired</u> (Option 4 Concurrent Beneficiary)				
Count	756	1	959	72
Average Benefit	\$2,894	\$778	\$2,699	\$3,329
<u>Disabilities</u> (Options 7, 8, 9)				
Count	30	---	43	4
Average Benefit	\$13,980	---	\$10,774	\$10,527
<u>Beneficiaries</u>				
Count	470	79	1,148	53
Average Benefit	\$8,403	\$4,206	\$6,160	\$8,963
<u>Terminated Vested</u>				
Count	455	---	180	3
Average Benefit	\$4,276	---	\$4,695	\$4,960
<u>Disabilities C622 and C409</u> (Options 6, A-E)				
Count	337	---	605	---
Average Benefit	\$15,095	---	\$10,726	---



SUMMARY OF PLAN PROVISIONS FOR STATE EMPLOYEES AND TEACHERS

1. Membership.

Membership is a condition of employment for state employees and teachers, and optional for elected and appointed officials. Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. Member Contributions.

Except as otherwise described below, members are required to contribute 6.5% of earnable compensation.

Contribution requirements for special groups:

- State police, inland fisheries and wildlife officers (game wardens), and marine resources officers (sea and shore wardens) employed before 9/1/84—7.5% of earnable compensation for 20 years; 6.5% thereafter.
- State police and prison employees employed after 8/31/84—7.5% of earnable compensation for 25 years; 6.5% thereafter.
- Forest rangers and state prison employees employed before 9/1/84—7.5% of earnable compensation until eligible for retirement; 6.5% thereafter.

3. Average Final Compensation.

For purposes of determining benefits payable under the System, average final compensation is the average annual rate of earnable compensation for the 3 years of creditable service (not necessarily consecutive) which produce the highest such average.

4. Creditable Service.

Creditable service includes service while a member, certain service prior to the establishment of the System, purchased military service credit, and service while receiving disability benefits under the System.

5. Service Retirement Benefits.

Except as otherwise described below:

Eligibility for members in service: 25 years of creditable service, or attainment of age 60 with either 10 years of creditable service or one year of service immediately before retirement.

Eligibility for members not in service: 25 years of creditable service, or attainment of age 60 with 10 years of creditable service.

Benefit: $1/50$ of average final compensation multiplied by years of membership service and up to 25 years of prior service, reduced for retirement before age 60.

Form of payment: life annuity.

For participants entering the plan after 12/1/84* the eligibility age is increased to age 62 and early retirement benefits are reduced 6% for each year before 62.

* i.e., those with less than seven years of service as of December 1, 1991



SUMMARY OF PLAN PROVISIONS FOR STATE EMPLOYEES AND TEACHERS (Continued)

If greater than the benefits produced by the standard formulas, the following benefits are available for special groups:

State police, inland fisheries and wildlife officers (game wardens), and marine resources officers (sea and shore wardens) employed before 9/1/84.

Eligibility: 20 years of creditable service in named positions.

Benefit: $1/2$ of average final compensation plus 2% for each year of service in excess of 20. If greater, the pro-rated portion of the benefit for service before July 1, 1976, is based on annual pay instead of average final compensation.

Form of payment: 50% joint and survivor annuity.

State police employed after 8/31/84.

Eligibility: 25 years of creditable service as a state police officer.

Benefit: same as for general employees, reduced for payment before age 55 rather than age 60.

Form of payment: life annuity.

Forest rangers employed before 9/1/84.

Eligibility: age 50 with 25 years of creditable service as a forest ranger.

Benefit: $1/2$ of average final compensation plus 2% for each year of service earned after qualification for retirement. If greater, the pro-rated portion of the benefit for service before July 1, 1976, is based on annual pay instead of average final compensation.

Form of payment: life annuity.

Airplane pilots employed before 9/1/84.

Eligibility: age 55 and 25 years of creditable service as an airplane pilot.

Benefit: greater of (1) $1/2$ of average final compensation plus 2% for each year of service earned after qualification for retirement, and (2) if retiring after age 60, the benefit under the general formula.

Form of payment: life annuity.

Liquor inspectors employed before 9/1/84.

Eligibility: age 55 and 25 years of creditable service as a liquor inspector.

Benefit: $1/2$ of average final compensation plus 2% for each year of service earned after qualification for retirement. If greater, the pro-rated portion of the benefit for service before July 1, 1976, is based on annual pay instead of average final compensation.

Form of payment: life annuity.



SUMMARY OF PLAN PROVISIONS FOR STATE EMPLOYEES AND TEACHERS (Continued)

State prison employees employed before 9/1/84.

Eligibility: age 50 and 20 years of creditable service as a prison employee.

Benefit: $1/2$ of average final compensation plus 2% for each year of service earned after qualification for retirement.

Form of payment: life annuity.

State prison employees employed after 8/31/84.

Eligibility: 25 years of creditable service as a prison employee.

Benefit: same as for general employees, reduced for retirement before age 55 rather than age 60.

Form of payment: life annuity.

6. Disability Retirement Benefits.

Eligibility: permanently mentally or physically incapacitated before normal retirement age while in service; unable to perform duties of own position.

Benefit: $66\frac{2}{3}\%$ of average final compensation, reduced by employment earnings over \$10,000, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of payment: payment begins on termination of service and ceases on cessation of disability or after 5 years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of 10 years following normal retirement age or date the service retirement benefit exceeds the disability benefit.

Conversion to service retirement: during the period of disability average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of $66\frac{2}{3}\%$ of average final compensation or 10 years after the normal retirement date, if earlier, the disability benefit converts to a service retirement benefit based on service and adjusted average final compensation at that point.

7. Ordinary Death Benefits Before Eligibility for Service Retirement.

Eligibility: death while active or disabled before eligibility for service retirement.

Benefit: member's accumulated contributions at time of death. A surviving spouse, children, parents, or other beneficiaries may be eligible to elect (in lieu of contributions) survivor benefits in monthly amounts varying by number of eligible survivors.

8. Ordinary Death Benefits After Eligibility for Service Retirement.

Eligibility: death while active or disabled after eligibility for retirement but before benefit commencement date.

Benefit: option 2 (see item 12) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit in item 7 instead. Otherwise, accumulated contributions are payable to the estate.



SUMMARY OF PLAN PROVISIONS FOR STATE EMPLOYEES AND TEACHERS (Continued)

9. Accidental Death Benefits.

Eligibility: death while active or disabled resulting from injury related to employment.

Benefit: if the member leaves no dependent children, 2/3 of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's final average compensation shared between dependent children and surviving spouse (if any). Benefits are reduced by amounts payable under Workers' Compensation.

10. Refund of Contributions.

Eligibility: termination of service except by retirement or death.

Benefit: member's accumulated contributions with interest.

11. Cost-of-living Adjustments

All retirement and survivor benefits are adjusted each year there is a percentage change in the Consumer Price Index, based on the Index. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for six months. The maximum increase or decrease is 4%. Earnable compensation used in determining benefits for disabled members is indexed similarly.

12. Optional Methods of Payment

Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the Board.



ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

		<u>State Employees</u>	<u>Teachers</u>
1. Rate of Investment Return		8.0%	8.0%
2. Cost-of-living Increases in Benefits		4.0%	4.0%
3. Rates of Salary Increase (% at Selected Ages)	<u>Age</u>		
	20	10.0	10.0
	25	8.8	8.8
	30	7.7	7.7
	35	7.2	7.2
	40	6.7	6.7
	45	6.2	6.2
	50	6.0	6.0
	55	6.0	6.0
	60	6.0	6.0
	65	6.0	6.0

The above rates include a 6% across-the-board increase at each age. Also, average final compensation for retiring teachers is increased by an additional 5.5% to reflect actual pay patterns near retirement.

		<u>State Employees</u>			<u>Teachers</u>		
4. Rates of Termination at Select and Ultimate Service (% at Selected ages)*	<u>Age</u>		<u>Service</u>			<u>Service</u>	
		0-1	1-2	2+	0-1	1-2	2+
	20	40.0	20.0	15.0	30.0	20.0	15.0
	25	35.0	20.0	10.0	25.0	20.0	10.0
	30	30.0	15.0	8.0	25.0	20.0	8.0
	35	25.0	15.0	6.0	25.0	20.0	6.0
	40	25.0	15.0	4.5	25.0	20.0	4.5
	45	25.0	10.0	3.0	25.0	20.0	3.0
	50	25.0	10.0	2.5	25.0	20.0	2.5
	55	20.0	10.0	2.0	25.0	20.0	2.0

* Members with ten or more years of service and whose age plus service totals 60 or more are assumed to elect deferred vested benefits; other terminations are assumed to elect refunds.

	<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
5. Rates of Healthy Life Mortality at Selected Ages (number of deaths per 10,000 members)*	20	5	3	5	2
	25	6	3	6	3
	30	8	5	7	4
	35	11	7	10	6
	40	16	9	14	8
	45	29	14	23	12
	50	53	22	42	18
	55	85	33	71	27
	60	131	55	109	44
	65	213	96	174	77
	70	361	165	292	129

* For State Regular and Teachers, 5% of deaths assumed to be accidental; for State Special, 20% of deaths assumed to be accidental.



6. Rates of Disabled Life Mortality at Selected Ages (number of deaths per 10,000 members)	<u>Age</u>	<u>State Employees</u>		<u>Teachers</u>	
		<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
	45	349	191	349	191
	50	376	207	376	207
	55	420	240	420	240
	60	488	288	488	288
	65	595	366	595	366
	70	763	487	763	487

7. Rates of Retirement at Selected Ages (number retiring per 1,000 members)	<u>Age</u>	<u>State Employees*</u>	<u>Teachers</u>
	45	25	38
	50	38	50
	55	100	126
	59	120	146
	60	150	200
	61	100	150
	62	350	400
	63	250	250
	64	250	250
	65	750	750
	70	1000	1000

8. Rates of Disability at Selected Ages (members becoming disabled per 10,000 members)**	25	5.7	5.7
	30	6.3	6.3
	35	7.3	7.3
	40	11.0	11.0
	45	22.0	22.0
	50	42.0	42.0
	55	71.9	71.9
	60	124.2	124.2

*Members of special plans are assumed to retire when first eligible for unreduced benefits.

**10% assumed to receive Workers' Compensation benefits of 66-2/3% of pay; also, rates for State special groups are higher by 7 per 10,000 at all ages. Note: Disability costs calculated using these rates were reduced 15% to reflect favorable experience.

9. Family Composition Assumptions 80% of active members are married with two children born at ages 24 and 28 (dependent until age 18); female spouse is three years younger than male spouse; no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.
10. Vacation/ Sick Leave Credits Within certain limits, credits for unused vacation and sick leave may be used to increase average final compensation and/or creditable service. In order to reflect this, projected benefits are increased by 3.9% for state employees and 3.6% for teachers.



Actuarial Methods

1. Funding Method

The aggregate entry age normal method is used to determine costs. Under this funding method, a total contribution rate is determined which consists of two elements, the normal cost rate and the unfunded actuarial liability (UAL) rate.

For teachers (MTRA) and State employees, including each of the eight State special groups, a normal cost rate is determined for a typical new entrant. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, reducing it by the value of future member contributions, and dividing it by the value, also as of the member's entry age, of his expected future salary.

In addition to contributions required to meet the System's normal cost, contributions will be required to fund the System's unfunded actuarial liability. The actuarial liability is defined as the present value of future benefits less the present value of future normal costs and future member contributions. The unfunded actuarial liability is the total of the actuarial liability for all members less the actuarial value of the System's assets. The actuarial liability includes projections of future member pay increases and future service credits and should not be confused with the accrued benefit liability.

The unfunded actuarial liability is amortized by annual payments over a 25 year period from July 1, 1992. The payments are determined so that they will be a level percentage of pay, assuming total pay increases 6% per year.

Costs for ancillary benefits (death and disability) are determined using a term cost method.

2. Asset Valuation Method

For purposes of the June 30, 1992, actuarial valuation, assets are valued at an "actuarial value" as described in the "Assets" section in this report.

ACTUARIES' REPORT: LEGISLATIVE RETIREMENT SYSTEM—1992

The Maine State Retirement System has retained the firm of Milliman and Robertson, Inc., as consulting actuaries. The following report is Milliman and Robertson's actuarial valuation of the Maine Legislative Retirement System for the fiscal year ending June 30, 1992. The report includes the following sections:

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Participant Data	67
Cost Results	67
Accounting Information	67
Summary of Plan Provisions	68
Summary of Actuarial Assumptions	70



PARTICIPANT DATA

1. Number of Active Employees	123
2. Active Payroll	\$1,291,500
3. Number of Retired Members	15
4. Annual Retiree Benefits	\$14,295
5. Number of Vested Inactive Members	0

COST RESULTS

1. Retirement Benefits	
A. Employer Normal Cost	10.03%
B. Unfunded Actuarial Liability	0.00%
Total Retirement Cost	10.03%
2. Disability Cost	1.77%
3. Survivor Benefit Cost	1.03%
Total Costs	12.83%

ACCOUNTING INFORMATION

1. GASB Disclosure	
A. Pension Benefit Obligation:	
1. Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 141,574
2. Current employees	
- Accumulated employee contributions including allocated investment earnings	215,278
- Employer-financed vested contributions	(69,815)
- Employer-financed non-vested contributions	748,947
Total Pension Benefit Obligation	\$1,035,984
B. Net Assets Available for Benefits (at cost)	\$1,127,985
Unfunded Pension Benefit Obligation (not less than \$0)	0
2. Other Accounting Information	
A. Actuarial Value of Assets	\$1,290,146
B. Unfunded Actuarial Liability	0
C. Market Value of Assets	1,318,556
D. Unfunded Accrued Liability	0
E. Amortization Period	N/A



SUMMARY OF PLAN PROVISIONS

1. Membership.

Membership is mandatory for legislators entering on or after December 3, 1986 (except for those granted a waiver by the presiding officer) and optional for those who were members of the Maine State Retirement System on December 2, 1986. Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. Member Contributions.

Members are required to contribute 4% of earnable compensation.

3. Average Final Compensation.

For purposes of determining benefits payable under the System, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) which produce the highest such average.

4. Creditable Service.

Creditable service includes the following:

- A. All legislative service as a member after December 2, 1986.
- B. All legislative service before December 3, 1986, for which contributions are made at the rate applicable at the Maine State Retirement System, including appropriate interest.
- C. Service while receiving disability benefits under the System.
- D. All service creditable under the Maine State Retirement System, provided the member elects to have his own and the employer's contributions on behalf of the service transferred to the legislative system.

5. Service Retirement Benefits.

Eligibility for members in service: 25 years of creditable service or attainment of age 60.

Eligibility for members not in service: attainment of age 60 with 10 years of creditable service (or five full terms as a legislator).

For the purpose of determining eligibility, creditable service includes service under the Maine State Retirement System after termination of legislative service.

Benefit: $1/50$ of average final compensation multiplied by years of creditable service, reduced for retirement before age 60; minimum \$100 per month if there are at least 10 years of creditable service.

Form of payment: life annuity.

6. Disability Retirement Benefits.

Eligibility: permanent mental or physical incapacitation before normal retirement age while in service; unable to perform duties of own position.

Benefit: $66\frac{2}{3}\%$ of average final compensation, reduced by employment earnings over \$10,000, and to the extent that the benefit, in combination with worker's compensation and Social Security, exceeds 80% of average final compensation.

Form of Payment: payment begins on termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of 10 years following normal retirement age or date the service retirement benefit exceeds the disability benefit.



SUMMARY OF PLAN PROVISIONS (Continued)

Conversion to Service Retirement: during the period of disability, average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of 66-2/3% of average final compensation or ten (10) years after the normal retirement date, if earlier, the disability benefit converts to a service retirement benefit based on service and pay at that point.

7. Ordinary Death Benefits Before Eligibility for Service Retirement.

Eligibility: death while active or disabled before eligibility for service retirement.

Benefit: member's accumulated contributions at time of death. A surviving spouse, children, parents, or other beneficiaries may be eligible to elect (in lieu of contributions) survivor benefits in monthly amounts varying by number of eligible survivors.

8. Ordinary Death Benefits After Eligibility for Service Retirement.

Eligibility: death while active or disabled after eligibility for retirement but before benefit commencement date.

Benefit: Option 2 (see item 12) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit described in item 7 instead. Otherwise, accumulated contributions are payable to the estate.

9. Accidental Death Benefits.

Eligibility: death while active or disabled resulting from injury related to employment.

Benefit: if the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's final average compensation shared between dependent children and surviving spouse (if any). Benefits are reduced by amounts payable under worker's compensation.

10. Refund of Contributions.

Eligibility: termination of service except by retirement or death.

Benefit: member's accumulated contributions.

11. Cost-of-living Adjustments.

All retirement and survivor benefits are adjusted each year there is a percentage change in the Consumer Price Index, based on the Index. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for six months. The maximum increase or decrease is 4%. Earnable compensation used in determining benefits for disabled members is indexed similarly.

12. Optional Methods of Payment.

Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the Board.



SUMMARY OF ACTUARIAL ASSUMPTIONS

This schedule summarizes the actuarial assumptions and methods used in the valuation.

ACTUARIAL ASSUMPTIONS

1. Annual Rate of Investment Return: 8.0%
2. Annual Rate of Salary Increase: 6.0%
3. Annual Cost-of-living Increase: 4.0%
4. Expense Allowance: None
5. Retirement Age: 60
6. Probabilities of employment termination:

<u>at Age</u>	<u>due to:</u>	<u>Death</u>	<u>Disability</u>	<u>Quitting</u>
25		.0006	.0006	.07
30		.0008	.0006	.06
35		.0011	.0007	.05
40		.0016	.0011	.04
45		.0029	.0022	.03
50		.0053	.0042	.02
55		.0085	.0072	.01

FUNDING METHOD

1. Retirement Benefits: Aggregate
2. Ancillary Benefits: Term Cost Method
3. Amortization Period: Future Service Lifetime
(Level Percent of Payroll)

ASSET VALUATION METHOD

Assets are valued at actuarial value. See the "Assets" section of the "Actuaries Report: MSRS—1992" for a detailed description.

ACTUARIES' REPORT: JUDICIAL RETIREMENT SYSTEM—1992

The Maine State Retirement System has retained the firm of Milliman and Robertson, Inc., as consulting actuaries. The following report is Milliman and Robertson's actuarial valuation of the Maine Judicial Retirement System for the fiscal year ending June 30, 1992. The report includes the following sections:

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PARTICIPANT DATA

1. Number of Active Employees	46
2. Active Payroll	\$3,592,185
3. Number of Retired Members and Beneficiaries	22
4. Annual Retiree and Beneficiary Benefits	\$856,245
5. Number of Vested and Inactive Members	1

COST RESULTS

1. Retirement Benefits	
A. Employer Normal Cost	19.61%
B. Unfunded Actuarial Liability	12.87%
Total Retirement Cost	32.48%
2. Disability Cost	2.08%
3. Survivor Benefit Cost	0.25%
Total Cost	34.81%

ACCOUNTING INFORMATION

1. GASB Disclosure	
A. Pension Benefit Obligation:	
1. Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 10,475,059
2. Current employees	
- Accumulated employee contributions including allocated investment earnings	1,378,110
- Employer-financed vested contributions	7,149,691
- Employer-financed non-vested contributions	3,567,928
Total Pension Benefit Obligation	\$22,570,788
B. Net Assets Available for Benefits (at cost)	\$11,561,700
Unfunded Pension Benefit Obligation (not less than \$0)	\$ 11,009,088
2. Other Accounting Information	
A. Actuarial Value of Assets	\$13,223,826
B. Unfunded Actuarial Liability	\$ 9,506,060
C. Market Value of Assets	\$13,515,024
D. Unfunded Accrued Liability	\$ 6,353,924
E. Amortization Period	25 years



SUMMARY OF PLAN PROVISIONS

Retirement On or After December 1, 1984

1. Membership.

Membership is a condition of employment for all judges serving on or after December 1, 1984. Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. Member Contributions.

Members are required to contribute 6.5% of earnable compensation.

3. Average Final Compensation.

For purposes of determining benefits payable under the System, average final compensation is the average annual rate of earnable compensation for the three years of creditable service as a judge (not necessarily consecutive) which produce the highest such average.

4. Creditable Service.

Creditable service includes the following:

- A. All judicial service as a member after November 30, 1984.
- B. All judicial service before December 1, 1984.
- C. Service while receiving disability benefits under the System.
- D. All service creditable under the Maine State Retirement System provided the member elects to have his own and the employer's contributions on behalf of the service transferred to the judicial system.

5. Service Retirement Benefits.

Eligibility: 25 years of creditable service, or attainment of age 60 with 10 years of creditable service, or attainment of age 70 and one year of service immediately before retirement.

Benefit: sum of (A) $1/50$ of average final compensation multiplied by years of membership service and creditable service transferred from the Retirement System, and (B) 75% of November 30, 1984 salary for the position held at retirement, pro-rated for prior service less than 10 years. The benefit is reduced for retirement before age 60.

Maximum Benefit: 60% of average final compensation.

Minimum Benefit: for a judge in service and age 50 on December 1, 1984, 75% of salary on June 30, 1984 for the position held at retirement.

Form of Payment: life annuity; except for a judge in service and age fifty (50) before December 1, 1984, 50% joint and survivor annuity.

6. Disability Retirement Benefits.

Eligibility: permanently mentally or physically incapacitated while in service before eligibility for unreduced retirement; unable to perform duties of own position.

Benefit: $66\frac{2}{3}\%$ of average final compensation, reduced by the amount by which employment earnings plus the disability allowance exceeds the current salary of the position held at disability, and to the extent that the benefit, in combination with Workers' Compensation, exceeds 80% of the average final compensation. A member in service on November 30, 1984, may elect benefits applicable for retirement before December 1, 1984.



SUMMARY OF PLAN PROVISIONS

Retirement On or After December 1, 1984

(Continued)

Form of Payment: payment begins on termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of attainment of age 70 and date the service retirement benefit exceeds the disability benefit.

Conversion to Service Retirement: during the period of disability average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of 66 2/3% of average final compensation or at age 70, if earlier, the disability benefit converts to a service retirement benefit based on service and pay at that point.

7. Ordinary Death Benefits Before Eligibility for Service Retirement.

Eligibility: death while active or disabled before eligibility for service retirement.

Benefit: member's accumulated contributions at time of death. A surviving spouse, children, parents or other beneficiaries may be eligible to elect (in lieu of contributions) survivor benefits in monthly amounts varying by number of eligible survivors.

Minimum Benefit: for a judge in service prior to December 1, 1984, one-half of the judge's retirement benefit determined on date of death, payable to the spouse and/or dependent children.

8. Ordinary Death Benefits After Eligibility for Service Retirement.

Eligibility: death after eligibility for retirement but before benefit commencement date.

Benefit: Option 2 (see item 12) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit described in item 7 instead. Otherwise, accumulated contributions are payable to the estate.

9. Accidental Death Benefits.

Eligibility: death while active or disabled resulting from injury related to employment.

Benefit: if the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's average final compensation shared between dependent children and surviving spouse (if any).

10. Refund of Contributions.

Eligibility: termination of service except by retirement or death.

Benefit: member's accumulated contributions.

11. Cost-of-living Adjustments.

Except as described below, all retirement and survivor benefits are adjusted each year there is a percentage change in the Consumer Price Index (CPI), based on the CPI. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for six months. The maximum increase or decrease is 4%. Earnable compensation used in determining benefits for disabled members is indexed similarly.

Minimum benefits are increased 6% per year from July, 1985, through July, 1989, and as described above



SUMMARY OF PLAN PROVISIONS

Retirement On or After December 1, 1984

(Continued)

12. Optional Methods of Payment.

- Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.
- Option 2: 100% joint and survivor annuity.
- Option 3: 50% joint and survivor annuity.
- Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the Board.

Retirement Prior to December 1, 1984

(Administered by the Court System)

1. Currently Effective Annual Salary.

For determination of benefit payments, currently effective annual salary is the salary on June 30, 1984 for the position last held, increased by 6% per year each July 1, beginning July 1, 1984.

2. Regular Retirement Benefits.

Eligibility: attainment of age 70 with seven years of service or attainment of age 65 with 12 years of service, or attainment of age 60 with 20 years of service.

Benefit: three-quarters of currently effective annual salary.

3. Disability Benefits.

Three-quarters of currently effective annual salary.

4. Survivor Benefits.

Three-eighths of current effective annual salary, payable to the surviving spouse of dependent children.



SUMMARY OF ACTUARIAL ASSUMPTIONS

This schedule summarizes the actuarial assumptions and methods used in the valuation.

ACTUARIAL ASSUMPTIONS

1. Annual Rate of Investment Return: 8.0 percent
2. Annual Rate of Salary Increase: 6.0 percent
3. Annual Cost-of-living Increase: 4.0 percent
4. Expense Allowance: None
5. Retirement Age: 60
6. Probabilities of employment termination:

<u>at Age</u>	<u>due to:</u>	<u>Death</u>	<u>Disability</u>	<u>Quitting</u>
25		.0006	.0006	.07
30		.0008	.0006	.06
35		.0011	.0007	.05
40		.0016	.0011	.04
45		.0029	.0022	.03
50		.0053	.0042	.02
55		.0085	.0072	.01

FUNDING METHOD

1. Retirement Benefits: Entry Age Normal
2. Ancillary Benefits: Term Cost Method
3. Amortization Period: 25 Years

ASSET VALUATION METHOD

Assets are valued at actuarial value. See the "Assets" section of the "Actuaries Report: MSRS—1992" for a detailed description.

INVESTMENTS—1992

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INVESTMENT SUMMARY BY FUND, MANAGER, OR ACCOUNT

<u>FUND/MANAGER/ACCOUNT</u>	<u>COST</u>	<u>MARKET VALUE</u>
Alliance Capital (Equity)	\$ 119,887,194.21	\$ 129,459,466.00
Alliance Capital (Fixed)	77,158,106.69	79,231,883.68
ARK Management	104,006,028.69	107,352,487.00
Bankers Trust Co.	92,145,814.24	83,490,424.01
Boston Co. Institutional Inv	58,719,775.87	66,859,331.26
Brinson Partners	57,393,775.40	52,489,243.46
Columbus Circle Investors	116,879,243.54	146,629,154.50
First Reserve Energy	1,972,371.25	1,019,728.47
GEO Capital	51,934,247.20	59,483,131.64
Gouws Capital Management	113,025,927.67	115,686,180.00
Group Life Account	21,959,641.82	24,939,519.50
Morgan Guaranty (MGT)	126,863,209.92	154,489,925.24
Morgan Guaranty (Multi-Market)	5,018,756.52	4,975,250.00
Morgan Guaranty (Private Placements)	45,525,184.68	51,352,929.79
MSR-Liquidity	6,693,057.00	6,693,057.00
Panagora (Equity Core)	406,434,494.77	643,299,354.52
Panagora (Fixed income)	411,945,679.82	480,612,587.03
Peregrine Capital	53,512,152.49	57,500,062.13
Property Capital Advisors	48,146,834.61	42,378,483.58
Putnam Advisory	80,601,137.82	82,911,318.92
Travelers Insurance	12,809,149.13	11,964,915.88
Walter Scott & Partners	51,705,208.41	51,697,941.05
TOTAL	\$2,064,336,991.75	\$2,454,516,374.66

INVESTMENT SUMMARY BY TYPE

	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
Cash and Equivalents	\$ 122,597,075.61	\$ 122,600,634.38	\$ 3,558.77
Common Stock	1,089,611,935.01	1,369,958,430.69	276,094,917.46
Fixed Income Securities	789,199,626.14	906,676,228.42	117,476,602.28
Oil and Gas Investments	1,972,371.25	937,681.71	(1,034,689.54)
Real Estate	60,955,983.74	54,343,399.46	(6,612,584.28)
TOTAL	\$2,064,336,991.75	\$2,454,516,374.66	\$385,927,804.69

CASH AND EQUIVALENTS

<u>NAME</u>	<u>UNITS SHARES/PAR</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/(LOSS)</u>
Currency Trading		1,817,374.61	1,820,933.38	3,558.77
TBC Inc Pooled Employee Funds	\$89,518,995.00	\$ 89,518,6995.00	\$120,779,701.00	
TOTAL CASH AND EQUIVALENTS		\$122,597,075.61	\$122,600,634.38	\$ 3,558.77



COMMON STOCK

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
AHOLD Nv NTFL2.5	16,000.00	765,917.22	48.68	778,806.40	12,889.18
AICORP Inc	70,000.00	508,750.00	4.00	280,000.00	(228,750.00)
Air Prods & Chems Inc	65,000.00	1,994,219.92	42.50	2,762,500.00	768,280.08
Alexander & Alexander Services Inc	30,000.00	604,500.00	21.50	645,000.00	40,500.00
Alliant Techsystems Inc	37,000.00	851,005.16	22.75	841,750.00	(9,255.16)
Allied Signal Inc	64,800.00	3,450,781.20	53.75	3,483,000.00	32,218.80
Alza Corp	105,600.00	3,162,474.90	45.63	4,818,000.00	1,655,525.10
Amerada Hess Corp	25,100.00	1,114,880.87	45.25	1,135,775.00	20,894.13
American Building Maintenance Inds	15,750.00	521,070.00	36.50	574,875.00	53,805.00
American Electric Power Inc	60,000.00	1,523,361.32	31.88	1,912,500.00	389,138.68
American Express Co	111,500.00	2,959,034.68	23.25	2,592,375.00	(366,659.68)
American Intl Group Inc	81,400.00	6,224,188.41	88.63	7,214,075.00	989,886.59
American PAC Corp	21,300.00	649,650.00	31.25	665,625.00	15,975.00
American Telephone & Telegraph Co	128,700.00	4,810,359.27	43.00	5,534,100.00	723,740.73
Ametek Inc	80,000.00	986,223.08	15.63	1,250,000.00	263,776.92
Amgen Inc	77,000.00	4,076,725.00	60.88	4,687,375.00	610,650.00
Amoco Corp	88,700.00	4,326,740.20	47.75	4,235,425.00	(91,315.20)
AMR Corp Del	72,600.00	4,689,179.81	64.63	4,691,775.00	2,595.19
Amtech Corp	22,200.00	471,750.00	15.75	349,650.00	(122,100.00)
Anadarko Pete Corp	4,300.00	96,072.40	23.63	101,587.50	5,515.10
Analog Devices Inc	60,000.00	574,200.00	9.63	577,500.00	3,300.00
Anheuser Busch Cos Inc	17,000.00	898,417.13	55.50	943,500.00	45,082.87
Apple Computer Inc	50,000.00	2,809,395.00	48.00	2,400,000.00	(409,395.00)
Archer Daniels Midland Co	48,700.00	1,176,520.05	23.63	1,150,537.50	(25,982.55)
Armco Inc	25,400.00	1,355,357.00	7.00	877,800.00	(477,557.00)
Asarco Inc	47,400.00	1,486,511.70	30.25	1,433,850.00	(52,661.70)
Astra AB 'A'Free Swkr	8,000.00	788,883.91	97.00	776,021.80	(12,862.11)
Atlantic Richfield Co	30,100.00	3,340,342.66	107.75	3,243,275.00	(97,067.66)
Automatic Data Processing Inc	33,400.00	1,501,416.10	42.75	1,427,850.00	(73,566.10)
Avnet Inc	128,600.00	3,305,584.22	27.63	3,552,575.00	246,990.78
Avon Prods Inc	50,000.00	1,944,734.83	51.25	2,562,500.00	617,765.17
Bank New York Inc	36,600.00	1,501,720.00	40.38	1,477,725.00	(23,995.00)
Bank of Boston Corp	30,400.00	727,977.00	24.63	748,600.00	20,623.00
Bankamerica Corp	103,900.00	3,795,844.88	44.38	4,610,562.50	814,717.62
Bankers Trust Intl Equity Index Fund	734,724.55	92,145,814.24	113.64	83,490,424.01	(8,655,390.23)
Bankers Trust N Y Corp	24,900.00	1,428,531.15	58.75	1,462,875.00	34,343.85
Baxter Intl Inc	29,600.00	1,046,511.99	36.38	1,076,700.00	30,188.01
Bear Stearns Cos Inc	60,637.00	806,209.85	16.50	1,000,510.50	194,300.65
Bearings Inc New	10,000.00	211,987.35	17.63	176,250.00	(35,737.35)
Bellsouth Corp	40,000.00	1,890,860.71	49.38	1,975,000.00	84,139.29
Benchmark Electronics Inc	46,100.00	645,400.00	12.88	593,537.50	(51,862.50)
BHA Group Inc	30,100.00	484,712.50	18.25	549,325.00	64,612.50
BMC Software Inc	54,400.00	1,979,631.00	45.00	2,448,000.00	468,369.00
Borland Intl Inc	15,000.00	1,038,166.65	41.25	618,750.00	(419,416.65)
Bowater Inc	50,000.00	1,133,500.00	20.75	1,037,500.00	(96,000.00)
Brand Cos Inc	33,500.00	651,278.43	16.25	544,375.00	(106,903.43)
Brown Group Inc	75,000.00	1,799,859.15	22.75	1,706,250.00	(93,609.15)
Brunswick Corp	70,000.00	967,585.71	14.63	1,023,750.00	56,164.29
Brush Wellman Inc	70,000.00	1,134,600.00	16.50	1,155,000.00	20,400.00
Burlington Northern Inc	33,200.00	1,283,870.81	37.38	1,240,850.00	(43,020.81)
Cable & Wireless	75,000.00	795,888.30	9.97	748,075.50	(47,812.80)
Cabot Corp	15,000.00	459,783.16	45.00	675,000.00	215,216.84
Cadence Design Systems Inc	55,000.00	1,171,165.00	20.38	1,120,625.00	(50,540.00)
Cambridge Biotech Corp	63,700.00	569,489.34	5.75	366,275.00	(203,214.34)
Capital RE Corp	32,000.00	624,000.00	18.00	576,000.00	(48,000.00)
Carlisle Cos Inc	25,000.00	804,625.00	42.75	1,068,750.00	264,125.00
Castle Energy Corp	28,538.30	0.00	2.87	82,046.76	82,046.76
Catherines Stores Corp	45,000.00	580,927.50	11.50	517,500.00	(63,427.50)
Cato Corp	53,900.00	606,375.00	12.63	680,487.50	74,112.50
CBS Inc	4,500.00	692,916.86	193.00	868,500.00	175,583.14
Cellcor Inc	26,400.00	292,719.86	5.00	132,000.00	(160,719.86)
Cellular Communications Inc NE	40,000.00	1,357,385.00	33.50	1,340,000.00	(17,385.00)
Cellular Communications Intl	6,667.00	23,333.24	2.75	18,334.25	(4,998.99)



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Cellular Communications P R	6,667.00	125,006.25	15.00	100,005.00	(25,001.25)
Centerior Energy Corp	44,300.00	698,151.00	17.00	753,100.00	54,949.00
Centex Corp	43,900.00	1,641,260.60	43.63	1,915,137.50	273,876.90
Central Maine Power Co	60,000.00	1,061,316.91	22.88	1,372,500.00	311,183.09
Century Communications Corp	51,973.80	471,251.04	10.63	552,221.64	80,970.60
Champion Intl Corp	105,100.00	3,042,495.13	27.50	2,890,250.00	(152,245.13)
Chemical Banking Corp	206,052.00	5,597,085.34	37.13	7,649,680.50	2,052,595.16
Cheung Kong (Holdings)	500,000.00	1,567,188.97	3.39	1,694,695.99	127,507.02
China Light & Power Co	350,000.00	1,571,856.10	4.43	1,550,776.20	(21,079.90)
Chiron Corp	30,000.00	1,498,063.00	54.75	1,642,500.00	144,437.00
Chubb Corp	26,700.00	1,648,856.95	71.00	1,895,700.00	246,843.05
Cisco Sys Inc	126,200.00	4,129,552.13	47.00	5,931,400.00	1,801,847.87
Citicorp	69,600.00	1,452,377.20	21.25	1,479,000.00	26,622.80
CML Group Inc	13,800.00	279,893.33	49.50	683,100.00	403,206.67
Coastal Corp	334,700.00	9,466,889.66	24.88	8,325,66.50	(1,140,227.16)
Coca Cola Co	217,800.00	8,141,365.11	40.00	8,712,000.00	570,634.89
Comcast Corp	140,000.00	2,167,034.00	17.13	2,397,500.00	230,466.00
Consolidated Rail Corp	20,200.00	1,043,747.42	90.38	1,825,575.00	781,827.58
Consolidated Stores Corp	77,100.00	705,513.46	11.63	896,287.50	190,774.04
Continental Corp	70,000.00	2,085,400.00	28.13	1,968,750.00	(116,650.00)
Continental Med Sys Inc	57,000.00	906,220.00	15.00	855,000.00	(51,220.00)
Coors Adolph Co	70,000.00	1,281,025.00	19.63	1,373,750.00	92,725.00
Corning Inc	13,500.00	424,239.21	37.63	507,937.50	83,698.29
Countrywide Cr Inds Inc	50,900.00	2,207,619.40	34.75	1,768,775.00	(438,844.40)
Critical Care America Inc	27,900.00	871,932.20	38.50	1,074,150.00	202,217.80
CSX Corp	27,300.00	1,160,640.25	63.38	1,730,137.50	569,497.25
CUC Intl Inc	58,200.00	1,272,899.96	29.88	1,738,725.00	465,825.04
Cygnus Therapeutic Systems	41,700.00	645,712.50	11.00	458,700.00	(187,012.50)
Daiwa House Industry Co	55,000.00	796,190.28	12.56	690,531.99	(105,658.29)
Damon Corp New	39,800.00	834,817.90	24.00	955,200.00	120,382.10
Dana Corp	48,800.00	2,064,657.60	43.63	2,128,900.00	64,242.40
Dayton Hudson Corp	30,100.00	1,974,769.63	67.00	2,016,700.00	41,930.37
Delta Queen Steamboat Co	41,200.00	557,120.08	10.63	437,750.00	(119,370.08)
Dexter Corp	60,000.00	1,266,330.00	26.38	1,582,500.00	316,170.00
Digital Equip Corp	49,300.00	2,821,502.08	34.63	1,707,012.50	(1,114,489.58)
Dillard Dept Stores Inc	105,000.00	3,558,358.53	36.88	3,871,875.00	313,516.47
Disney Walt Co	158,000.00	5,159,349.57	36.13	5,707,750.00	548,400.43
Douglas & Lomason Co	23,000.00	598,000.00	18.00	414,000.00	(184,000.00)
Dow Chem Co	36,900.00	2,257,826.80	57.63	2,126,362.50	(131,464.30)
Dow Jones & Co Inc	46,500.00	1,503,678.60	32.13	1,493,812.50	(9,866.10)
Dreyers Grand Ice Cream Inc	40,000.00	997,624.80	18.88	755,000.00	(242,624.80)
Duff & Phelps Utilities Income Inc	100,000.00	849,770.95	10.13	1,012,500.00	162,729.05
Dyckerhoff AG Non V. Pref	2,500.00	884,425.28	366.88	917,205.39	32,780.11
Easel Corp	80,000.00	1,610,000.00	22.75	1,820,000.00	210,000.00
Eastern Enterprises	90,000.00	2,221,045.00	27.50	2,475,000.00	253,955.00
Eastman Kodak Co	50,000.00	2,037,969.44	40.13	2,006,250.00	(31,719.44)
Elan Plc Adr	23,200.00	840,092.01	40.38	936,700.00	96,607.99
Elan Plc Unit 1 Drug Research	5,600.00	138,051.43	34.00	190,400.00	52,348.57
Electronic Arts	68,600.00	1,237,766.90	23.75	1,629,250.00	391,483.10
Ethyl Corp	23,100.00	574,812.79	26.50	612,150.00	37,337.21
Exabyte Corp	28,400.00	903,838.80	31.88	905,250.00	1,411.20
Federal Home Loan Mtg Corp	40,000.00	1,693,784.00	39.75	1,590,000.00	(103,784.00)
Federal National Mtg Assn	98,300.00	4,350,260.98	61.00	5,996,300.00	1,646,039.2
Federal Paper Board Inc	80,000.00	2,386,138.17	29.50	2,360,000.00	(26,138.17)
First Brands Corp	30,000.00	771,775.00	27.25	817,500.00	45,725.00
First Finl Mgmt Corp	80,000.00	2,120,051.20	29.88	2,390,000.00	269,948.80
First UN Corp	86,900.00	2,950,344.00	37.88	3,291,337.50	340,993.50
First USA Inc	55,000.00	605,060.80	11.25	618,750.00	13,689.20
Fleetwood Enterprises Inc	30,000.00	805,850.00	28.50	855,000.00	49,150.00
Ford Motor Co	128,000.00	5,241,202.16	45.88	5,872,000.00	630,797.84
Forest Labs Inc	50,000.00	1,550,734.00	32.00	1,600,000.00	49,266.00
Foundation Health Corp	88,650.00	1,916,820.84	29.50	2,615,175.00	698,354.16
Franklin Quest Co	40,000.00	620,000.00	18.50	740,000.00	120,000.00
Gannett Inc	33,900.00	1,546,283.60	44.38	1,504,312.50	(41,971.10)



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Gehe AG	1,250.00	779,059.91	620.22	775,276.47	(3,783.44)
General Cinema Corp	31,600.00	699,929.17	23.88	754,450.00	54,520.83
General Electric Co	113,800.00	7,933,653.42	77.75	8,847,950.00	914,296.58
General Motors Corp	53,900.00	2,294,833.40	44.00	2,371,600.00	76,766.60
General Motors Corp Class E	64,400.00	1,988,189.00	28.00	1,803,200.00	(184,989.00)
General RE Corp	51,600.00	4,201,685.39	84.75	4,373,100.00	171,414.61
Genetics Institute Inc Depositary	36,000.00	1,042,690.84	31.75	1,143,000.00	100,309.16
Genting Berhad	155,000.00	731,735.11	4.91	761,321.00	29,585.89
Genuine Parts Co	37,500.00	955,398.77	32.00	1,200,000.00	244,601.23
Georgia Gulf Corp	103,900.00	1,825,220.80	21.13	2,194,887.50	369,666.70
Georgia Pacific Corp	49,700.00	2,245,892.83	61.25	3,044,125.00	798,232.17
Geresheimer Glas Ag	3,400.00	743,675.35	207.40	705,148.82	(38,526.53)
Gerrity Oil & Gas Corp	62,300.00	416,276.23	8.38	521,762.50	105,486.27
Goodyear Tire & Rubber Co	49,200.00	1,959,635.21	68.63	3,376,350.00	1,416,714.79
Great Westn Financial Corp	36,600.00	585,610.90	16.88	617,625.00	32,014.10
Halliburton Co	60,000.00	1,548,575.00	26.63	1,597,500.00	48,925.00
Harris Corp Del	60,000.00	1,521,000.00	27.50	1,650,000.00	129,000.00
Health Care & Retirement Corp	53,500.00	997,346.00	19.00	1,016,500.00	19,154.00
Health Images Inc	66,000.00	801,877.00	10.25	676,500.00	(125,377.00)
Healthtrust Inc The Hospital Co	102,300.00	1,474,744.40	14.25	1,457,775.00	(16,969.40)
Heart Technology Inc	29,000.00	579,375.00	11.25	326,250.00	(253,125.00)
Hecla Mining Co	80,000.00	1,011,362.50	9.75	780,000.00	(231,362.50)
Helmerich & Payne Inc	60,000.00	1,382,325.00	23.13	1,387,500.00	5,175.00
Hercules Inc	20,000.00	860,700.00	52.75	1,055,000.00	194,300.00
Hewlett Packard Co	33,800.00	2,622,993.10	68.88	2,327,975.00	(295,018.10)
Hirose Electronics	30,000.00	833,093.68	28.77	862,966.33	29,872.65
Home Depot Inc	114,000.00	3,330,056.78	67.25	7,666,500.00	83,865.00
Homedco Group Inc	78,000.00	1,340,625.00	19.50	1,521,000.00	180,375.00
Homestake Mining Co	100,000.00	1,350,750.00	13.13	1,312,500.00	(38,250.00)
Hughes Supply Inc	27,000.00	442,415.00	11.75	317,250.00	(125,165.00)
Humana Inc	50,000.00	1,184,630.00	21.13	1,056,250.00	(128,380.00)
Immune Response Corp	12,500.00	224,535.09	24.75	309,375.00	84,839.91
Infrasonics Inc New	25,000.00	250,000.00	8.13	203,125.00	(46,875.00)
Integrated Health Services Inc	35,000.00	665,000.00	20.00	700,000.00	35,000.00
Intel Corp	60,000.00	2,828,926.28	57.00	3,420,000.00	591,073.72
Intl Business Machines Corp	70,400.00	7,219,456.19	97.88	6,890,400.00	(329,056.19)
ISS Internatl Service Syst As	4,750.00	775,127.92	170.55	810,124.69	34,996.77
ITO-Yokado Co	45,000.00	1,573,991.80	34.25	1,541,181.59	(32,810.21)
ITT Corp	65,600.00	3,677,894.01	64.75	4,247,600.00	569,705.99
James Riv Corp Virginia	70,000.00	1,524,062.50	20.50	1,435,000.00	(89,062.50)
Jungheinrich Prf	3,400.00	763,718.56	221.18	752,009.98	(11,708.58)
K Mart Corp	40,000.00	680,580.00	23.00	920,000.00	239,420.00
Kaman Corp	70,000.00	794,140.00	10.13	708,750.00	(85,390.00)
Kerr McGee Corp	20,000.00	741,400.00	40.00	800,000.00	58,600.00
Kohls Corp	36,400.00	509,600.00	18.25	664,300.00	154,700.00
La Quinta Motor Inns Inc	56,300.00	777,831.10	16.63	935,987.50	158,156.40
Ladd Furniture Inc	71,100.00	639,900.00	7.88	559,912.50	(79,987.50)
LDDS Communications Inc	21,200.00	353,333.34	29.00	614,800.00	261,466.66
Legent Corp	50,000.00	1,480,000.00	32.75	1,637,500.00	157,500.00
Legg Mason Inc	70,100.00	1,420,495.20	19.38	1,358,187.50	(62,307.70)
Limited Inc	121,600.00	2,649,808.59	22.75	2,766,400.00	116,591.41
Lockheed Corp	20,000.00	881,244.50	44.13	882,500.00	1,255.50
Loews Corp	22,200.00	2,323,677.71	111.50	2,753,300.00	151,622.29
Longs Drug Stores Corp	40,000.00	1,362,470.00	33.38	1,335,000.00	(27,470.00)
Loral Corp	80,000.00	3,214,645.40	32.25	2,580,000.00	(634,645.40)
L'Oreal FF 10	4,750.00	798,955.00	177.53	843,291.23	44,336.23
Louisiana Land & Exploration Co	20,000.00	630,075.00	34.00	680,000.00	49,925.00
Louisiana Pac Corp	100,500.00	2,937,092.80	46.25	4,648,125.00	1,711,032.20
M A Com Inc	115,000.00	936,532.00	5.13	589,375.00	(347,157.00)
Marion Merrell Dow Inc	58,100.00	1,777,836.90	32.75	1,902,775.00	124,938.10
Marks & Spencer Ord	131,975.00	819,093.13	6.30	831,519.71	12,426.58
Martin Marietta Corp	15,900.00	837,035.83	52.38	832,762.50	(4,273.33)
Maxim Integrated Products Inc	26,700.00	537,337.50	21.00	560,700.00	23,362.50
Maxus Energy Corp	60,000.00	454,200.00	6.00	360,000.00	(94,200.00)



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
May Dept Stores Co	84,900.00	4,469,503.02	55.38	4,701,337.50	231,834.48
Maytag Corp	112,700.00	2,240,369.60	16.50	1,859,550.00	(380,819.60)
McCormick & Co Non Voting	59,800.00	1,592,632.50	22.25	1,330,550.00	(262,082.50)
McDonalds Corp	35,000.00	1,113,700.00	46.00	1,610,000.00	496,300.00
MCI Communications Corp	28,100.00	738,494.56	32.13	902,712.50	164,217.94
McKesson Corp	50,000.00	1,651,805.00	31.75	1,587,500.00	(64,305.00)
Medaphis Corp	52,700.00	698,914.87	16.50	869,550.00	170,635.13
Medco Containment Services Inc	117,70.00	1,879,948.57	30.00	3,531,000.00	1,651,051.43
Medical Imaging Centers Amer Inc	40,000.00	447,440.00	3.00	120,000.00	(327,440.00)
Melville Corp	55,300.00	2,515,212.09	45.50	2,516,150.00	937.91
Merck & Co Inc	120,000.00	5,868,111.81	48.75	5,850,000.00	(18,111.81)
Mercury Fin Co	293,642.00	2,151,324.54	12.38	3,633,819.75	1,482,495.21
Meredith Corp	20,000.00	503,437.50	27.38	547,500.00	44,062.50
Merisel Inc	86,700.00	694,569.88	10.75	932,025.00	237,455.12
Methanex Corp	88,400.00	1,021,083.60	8.25	729,300.00	(291,783.60)
MGI Pharma Inc	30,000.00	247,500.00	7.25	217,500.00	(30,000.00)
Micro Focus Group Plc	32,200.00	1,000,672.12	32.88	1,058,575.00	57,902.88
Microsoft Corp	84,700.00	3,687,411.84	70.00	5,929,000.00	2,241,588.16
Miller Herman Inc	10,000.00	195,000.00	17.75	177,500.00	(17,500.00)
Mobile Telecommunications Tech	98,000.00	1,108,004.07	8.75	857,500.00	(250,504.07)
Moore Ltd	75,000.00	1,627,691.50	17.25	1,293,750.00	(333,941.50)
Morgan Stanley Group Inc	30,000.00	1,424,315.00	50.13	1,503,750.00	79,435.00
Morningstar Group Inc	56,000.00	616,000.00	9.50	532,000.00	(84,000.00)
Morton Intl Inc	20,000.00	1,183,770.00	54.38	1,087,500.00	(96,270.00)
Motorola Inc	27,200.00	2,142,915.40	76.63	2,084,200.00	(58,715.40)
Multimedia Inc New	25,000.00	703,125.00	27.50	687,500.00	(15,625.00)
Musicland Stores Corp	45,000.00	652,500.00	15.00	675,000.00	22,500.00
Mutual Risk Management Ltd	19,800.00	332,343.00	30.13	596,475.00	264,132.00
Nabors Inds Inc	110,200.00	779,114.00	7.13	785,175.00	6,061.00
Nac Re Corp	70,000.00	1,637,958.20	25.88	1,811,250.00	173,291.80
Nashua Corp	25,200.00	561,214.00	24.75	623,700.00	62,486.00
National Fuel Gas Co New Jersey	60,000.00	1,377,279.00	25.50	1,530,000.00	152,721.00
National Med Enterprises Inc	180,900.00	3,304,719.86	14.38	2,600,437.50	(704,282.36)
National Pizza Co Class A	10,000.00	124,424.08	7.25	72,500.00	(51,924.08)
National Pizza Co Class B	10,000.00	118,075.92	6.88	68,750.00	(49,325.92)
National Svc Inds Inc	80,000.00	1,871,550.00	24.00	1,920,000.00	48,450.00
Neiman Marcus Group Inc	32,100.00	533,697.30	14.00	449,400.00	(84,297.30)
Netframe Sys Inc	72,600.00	653,400.00	9.25	671,550.00	18,150.00
New England Business Service Inc	52,000.00	913,792.85	16.00	832,000.00	(81,792.85)
New England Electric System	46,200.00	1,203,915.02	32.75	1,513,050.00	309,134.98
Nippon Denso	65,000.00	752,767.84	10.97	712,781.59	(39,986.25)
Norfolk Southn Corp	34,400.00	2,259,721.00	63.63	2,188,700.00	(71,021.00)
North Amern Vaccine Inc	39,400.00	313,462.93	9.63	379,225.00	65,762.07
Norwest Corp	105,900.00	2,779,841.60	38.00	4,024,200.00	1,244,358.40
Novacare Inc	110,000.00	1,657,450.00	16.63	1,828,750.00	171,300.00
Novell Inc	57,300.00	2,431,565.10	53.25	3,051,225.00	619,659.90
Nynex Corp	42,200.00	3,063,340.81	78.88	3,328,525.00	265,184.19
OCOM Corp	6,667.00	27,916.56	4.00	26,668.00	(1,248.56)
Ohio Eison Co	60,000.00	1,096,150.00	20.88	1,252,500.00	156,350.00
Owens Corning Fiberglas Corp	40,000.00	1,482,410.00	30.25	1,210,000.00	(272,410.00)
Pacific Physician Services Inc	43,000.00	524,900.00	9.25	397,750.00	(127,150.00)
Pall Corp	15,000.00	370,730.00	26.00	390,000.00	19,270.00
Paramount Communications Inc	25,000.00	936,750.00	45.38	1,134,375.00	197,625.00
Parker & Parsley Pete Co	59,800.00	659,328.09	12.75	762,450.00	103,121.91
Penn Cent Corp	110,000.00	2,557,711.29	20.13	2,213,750.00	(343,961.29)
Penney J C Inc	59,900.00	3,838,812.40	70.63	4,230,437.50	391,625.10
Pepsico Inc	70,000.00	2,400,850.00	34.88	2,441,250.00	40,400.00
Philip Morris Cos Inc	175,400.00	7,571,316.36	73.50	12,891,900.00	5,320,583.64
Pittston Co	80,000.00	1,303,040.00	15.63	1,250,000.00	(53,040.00)
Polaroid Corp	89,300.00	2,387,255.91	27.38	2,444,587.50	57,331.59
Pope & Talbot Inc	35,000.00	470,575.00	15.50	542,500.00	71,925.00
PPG Inds Inc	34,300.00	2,203,481.00	65.50	2,246,650.00	43,169.00
Primark Corp	61,700.00	704,862.70	9.50	586,150.00	(118,712.70)
Quantum Corp	209,200.00	3,490,938.36	13.50	2,824,200.00	(666,738.36)



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Quantum Health Res Inc	35,000.00	710,085.00	22.25	778,750.00	68,665.00
QVC Network Inc	47,100.00	719,883.86	20.50	965,550.00	245,666.14
Raychem Corp	40,000.00	1,309,135.00	31.88	1,275,000.00	(34,135.00)
Raymond James Finl Inc	26,800.00	553,908.61	20.75	556,100.00	2,191.39
Rehabclinics Inc	20,000.00	260,000.00	10.25	205,000.00	(55,000.00)
Republic N Y Corp	60,000.00	2,175,776.66	39.88	2,392,500.00	216,723.34
Richfood Holdings Inc	10,000.00	176,250.00	17.75	177,500.00	1,250.00
Rite Aid Corp	145,400.00	2,703,614.68	19.88	2,889,825.00	186,210.32
RJR Nabisco Holdings Corp	200,000.00	2,191,538.00	8.75	1,750,000.00	(441,538.00)
RJR Nabisco Holdings Corp Depstry	249,600.00	2,536,135.50	9.88	2,464,800.00	(71,335.50)
Rockwell Intl Corp	60,000.00	1,436,075.00	23.13	1,387,500.00	(48,575.00)
Rohm & Haas Co	25,000.00	1,165,886.83	55.25	1,381,250.00	215,363.17
Royal Dutch Pete Co	10,000.00	309,519.00	87.63	876,250.00	566,731.00
Sainsbury(j) Ord	90,000.00	787,589.69	9.02	812,033.10	24,443.41
Salomon Inc	25,000.00	670,909.09	33.75	843,750.00	172,840.91
Sap Ag	700.00	769,774.19	1,132.15	792,504.84	22,730.65
Schwab Charles Corp New	17,900.00	343,037.16	23.50	420,650.00	77,612.84
Scigenics Inc Call	49,900.00	770,898.46	16.00	798,400.00	27,501.54
Scott Paper Co	57,500.00	2,159,938.25	38.25	2,199,375.00	39,436.75
Sears Roebuck & Co	40,000.00	1,462,191.11	39.75	1,590,000.00	127,808.89
Sei Corp	27,500.00	758,125.00	22.88	629,062.50	(129,062.50)
Service Corp Intl	20,000.00	454,375.00	25.63	512,500.00	58,125.00
Sholodge Inc	43,400.00	726,950.00	15.75	683,550.00	(43,400.00)
Shoneys Inc	95,000.00	1,609,981.90	20.38	1,935,625.00	325,643.10
Showbiz Pizza Time Inc New	14,550.00	280,429.17	22.75	331,012.50	50,583.33
Sierra Tucson Cos Inc	21,500.00	408,500.00	8.13	174,687.50	(233,812.50)
Singapore Airlines (Alien)	35,000.00	414,088.67	11.31	395,981.45	(18,107.22)
Singapore Intl Airlines	30,000.00	357,460.05	11.31	339,412.67	(18,047.38)
Sizzler Intl Inc	68,200.00	1,094,754.75	10.63	724,625.00	(370,129.75)
Skyline Corp	90,000.00	1,302,932.24	14.38	1,293,750.00	(9,182.24)
Smith A O Corp	20,000.00	545,022.82	33.75	675,000.00	129,977.18
Snap On Tools Corp	25,000.00	803,850.00	31.13	778,125.00	(25,725.00)
Software Publishing Corp	6,500.00	120,242.32	8.75	56,875.00	(63,367.32)
Sonat Inc	10,000.00	424,450.00	37.50	375,000.00	(49,450.00)
Sothebys Holdings Inc	36,200.00	504,192.90	12.63	457,025.00	(47,167.90)
South Jersey Ind	30,000.00	547,511.68	21.50	645,000.00	97,488.32
Southwestern Public Service Co	50,000.00	1,325,428.57	31.75	1,587,500.00	262,071.43
Spar Handels Ag Pfd	3,250.00	787,499.59	250.06	812,686.64	25,187.05
Standard Products Co	16,400.00	398,244.40	32.75	537,100.00	138,855.60
State of the Art Inc	86,000.00	783,625.00	9.00	774,000.00	(9,625.00)
State Street Australia Fund	235,390.19	2,623,174.92	13.49	3,175,178.23	552,003.31
State Street Belgium Fund	137,365.96	1,799,100.00	14.86	2,040,708.69	241,608.69
State Street Canada Fund	370,468.58	3,847,000.00	10.26	3,802,489.49	(44,510.51)
State Street France Fund	179,233.92	2,802,000.00	19.91	3,568,547.27	766,547.27
State Street Germany Fund	237,707.08	4,100,893.85	19.27	4,580,139.98	479,246.13
State Street Italy Fund	117,696.36	1,469,753.87	10.89	1,281,948.77	(187,805.10)
State Street Japan Fund	1,618,636.20	17,111,876.51	6.08	9,846,164.00	(7,265,712.51)
State Street Netherland Fund	140,684.81	2,412,580.32	18.65	2,624,053.13	211,472.81
State Street New Zealand Fund	179,498.42	1,525,000.00	7.53	1,351,623.10	(173,376.90)
State Street Spain Fund	199,249.74	2,049,000.00	10.43	2,078,971.82	29,971.82
State Street Switzerland Fund	93,516.87	1,178,000.00	14.43	1,349,542.01	171,542.01
State Street United Kingdom Fund	668,651.80	11,485,432.80	17.64	11,796,355.07	310,922.27
Stewart Enterprises Inc	15,000.00	294,375.00	18.75	281,250.00	(13,125.00)
Storage Technology Corp	40,000.00	1,969,626.00	31.75	1,270,000.00	(699,626.00)
Stratus Computer Inc	15,000.00	594,080.00	42.88	643,125.00	49,045.00
Structural Dynamics Research	90,000.00	1,518,750.00	15.00	1,350,000.00	(168,750.00)
Sun Inc	60,000.00	1,849,785.00	25.63	1,537,500.00	(312,285.00)
Sybron Corp	36,400.00	509,600.00	16.88	614,250.00	104,650.00
Symantec Corp	60,000.00	1,260,000.00	38.00	2,280,000.00	1,020,000.00
Synergen Inc	63,000.00	1,392,945.00	49.50	3,118,500.00	1,725,555.00
Synoptics Communications Inc	84,300.00	2,639,728.95	32.25	2,718,675.00	78,946.05
Systems Center Inc	50,300.00	433,165.20	9.00	452,700.00	19,534.80
T2 Med Inc	30,000.00	666,880.00	21.00	630,000.00	(36,880.00)
Tandem Computers Inc	158,200.00	2,021,175.85	11.88	1,878,625.00	(142,550.85)



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
TCA Cable TV Inc	32,500.00	667,412.50	20.50	666,250.00	(1,162.50)
TCF Finl Corp	24,000.00	381,093.57	26.25	630,000.00	248,906.43
Technology Solutions Co	20,000.00	427,375.00	16.00	320,000.00	(107,375.00)
Tele Communications Inc	89,300.00	1,377,610.76	19.63	1,752,512.50	374,901.74
Telxon Corp	34,500.00	720,890.36	20.50	707,250.00	(13,640.36)
Temple Inland Inc	30,000.00	1,599,641.00	48.50	1,455,000.00	(144,641.00)
Tenneco Inc	47,900.00	1,618,962.53	37.00	1,772,300.00	153,337.47
Tetra Technologies Inc	35,400.00	692,080.00	6.13	216,825.00	(475,255.00)
Teva Pharmaceutical Inds Ltd	67,900.00	1,625,514.70	23.25	1,578,675.00	(46,839.70)
Texas Instrs Inc	149,600.00	5,263,019.22	35.13	5,254,700.00	(8,319.22)
Texas Instrs Inc Depositary	27,000.00	786,210.35	30.88	833,625.00	47,414.65
Thomas Inds Inc	40,000.00	615,500.00	9.88	395,000.00	(220,500.00)
Time Warner Inc	49,400.00	4,654,147.51	111.00	5,483,400.00	829,252.49
TNT Freightways Corp	45,200.00	873,375.00	15.25	689,300.00	(184,075.00)
Topps Co Inc	97,500.00	1,308,197.50	17.25	1,681,875.00	373,677.50
Total Pharmaceutical Care Inc	55,500.00	767,875.00	17.25	57,375.00	(710,500.00)
Toys R Us Inc	40,000.00	1,082,984.80	34.50	1,380,000.00	297,015.20
Tricare Inc	10,000.00	135,000.00	6.00	60,000.00	(75,000.00)
TRW Inc	35,000.00	1,376,512.50	53.75	1,881,250.00	504,737.50
U S Trust Corp	28,000.00	1,076,585.00	48.88	1,368,500.00	291,915.00
U S West Inc	89,600.00	3,210,053.49	36.50	3,270,400.00	60,346.51
UAL Corp	16,500.00	2,047,127.22	116.00	1,914,000.00	(133,127.22)
UJB Finl Corp	15,000.00	252,150.00	19.63	294,375.00	42,225.00
Unifi Inc	42,825.00	1,184,833.69	38.13	1,632,703.13	447,869.44
Union Pac Corp	15,500.00	725,466.92	50.13	776,937.50	51,470.58
United Healthcare Corp	92,600.00	2,626,897.77	83.00	7,685,800.00	5,058,902.23
United States Shoe Corp	30,000.00	248,343.75	12.50	375,000.00	126,656.25
United States Surgical Corp	57,100.00	3,577,803.46	95.25	5,438,775.00	1,860,971.54
Unocal Corp	110,000.00	2,516,374.54	25.50	2,805,000.00	288,625.46
USF&G Corp	15,000.00	493,575.00	14.25	213,750.00	(279,825.00)
USX-Marathon Group New	151,000.00	3,872,443.48	21.75	3,284,250.00	(588,193.48)
Value Health Inc	65,000.00	1,043,648.00	36.25	2,356,250.00	1,312,602.00
Vanguard Cellular Sys Inc	47,000.00	951,750.00	24.75	1,163,250.00	211,500.00
Vital Signs Inc	60,000.00	1,076,250.00	21.38	1,282,500.00	206,250.00
Waban Inc	71,000.00	1,637,238.40	20.00	1,420,000.00	(217,238.40)
Wal Mart Stores Inc	193,000.00	5,868,642.42	53.75	10,373,750.00	4,505,107.58
Warnaco Group Inc	17,900.00	393,725.61	30.38	543,712.50	149,986.89
Watkins Johnson Co	65,000.00	952,025.00	10.00	650,000.00	(302,025.00)
Wellman Inc	70,000.00	1,783,688.00	21.38	1,496,250.00	(287,438.00)
Westinghouse Electric Corp Depositary	115,300.00	1,992,100.50	18.25	2,104,225.00	112,124.50
Westvaco Corp	21,500.00	789,075.93	38.38	825,062.50	35,986.57
Weyerhaeuser Co	82,300.00	2,727,701.00	34.25	2,818,775.00	91,074.00
Wiley John & Sons Inc	35,500.00	1,272,329.00	39.75	1,411,125.00	138,796.00
Willamette Inds Inc	47,000.00	1,210,542.20	37.75	1,774,250.00	563,707.80
Wilshire 5000 Index Pooled Fund	258,978,238.45	406,434,494.77	2.48	643,299,354.52	236,864,859.75
Witco Corp	10,000.00	340,071.65	42.75	427,500.00	87,428.35
Woolworth Corp	61,900.00	1,751,330.73	27.13	1,679,037.50	(72,293.23)
Xilinx Inc	51,700.00	1,262,977.68	18.13	937,062.50	(325,915.18)
Yamanouchi Pharmaceutical Co	40,000.00	822,840.38	19.23	769,200.19	(53,640.19)
York Intl Corp New	45,800.00	1,482,113.85	33.13	1,517,125.00	35,011.15
Zero Corp	80,000.00	951,325.00	10.25	820,000.00	(131,325.00)
TOTAL COMMON STOCK		1,089,611,935.01		1,369,958,430.69	276,094,917.46



FIXED INCOME SECURITIES

NAME	MATURITY DATE MO/DY/YR	COUPON	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
American Hsg Tr A Sr Mtg CL3	08/25/18	7.63%	1,643,413.50	1,443,767.08	94.81	1,558,161.42	114,394.34
American Stores Cont	04/01/02	9.13%	2,000,000.00	1,989,680.00	102.52	2,050,320.00	60,640.00
Bayerische Landesbk Mtn Tr0012	12/18/92	7.70%	5,000,000.00	5,140,183.80	101.54	5,077,150.00	(63,033.80)
Bear Stearns Cos Inc Note	02/01/02	8.25%	2,000,000.00	1,996,000.00	99.46	1,989,120.00	(6,880.00)
Bond Index Fund			256,138,195.00	411,945,680.00	1.88	480,612,587.03	68,666,907.21
British Aerospace Fin Inc	05/15/97	7.55%	2,750,000.00	2,755,045.00	101.68	2,796,200.00	41,155.00
Commit to Pur FNMA	08/01/22	8.00%	6,540,000.00	6,566,313.30	100.81	6,593,104.80	26,791.50
Commit to Pur GNMA	07/15/13	8.00%	5,000,000.00	5,018,750.00	101.19	5,059,375.00	40,625.00
CPN Treas Rcpts FR	11/15/92	0.00%	2,150,625.00	923,779.46	98.65	2,121,677.59	1,197,898.13
CPN Treas Rcpts FR	11/15/92	0.00%	1,113,750.00	478,400.18	98.65	1,098,758.93	620,358.75
CPN Treas Rcpts Int Pmt	08/15/92	0.00%	2,100,000.00	927,927.00	99.62	2,092,041.00	1,164,114.00
CPN Treas Rcpts Int Pmt	02/15/93	0.00%	2,880,000.00	2,745,692.79	97.68	2,813,212.80	67,520.01
Export Import Bank Korea Bond	05/01/98	9.00%	1,000,000.00	995,000.00	107.28	1,072,840.00	77,840.00
Federal Home Ln Bks Cons Bd	10/26/92	10.85%	1,000,000.00	1,008,125.00	102.22	1,022,190.00	14,065.00
Federal Home Ln Bks Cons Bd	11/25/92	11.10%	1,910,000.00	1,951,781.25	102.91	1,965,504.60	13,723.35
FHLMC Multiclass Mtg P/C 1213H	02/15/20	7.00%	1,830,000.00	1,667,015.63	94.28	1,725,282.64	58,267.01
FHLMC Multiclass Mtg P/C 1241G	10/15/19	7.00%	1,220,000.00	1,118,968.75	94.67	1,154,975.22	36,006.47
FHLMC Multiclass Cfts Ser 31-D	05/15/20	7.55%	2,350,000.00	2,062,429.56	102.77	2,415,095.00	352,665.44
FHLMC Multiclass Cfts Ser 46-B	09/15/20	7.80%	2,250,000.00	2,073,616.07	103.40	2,326,567.50	252,951.43
FNMA Gtd Remic P/T Ctf 90-72-E	03/25/93	9.50%	439,435.03	446,911.18	101.26	444,949.94	(1,961.24)
FNMA Gtd Remic P/T Ctf 92-38-1	11/25/16	6.50%	1,910,000.00	1,668,710.94	90.48	1,728,075.75	59,364.81
FNMA Gtd Remic P/T Ctf 92-49-11	05/25/20	7.00%	1,090,000.00	997,520.26	94.46	1,029,625.34	32,105.08
FNMA Gtd Remic P/T Ctf 92-65-E	09/25/19	7.50%	3,000,000.00	2,838,750.00	97.56	2,926,680.00	87,930.00
FNMA Pool #0000200	03/01/09	6.50%	6,715,603.44	6,159,089.20	99.81	6,702,978.11	543,888.91
FNMA Pool #0044027	12/01/07	7.00%	2,955,005.62	2,809,308.88	98.28	2,904,209.07	94,900.19
FNMA Pool #0125102	05/01/22	8.00%	618,800.59	606,017.31	100.81	623,825.25	17,807.94
FNMA Pool #0159914	05/01/22	8.00%	464.27	454.67	100.81	468.04	13.37
FNMA Pool #0162288	05/01/22	8.00%	735.64	720.46	100.81	741.61	21.15
General Elec Cap Mtn Bk Entry	03/01/07	8.70%	2,500,000.00	2,678,250.00	106.56	2,664,050.00	(14,200.00)
General Mtrs Accep Corp Mt 17	11/01/11	9.45%	2,000,000.00	2,146,500.00	105.59	2,111,880.00	(34,620.00)
Greyhound Finl Corp Note	03/11/97	8.25%	2,000,000.00	1,991,000.00	102.95	2,059,000.00	68,000.00
Household Fin Corp Note	11/15/94	6.88%	2,600,000.00	2,638,870.00	101.70	2,644,226.00	5,356.00
Inter Amern Dev Bk Note	08/01/92	14.63%	5,900,000.00	6,395,149.00	100.57	5,933,453.00	(461,696.00)
KFW Intl Fin Inc Mtn TR#00007	05/19/93	9.33%	2,000,000.00	2,092,880.00	104.16	2,083,240.00	(9,640.00)
Kidder Peabody Mtg Tr 6 CMO G7	07/20/18	7.95%	1,500,000.00	1,365,000.00	100.45	1,506,780.00	141,780.00
Kelley Oil & Gas Sub Deb Conv	04/01/00	8.50%	910,000.00	910,000.00	88.50	805,350.00	(104,650.00)
Korea Elec Pwr Corp Note	07/01/02	8.00%	3,000,000.00	2,977,680.00	101.28	3,038,400.00	60,720.00
Marriott Corp Sr Note Ser M	05/01/02	9.50%	2,150,000.00	2,141,937.50	104.64	2,249,674.00	107,736.50
MBNA Master Cr Card Tr 92-1 A	6/15/99	7.25%	1,500,000.00	1,500,000.00	102.00	1,530,000.00	30,000.00
MGT Multi Market Commingled			50,000.00	5,018,756.52	9,950.50	4,975,250.00	(43,506.52)
Morgan Guarantee Mortgage Fund			481,397.00	126,863,209.92	32,092.00	154,489,925.24	27,626,715.32
Morgan Private Placement			142,991.00	45,525,185.00	35,913.40	51,352,929.79	5,827,745.11
Morgan Stanley Grp Mtn SR00019	07/01/92	9.03%	2,000,000.00	2,000,800.00	100.00	2,000,000.00	(800.00)
Paine Webber Group Mtn	03/11/97	8.76%	1,500,000.00	1,543,140.00	104.96	1,574,400.00	31,260.00
Primerica Holdings Corp	06/15/99	7.75%	2,500,000.00	2,500,000.00	100.74	2,518,375.00	18,375.00
Private Expt Fdg Corp Note Ser Z	05/31/93	8.55%	2,000,000.00	2,082,680.00	102.83	2,056,660.00	(26,020.00)
Royal Trust Co Bonds US	11/30/99	9.13%	2,000,000.00	1,940,880.00	90.69	1,973,740.00	32,860.00
Shearson Lehman Bro Hldg Inc	06/15/97	7.63%	2,000,000.00	1,988,160.00	100.75	2,014,920.00	26,760.00
Shearson Lehman Bro Mtn Tr0209	05/14/02	8.97%	2,320,000.00	2,388,718.40	105.15	2,439,410.40	50,692.00
Shearson Lehman Hutton Hldg	11/01/98	8.88%	2,000,000.00	1,993,280.00	103.85	2,077,020.00	83,740.00
Standard Cr Card Master Tr 4-A	08/07/96	8.00%	2,500,000.00	2,569,950.00	104.81	2,620,250.00	50,300.00
Svenska Handelsbanken Sub Note	07/15/04	8.35%	3,000,000.00	3,000,000.00	100.36	3,010,680.00	10,680.00
Ultramar Cr Corp Gtd Note	07/01/02	8.63%	2,500,000.00	2,488,575.00	101.13	2,528,250.00	39,675.00
United States Leasing Intl Inc	05/01/96	8.75%	2,000,000.00	1,998,340.00	106.71	2,134,140.00	135,800.00
United States Leasing Intl Sr	12/01/01	8.75%	2,500,000.00	2,602,250.00	103.88	2,596,875.00	(5,375.00)
US Treasury Bonds	08/15/03	11.13%	1,335,000.00	1,662,283.59	128.69	1,717,971.45	55,687.86
US Treasury Bonds	11/15/03	11.88%	1,110,000.00	1,446,815.63	134.63	1,494,337.50	47,521.87
US Treasury Bonds	08/15/17	8.88%	1,500,000.00	1,466,718.75	111.19	1,667,805.00	201,086.25
US Treasury Bonds	08/15/21	8.13%	2,500,000.00	2,555,078.13	103.44	2,585,925.00	30,846.87
US Treasury Note Strip Prin Pmt	11/15/94	0.00%	13,512,000.00	9,126,680.40	88.86	11,965,551.60	2,838,871.20
US Treasury Notes	10/31/92	7.75%	10,000,000.00	10,238,281.25	101.25	10,125,000.00	(113,281.25)
US Treasury Notes	12/31/93	5.00%	1,500,000.00	1,502,578.13	100.75	1,511,250.00	8,671.87
US Treasury Notes	01/31/94	4.88%	2,000,000.00	1,997,812.50	100.50	2,010,000.00	12,187.50
US Treasury Notes	03/31/94	5.75%	2,000,000.00	2,022,500.00	101.78	2,035,620.00	13,120.00



FIXED INCOME SECURITIES

(Continued)

NAME	MATURITY DATE MO/DY/YR	COUPON	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
US Treasury Notes	05/31/94	5.13%	1,250,000.00	1,246,093.75	100.63	1,257,812.50	11,718.75
US Treasury Notes	02/15/96	8.88%	2,000,000.00	2,133,750.00	109.88	2,197,500.00	63,750.00
US Treasury Notes	05/15/96	7.38%	10,500,000.00	10,713,170.29	104.94	11,018,385.00	305,214.71
US Treasury Notes	05/31/96	7.63%	2,000,000.00	2,044,375.00	105.81	2,116,240.00	71,865.00
US Treasury Notes	08/31/96	7.25%	3,075,000.00	3,170,275.00	104.34	3,208,578.00	38,303.00
US Treasury Notes	08/31/96	7.25%	1,000,000.00	1,002,421.88	104.34	1,043,440.00	41,018.12
US Treasury Notes	10/31/96	6.88%	5,000,000.00	5,018,945.31	102.91	5,145,300.00	126,354.69
US Treasury Notes	01/31/97	6.25%	1,695,000.00	1,682,419.92	100.25	1,699,237.50	16,817.58
US Treasury Notes	08/15/97	8.63%	2,000,000.00	2,144,062.50	109.78	2,195,620.00	51,557.50
US Treasury Notes	05/15/98	9.00%	4,200,000.00	4,760,437.50	111.63	4,688,250.00	(72,187.50)
US Treasury Strip Generic Tint	11/15/92	0.00%	10,790,000.90	4,726,268.00	98.61	10,640,234.80	5,913,966.80
US Treasury Strip Generic Tint	02/15/02	0.00%	14,500,000.00	6,632,880.00	48.56	7,040,475.00	407,595.00
US Treasury Strip Generic Tint	08/15/05	0.00%	15,000,000.00	5,069,400.00	35.59	5,337,900.00	268,500.00
Waste Mgmt Inc Mtn Bk Entr 05	12/28/92	7.65%	5,000,000.00	5,159,550.00	101.58	5,079,200.00	(80,350.00)
TOTAL FIXED INCOME SECURITIES				199,846,795.20		215,245,536.36	15,398,741.16

OIL AND GAS INVESTMENTS

NAME	SHARES/PAR	VALUE	PRICE	VALUE	GAIN/(LOSS)
Chaverdo II Loan Agreement	156,563.18	156,563.18	54.17	84,813.40	(71,749.78)
ESCO Boston 86-1 Ltd Partnership	1,156,805.28	1,156,805.28	54.62	631,904.81	(524,900.47)
Faulcone/Boston 85-1 Ltd Partnership	100.00	0.00	117,341.08	117,341.08	117,341.08
Ray Holifeld and Gary T Nann	659,002.79	659,002.79	15.72	103,622.42	(555,380.37)
TOTAL OIL AND GAS		1,972,371.25		937,681.71	(1,034,689.54)

REAL ESTATE

NAME	SHARES/PAR	VALUE	PRICE	VALUE	GAIN/(LOSS)
Brookside Plaza Additions	881,681.09	881,681.09	100.00	881,681.09	0.00
Coral Key Apts Ltd Partnership	9,320,000.00	9,320,000.00	1.04	9,670,001.00	350,001.00
Orchard Parkway/River Oaks	12,815,736.06	12,815,736.06	112.02	14,273,236.10	1,457,500.04
Real Estate Brookside Plaza	8,312,500.00	8,312,500.00	105.28	8,751,498.92	438,998.92
Shattuck Office Center Addition	168,583.23	168,583.23	100.00	168,583.23	0.00
Shattuck Office Ctr	9,327,772.80	9,327,772.80	38.93	3,631,416.68	(5,696,356.12)
3 Canal Plaza	6,320,561.43	6,320,561.43	36.63	5,002,066.56	(2,318,494.87)
Travlrs Separate A/C/ R Equity	95,673.26	12,809,149.13	125.06	11,964,915.88	(844,233.25)
TOTAL REAL ESTATE		60,955,983.74		54,343,399.46	(6,612,584.28)

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STATISTICAL AND FINANCIAL INFORMATION—1993

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Note: Where there are differences between the "Statistical and Financial Information—1993" and the "Actuaries' Report: MSRS—1993," such differences are attributable to the different purposes for which these separate reports are prepared. Those with any specific questions about such differences are encouraged to contact the MSRS's Communications Group.



STATISTICAL DATA SUMMARY FOR FISCAL YEARS 1988 TO 1993

RETIREMENT AND SURVIVOR BENEFIT PAYMENTS

<u>Fiscal Year ending June 30</u>	<u>Retirement Payments</u>	<u>Survivor Benefit Payments</u>
1993	\$215,595,268	\$3,406,212
1992	198,569,867	3,255,279
1991	180,240,581	3,094,169
1990	167,483,164	2,508,650
1989	155,286,147	2,186,009
1988	143,426,113	2,139,130

MEMBER AND EMPLOYER CONTRIBUTIONS

<u>Fiscal Year ending June 30</u>	<u>Employee</u>	<u>Employer</u>
1993	\$78,481,972	\$232,135,989
1992	78,479,531	172,090,046
1991	72,350,546	168,770,434
1990	67,973,299	217,814,910
1989	61,303,632	187,138,244
1988	55,866,375	176,388,571 *

*Includes \$19,859,100 funding for the non-contributory teachers provided by the Legislative Appropriation Act.

NUMBERS OF RETIREMENT ALLOWANCE RECIPIENTS

<u>Fiscal Year ending June 30</u>	<u>Total</u>
1993	25,127
1992	24,613
1991	23,791
1990	23,212
1989	22,806
1988	22,071

**BALANCE SHEET AS OF JUNE 30, 1993****ASSETS**

1. Investments	
A. Bonds	\$ 763,585,844.04
B. Common Stocks	1,296,526,886.14
C. Mortgages	0.00
D. Commingled Funds	
1. Morgan Guaranty	197,223,742.39
2. Travelers	2,583,448.39
E. Insured Guaranteed Contract	0.00
F. Land and Buildings	2,677,565.85
G. Due Other Funds*	(13,732,659.13)

Total Investments \$2,248,864,827.68

2. Other Assets	
A. Cash—Due from Other Funds	\$ 37,151,653.77
B. Cash—Fiduciary Due from Other Funds	(5,541,397.71)
C. Accrued Interest	5,791,629.13
D. Capital Equipment	1,750,051.43
E. Accounts Receivable	5,775,953.44

Total Other Assets \$ 44,927,890.06

TOTAL ASSETS **\$ 2,293,792,717.74**

TRUST RESERVES AND LIABILITIES

1. Trust Reserves	
A. Members Contribution Fund—Current	\$ 935,290,172.84
B. Members Contribution Fund—Prior	39,449.14
C. Retirement Allowance Fund	1,299,402,664.75
D. Survivor Benefit Fund	44,766,089.75

Total Trust Reserves \$2,279,498,376.48

2. Liabilities and Operating Reserves	
A. Accounts Payable	\$ 259,521.35
B. Reserve for Expenditures	3,863,387.38
C. Retirees Health Insurance	10,054,307.48
D. Suspense Account	117,125.05

Total Liabilities and Operating Reserves \$ 14,294,341.26

TOTAL TRUST RESERVES AND LIABILITIES **\$2,293,792,717.74**

* Assets due the Judicial Retirement System \$12,258,137.08
Assets due the Legislative Retirement System \$ 1,474,522.05



TRUST RESERVES AND LIABILITY DETAIL AS OF JUNE 30, 1993

1. TRUST RESERVES

A. Members Contribution Fund—Current

1. State	\$282,033,196.60
2. Teachers	
a. pre-July 1, 1924	0.00
b. post-July 1, 1924	505,307,930.49
3. Participating Districts	129,655,088.98
4. Consolidated Disability Account	<u>18,293,956.77</u>

Total \$ 935,290,172.84

B. Members Contribution Fund—Prior

1. Teachers pre-July 1, 1924 \$ 39,449.14

C. Retirement Allowance Fund

1. State	\$406,244,224.24
2. Teachers	
a. pre-July 1, 1924	(207,825,010.63)
b. post-July 1, 1924	544,972,004.48
3. Participating Districts	405,876,401.40
4. Consolidated Accounts	
a. Accidental Death	7,227,129.90
b. Disability	<u>142,907,915.36</u>

Total \$1,299,402,664.75

D. Survivor Benefit Fund \$ 44,766,089.75

TOTAL TRUST RESERVES

\$2,279,498,376.48

2. LIABILITIES AND OPERATING RESERVES

A. Accounts Payable \$ 259,521.35

B. Reserve for Expenditures \$ 3,863,387.38

C. Retirees Health Insurance \$ 10,054,307.48

D. Suspense Account \$ 117,125.05

TOTAL LIABILITIES AND OPERATING RESERVES

\$ 14,294,341.26

TOTAL TRUST RESERVES AND LIABILITIES

\$2,293,792,717.74



COMPARATIVE BALANCE SHEET FOR THE FISCAL YEARS ENDING JUNE 30, 1993, AND JUNE 30, 1992

<u>ASSETS</u>	<u>at June 30, 1993</u>	<u>at June 30, 1992</u>	<u>Increase (Decrease)</u>
1. Investments			
A. Bonds	\$ 763,585,844.04	\$ 729,357,465.83	\$ 34,228,378.21
B. Common Stocks	1,296,526,886.14	1,125,987,806.31	170,539,079.83
C. Mortgages	0.00	0.00	0.00
D. Commingled Funds			
1. Morgan Guaranty	197,223,742.39	172,405,554.04	24,818,188.35
2. Travelers	2,583,448.39	12,809,149.13	(10,225,700.74)
E. Land and Buildings	2,677,565.85	2,505,687.30	171,878.55
F. Due Other Funds*	(13,732,659.13)	(12,852,945.04)	(879,714.09)
Total Investments	\$2,248,864,827.68	\$2,030,212,717.57	\$ 218,652,110.11
2. Other Assets			
A. Cash—Due from Other Funds	\$ 37,151,653.77	\$ 23,337,576.15	\$ 13,814,077.62
B. Cash—Fiduciary Due from Other Funds	(5,541,397.71)	3,683,282.91	(9,224,680.62)
C. Accrued Interest	5,791,629.13	5,847,158.73	(55,529.60)
D. Capital Equipment	1,750,051.43	1,727,711.39	22,340.04
E. Accounts Receivable	5,775,953.44	56,778.47	5,719,174.97
Total Other Assets	\$ 44,927,890.06	\$ 34,652,507.65	\$ 10,275,382.41
<u>TOTAL ASSETS</u>	<u>\$2,293,792,717.74</u>	<u>\$2,064,865,225.22</u>	<u>\$ 228,927,492.52</u>
<u>TRUST RESERVES AND LIABILITIES</u>			
1. Trust Reserves			
A. Members Contribution Fund—Current	\$ 935,290,172.84	\$ 856,812,829.08	\$ 78,477,343.76
B. Members Contribution Fund—Prior	39,449.14	39,450.35	(1.21)
C. Retirement Allowance Fund	1,299,402,664.75	1,159,133,425.04	140,269,239.71
D. Survivor Benefit	44,766,089.75	41,987,121.18	2,778,968.57
Total Trust Reserves	\$2,279,498,376.48	\$2,057,972,825.65	\$ 221,525,550.83
2. Liabilities and Operating Reserves			
A. Accounts Payable	\$ 259,521.35	(\$ 96,835.13)	\$ 356,356.48
B. Reserve for Expenditures	3,863,387.38	1,130,737.62	2,732,649.76
C. Retirees Health Insurance	10,054,307.48	5,740,641.71	4,313,665.77
D. Suspense Account	117,125.05	117,855.37	(730.32)
Total Liabilities and Operating Reserves	\$ 14,294,341.26	\$ 6,892,399.57	\$ 7,401,941.69
<u>TOTAL TRUST RESERVES AND LIABILITIES</u>	<u>\$2,293,792,717.74</u>	<u>\$2,064,865,225.22</u>	<u>\$ 228,927,492.52</u>

*Amounts shown are due the Legislative and Judicial Retirement Systems.



NET INCOME FROM INVESTMENT OPERATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1993

Gains/Losses on Security Sales		
A. Gain on Sale of Stocks	\$74,093,338.30	
B. Gain on Sale of Bonds	<u>15,863,737.02</u>	
Net Gain on Security Sales		\$ 89,957,075.32
Income from Investments		
A. Interest on Bonds	\$43,003,559.88	
B. Cash Dividends on Stocks	12,785,635.49	
C. Premiums Paid on Loan of Securities	505,243.76	
D. Interest on Cash Pools	<u>1,819,687.34</u>	
Total Income from Investments		\$ 58,114,126.47
Deductions from Investment Income		
A. Investment Advisor and Custodial Fees	\$ 5,143,239.75	
B. General Operating Expenses	<u>485,455.36</u>	
Total Deductions from Investment Income		(\$ 5,628,695.11)
<u>NET INCOME FROM INVESTMENTS*</u>		<u>\$142,442,506.68</u>

<i>*Income due the Judicial Retirement System</i>	\$798,513.62
<i>Income due the Legislative Retirement System</i>	\$ 86,885.64



INVESTMENT BOOK AND MARKET VALUES AS OF JUNE 30, 1993

<u>Investments</u>	<u>Book Value</u>	<u>Market Value</u>
Bonds	\$ 763,585,844.04	\$ 912,964,320.19
Stocks	1,296,526,886.14	1,711,615,672.00
Mortgages		
Commingled Funds:		
Morgan Guaranty	197,223,742.39	255,532,596.00
Travelers Insurance	2,583,448.39	2,213,466.16
Land and Buildings	2,677,565.85	2,301,000.00
Cash—Due from Other Funds	37,151,653.77	37,151,653.77
Cash—Fiduciary	(5,541,397.71)	(162,586.57)
Accrued Interest	5,791,629.13	5,791,629.13
Capital Equipment	1,750,051.43	1,750,051.43
Accounts Receivable	<u>5,775,953.44</u>	<u>5,775,953.44</u>
 SUBTOTAL	 \$2,307,525,376.87	 \$2,934,933,755.55
 Due Other Funds*	 <u>(13,732,659.13)</u>	 <u>0.00</u>
 <u>TOTAL</u>	 <u>\$2,293,792,717.74</u>	 <u>\$2,934,933,755.55</u>

*Assets due the Judicial and Legislative Retirement Systems



CHANGES IN TRUST FUND RESERVES FOR THE FISCAL YEAR ENDING JUNE 30, 1993

<u>BALANCE IN TRUST FUND RESERVES ON JULY 1, 1992</u>		\$2,057,972,825.65
ADDITIONS		
A. Employer Contributions		
1. State Employees	\$ 64,552,159.66	
2. Teachers	139,371,999.54	
3. Participating Districts	<u>28,211,830.07</u>	
Total Employer Contributions		\$232,135,989.27
B. Employee Contributions		
1. State Employees	\$ 19,941,024.53	
2. Teachers	42,855,949.42	
3. Participating Districts	<u>15,684,997.92</u>	
Total Employee Contributions		\$ 78,481,971.87
C. Net Income from Investments		<u>\$ 141,557,107.42</u>
 TOTAL ADDITIONS		 \$ 452,175,068.56
DEDUCTIONS		
A. Retirement Allowances Paid and COLA	\$215,595,268.35	
B. Survivor Benefits	3,406,211.88	
C. Refunds	<u>11,648,037.50</u>	
TOTAL DEDUCTIONS		\$ <u>230,649,517.73</u>
NET INCREASE		221,525,550.83
 <u>BALANCE IN TRUST FUND RESERVES ON JUNE 30, 1993</u>		 <u>\$2,279,498,376.48</u>



SUMMARY OF EARNINGS

<u>Fiscal Year Ending June 30</u>	<u>Book Value of Investments</u>	<u>Net Increase in Investment Book Value</u>	<u>Earnings for the Year * (Accrual Basis)</u>
1943	\$ 576,142.97	\$ 318,000.00	\$ 1,884.35
1944	1,026,142.97	450,000.00	12,154.46
1945	1,486,142.97	460,000.00	25,560.90
1946	1,930,142.97	444,000.00	50,140.29
1947	2,489,142.97	559,000.00	52,522.09
1948	7,263,648.72	4,774,505.75	159,487.91
1949	9,038,648.72	1,775,000.00	206,934.14
1950	11,023,648.72	1,985,000.00	256,688.07
1951	12,934,768.72	1,911,120.00	317,497.98
1952	15,432,488.89	2,497,720.17	368,620.65
1953	17,823,719.34	2,391,230.45	464,578.19
1954	21,346,256.29	3,522,536.95	576,314.21
1955	24,801,155.43	3,454,899.14	713,411.34
1956	20,012,312.28	4,211,156.85	820,511.51
1957	33,137,935.09	4,125,622.81	1,014,162.82
1958	38,302,811.29	4,164,876.20	1,233,750.20
1959	44,511,070.88	6,208,259.59	1,473,324.30
1960	50,880,174.72	6,359,103.84	1,781,368.02
1961	57,633,773.71	6,753,598.99	2,145,427.31
1962	66,498,248.08	8,864,474.37	2,540,623.88
1963	75,022,765.44	8,524,517.36	2,925,300.13
1964	85,913,758.52	10,890,993.08	3,328,056.40
1965	96,930,762.57	11,017,004.05	3,870,496.12
1966	108,555,742.38	11,624,979.81	4,475,359.34
1967	120,564,775.29	12,009,032.91	5,070,389.31
1968	135,081,371.78	14,516,596.49	5,741,943.99
1969	150,501,422.09	15,420,050.31	6,103,338.79
1970	163,500,431.87	12,999,009.76	6,310,034.78
1971	175,261,654.19	11,761,222.32	6,357,344.92
1972	184,789,453.85	9,527,799.66	6,593,475.25
1973	185,867,989.22	1,078,535.37	6,651,554.76
1974	188,846,484.91	2,978,495.69	8,344,366.67
1975	188,397,103.61	(449,381.30)	9,386,916.98
1976	193,878,411.56	5,481,307.95	8,861,728.87
1977	206,401,915.73	12,523,504.17	10,751,249.86
1978	230,676,904.21	24,274,988.48	12,899,069.24
1979	247,923,507.81	17,246,603.60	16,314,180.33
1980	272,523,379.27	24,599,871.46	21,918,345.94
1981	346,806,884.82	74,283,505.55	28,628,894.51
1982	383,750,315.90	36,943,431.08	37,883,766.72
1983 **	558,616,451.76	174,866,135.86	39,351,815.31
1984	608,064,138.37	49,447,686.61	38,999,433.27

* Earnings applicable to all trust fund reserves

** Includes \$105,000,000 in "New Cash" for Fiscal Year 1983



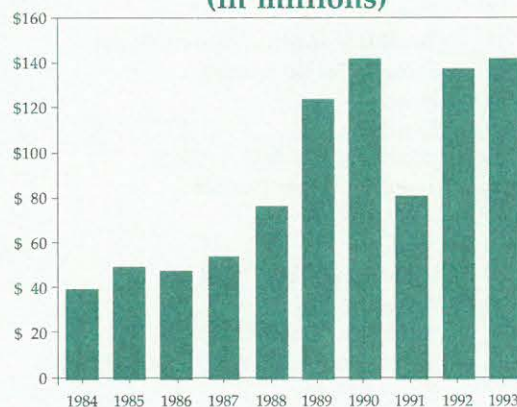
SUMMARY OF EARNINGS

(Continued)

<u>Fiscal Year Ending June 30</u>	<u>Book Value of Investments</u>	<u>Net Increase in Investment Book Value</u>	<u>Earnings for the Year * (Accrual Basis)</u>
1985	\$ 739,717,509.89	\$ 116,892,719.22	\$ 49,530,863.11
1986	985,219,232.88	245,501,722.99	47,093,860.43
1987	1,133,419,105.21	148,199,872.33	53,417,394.28
1988	1,232,019,924.16	98,600,818.95	76,190,284.72
1989	1,493,743,313.45	261,723,389.29	124,309,924.44
1990	1,720,957,778.06	227,214,464.61	142,029,430.02
1991	1,904,213,003.29	183,255,224.23	80,859,162.94
1992	2,077,718,170.26	173,505,166.97	137,769,913.30
1993	2,307,525,376.87	229,807,206.61	142,442,506.68

* Earnings applicable to all trust fund reserves

**10-Year Summary of
Annual Earnings
1984 - 1993
(in millions)**



**10-Year Summary of
Assets at Book Value
1984-1993
(in millions)**



**TRUST FUND BALANCES AS OF JUNE 30, 1993**

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
1	State of Maine	\$282,033,196.60	\$406,244,224.24	\$688,277,420.84
2	Portland	22,239,705.38	43,408,193.01	65,647,898.39
3	Millinocket	1,355,355.51	5,082,208.96	6,437,564.47
4	Presque Isle	2,120,319.84	6,869,968.98	8,990,288.82
5	Cumberland County	998,603.64	2,872,078.65	3,870,682.29
6	Disability	18,293,956.77	142,907,915.36	161,201,872.13
7	Teachers (post-July 1, 1924)	505,307,930.49	544,972,004.48	1,050,279,934.97
8	Camden	374,528.19	937,605.79	1,312,133.98
9	South Portland	2,663,834.38	13,525,506.65	16,189,341.03
10	Houlton	366,877.95	1,359,983.87	1,726,861.82
11	Penobscot County	544,092.80	2,145,080.49	2,689,173.29
12	Kittery Water District	339,893.54	757,812.74	1,097,706.28
13	Ellsworth	528,111.86	1,612,022.76	2,140,134.62
14	Kittery	799,769.27	2,971,743.11	3,771,512.38
15	Bar Harbor	286,298.35	1,321,968.80	1,608,267.15
16	Mount Desert	374,481.59	1,103,791.95	1,478,273.54
17	Fort Fairfield	59,089.68	634,027.05	693,116.73
18	Rockland	895,231.47	5,080,134.56	5,975,366.03
19	Bath Water District	239,096.08	871,754.60	1,110,850.68
20	Bangor	12,307,608.64	36,319,986.65	48,627,595.29
21	Boothbay Harbor Water District	33,754.74	372,726.20	406,480.94
22	Bangor Public Library	482,649.56	1,187,542.58	1,670,192.14
23	Augusta	5,606,844.40	16,588,896.33	22,195,740.73
24	Gardiner	973,897.99	2,409,887.33	3,383,785.32
25	Teachers (pre-July 1, 1924)	0.00	(207,825,010.63)	(207,825,010.63)
26	Houlton Water District	609,973.06	2,376,835.56	2,986,808.62
27	Auburn	3,724,023.96	17,195,910.53	20,919,934.49
28	York	1,031,909.77	1,899,556.42	2,931,466.19
29	Limestone Water/Sewer	62,801.96	106,287.28	169,089.24
30	Saint Agatha	15,863.21	127,230.82	143,094.03
31	Kennebec Water District	231,509.27	983,176.41	1,214,685.68
32	Livermore Falls Water District	110,962.75	486,607.58	597,570.33
33	Knox County	63,549.09	351,512.43	415,061.52
34	Augusta Water District	263,235.83	1,318,678.91	1,581,914.74
35	Belfast	312,089.49	1,397,656.58	1,709,746.07
36	Calais	401,823.73	1,055,920.72	1,457,744.45
37	York County	380,897.24	1,690,500.96	2,071,398.20
38	Maine Maritime Academy	2,216,885.94	11,975,921.18	14,192,807.12
39	York Water District	170,227.46	396,697.56	566,925.02
40	Washington County	269,230.37	925,274.40	1,194,504.77
41	Portland Public Library	871,179.33	2,470,071.79	3,341,251.12
42	Brunswick	2,157,379.65	7,988,396.73	10,145,776.38
43	Auburn Public Library	100,779.50	322,262.29	423,041.79
44	Maine-NH Bridge Authority	0.00	0.00	0.00
45	Jay	572,262.77	1,633,792.88	2,206,055.65
46	Waldo County	169,753.06	745,805.43	915,558.49
47	Kennebec County	312,367.35	1,236,046.99	1,548,414.34
48	Lewiston	6,722,603.59	26,194,471.91	32,917,075.50



TRUST FUND BALANCES AS OF JUNE 30, 1993

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
49	Maine Turnpike Authority	\$ 6,642,101.45	\$ 16,654,142.17	\$ 23,296,243.62
50	SAD 31	95,538.13	391,297.33	486,835.46
51	Auburn Sewer District	107,369.11	271,483.92	378,853.03
52	Auburn Water District	296,572.70	751,577.95	1,048,150.65
54	East Millinocket	575,276.47	1,837,755.88	2,413,032.35
55	Maine Municipal Association	161,518.18	429,011.94	590,530.12
56	Hancock County	277,456.95	1,204,010.56	1,481,467.51
57	Oxford County	424,212.88	1,452,593.84	1,876,806.72
58	Falmouth Memorial Library	29,237.63	148,605.12	177,842.75
59	Bangor Water District	255,528.62	916,211.03	1,171,739.65
60	Rumford Fire/Police	555,235.29	4,656,662.57	5,211,897.86
61	Orono	290,114.14	969,609.29	1,259,723.43
62	Kennebunk Light/Power	326,053.81	805,989.22	1,132,043.03
63	Brewer	1,722,057.78	4,050,456.86	5,822,514.64
64	Augusta Sanitary District	526,523.70	1,182,517.36	1,709,041.06
65	Rumford Water District	124,272.10	485,574.01	609,846.11
66	Waterville Fire/Police	1,577,826.11	5,091,333.27	6,669,159.38
67	Androscoggin County	495,784.15	2,103,403.52	2,599,187.67
68	Brewer Water District	75,489.03	208,749.70	284,238.73
69	Baileyville	50,076.49	316,537.96	366,614.45
70	Westbrook Fire/Police	1,098,592.89	7,768,925.87	8,867,518.76
71	Greater Portland Public Development	0.00	0.00	0.00
72	Brunswick Sewer District	161,997.18	533,838.95	695,836.13
73	Bath	2,666,777.40	12,316,201.28	14,982,978.68
74	Mexico	234,230.34	549,280.03	783,510.37
75	Accidental Death	0.00	7,227,129.90	7,227,129.90
76	Lincoln	272,342.78	1,056,512.70	1,328,855.48
77	SAD 34	240,865.07	1,315,226.84	1,556,091.91
78	SAD 28	0.00	24,149.09	24,149.09
79	Old Town Water District	238,291.09	378,822.61	617,113.70
80	Skowhegan	733,304.83	2,729,413.51	3,462,718.34
81	Topsham	234,723.90	622,354.06	857,077.96
82	Madawaska	839,705.13	2,050,483.19	2,890,188.32
83	Sanford	1,656,162.14	6,228,094.06	7,884,256.20
84	Kennebunk	307,519.79	1,131,214.77	1,438,734.56
85	Cape Elizabeth	839,742.09	2,832,107.47	3,671,849.56
86	Wilton	169,482.48	322,713.49	492,195.97
87	Falmouth	326,957.31	1,092,217.13	1,419,174.44
88	Lubec Water/Electric	32,192.25	264,656.80	296,849.05
89	Sanford Sewer District	136,904.84	372,688.08	509,592.92
90	Rumford	941,289.20	2,835,787.47	3,777,076.67
91	Fort Kent	182,944.39	400,403.82	583,348.21
92	Lincoln Water District	50,690.51	151,360.32	202,050.83
93	Maine Municipal Bond Bank	177,214.58	259,503.92	436,718.50
94	Greater Portland Council of Government	57,964.15	660,414.44	718,378.59
95	Lincoln County	123,553.61	910,875.19	1,034,428.80
96	Sagadahoc County	31,624.71	781,989.25	813,613.96
97	Dexter	93,565.86	374,032.31	467,598.17



TRUST FUND BALANCES AS OF JUNE 30, 1993

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
98	Frenchville	\$ 33,425.77	\$ 76,557.08	\$ 109,982.85
100	Farmington	418,173.38	1,931,823.37	2,349,996.75
101	Somerset County	247,344.42	595,544.19	842,888.61
102	Franklin County	128,071.11	470,676.55	598,747.66
103	Lisbon	597,487.52	2,048,970.25	2,646,457.77
104	Milo	42,036.43	153,986.29	196,022.72
105	Maine State Principals Association	135,164.26	397,538.34	532,702.60
106	Aroostook County	1,053,393.81	2,367,441.05	3,420,834.86
107	Wells	758,230.00	2,150,991.66	2,909,221.66
108	Berwick	163,019.16	232,451.67	395,470.83
109	Livermore Falls	142,912.14	262,084.85	404,996.99
110	Pittsfield	81,533.09	336,585.84	418,118.93
111	Old Town	392,482.85	2,579,210.49	2,971,693.34
112	Franklin County	192,707.41	514,265.09	706,972.50
113	SAD 66	0.00	199,278.95	199,278.95
114	Mechanic Falls	83,815.72	286,362.67	370,178.39
115	SAD 54	166,279.36	1,108,306.12	1,274,585.48
116	Yarmouth	791,700.75	3,011,911.79	3,803,612.54
117	Searsport	21,167.85	289,883.41	311,051.26
118	Farmington Village Corporation	36,196.61	63,077.36	99,273.97
119	SAD 9	488,305.98	1,762,018.26	2,250,324.24
120	Mount Desert Regional Schools	76,905.56	224,562.49	301,468.05
121	Piscataquis County	130,828.54	735,629.06	866,457.60
122	Westbrook	702,647.93	3,372,787.65	4,075,435.58
124	Searsport Water District	12,896.06	134,984.78	147,880.84
125	Norway	182,536.10	481,647.11	664,183.21
126	SAD 67	266,234.95	1,130,286.09	1,396,521.04
127	Paris	114,812.31	416,838.68	531,650.99
128	SAD 71	215,850.23	796,054.97	1,011,905.20
129	SAD 53	33,835.94	136,756.93	170,592.87
130	Bucksport	601,669.75	1,265,604.22	1,867,273.97
131	Fort Fairfield Utility District	36,799.05	317,801.96	354,601.01
132	Belfast Water District	61,784.63	351,291.57	413,076.20
133	Gorham	579,589.05	1,668,867.72	2,248,456.77
134	Lincoln Academy	97,322.89	261,896.17	359,219.06
135	So. Kennebec Valley Regional Planning	46,197.82	85,754.08	131,951.90
136	Norway Water District	62,939.15	156,069.36	219,008.51
137	Dover-Foxcroft Water District	0.00	35,044.12	35,044.12
138	Naples	14,557.98	100,227.94	114,785.92
139	York Sewage District	53,564.58	216,579.71	270,144.29
140	Old Orchard Beach	713,439.64	2,690,437.60	3,403,877.24
141	South Berwick	61,836.14	339,448.46	401,284.60
142	Freeport	132,303.17	431,030.06	563,333.23
143	SAD 41	545,508.43	1,542,250.94	2,087,759.37
144	Winslow	354,784.54	943,387.83	1,298,172.37
145	Auburn Housing Authority	209,704.02	542,883.73	752,587.75
146	Boothbay Harbor	61,338.74	326,136.10	387,474.84
147	Scarborough	360,750.53	1,909,103.75	2,269,854.28



TRUST FUND BALANCES AS OF JUNE 30, 1993

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
148	Cranberry Isles	\$ 0.00	\$ 533.00	\$ 533.00
149	Fryeburg	0.00	77,789.45	77,789.45
150	Hermon	113,432.33	378,626.00	492,058.33
151	Hampden	197,166.65	583,697.91	780,864.56
152	Sanford Housing Authority	101,310.43	305,655.76	406,966.19
153	Vassalboro	32,401.35	130,358.47	162,759.82
154	Lewiston Housing Authority	484,808.74	762,254.67	1,247,063.41
155	Garland	0.00	858.77	858.77
156	Exeter	6,517.73	7,992.16	14,509.89
157	Bingham Water District	83.46	26,470.86	26,554.32
158	Biddeford	1,461,380.98	3,308,270.97	4,769,651.95
159	Paris Utilities District	116,246.02	261,209.31	377,455.33
160	Hallowell	31,848.96	147,021.13	178,870.09
161	Rockport	63,603.49	255,128.11	318,731.60
162	Wallagrass Plantation	7.75	8,172.29	8,180.04
163	Lewiston-Auburn Water Pollution	104,218.15	277,928.82	382,146.97
164	Thomaston	72,611.67	287,332.95	359,944.62
165	Pleasant Point/Passamaquoddy Reserv.	71,798.11	130,951.57	202,749.68
166	Orland	35,979.63	169,466.01	205,445.64
167	Dover-Foxcroft	183,723.56	443,029.17	626,752.73
168	SAD 29	157,108.76	614,590.86	771,699.62
169	Maine Housing Authority	261,898.97	546,560.18	808,459.15
170	Sanford Water District	226,459.32	575,752.34	802,211.66
171	So Berwick Water District	20,352.13	53,352.01	73,704.14
172	New Canada Plantation	0.00	14,414.33	14,414.33
173	Indian Township/Passamaquoddy RHA	25.20	72,940.98	72,966.18
174	Glenburn	58,440.75	70,427.79	128,868.54
175	Sabattus	34,470.32	253,877.13	288,347.45
176	Bridgton	26,233.77	203,049.39	229,283.16
177	Brownville	35,506.49	153,755.51	189,262.00
178	SAD 2	0.00	0.00	0.00
179	Winthrop	447,773.29	816,773.97	1,264,547.26
180	Eliot	143,901.17	387,548.85	531,450.02
181	Lebanon	28,986.73	125,691.20	154,677.93
182	Van Buren	236,168.28	472,718.09	708,886.37
183	Hampden Water District	28,927.02	55,966.17	84,893.19
184	Monson	17,680.62	82,747.90	100,428.52
185	Portland Housing Authority	528,377.48	1,904,114.20	2,432,491.68
186	Milford	554.05	60,417.17	60,971.22
187	SAD 60	133,807.11	736,654.08	870,461.19
188	Kennebunkport	436,295.62	1,317,825.13	1,754,120.75
189	SAD 49	64,393.42	309,575.26	373,968.68
190	SAD 16	63,070.42	267,271.07	330,341.49
191	Damariscotta	33,192.87	99,711.23	132,904.10
192	Saco	723,226.35	2,603,011.93	3,326,238.28
193	Otisfield	12,894.95	74,063.62	86,958.57
194	Medway	135,575.99	249,861.04	385,437.03
195	Waldoboro	301,824.64	429,104.85	730,929.49

**TRUST FUND BALANCES AS OF JUNE 30, 1993**

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
196	Waterville Urban Renewal Authority	\$ 0.00	\$ 46.95	\$ 46.95
197	Dixfield	685.34	147,030.98	147,716.32
198	SAD 51	317,219.42	794,114.51	1,111,333.93
199	Bradford	0.00	10,195.55	10,195.55
200	Oxford	0.00	124,549.13	124,549.13
201	Kennebunk Sewer Authority	105,651.25	254,187.32	359,838.57
202	Phippsburg	80,503.42	141,266.93	221,770.35
203	Cheverus High School	144,000.78	374,705.53	518,706.31
204	Boothbay / Boothbay Harbor CSD	81,609.80	158,641.08	240,250.88
205	Gould Academy	94,643.73	252,903.13	347,546.86
206	South Portland Housing Authority	232,630.07	486,605.67	719,235.74
207	Berwick Sewer District	124,781.27	349,472.54	474,253.81
208	Caribou Fire and Police	486,634.90	1,462,491.34	1,949,126.24
209	Orrington	148,272.69	285,563.75	433,836.44
210	New Gloucester	211,560.44	380,264.54	591,824.98
211	SAD 21	259,077.29	484,715.24	743,792.53
212	Readfield	12,901.23	22,355.05	35,256.28
213	Richmond	44,757.85	236,861.91	281,619.76
214	Linneus	20,607.47	41,322.05	61,929.52
215	Hodgdon	25,960.97	106,926.27	132,887.24
216	Cumberland	347,384.72	744,272.77	1,091,657.49
217	Corinna	53,973.71	136,248.73	190,222.44
218	SAD 56	60,263.32	226,907.86	287,171.18
219	Lincoln Sanitary District	103,996.13	142,403.57	246,399.70
220	Kennebec Sanitary District	152,563.59	334,567.74	487,131.33
221	Gardiner Water District	78,708.92	112,564.30	191,273.22
222	Waterville Sewer District	177,062.35	292,011.47	469,073.82
223	SAD 13	172,157.03	386,773.75	558,930.78
224	Waldoboro Regional Voc. Region 7	13,759.70	86,008.35	99,768.05
225	Maine County Commissioners Assn.	132.31	24,475.80	24,608.11
226	Jackman Water District	966.84	71,530.55	72,497.39
227	Mars Hill	94,168.41	207,318.59	301,487.00
228	Lubec	45,888.01	66,460.99	112,349.00
229	Van Buren Housing Authority	40,421.52	98,438.60	138,860.12
230	Washburn	51,758.68	158,232.15	209,990.83
231	Androscoggin Valley Reg. Plg. Comm.	148,916.34	417,406.31	566,322.65
232	Howland	0.00	31,255.22	31,255.22
233	Community School District 915	82,914.31	297,685.68	380,599.99
234	Durham	65,833.72	92,474.73	158,308.45
235	China	17,990.25	60,298.49	78,288.74
236	Madawaska Water District	100,583.31	132,158.47	232,741.78
237	Penquis CAP	482,877.57	1,175,969.36	1,658,846.93
238	Milo Water District	59,433.77	160,237.62	219,671.39
239	Maine School Management Assoc.	368,593.28	939,845.12	1,308,438.40
240	Easton	225,830.59	577,083.02	802,913.61
241	Franklin County Comm. Action Council	176,194.57	380,099.87	556,294.44
242	Richmond Utilities District	39,852.46	79,413.99	119,266.45
243	Lisbon Water District	33,352.31	60,023.14	93,375.45



TRUST FUND BALANCES AS OF JUNE 30, 1993

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
244	Indian Township Tribal Government	\$ 70,059.97	\$ 586,957.93	\$ 657,017.90
245	Limestone	92,429.70	103,085.39	195,515.09
246	Bethel	48,582.77	140,146.34	188,729.11
247	Rumford/Mexico Sewer District	(340.22)	69,250.44	68,910.22
248	Brewer Housing Authority	83,261.26	160,517.79	243,779.05
249	Erskine Academy	18,589.80	92,291.18	110,880.98
250	Winter Harbor Utility District	18,491.66	8,916.44	27,408.10
251	Corinna Sewer District	55,250.96	63,743.26	118,994.22
252	Community School District 912	24,736.03	47,282.78	72,018.81
253	Bridgton Water District	23,682.67	31,086.83	54,769.50
254	North Berwick	169,640.79	301,663.86	471,304.65
255	Kennebunk/Knbkprt/Wells Water District	774,578.99	1,433,448.54	2,208,027.53
256	Auburn-Lewiston Airport	33,815.79	151,263.05	185,078.84
257	Maine Development Foundation	0.00	0.00	0.00
258	Princeton	67,382.20	139,962.72	207,344.92
259	Westbrook Housing Authority	41,320.07	58,311.37	99,631.44
260	Fairfield	147,808.92	252,727.79	400,536.71
261	Georgetown	3,019.33	30,214.17	33,233.50
262	Old Town Housing Authority	115,811.70	153,203.09	269,014.79
265	Mapleton	87,888.18	197,051.90	284,940.08
266	Wells-Ogunquit CSD	131,033.25	307,690.07	438,723.32
267	Tri-Community Sanitary Landfill	42,264.65	51,991.79	94,256.44
268	Project Lodestone	2,538.82	15,833.87	18,372.69
269	So. Penobscot Voc. School Region 4	46,845.06	62,639.15	109,484.21
270	Harpwell	85,502.42	280,129.89	365,632.31
271	Maine Veterans Home	1,325,033.14	2,731,599.50	4,056,632.64
272	Sabattus Sanitary District	0.00	0.00	0.00
273	Brunswick Public Library	63,429.98	177,155.13	240,585.11
274	Eagle Lake Water/Sewer	37,484.15	84,870.87	122,355.02
275	Fort Fairfield Housing Authority	57,864.44	69,262.72	127,127.16
276	Lovell	12,350.99	35,919.82	48,270.81
277	Carabasset Valley	27,715.90	46,244.07	73,959.97
278	Yarmouth Water District	55,001.53	129,983.75	184,985.28
279	Preschool HCS Council	42,582.07	79,593.43	122,175.50
280	Harrison	29,242.15	62,263.36	91,505.51
281	Mid-Maine Waste Action Corp.	0.00	3,565.95	3,565.95
282	Mechanic Falls Sanitary District	19,103.27	21,737.83	40,841.10
283	Mars Hills Utility District	9,503.98	7,131.80	16,635.78
284	Norway/Paris Solid Waste Corp	13,454.18	22,512.41	35,966.59
285	The Homestead Project	10,548.71	32,450.67	42,999.38
286	No. Maine Regional Planning	0.00	0.00	0.00
287	Reserve Management Authority	0.00	79.92	79.92
288	Bangor Housing Authority	373,897.52	257,056.23	630,953.75
350	Judicial	1,667,903.11	10,419,000.72	12,086,903.83
351	Legislative	261,786.16	1,204,629.34	1,466,415.50



**GROUP LIFE INSURANCE PROGRAM
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 1993**

RECEIPTS

Premiums Collected

Employee Contributions - State	\$1,403,094.58
Employer Contributions - State	1,207,176.00
Teacher and PLD's	<u>3,016,788.32</u>

Total Premiums Collected \$5,627,058.90

Earnings on Investments \$ 748,193.57

TOTAL RECEIPTS**\$6,375,252.47****EXPENSES**

Claims Paid to Insurer

Basic	\$2,100,163.29
Supplemental	1,655,730.32
Dependent	228,345.76
Retired Employees	<u>2,232,241.02</u>

Total Claims Paid to Insurer \$6,216,480.39

Program Administration \$ 515,920.57

Retention \$ 275,000.00

TOTAL EXPENSES**\$7,007,400.96**



**GROUP LIFE INSURANCE PROGRAM
COMPARATIVE BALANCE SHEET
FOR THE FISCAL YEARS ENDING JUNE 30, 1993, AND JUNE 30, 1992**

<u>ASSETS</u>	<u>at June 30, 1993</u>	<u>at June 30, 1992</u>	<u>Increase (Decrease)</u>
Cash	\$ 782,791.14	\$ 1,587,236.25	(\$ 804,445.11)
Cash (Fiduciary)	(757,913.50)	0.43	(757,913.93)
Investments—Bonds	23,394,129.43	21,709,641.82	1,684,487.61
Investments—Stock	0.00	250,000.00	(250,000.00)
Accrued Interest	149,896.40	116,938.21	32,958.19
<u>TOTAL ASSETS</u>	<u>\$23,568,903.47</u>	<u>\$23,663,816.71</u>	<u>(\$ 94,913.24)</u>
<u>RESERVES AND WORKING CAPITAL</u>			
Reserves for Future Premiums	\$ 7,933,751.34	\$10,468,174.50	(\$ 2,534,423.16)
Reserves for Supplemental Distributions	422,946.96	422,946.96	(0.00)
Suspense Account	0.00	241.97	(241.97)
<u>TOTAL RESERVES AND WORKING CAPITAL</u>	<u>\$ 8,356,698.30</u>	<u>\$10,891,363.43</u>	<u>(\$ 2,534,665.13)</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 814.00	\$ 814.00	\$ 0.00
Premiums Payable	15,211,391.17	12,771,639.28	2,439,751.89
<u>TOTAL LIABILITIES</u>	<u>\$15,212,205.17</u>	<u>\$ 12,772,453.28</u>	<u>\$ 2,439,751.89</u>
<u>TOTAL RESERVES, WORKING CAPITAL AND LIABILITIES</u>	<u>\$23,568,903.47</u>	<u>\$23,663,816.71</u>	<u>(\$ 94,913.24)</u>



ADMINISTRATION FUND FOR THE FISCAL YEARS ENDING JUNE 30, 1993, AND JUNE 30, 1992

<u>REVENUE FROM EMPLOYER CONTRIBUTIONS</u>		<u>Fiscal Year 1993</u>	<u>Fiscal Year 1992</u>
1.	State Employees	\$1,481,046.40	\$1,518,330.80
2.	Teachers	2,439,881.58	2,228,724.84
3.	Participating Districts	540,688.38	527,666.20
4.	Other Sources	813,779.81	772,778.04
<u>TOTAL REVENUE FROM EMPLOYER CONTRIBUTIONS</u>		<u>\$5,275,396.17</u>	<u>\$5,047,499.88</u>
<u>EXPENDITURES</u>			
1.	Personal Services	\$2,497,350.53	\$2,223,614.24
2.	Actuarial Services	281,646.01	229,504.76
3.	Data Processing by State	98,310.57	125,626.69
4.	Utilities	81,352.10	79,574.54
5.	Postage and Mailing	179,251.68	156,277.56
6.	Repairs to Equipment	1,187.95	28,181.77
7.	Printing and Binding	83,041.01	87,976.63
8.	Office Supplies	102,276.41	87,065.52
9.	Retirement Costs	510,009.40	447,647.87
10.	Research and Legal Services	39,662.88	39,765.43
11.	Health Insurance	284,707.77	250,877.82
12.	STA-CAP Costs	1,865.00	25,344.74
13.	General Operating	87,102.61	96,123.52
14.	Travel	61,621.56	52,304.87
15.	Service Contract for Data Processing	107,267.46	77,665.44
16.	Unemployment	700.00	7,755.19
17.	Per Diem	6,490.00	7,779.64
18.	Medical Services	48,335.55	49,533.82
19.	Intragovernmental	8,118.10	9,410.10
20.	Workers' Compensation	17,388.09	26,817.41
21.	Hearing Officers	43,474.16	0.00
22.	Building Rental	187,142.92	198,973.24
23.	Depreciation	200,000.00	90,000.00
24.	Contracted Services	125,631.66	115,895.54
<u>TOTAL EXPENDITURES</u>		<u>\$5,053,933.42</u>	<u>\$4,513,716.34</u>
Current Year Reserves		\$ 221,462.75	\$ 533,783.54
Adjustment to Reserves		511.30	557.57
Prior Year Reserves		<u>1,130,737.62</u>	<u>596,396.51</u>
<u>BALANCE OF RESERVES</u>		<u>\$1,352,711.67</u>	<u>\$1,130,737.62</u>

ACTUARIES' REPORT: MSRS—1993

The Maine State Retirement System has retained the firm of Milliman and Robertson, Inc., as consulting actuaries. The following report is Milliman and Robertson's actuarial valuation of the Maine State Retirement System, which covers the system for State and teacher members. This report include the following sections:

	Page
Executive Summary	115
Assets	123
Liabilities	127
Contributions	130
Reserves for Disability, Survivor, and Accidental Death Benefits	133
Membership Data	134
Summary of Plan Provisions for State Employees and Teachers	135
Actuarial Assumptions and Methods	139

Note: The "Actuaries' Report: MSRS—1993" reflects the legislative action that combined into a single 35-year amortization schedule the debt and related amortization schedule associated with the "old system" teachers. The legislative action was effective July 1, 1994; therefore, the System's financial statements in the "Statistical and Financial Information—1993" section separately reflect the "old system" teachers.



EXECUTIVE SUMMARY

Overview

This report presents the results of our June 30, 1993, actuarial valuation of the Maine State Retirement System. These results provide a "snapshot" view of the System's financial condition on June 30, 1993, including the effect of recently instituted changes in benefits and assumptions.

There were a number of legislated changes effective July 1, 1993, that affect the System. Some of these changes affect the timing of contributions to the System while others serve to reduce the ultimate overall cost.

Changes affecting only the timing include:

- an increase in valuation interest from 8.0% to 8.2%
- an extension of the amortization period to 35 years
- a change to paying expenses out of the System's assets rather than out of the General Fund

The legislated changes in benefit provisions will result in reduced costs and liabilities for the System. These modifications are also reflected and include the following:

- an increase of 1.15% in employee contributions
- cap on compensation increases used in average final compensation
- COLA not applied to benefits until participant has been on retiree payroll for 12 months
- Additional changes for members who did not have 10 years of service as of July 1, 1993:
 - Normal retirement age increased to 62
 - COLA eliminated until normal retirement age
 - Early retirement reduction of 6% per year from age 62
 - Vacation and sick pay are no longer includable in average final compensation

Absent the assumption changes, these benefit reforms would have served to reduce the contribution rate by 1.98%. In combination with the assumption changes the combined rate for the System drops from 22.52% to 16.49% for a total reduction of 6.03% of payroll.

We are concerned that the procedures used to change actuarial assumptions, (i.e., by legislation and not by objective evaluation) will seriously weaken the System's funding in the future. Current cost reductions produced by the legislated assumption changes are only a deferral of costs to future years. Legislated changes to benefits will produce actual reductions in costs but these only account for one third of the total projected drop in contributions.

The balance of this section summarizes recent trends in the System's finances, analyzes the actuarial experience in the System during the past year, and concludes with summary tables useful for reference purposes.



System Trends

Retirement System Contribution Rates*

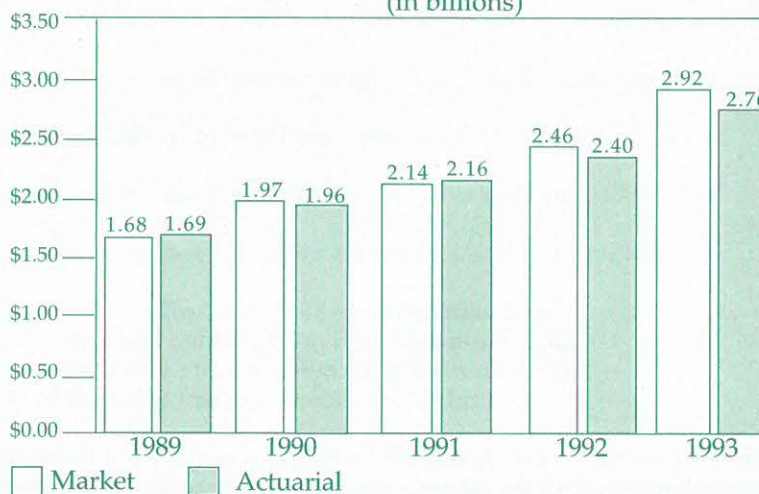


The contribution rate dropped sharply in the past year due to legislated changes to the benefits as well as the actuarial assumptions. Without these changes the contribution rate would have increased over the 1992 rate to 22.52%.

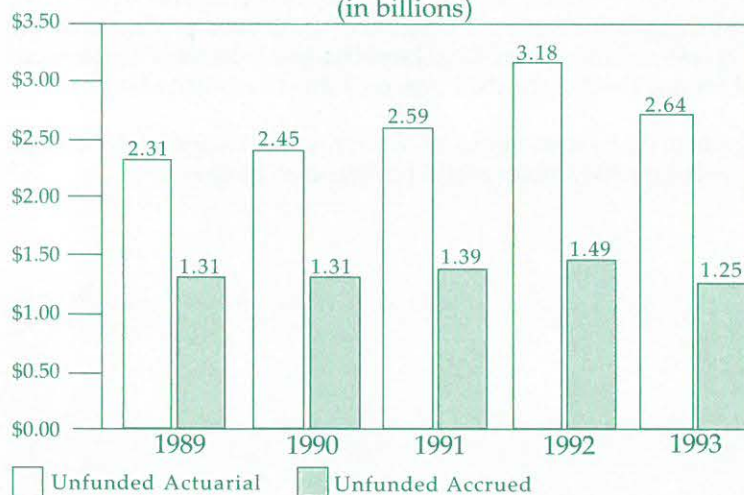
*Rates do not include retiree health insurance charges or administrative expenses. Rates shown are composite rates for the State regular employees, MTRA teachers, Old System Teachers, and the State special groups: State Police, Game Wardens, Sea and Shore Wardens, Prison Wardens, Liquor Inspectors, and Forest Rangers.

The System's assets grew slightly more than expected from 1992 to 1993 due to an asset gain. This continues a trend of superior investment performance over the past several years.

System Assets (in billions)



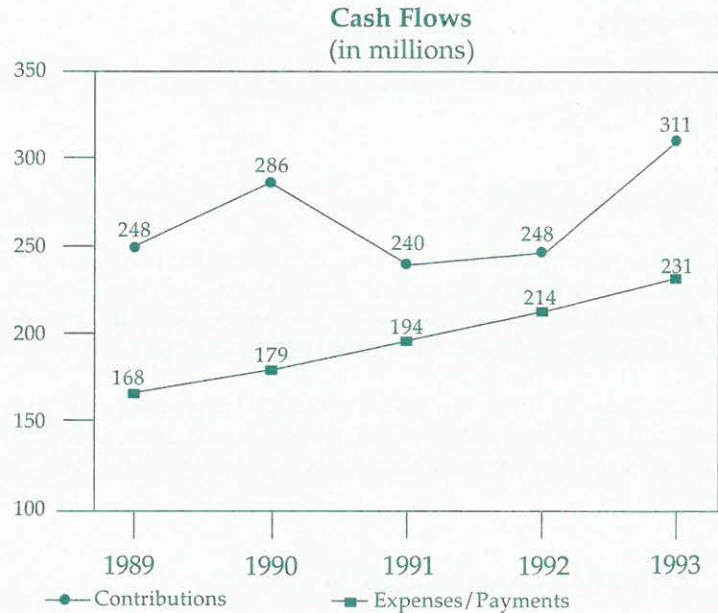
Unfunded Liabilities (in billions)



The unfunded liability decreased by \$618 million over what was expected between 1992 and 1993. This was primarily due to legislated changes in benefits and actuarial assumptions.



Contributions over the past year approached their normal levels as the State ceased its deappropriations from the pension budget. Contributions are still below their normal levels due to forced furloughs decreasing the payroll base.



System Experience

July 1, 1992 - June 30, 1993

The key indicator of overall experience in the System is the composite State contribution rate. The rate is set so that it will be stable from year to year if experience is exactly as expected. An increase in the rate indicates unfavorable experience and a decrease, favorable experience or specific changes, during the previous year.

The rate decreased from 22.09% to 16.49% mostly due to legislated changes in benefit provisions and assumptions. The overall experience of the System during the year ending June 30, 1993, was slightly better than expected as explained in the following sections.

The balance of this part examines the System's experience in more detail.

Assets

As of June 30, 1993, the System has present funds, when measured on a market value basis, of \$2.92 billion, an increase of \$0.46 billion from a 1992 figure of \$2.46 billion. When measured on an actuarial basis, using a method which smooths market fluctuations, System assets increased by \$0.36 billion to \$2.76 billion in 1993 from \$2.40 billion in 1992. The components of this change are:

- + \$311 million from employer and member contributions
- \$231 million from payment of benefits and expenses
- + \$195 million from expected investment experience (i.e., 8.0%)
- + \$82 million from asset gain (i.e., actual rate was 11.36%)

= \$357 million total increase in assets

The asset gain for state and teachers excluding participating local districts was \$55 million.

The next section of this report presents more detailed information on System assets.



Liabilities

Throughout this report we discuss three types of liability: actuarial liability, accrued benefit liability, and pension benefit obligation.

Actuarial Liability

In general, actuarial liabilities are calculated for purposes of determining future contributions and are directly dependent upon the particular "funding method" used by the actuary. Use of different funding methods would provide entirely different results, when nothing else has changed (e.g., inflation, salaries, etc.). Unfunded actuarial liabilities include future anticipated increases in pay and service credits.

As of June 30, 1993, the State's unfunded actuarial liability was \$2.64 billion. This compares to a June 30, 1992, unfunded actuarial liability of \$3.18 billion, a decrease of \$534 million. This compares with an expected increase of \$84 million. The components of this increase are as follows:

Unfunded Actuarial Liability, June 30, 1992	\$3,177million
increase expected	84 million
decrease due to asset gain	(55) million
increase due to contributions less than expected	17 million
other gains (see below)	(36) million
decrease due to legislative changes in benefits and assumptions	(544) million
	<hr/>
Unfunded Actuarial Liability, June 30, 1993	\$2,643million

The unexpected decrease in unfunded liabilities from "other gains" is attributable to the combined effect of the following factors.

- differences between assumed and actual rates of members retiring, terminating employment or dying
- shrinkage in membership
- salary increases lower than expected

Accrued Benefit Liability

The second type of liability is the accrued benefit liability. This represents the liabilities for all future benefits, based on members' earnings and service credits as of the valuation date June 30, 1993. The difference between this figure and the market value of System assets represents the unfunded accrued benefit liability. As of June 30, 1993, the unfunded accrued benefit liability was \$1.25 billion, as compared to a June 30, 1992, unfunded accrued benefit liability of \$1.49 billion.



Pension Benefit Obligation

The third type of liability is the pension benefit obligation (PBO). This is similar to the accrued benefit liability, but it reflects anticipated pay increases. The PBO is a liability disclosure required by the Governmental Accounting Standards Board and is compared with the book value of System assets to determine the amount unfunded. The unfunded PBO was \$2.83 billion on June 30, 1992, and is \$2.57 billion on June 30, 1993.

Contributions

In the "Contributions" section of this report, we present detailed information on the development of State contribution rates to the System, calculated as of June 30, 1993. In addition, this section discusses the application of the State contribution rate for fiscal year budget purposes.

Contributions to the System consist of:

- a "normal contribution" for the portion of projected liabilities attributable to service of members during the year following the valuation date
- an "unfunded actuarial liability contribution" for the excess of projected liabilities allocated to service to date over assets on hand
- a "disability benefit" contribution for the expected value of future disability (new law) benefits to be paid as a result of disablements occurring during the year following the valuation date
- a "death benefit" contribution (consisting of two parts: survivor benefits and accidental death benefits) for the expected value of future death benefits to be paid as a result of deaths occurring during the year following the valuation date

The composite contribution rate for all State employees and teachers decreased from 22.09% of payroll as of June 30, 1992, to 16.49% of payroll as of June 30, 1993. The primary components of this change are shown below.

Contribution Rate as of June 30, 1992	22.09 %
Contributions less than expected	0.08
Asset Gain	(0.27)
Net effect Liability Gains, Membership Growth, and Shifts in Payroll Among the State Employee and Teacher Groups	0.62
Legislated change in assumptions/benefits	(6.03)
Contribution Rate as of June 30, 1993	16.49 %

The net effect liability gains results in an increase in contribution rates due to the shrinkage in payroll. While there was a decrease in unfunded liability, the fact that the unfunded liability is amortized as a level percentage of payroll means that payroll shrinkage causes increases in contribution rates.



SUMMARY OF PRINCIPAL RESULTS

TOTAL* (State and Teacher)

1. Participant Data	<u>June 30, 1993</u>	<u>June 30, 1992</u>
Number of:		
Active Members	42,019	39,904
Retired Members and Beneficiaries	17,597	17,247
Vested Deferred Members	715	638
Annual Salaries of Active Members	\$1,061,911,835	\$1,047,240,382
Annual Retirement Allowances for Retired Members and Beneficiaries	\$172,294,050	\$160,709,084
2. Assets and Liabilities		
Actuarial Value of Assets	\$1,852,948,650	\$1,594,383,373
Unfunded Actuarial Liability	\$2,643,416,082	\$3,177,024,392
Market Value of Assets	\$1,966,911,644	\$1,634,257,822
Unfunded Accrued Liability	\$1,246,275,890	\$1,487,610,939
Accrued Benefit Funding Ratio	61.21%	52.35%
3. Contribution Results as a Percent of Payroll (composite rate for all State Employees and Teachers)**		
Normal Cost	4.85%	6.37%
Unfunded Actuarial Liability	9.97%	14.05%
Disability	1.29%	1.29%
Survivor Benefits	0.28%	0.28%
Accidental Death	0.10%	0.10%
Total	16.49%	22.09%

* Excludes participating local districts

** Excludes charges for retiree health insurance and administrative expenses. June 30, 1992, rates exclude Old System Teachers.



SUMMARY OF PRINCIPAL RESULTS

TEACHERS MTRA*

1. Participant Data	<u>June 30, 1993</u>	<u>June 30, 1992</u>
Number of:		
Active Members	27,296	24,840
Retired Members and Beneficiaries	8,734	8,022
Vested Deferred Members	472	455
Annual Salaries of Active Members	\$619,824,232	\$605,506,450
Annual Retirement Allowances for Retired Members and Beneficiaries	\$93,618,046	\$83,040,884
2. Assets and Liabilities		
Actuarial Value of Assets	\$1,037,127,537	\$1,071,461,635
Unfunded Actuarial Liability	\$1,726,183,778	\$1,895,838,972
Market Value of Assets	\$1,105,974,747	\$1,095,055,988
Unfunded Accrued Liability	\$790,638,468	\$719,165,634
Accrued Benefit Funding Ratio	58.31%	60.36%
3. Contribution Results as a Percent of Payroll		
Normal Cost	4.97%	6.29%
Unfunded Actuarial Liability	11.16%	15.68%
Disability	1.30%	1.30%
Survivor Benefits	0.26%	0.25%
Accidental Death	0.08%	0.08%
Total	17.77%	23.60%

* Excludes charges for retiree health insurance and administrative expenses. June 30, 1993, figures include Old System Teachers.



SUMMARY OF PRINCIPAL RESULTS

STATE REGULAR*

1. Participant Data	<u>June 30, 1993</u>	<u>June 30, 1992</u>
Number of:		
Active Members	13,916	14,250
Retired Members and Beneficiaries	8,182	8,052
Vested Deferred Members	236	180
Annual Salaries of Active Members	\$413,522,0171	\$412,821,296
Annual Retirement Allowances for Retired Members and Beneficiaries	\$67,911,675	\$63,701,205
2. Assets and Liabilities		
Actuarial Value of Assets	\$710,940,359	\$641,300,988
Unfunded Actuarial Liability	\$789,928,305	\$910,384,047
Market Value of Assets	\$750,256,123	\$655,422,895
Unfunded Accrued Liability	\$359,366,910	\$430,251,828
Accrued Benefit Funding Ratio	67.61%	60.37%
3. Contribution Results as a Percent of Payroll (State Portion only)*		
Normal Cost	4.14%	5.91%
Unfunded Actuarial Liability	7.65%	11.04%
Disability	1.30%	1.30%
Survivor Benefits	0.32%	0.32%
Accidental Death	0.12%	0.12%
Total	13.53%	18.69%

* Excludes eight special groups and charges for retiree health insurance and administrative expenses.



ASSETS

In this section we present the value assigned to assets held by the System. These assets are valued on three different bases: the book value, the market value, and the actuarial value.

Book Value of Assets

Table II-1 is a comparison, on a book value basis, of System assets as of June 30, 1993, and June 30, 1992, in total and by investment category. The book value is essentially the purchase price for equity investments and amortized value for fixed income investments such as bonds.

Market Value of Assets

For accounting statement purposes, System assets are valued at current market values. Briefly stated, these values represent the "snapshot" or "cash-out" value of System assets as of the valuation date. In addition, the market value of assets provides a reference point for comparison purposes. Table II-2 presents both book value and market value of total System assets by investment category as of June 30, 1993, and also shows the proportion of total assets by investment category for market value.

Actuarial Value of Assets

The market value of assets, representing a "liquidation" value of the funds, is not a good measure of the System's ongoing ability to meet its obligations. Ongoing funding requirements established using market values are subject to significant variability because of the volatility of market values.

As a consequence, actuarial valuations employ a technique for determining the actuarial value of assets which dampens the swings in market value. The specific technique adopted sets the actuarial value of assets by the following method:

Step 1: Determine the total yield on the investments of the System using the full investment return (including capital gains) measured by the difference in the actuarial value of the assets at the beginning of the fiscal year just ended and the market value of assets at the end of the year (18.08%).

Step 2: Calculate the excess of the yield determined in Step 1 over the expected yield for the same year according to the actuarial assumptions. $(18.08\% - 8.00\% = 10.08\%)$

Step 3: Calculate an adjusted rate equal to the expected rate plus one-third of the rate determined in step 2. $(8.00\% + (1/3 * 10.08\%) = 11.36\%)$

Step 4: The actuarial value of assets used in this valuation equals the amount that would have existed if the actual yield on the assets had been at the rate determined in Step 3.

Allocation by Group

Since retirement benefit costs are calculated separately for State Employees, Teachers and other Special Groups, total assets (market and actuarial values) must be allocated to each of these groups. We have made this allocation as of June 30, 1993, in proportion to System reserves (provided at book value). These are shown in Table II-3. The total for each group has been further allocated between the Member Contribution Fund and the Retirement Allowance Fund. The resulting allocations are shown in Tables II-4 and II-5.



TABLE II-1
ASSET COMPARISON AT BOOK VALUE

<u>Asset Category</u>	<u>June 30, 1993</u>	<u>June 30, 1992</u>	<u>Increase (Decrease)</u>
Bonds & Cash Equivalents	\$795,196,100	\$756,378,836	\$38,817,264
Stocks	1,296,526,886	1,125,987,807	170,539,079
Commingled Fund	199,807,191	185,214,703	14,592,488
Mortgages	0	0	0
Land & Buildings	2,677,566	2,505,687	171,879
Other Assets	13,317,634	7,592,411	5,725,223
Other Liabilities	(14,294,341)	(6,892,911)	(7,401,430)
TOTAL	\$2,296,231,036	\$2,070,786,533	\$222,444,503

TABLE II-2
BOOK AND MARKET VALUES BY ASSET CATEGORY

<u>Asset Category</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Market Value % to Total</u>
Bonds	\$763,585,844	\$912,964,320	31.26%
Cash Equivalents	31,510,256	36,989,067	1.27
Stocks	1,296,526,886	1,711,615,672	58.60
Commingled Funds	199,807,191	257,746,065	8.82
Mortgages	0	0	0.00
Land & Buildings	2,677,566	2,301,000	0.08
Other Assets	13,317,634	13,317,634	0.46
Other Liabilities	(14,294,341)	(14,294,341)	(0.49)
TOTAL	\$2,293,231,036	\$2,920,639,417	100.00%



TABLE II-3
ALLOCATION OF BOOK VALUE OF ASSETS

	Allocation to:		
	<u>Member</u> <u>Contribution Fund</u>	<u>Retirement</u> <u>Allowance Fund</u>	<u>Total</u>
RETIREMENT RESERVES			
State Employees	\$282,033,197	\$406,244,224	\$688,277,421
MRTA Teacher	505,347,379	337,146,993	842,494,372
Old System Teachers	0	0	0
Judges	1,667,903	10,419,001	12,086,904
Legislators	261,786	1,204,629	1,466,415
Subtotal State	\$789,310,265	\$755,014,847	\$1,544,325,112
Participating Districts	\$129,655,089	\$405,876,401	\$535,531,490
Total	\$918,965,354	\$1,160,891,248	\$2,079,856,602
COMMINGLED RESERVES			
Disability	\$18,293,957	\$142,907,917	\$161,201,874
Accidental Death	0	7,227,130	7,227,130
Survivor Benefits	0	44,945,430	44,945,430
Total	18,293,957	195,080,477	213,374,434
TOTAL RESERVES	\$937,259,311	\$1,355,971,725	\$2,293,231,036

TABLE II-4
ALLOCATION OF MARKET VALUE OF ASSETS

	Allocation to:		
	<u>Member</u> <u>Contribution Fund</u>	<u>Retirement</u> <u>Allowance Fund</u>	<u>Total</u>
RETIREMENT RESERVES			
State Employees	\$282,033,197	\$578,903,699	\$860,936,896
MRTA Teacher	505,347,379	600,627,368	1,105,974,747
Old System Teachers	0	0	0
Judges	1,667,903	13,451,090	15,118,993
Legislators	261,786	1,572,490	1,834,276
Subtotal State	\$789,310,265	\$1,194,554,647	\$1,983,864,912
Participating Districts	\$129,655,089	\$540,218,431	\$669,873,520
Total	\$918,965,354	\$1,734,773,078	\$2,653,738,432
COMMINGLED RESERVES			
Disability	\$18,293,957	\$183,346,596	\$201,640,553
Accidental Death	0	9,040,109	9,040,109
Survivor Benefits	0	56,220,323	56,220,323
Total	18,293,957	248,607,028	266,900,985
TOTAL RESERVES	\$937,259,311	\$1,983,380,106	\$2,920,639,417



TABLE II-5
ALLOCATION OF ACTUARIAL VALUE OF ASSETS

	Allocation to:		
	<u>Member</u> <u>Contribution Fund</u>	<u>Retirement</u> <u>Allowance Fund</u>	<u>Total</u>
RETIREMENT RESERVES			
State Employees	\$282,033,197	\$533,787,917	\$815,821,114
MRTA Teacher	505,347,379	531,780,158	1,037,127,537
Old System Teacher	0	0	0
Judges	1,667,903	12,658,808	14,326,711
Legislators	261,786	1,476,368	1,738,154
Subtotal State	\$789,310,265	\$1,079,703,251	\$1,869,013,516
Participating Districts	\$129,655,089	\$505,114,967	\$634,770,056
Total	\$918,965,354	\$1,584,818,218	\$2,503,783,572
COMMINGLED RESERVES			
Disability	\$18,293,957	\$172,780,000	\$191,073,957
Accidental Death	0	8,566,379	8,566,379
Survivor Benefits	0	53,274,203	53,274,203
Total	18,293,957	234,620,582	252,914,539
TOTAL RESERVES	\$937,259,311	\$1,819,438,800	\$2,756,698,111



LIABILITIES

Actuarial Liabilities

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to the period in which benefits are earned, rather than to the period of benefit distribution. There are several methods currently used in making such a determination.

The method used for this valuation is referred to as the "entry age normal actuarial cost method." Under this method, a level-percent-of-pay employer cost is determined which, along with member contributions, will pay for projected benefits at retirement for a new entrant into the plan. It is assumed applicable to all active plan members. The level percent developed is called the normal cost rate and the product of that rate and payroll is the normal cost.

The actuarial liability is that portion of the present value of projected benefits that will not be paid by future employer normal costs or member contributions. The difference between this liability and funds accumulated as of the same date is referred to as the unfunded actuarial liability. If the employer's contributions exceed the employer's normal cost for the year, after allowing for interest earned on the previous balance of the unfunded actuarial liability, this liability will be reduced. Benefit improvements, actuarial gains and losses, and changes in actuarial procedures will also have an effect on the total actuarial liability and on the portion of it that is unfunded.

After the amount of the unfunded actuarial liability has been determined, a schedule of contributions is established to amortize that amount over a given period. Effective with the 1987 valuation, a thirty year amortization period was adopted for the Maine State Retirement System. Effective with this valuation the amortization period has been extended to 35 years, from 1993. Payments to fund the actuarial liability will be a level percentage of payroll.

In Table III-1 we have summarized the actuarial liabilities as of June 30, 1993, and the amounts that were unfunded.

**TABLE III-1
ACTUARIAL LIABILITIES**

	<u>State Employees</u>	<u>MTRA* Teachers</u>	<u>All State Employees</u>
1. Active employees			
(a) Current accrued benefits	\$477,519,845	\$908,703,903	\$1,386,223,748
(b) Future benefit accruals	\$905,452,546	\$1,624,331,732	\$2,529,784,278
(c) Total active projected benefits	\$1,382,972,391	\$2,533,035,635	\$3,916,008,026
2. Inactive Employees	\$839,054,474	\$987,909,312	\$1,826,963,786
3. Total Present Value of Projected Benefits (1 + 2)	\$2,222,026,865	\$3,520,944,947	\$5,742,971,812
4. Future Contributions	\$488,973,448	\$757,633,632	\$1,246,607,080
5. Actuarial Liability (3 - 4)	\$1,733,053,417	\$2,673,311,315	\$4,496,364,732
6. Invested Assets (Actuarial Value)	\$815,821,114	\$1,037,127,537	\$1,852,948,651
7. Unfunded Actuarial Liability (5 - 6)	\$917,232,303	\$1,726,183,778	\$2,643,416,081

* Includes Old System Teachers.



Accounting Statement Information

Statement No. 35 of the Financial Accounting Standards Board requires the System to disclose certain information regarding its funded status.

Statement No. 5 of the Governmental Accounting Standards Board, issued during 1986, establishes standards for disclosure of pension information by public employee retirement systems and governmental employers in notes to financial statements and supplementary information. This statement specifies that a comparison of the present value of accrued (accumulated) plan benefits with the value of plan assets must be provided by the System.

As directed by the above referenced accounting statements, the liabilities shown in Table III-2, Accrued Benefit Liabilities, do not include any projections for future creditable service and pay increases. The liabilities shown in Table III-3, GASB Disclosure, are based on current creditable service but include future pay projections.

Both present values of accrued benefits are determined assuming that the plan is ongoing and participants continue to terminate employment, retire, etc. in accordance with the actuarial assumptions.

TABLE III-2
ACCRUED BENEFIT LIABILITIES

	<u>State Employees</u>	<u>MTRA* Teachers</u>	<u>All State Employees</u>
1. Present Value of Accrued Benefits			
(a) Employees terminated with vested rights	\$7,651,488	\$12,212,962	\$19,864,450
(b) Retired employees	\$831,402,986	\$975,696,350	\$1,807,099,336
(c) Active employees	\$477,519,845	\$908,703,903	\$1,386,223,748
(d) Total	\$1,316,574,319	\$1,896,613,215	\$3,213,187,534
2. Invested Assets (Market Value)	\$860,936,896	\$1,105,974,747	\$1,966,911,643
3. Unfunded Present Value of Accrued Benefits (1 - 2)	\$455,637,423	\$790,638,468	\$1,246,275,891
4. Accrued Benefit Funding Ratio (2 / 1)	65.4%	58.3%	61.2%

* Includes Old System Teachers.



**TABLE III-3
GASB DISCLOSURE**

	<u>State Employees</u>	<u>MTRA* Teachers</u>	<u>All State Employees</u>
1. Pension Benefit Obligation:			
(a) Retirees and disabled members, and beneficiaries, currently receiving benefits and vested deferred members	\$839,054,474	\$987,909,312	\$1,826,963,786
(b) Current Employees			
(1) Accumulated employee contributions including allocated investment earnings	\$282,033,197	\$505,347,379	\$787,380,576
(2) Employer-financed vested	\$165,308,392	\$364,052,704	\$529,361,096
(3) Employer-financed non-vested	\$332,366,428	\$627,495,629	\$959,862,057
(c) Total Pension Benefit Obligation	\$1,618,762,491	\$2,484,805,024	\$4,103,567,515
2. Net Assets Available for Benefits (at cost)	\$688,277,421	\$842,494,372	\$1,530,771,793
3. Unfunded Pension Benefit Obligation (not less than \$0)	\$930,485,070	\$1,642,310,652	\$2,572,795,722

* Includes Old System Teachers.



CONTRIBUTIONS

General Comments

Under established procedures, contribution rates based on this June 30, 1993, actuarial valuation will be used to determine Fiscal Year 1995 State appropriations to the Maine State Retirement System. In this context, the term "contribution rate" means the percentage which is applied to a particular active member payroll to determine the actual contribution amount (i.e., in dollars) for the group.

Description of Rate Components

Except for ancillary benefits (disability, survivors' and accidental death benefits), the entry age normal method was used to develop the contribution rates in this section. Under this funding method, as with most other actuarial funding methods, a total contribution rate is determined which consists of two elements: the normal cost rate and the unfunded actuarial liability rate. The contribution rates for ancillary benefits were determined separately using a term cost method. These elements are described in more detail below.

Normal Cost Rate

For State employees, teachers (MTRA) and each special group, an individual entry age normal cost rate was determined for a typical new entrant of each respective group. This rate was determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, reducing it by the value of future member contributions, and dividing it by the value, also as of the member's entry age, of his expected future salary. The normal cost rate, so determined separately for each group, was assumed applicable to all active members of the group.

Unfunded Actuarial Liability Rate

The unfunded actuarial liability under the entry age normal method equals the present value, at time of valuation, of future benefits less the present value of future normal costs, future member contributions and current assets. The unfunded actuarial liability rate (or amortization rate) is the level percent of active member payroll which, when applied to each year's payroll, is sufficient to amortize the unfunded actuarial liability over 35 years from June 30, 1993.

Ancillary Benefit Rate

For each separate cost group (State employees, teachers, etc.) the cost of claims expected to be incurred during the year was determined as a percent of active member payroll. The State appropriation for ancillary benefits will then be determined by applying the ancillary benefit rate to the appropriate active member payroll.

Total Contribution Rate Summary

In Table IV-1 we present total contribution rates, determined as of June 30, 1993, applicable for determining the Fiscal Year 1995 State appropriations to the System, using the cost methods described above. These were developed using actuarial assumptions and methods described in the "Actuarial Assumptions and Methods" section.

The derivations of the unfunded actuarial liability rates for each group are shown in Table IV-2.



TABLE IV-1
RECOMMENDED STATE CONTRIBUTION RATES*
FOR FISCAL YEAR 1994/1995

	RETIREMENT BENEFITS		ANCILLARY BENEFITS			
	Normal Cost**	Unfunded Actuarial Liability	Disability	Survivor Benefits	Accidental Death	All Benefits
State Employees	4.14%	7.65%	1.30%	0.32%	0.12%	13.53%
Special Groups						
State Police (Closed Plan)	18.16%	31.49%	0.82%	0.33%	0.26%	51.06%
State Police (Open Plan)	18.16%	0.00%	0.77%	0.05%	0.16%	19.14%
Sea and Shore Wardens (Closed Plan)	15.73%	32.14%	0.80%	0.25%	0.26%	49.18%
Game Wardens (Closed Plan)	18.16%	43.32%	0.63%	0.24%	0.20%	62.55%
Prison Wardens (Closed Plan)	6.51%	12.89%	1.52%	0.61%	0.54%	22.07%
Prison Wardens (Open Plan)	6.51%	0.00%	1.12%	0.16%	0.31%	8.10%
Liquor Inspectors (Closed Plan)	6.54%	14.76%	1.61%	0.45%	0.59%	23.95%
Forest Rangers (Closed Plan)	6.02%	14.95%	1.32%	0.46%	0.46%	23.21%
MTRA Teachers	4.97%	11.16%	1.30%	0.26%	0.08%	17.77%

* These rates do not include charges to cover retiree health insurance or administrative expenses.

** Includes cost of Automatic Option 2.



TABLE IV-2
DERIVATION OF UNFUNDED ACTUARIAL LIABILITY RATES

	STATE REGULAR	STATE POLICE*	SEA AND SHORE WARDENS	GAME WARDENS	PRISON WARDENS*	LIQUOR INSPECTORS	FOREST RANGERS	MTRA TEACHERS
1. Present Value of Future Benefits	1,955,393,305	133,160,420	15,843,154	54,526,746	41,801,575	3,084,980	18,216,685	3,520,944,947
2. Normal Cost Rate**	3.66%	18.16%	15.73%	18.16%	6.51%	6.54%	6.02%	4.60%
3. Present Value of Future Payroll	4,018,785,506	63,059,256	2,554,274	6,477,040	84,617,631	2,188,503	13,938,738	6,184,764,337
4. Present Value of Future Normal Costs: (2) x (3)	147,087,550	11,451,561	401,787	1,176,230	5,508,608	143,128	839,112	284,499,160
5. Present Value of Future Member Contributions	307,437,091	5,454,626	220,945	560,264	7,319,425	167,420	1,205,701	473,134,472
6. Actuarial Liability: (1) - (4) - (5)	1,500,868,664	116,254,233	15,220,422	52,790,252	28,973,542	2,774,432	16,171,872	2,763,311,315
7. Actuarial Value of Assets	710,940,359	52,387,629	7,007,496	23,698,357	13,210,193	1,272,933	7,304,146	1,037,127,537
8. Unfunded Actuarial Liability: (6) - (7)	789,928,305	63,866,604	8,212,926	29,091,895	15,763,349	1,501,499	8,867,726	1,726,183,778
9. Estimated Payroll	413,522,071	8,126,323	1,023,723	2,690,677	4,901,043	407,566	2,377,007	619,824,232
10. Amortization Factor	24.9603	24.9603	24.9603	24.9603	24.9603	24.9603	24.9603	24.9603
11. Unfunded Actuarial Liability Rate (8)/(9)/(10)	7.65%	31.49%	32.14%	43.32%	12.89%	14.76%	14.95%	11.16%

* Includes liabilities for both closed and open plans. Unfunded actuarial liability is attributable to closed plan only.

** Does not include cost of Automatic Option 2.



RESERVES FOR DISABILITY, SURVIVOR, AND ACCIDENTAL DEATH BENEFITS

Retirement benefits under the System are funded on a basis expected to result in level percent of pay contributions over the members' working lives. This funding method involves projecting the expected benefits payable in all future years, and spreading the costs to produce a level pattern.

In contrast, employer contributions for certain ancillary benefits are determined on a "term cost" basis. Under this funding method, the annual cost for a year is determined as the value of benefit claims expected to be "incurred" during the year.

For example, the value (or cost) of a survivor pension expected to become payable during a year is the present value of all the future monthly payments expected because of a member's death. Under the term cost method, the employer contribution reflects only the cost of events (deaths or disabilities) expected to occur in the current year.

Types of benefits under the System which are funded using the term cost method are the "new" disability benefit (effective in 1977), survivor benefits, and accidental death benefits. The cost of benefits for members who became disabled under the old provisions is funded along with retirement benefits.

For each of these benefits funded by the term cost method, a separate trust fund reserve is maintained. Each fund is increased by employer contributions and investment earnings and decreased by benefits paid.

Each year, as a part of the actuarial valuation we compare the present value of benefits payable (theoretical reserve) with the trust fund reserve (actual reserve). Under ideal circumstances the actual reserve will exceed the theoretical reserve to allow for a margin or "cushion" to absorb future experience losses. We show the trust fund at "actuarial value", as described in the "Assets" section.

Trends in the ratio of actual to theoretical reserves may indicate a need to change the assumptions used to value benefits which, in turn, will lead to a change in employer contribution rates. For example, this year we continue to reduce the calculated contribution rate for disability benefits by approximately 15% to reflect ongoing favorable experience in that fund.

The following sections compare the actual reserves with theoretical reserves based on an assumed rate of investment return of 8%.

A. Disability Benefits Reserve

1. Theoretical Reserve	
a. State Employees	\$73,801,631
b. Teachers	\$61,218,764
c. Participating Districts	\$7,762,329
d. Total	\$142,782,724
2. Actual Reserve (Actuarial Value)	\$191,073,957
3. Ratio: (2) / (1)	133.82%

B. Survivor Benefits Reserve

1. Theoretical Reserve	
a. State Employees	\$22,441,463
b. Teachers	\$10,815,126
c. Participating Districts	\$3,154,504
d. Total	\$36,411,093
2. Actual Reserve (Actuarial Value)	\$53,274,203
3. Ratio: (2) / (1)	146.31%

C. Accidental Death Benefit Reserve

1. Theoretical Reserve	\$3,578,165
2. Actual Reserve (Actuarial Value)	\$8,566,379
3. Ratio: (2) / (1)	239.41%



ACTIVE MEMBER DATA

	<u>Count</u>	<u>Average Current Age</u>	<u>Average Service</u>	<u>Average Valuation Pay</u>
Teachers	27,296	41.5	10.9	\$22,708
State Regular*	13,911	42.6	11.0	\$29,710
Airplane Pilots	5	49.6	13.8	\$44,930
Forest Rangers (Closed Plan)	66	44.0	18.2	\$36,015
Game Wardens (Closed Plan)	66	42.5	18.1	\$40,768
Liquor Inspectors (Closed Plan)	10	46.7	21.7	\$40,757
Prison Wardens (Closed Plan)	140	45.3	15.6	\$35,007
Prison Wardens (Open Plan)	219	34.2	3.2	\$25,882
State Police (Closed Plan)	188	40.8	15.9	\$43,225
State Police (Open Plan)	93	31.1	5.8	\$36,247
Sea and Shore Wardens (Closed Plan)	25	41.8	17.3	\$40,949
State Totals	14,723	42.4	11.0	\$30,027

*Includes Forest Rangers, Game Wardens, Liquor Inspectors, and Sea and Shore Wardens hired after August 31, 1984, plus seasonal employees.

NON-ACTIVE MEMBER DATA

	<u>Teachers (MTRA)</u>	<u>Old System Teachers</u>	<u>State Regular</u>	<u>Special Groups</u>
<u>Retired</u> (Options 0-4)				
Count	6,944	398	5,955	541
Average Benefit	\$11,894	\$9,298	\$9,547	\$18,430
<u>Retired</u> (Option 4 Concurrent Beneficiary)				
Count	805	---	983	85
Average Benefit	\$3,030	---	\$2,792	\$3,560
<u>Disabilities</u> (Options 7,8,9)				
Count	25	---	38	4
Average Benefit	\$13,954	---	\$11,069	\$10,853
<u>Beneficiaries</u>				
Count	484	78	1,203	54
Average Benefit	\$8,656	\$4,471	\$6,522	\$9,214
<u>Terminated Vested</u>				
Count	472	---	236	7
Average Benefit	\$3,639	---	\$5,454	\$5,663
<u>Disabilities C622 and C409</u> (Options 6, A-E)				
Count	369	---	636	---
Average Benefit	\$15,445	---	\$11,363	---



SUMMARY OF PLAN PROVISIONS FOR STATE EMPLOYEES AND TEACHERS

1. Membership.

Membership is a condition of employment for state employees and teachers, and optional for elected and appointed officials. Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. Member Contributions.

Except as otherwise described below, members are required to contribute 7.65% of earnable compensation.

Contribution requirements for special groups:

- State police, inland fisheries and wildlife officers (game wardens), and marine resources officers (sea and shore wardens) employed before 9/1/84—8.65% of earnable compensation for 20 years; 7.65% thereafter.
- State police and prison employees employed after 8/31/84—8.65% of earnable compensation for 25 years; 7.65% thereafter.
- Forest rangers and state prison employees employed before 9/1/84—8.65% of earnable compensation until eligible for retirement; 7.65% thereafter.

3. Average Final Compensation.

For purposes of determining benefits payable under the System, average final compensation is the average annual rate of earnable compensation for the 3 years of creditable service (not necessarily consecutive) which produce the highest such average.

For compensation paid on or after July 1, 1993, increases in compensation of greater than 5% per year or 10% over the highest 3 years will not be included in calculating average final compensation unless the employer pays the cost of including such compensation.

The definition of compensation will no longer include sick and vacation pay for those members who have less than 10 years of service at July 1, 1993.

4. Creditable Service.

Creditable service includes service while a member, certain service prior to the establishment of the System, purchased military service credit, and service while receiving disability benefits under the System.

5. Service Retirement Benefits.

Except as otherwise described below:

Eligibility for members in service: 25 years of creditable service, or attainment of age 60 with either 10 years of creditable service or one year of service immediately before retirement.

Eligibility for members not in service: 25 years of creditable service, or attainment of age 60 with 10 years of creditable service.

Benefit: $1/50$ of average final compensation multiplied by years of membership service and up to 25 years of prior service, reduced for retirement before age 60.

Form of payment: life annuity.



SUMMARY OF PLAN PROVISIONS FOR STATE EMPLOYEES AND TEACHERS (Continued)

For participants who have less than 10 years of service at July 1, 1993, the eligibility age is increased to age 62 and early retirement benefits are reduced 6% for each year before 62.

If greater than the benefits produced by the standard formulas, the following benefits are available for special groups:

State police, inland fisheries and wildlife officers (game wardens), and marine resources officers (sea and shore wardens) employed before 9/1/84:

Eligibility: 20 years of creditable service in named positions.

Benefit: $1/2$ of average final compensation plus 2% for each year of service in excess of 20. If greater, the pro-rated portion of the benefit for service before July 1, 1976, is based on annual pay instead of average final pay.

Form of payment: 50% joint and survivor annuity.

State police employed after 8/31/84:

Eligibility: 25 years of creditable service as a state police officer.

Benefit: same as for general employees, reduced for payment before age 55 rather than age 60.

Form of payment: life annuity.

Forest rangers employed before 9/1/84:

Eligibility: age 50 with 25 years of creditable service as a forest ranger.

Benefit: $1/2$ of average final compensation plus 2% for each year of service earned after qualification for retirement. If greater, the pro-rated portion of the benefit for service before July 1, 1976, is based on annual pay instead of average final pay.

Form of payment: life annuity.

Airplane pilots employed before 9/1/84:

Eligibility: age 55 and 25 years of creditable service as an airplane pilot.

Benefit: greater of (1) $1/2$ of average final compensation plus 2% for each year of service earned after qualification for retirement, and (2) if retiring after age 60, the benefit under the general formula.

Form of payment: life annuity.

Liquor inspectors employed before 9/1/84:

Eligibility: age 55 and 25 years of creditable service as a liquor inspector.

Benefit: $1/2$ of average final compensation plus 2% for each year of service earned after qualification for retirement. If greater, the pro-rated portion of the benefit for service before July 1, 1976 is based on annual pay instead of average final pay.

Form of payment: life annuity.



SUMMARY OF PLAN PROVISIONS FOR STATE EMPLOYEES AND TEACHERS (Continued)

State prison employees employed before 9/1/84:

Eligibility: age 50 and 20 years of creditable service as a prison employee.

Benefit: $1/2$ of average final compensation plus 2% for each year of service earned after qualification for retirement.

Form of payment: life annuity.

State prison employees employed after 8/31/84:

Eligibility: 25 years of creditable service as a prison employee.

Benefit: same as for general employees, reduced for retirement before age 55 rather than age 60.

Form of payment: life annuity.

6. Disability Retirement Benefits.

Eligibility: permanently mentally or physically incapacitated before normal retirement age while in service; unable to perform duties of own position; employed prior to October 16, 1992, and did not elect no-age disability option.

Benefit: $66\frac{2}{3}\%$ of average final compensation, reduced by employment earnings over \$10,000, and to the extent that the benefit, in combination with worker's compensation and Social Security, exceeds 80% of average final compensation.

Form of payment: payment begins on termination of service and ceases on cessation of disability or after 5 years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of 10 years following normal retirement age or date the service retirement benefit exceeds the disability benefit.

Conversion to service retirement: during the period of disability average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of $66\frac{2}{3}\%$ of average final compensation or 10 years after the normal retirement date, if earlier, the disability benefit converts to a service retirement benefit based on service and pay at that point.

7. No-age Disability Retirement Benefits.

Eligibility: permanently mentally or physically incapacitated while in service; unable to perform duties of own position; employed on or after October 16, 1992, or employer prior to October 16, 1992, and elected the provisions of No Age Disability.

Benefit: 59% of average final compensation, reduced by employment earnings over \$10,000, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of payment: payment begins on termination of service and ceases on cessation of disability or after 5 years, unless the member is unable to engage in any gainful activity; in which case payments cease on the date the service retirement benefit exceeds the disability benefit.

Conversion to service retirement: during the period of disability average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of 59% of average final compensation the disability benefit converts to a service retirement benefit based on service and pay at that point.



SUMMARY OF PLAN PROVISIONS FOR STATE EMPLOYEES AND TEACHERS (Continued)

8. Ordinary Death Benefits.

Eligibility: death while active or disabled.

Benefit: option 2 (see item 12) is automatically effective with benefit payable to designated beneficiary, spouse, or parents; however, beneficiary may elect survivor benefits payable to a surviving spouse, children, parents, or other beneficiaries in monthly amounts varying by number of eligible survivors. Otherwise, accumulated contributions are payable to the estate.

9. Accidental Death Benefits.

Eligibility: death while active or disabled resulting from injury related to employment.

Benefit: if the member leaves no dependent children, 2/3 of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's final average compensation shared between dependent children and surviving spouse (if any). Benefits are reduced by amounts payable under Workers' Compensation.

10. Refund of Contributions.

Eligibility: termination of service except by retirement or death.

Benefit: member's accumulated contributions with interest.

11. Cost-of-living Adjustments.

All retirement and survivor benefits are adjusted each year there is a percentage change in the Consumer Price Index, based on the Index. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for twelve months. The maximum increase or decrease is 4%. Earnable compensation used in determining benefits for disability members is indexed similarly.

Member who did not have 10 years of service on July 1, 1993, will not receive a cost-of-living adjustment until they reach their normal retirement age.

12. Optional Methods of Payment.

Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the Board.



ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

		State Employees	Teachers
1. Rate of Investment Return		8.2%	8.2%
2. Cost-of-living Increases in Benefits		4.0%	4.0%
3. Rates of Salary Increase (% at Selected Ages)	Age		
	20	10.0	10.0
	25	8.8	8.8
	30	7.7	7.7
	35	7.2	7.2
	40	6.7	6.7
	45	6.2	6.2
	50	6.0	6.0
	55	6.0	6.0
	60	6.0	6.0
	65	6.0	6.0

The above rates include a 6% across-the-board increase at each age. Calculations have been adjusted to account for the 5%-per-year/10%-over-three-years cap on final pay.

		State Employees			Teachers		
4. Rates of Termination at Select and Ultimate Service (% at Selected ages)*	Age	0-1	Service 1-2	2+	0-1	Service 1-2	2+
	20	40.0	20.0	15.0	30.0	20.0	15.0
	25	35.0	20.0	10.0	25.0	20.0	10.0
	30	30.0	15.0	8.0	25.0	20.0	8.0
	35	25.0	15.0	6.0	25.0	20.0	6.0
	40	25.0	15.0	4.5	25.0	20.0	4.5
	45	25.0	10.0	3.0	25.0	20.0	3.0
	50	25.0	10.0	2.5	25.0	20.0	2.5
	55	20.0	10.0	2.0	25.0	20.0	2.0

* Members with ten or more years of service and whose age plus service totals 60 or more are assumed to elect deferred vested benefits; other terminations are assumed to elect refunds.

5. Rates of Healthy Life Mortality at Selected Ages (number of deaths per 10,000 members)*	Age	Male	Female	Male	Female
	20	5	3	5	2
	25	6	3	6	3
	30	8	5	7	4
	35	11	7	10	6
	40	16	9	14	8
	45	29	14	23	12
	50	53	22	42	18
	55	85	33	71	27
	60	131	55	109	44
	65	213	96	174	77
	70	361	165	292	129

* For State Regular and Teachers 5% of deaths assumed to be accidental; for State Special 20% of deaths assumed to be accidental.



6. Rates of Disabled Life Mortality at Selected Ages (number of deaths per 10,000 members)	Age	State Employees		Teachers	
		Male	Female	Male	Female
	45	349	191	349	191
	50	376	207	376	207
	55	420	240	420	240
	60	488	288	488	288
	65	595	366	595	366
	70	763	487	763	487

7. Rates of Retirement at Selected Ages (number retiring per 1,000 members)	Age	State Employees*	Teachers
	45	25	38
	50	38	50
	55	100	126
	59	120	146
	60	150	200
	61	100	150
	62	350	400
	63	250	250
	64	250	250
	65	750	750
	70	1000	1000

8. Rates of Disability at Selected Ages (members becoming disabled per 10,000 members)**	Age		
	25	5.7	5.7
	30	6.3	6.3
	35	7.3	7.3
	40	11.0	11.0
	45	22.0	22.0
	50	42.0	42.0
	55	71.9	71.9
	60	124.2	124.2

* Members of special plans are assumed to retire when first eligible for unreduced benefits.

** 10% assumed to receive Workers Compensation benefits of 66-2/3% of pay; also, rates for State special groups are higher by 7 per 10,000 at all ages. Note: Disability costs calculated using these rates were reduced 15% to reflect favorable experience.

9. Family Composition Assumptions 80% of active members are married with two children born at ages 24 and 28 (dependent until age 18); female spouse is three years younger than male spouse; no dependent parents; unmarried members have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.
10. Vacation/ Sick Leave Credits For members who had 10 years of service on July 1, 1993, credits for unused vacation and sick leave may be used to increase average final compensation and/or creditable service. In order to reflect this, projected benefits are increased by 1.0% for state employees and 1.3% for teachers.



Actuarial Methods

1. Funding Method

The aggregate entry age normal method is used to determine costs. Under this funding method, a total contribution rate is determined which consists of two elements, the normal cost rate and the unfunded actuarial liability (UAL) rate.

For teachers (MTRA) and State employees, including each of the eight State special groups, a normal cost rate is determined for a typical new entrant. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, reducing it by the value of future member contributions, and dividing it by the value, also as of the member's entry age, of his expected future salary.

In addition to contributions required to meet the System's normal cost, contributions will be required to fund the System's unfunded actuarial liability. The actuarial liability is defined as the present value of future benefits less the present value of future normal costs and future member contributions. The unfunded actuarial liability is the total of the actuarial liability for all members less the actuarial value of the System's assets. The actuarial liability includes projections of future member pay increases and future service credits and should not be confused with the accrued benefit liability.

The unfunded actuarial liability is amortized by annual payments over a 35 year period from July 1, 1993. The payments are determined so that they will be a level percentage of pay, assuming total pay increases 6% per year.

Costs for ancillary benefits (death and disability) are determined using a term cost method.

2. Asset Valuation Method

For purposes of the June 30, 1993, actuarial valuation, assets are valued at an "actuarial value" as described in the "Assets" section in this report.

ACTUARIES' REPORT: LEGISLATIVE RETIREMENT SYSTEM—1993

The Maine State Retirement System has retained the firm of Milliman and Robertson, Inc., as consulting actuaries. The following report is Milliman and Robertson's actuarial valuation of the Maine Legislative Retirement System for the fiscal year ending June 30, 1993. The report includes the following sections:

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Participant Data	145
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Summary of Actuarial Assumptions	149



PARTICIPANT DATA

1. Number of Active Employees	162
2. Active Payroll	\$1,701,000
3. Number of Retired Members*	27
4. Annual Retiree Benefits	\$23,765
5. Number of Vested Inactive Members	0

*Includes one contingent annuitant.

COST RESULTS

1. Retirement Benefits	
A. Employer Normal Cost	5.45%
B. Unfunded Actuarial Liability	<u>0.00%</u>
Total Retirement Cost	5.45%
2. Disability Cost	1.56%
3. Survivor Benefit Cost	<u>1.02%</u>
Total Costs	8.03%

ACCOUNTING INFORMATION

1. GASB Disclosure	
A. Pension Benefit Obligation:	
1. Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 246,333
2. Current employees	
- Accumulated employee contributions including allocated investment earnings	261,786
- Employer-financed vested contributions	(29,235)
- Employer-financed non-vested contributions	<u>749,413</u>
Total Pension Benefit Obligation	<u>\$1,228,297</u>
B. Net Assets Available for Benefits (at cost)	\$1,466,415
Unfunded Pension Benefit Obligation (not less than \$0)	0
2. Other Accounting Information	
A. Actuarial Value of Assets	\$1,738,154
B. Unfunded Actuarial Liability	0
C. Market Value of Assets	1,834,276
D. Unfunded Accrued Liability	0
E. Amortization Period	N/A



SUMMARY OF PLAN PROVISIONS

1. Membership.

Membership is mandatory for legislators entering on or after December 3, 1986 and optional for those who were members of the Maine State Retirement System on December 2, 1986. Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. Member Contributions.

Members are required to contribute 7.65% of earnable compensation. Prior to July 1, 1993, members were required to contribute 4% of earnable compensation.

3. Average Final Compensation.

For purposes of determining benefits payable under the System, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) as a legislator which produce the highest such average.

4. Creditable Service.

Creditable service includes the following:

- A. All legislative service as a member after December 2, 1986.
- B. All legislative service before December 3, 1986, for which contributions are made at the rate applicable at the Maine State Retirement System, including appropriate interest.
- C. Service while receiving disability benefits under the System.
- D. All service creditable under the Maine State Retirement System, provided the member elects to have his own and the employer's contributions on behalf of the service transferred to the legislative system.

5. Service Retirement Benefits.

Eligibility for members with more than 10 years of creditable service on July 1, 1993: 25 years of creditable service, or attainment of age 60.

Eligibility for members with less than 10 years of service on July 1, 1993: 25 years of creditable service, or attainment of age 62.

Eligibility for members not in service: attainment of age 60 with 10 years of creditable service (or five full terms as a legislator).

For eligibility, creditable service includes service under the Maine State Retirement System after termination of legislative service.

Benefit: $1/50$ of average final compensation multiplied by years of creditable service, reduced for retirement before age 60 for members with at least 10 years creditable service on July 1, 1993; reduced for retirement before age 62 for members with less than 10 years creditable service on July 1, 1993; minimum \$100 per month if at least 10 years of creditable service.

Form of payment: life annuity.

6. Disability Retirement Benefits.

Eligibility: permanently mentally or physically incapacitated before normal retirement age while in service; unable to perform duties of own position; employed prior to October 16, 1992, and did not elect no-age-disability option.



SUMMARY OF PLAN PROVISIONS (Continued)

Benefit: $66\frac{2}{3}\%$ of average final compensation, reduced by employment earnings over \$10,000, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of payment: payment begins on termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of 10 years following normal retirement age or date the service retirement benefit exceeds the disability benefit.

Conversion to service retirement: during the period of disability average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of $66\frac{2}{3}\%$ of average final compensation or 10 years after the normal retirement date, if earlier, the disability benefit converts to a service retirement benefit based on service and pay at that point.

7. No-age Disability Retirement Benefits.

Eligibility: permanently mentally or physically incapacitated while in service; unable to perform duties of own position; employed on or after October 16, 1992, or employed prior to October 16, 1992, and elected the no-age-disability option.

Benefit: 59% of average final compensation, reduced by employment earnings over \$10,000, and to the extent that the benefit, in combination with Workers' Compensation and Social Security, exceeds 80% of average final compensation.

Form of payment: payment begins on termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any gainful activity; in which case payments cease on the date the service retirement benefit exceeds the disability benefit.

Conversion to service retirement: during the period of disability average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of 59% of average final compensation the disability benefit converts to a service retirement benefit based on service and pay at that point.

8. Ordinary Death Benefits Before Eligibility for Service Retirement.

Eligibility: death while active or disabled before eligibility for service retirement.

Benefit: member's accumulated contributions at time of death. A surviving spouse, children, parents, or other beneficiaries may be eligible to elect (in lieu of contributions) survivor benefits in monthly amounts varying by number of eligible survivors.

9. Ordinary Death Benefits After Eligibility for Service Retirement.

Eligibility: death while active or disabled after eligibility for retirement but before benefit commencement date.

Benefit: Option 2 (see item 13) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit described in item 7 instead. Otherwise, accumulated contributions are payable to the estate.

10. Accidental Death Benefits.

Eligibility: death while active or disabled resulting from injury related to employment.



SUMMARY OF PLAN PROVISIONS (Continued)

Benefit: if the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's final average compensation shared between dependent children and surviving spouse (if any). Benefits are reduced by amounts payable under Workers' Compensation.

11. Refund of Contributions.

Eligibility: termination of service except by retirement or death.

Benefit: member's accumulated contributions.

12. Cost-of-living Adjustments.

All retirement and survivor benefits are adjusted each year there is a percentage change in the Consumer Price Index, based on the Index. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for six months. For members with less than 10 years creditable service on July 1, 1993, who were active on July 1, 1993, cost-of-living adjustments are applied to all benefits which have been in payment for 12 months. The maximum increase or decrease is 4%. Earnable compensation used in determining benefits for disabled members is indexed similarly.

13. Optional Methods of Payment.

Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the Board.



SUMMARY OF ACTUARIAL ASSUMPTIONS

This schedule summarizes the actuarial assumptions and methods used in the valuation.

ACTUARIAL ASSUMPTIONS

1. Annual Rate of Investment Return: 8.0%
2. Annual Rate of Salary Increase: 6.0%
3. Annual Cost-of-living Increase: 4.0%
4. Expense Allowance: None
5. Retirement Age:
 - Age 60 for members with at least 10 years creditable service on July 1, 1993.
 - Age 62 for members with less than 10 years creditable service on July 1, 1993.
6. Probabilities of employment termination:

<u>at Age</u>	<u>due to:</u>	<u>Death</u>	<u>Disability</u>	<u>Quitting</u>
25		.0006	.0006	.07
30		.0008	.0006	.06
35		.0011	.0007	.05
40		.0016	.0011	.04
45		.0029	.0022	.03
50		.0053	.0042	.02
55		.0085	.0072	.01

FUNDING METHOD

1. Retirement Benefits: Aggregate
2. Ancillary Benefits: Term Cost Method
3. Amortization Period:
 - Future Service Lifetime
(Level Percent of Payroll)

ASSET VALUATION METHOD

Assets are valued at actuarial value. See the "Assets" section of the "Actuaries Report: MSRS—1993" for a detailed description.

ACTUARIES' REPORT: JUDICIAL RETIREMENT SYSTEM—1993

The Maine State Retirement System has retained the firm of Milliman and Robertson, Inc., as consulting actuaries. The following report is Milliman and Robertson's actuarial valuation of the Maine Judicial Retirement System for the fiscal year ending June 30, 1993. The report includes the following sections:

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PARTICIPANT DATA

1. Number of Active Employees	48
2. Active Payroll	\$3,763,591
3. Number of Retired Members and Beneficiaries*	25
4. Annual Retiree and Beneficiary Benefits	\$1,036,402
5. Number of Vested and Inactive Members	1

*Includes four contingent annuitants.

COST RESULTS

1. Retirement Benefits	
A. Employer Normal Cost	15.43%
B. Unfunded Actuarial Liability	<u>12.82%</u>
Total Retirement Cost	28.25%
2. Disability Cost	2.26%
3. Survivor Benefit Cost	<u>0.23%</u>
Total Cost	30.74%

ACCOUNTING INFORMATION

1. GASB Disclosure	
A. Pension Benefit Obligation:	
1. Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 12,569,926
2. Current employees	
-Accumulated employee contributions including allocated investment earnings	1,667,903
-Employer-financed vested contributions	4,990,779
-Employer-financed non-vested contributions	<u>4,024,661</u>
Total Pension Benefit Obligation	\$23,253,269
B. Net Assets Available for Benefits (at cost)	<u>\$12,086,904</u>
Unfunded Pension Benefit Obligation (not less than \$0)	\$ 11,166,365
2. Other Accounting Information	
A. Actuarial Value of Assets	\$14,326,711
B. Unfunded Actuarial Liability	\$ 9,605,907
C. Market Value of Assets	\$15,118,993
D. Unfunded Accrued Liability	\$ 5,632,707
E. Amortization Period	24 years



SUMMARY OF PLAN PROVISIONS

Retirement On or After December 1, 1984

1. Membership.

Membership is a condition of employment for all judges serving on or after December 1, 1984. Membership ceases on the earlier of withdrawal of contributions, retirement, or death.

2. Member Contributions.

Members are required to contribute 7.65% of earnable compensation. Prior to July 1, 1993, members were required to contribute 6.5% of earnable compensation.

3. Average Final Compensation.

For purposes of determining benefits payable under the System, average final compensation is the average annual rate of earnable compensation for the three years of creditable service (not necessarily consecutive) which produce the highest such average.

4. Creditable Service.

Creditable service includes the following:

- A. All judicial service as a member after November 30, 1984.
- B. All judicial service before December 1, 1984.
- C. Service while receiving disability benefits under the System.
- D. All service creditable under the Maine State Retirement System provided the member elects to have his own and the employer's contributions on behalf of the service transferred to the judicial system.

5. Service Retirement Benefits.

Eligibility: 25 years of creditable service, or attainment of age 60 (62 if less than 10 years creditable service on July 1, 1993) with 10 years of creditable service, or attainment of age 70 and one year of service immediately before retirement.

Benefit: sum of (A) $1/50$ of average final compensation multiplied by years of membership service and creditable service transferred from the Retirement System, and (B) 75% of November 30, 1984, salary for the position held at retirement, pro-rated for prior service less than 10 years. The benefit is reduced for retirement before age 60 if at least 10 years creditable service on July 1, 1993; reduced before age 62 if less than 10 years creditable service on July 1, 1993.

Maximum Benefit: 60% of average final compensation.

Minimum Benefit: for a judge in service and age 50 on December 1, 1984, 75% of salary on June 30, 1984, for the position held at retirement.

Form of Payment: life annuity; except for a judge in service and age 50 before December 1, 1984, 50% joint and survivor annuity.

6. Disability Retirement Benefits.

Eligibility: permanently mentally or physically incapacitated while in service before eligibility for unreduced retirement; unable to perform duties of own position, a member prior to October 16, 1992, and did not elect no-age disability option.



SUMMARY OF PLAN PROVISIONS

Retirement On or After December 1, 1984 (Continued)

Benefit: 66-2/3% of average final compensation, reduced by the amount by which employment earnings plus the disability allowance exceeds the current salary of the position held at disability, and to the extent that the benefit, in combination with Workers' Compensation, exceeds 80% of the average final compensation. A member in service on November 30, 1984, may elect benefits applicable for retirement before December 1, 1984.

Form of Payment: payment begins on termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of attainment of age 70 and date the service retirement benefit exceeds the disability benefit.

Conversion to Service Retirement: during the period of disability average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of 66-2/3% of average final compensation or at age 70, if earlier, the disability benefit converts to a service retirement benefit based on service and pay at that point.

7. No-age Disability Retirement Benefits.

Eligibility: permanently mentally or physically incapacitated while in service; unable to perform duties of own position; employed on or after October 16, 1992 or employed prior to October 16, 1992 and elected the no-age-disability option.

Benefit: 59% of average final compensation, reduced by the amount by which employment earnings plus the disability allowance exceeds the current salary of the position held at disability, and to the extent that the benefit, in combination with Workers' Compensation exceeds 80% of average final compensation. A member in service on November 30, 1984 may elect benefits applicable for retirement before December 1, 1984.

Form of Payment: payment begins on termination of service and ceases on cessation of disability or after five years, unless the member is unable to engage in any gainful activity; in which case payments cease on the date the service retirement benefit exceeds the disability benefit.

Conversion to Service Retirement: during the period of disability average final compensation is increased with cost-of-living adjustments and service is credited. On the date when service benefits reach a level of 59% of average final compensation the disability benefit converts to a service retirement benefit based on service and pay at that point.

8. Ordinary Death Benefits Before Eligibility for Service Retirement.

Eligibility: death while active or disabled before eligibility for service retirement.

Benefit: member's accumulated contributions at time of death. A surviving spouse, children, parents or other beneficiaries may be eligible to elect (in lieu of contributions) survivor benefits in monthly amounts varying by number of eligible survivors.

Minimum Benefit: for a judge in service prior to December 1, 1984, one-half of the judge's retirement benefit determined on date of death, payable to the spouse and/or dependent children.

9. Ordinary Death Benefits After Eligibility for Service Retirement.

Eligibility: death after eligibility for retirement but before benefit commencement date.

Benefit: Option 2 (see item 13) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit described in item 7 instead. Otherwise, accumulated contributions are payable to the estate.



SUMMARY OF PLAN PROVISIONS

Retirement On or After December 1, 1984

(Continued)

10. Accidental Death Benefits.

Eligibility: death while active or disabled resulting from injury related to employment.

Benefit: if the member leaves no dependent children, two-thirds of the member's average final compensation to the surviving spouse until death; if there remain surviving dependent children, an annual sum of the member's average final compensation shared between dependent children and surviving spouse (if any).

11. Refund of Contributions.

Eligibility: termination of service except by retirement or death.

Benefit: member's accumulated contributions.

12. Cost-of-living Adjustments.

Except as described below, all retirement and survivor benefits are adjusted each year there is a percentage change in the Consumer Price Index, based on the Index. Cost-of-living adjustments are effective September 1 and are applied to all benefits which have been in payment for six months. For members with less than 10 years creditable service on July 1, 1993, who were active on July 1, 1993, the cost-of-living adjustments are applied to all benefits which have been in payment for 12 months. The maximum increase or decrease is 4%. Earnable compensation used in determining benefits for disabled members is indexed similarly.

Minimum benefits are increased 6% per year from July, 1985, through July, 1989, and as described above thereafter.

13. Optional Methods of Payment.

Option 1: Cash refund equal to the excess of accumulated contributions at date of retirement over total payments made to date of death which are attributable to member contributions.

Option 2: 100% joint and survivor annuity.

Option 3: 50% joint and survivor annuity.

Option 4: Any other benefit which is actuarially equivalent to the retirement allowance and is approved by the Board.

Retirement Prior to December 1, 1984

(Administered by the Court System)

1. Currently Effective Annual Salary.

For determination of benefit payments, currently effective annual salary is the salary on June 30, 1984, for the position last held, increased by 6% per year each July 1, beginning July 1, 1984.

2. Regular Retirement Benefits.

Eligibility: attainment of age 70 with seven years of service or attainment of age 65 with 12 years of service, or attainment of age 60 with 20 years of service.

Benefit: three-quarters of currently effective annual salary.



SUMMARY OF PLAN PROVISIONS

Retirement Prior to December 1, 1984

(Administered by the Court System)

(Continued)

3. Disability Benefits.

Three-quarters of currently effective annual salary.

4. Survivor Benefits.

Three-eighths of currently effective annual salary, payable to the surviving spouse or dependent children.



SUMMARY OF ACTUARIAL ASSUMPTIONS

This schedule summarizes the actuarial assumptions and methods used in the valuation.

ACTUARIAL ASSUMPTIONS

1. Annual Rate of Investment Return: 8.0 percent
2. Annual Rate of Salary Increase: 6.0 percent
3. Annual Cost-of-living Increase: 4.0 percent
4. Expense Allowance: None
5. Retirement Age: 60
6. Probabilities of employment termination:

at Age	due to:	<u>Death</u>	<u>Disability</u>	<u>Quitting</u>
25		.0006	.0006	.07
30		.0008	.0006	.06
35		.0011	.0007	.05
40		.0016	.0011	.04
45		.0029	.0022	.03
50		.0053	.0042	.02
55		.0085	.0072	.01

FUNDING METHOD

1. Retirement Benefits: Entry Age Normal
2. Ancillary Benefits: Term Cost Method
3. Amortization Period: 25 Years

ASSET VALUATION METHOD

Assets are valued at actuarial value. See the "Assets" section of the "Actuaries Report: MSRS—1993" for a detailed description.

INVESTMENTS—1993

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INVESTMENT SUMMARY BY FUND, MANAGER, OR ACCOUNT

<u>FUND/MANAGER/ACCOUNT</u>	<u>COST</u>	<u>MARKET VALUE</u>
Alliance Capital (Equity)	\$ 91,578,803.68	\$ 105,935,938.25
Alliance Capital (Fixed)	86,320,755.57	89,329,046.34
ARK Asset Management	126,145,711.45	133,900,337.50
Bankers Trust (E.A.F.E. Fund)	102,145,814.24	112,356,458.77
Brinson Partners	73,637,804.25	77,164,798.41
Columbus Circle Investors	137,782,388.32	176,894,774.50
Finance Authority of Maine	2,714,007.98	2,714,007.98
First Reserve Energy Advisors	1,965,954.29	1,028,385.51
GEO Capital	50,861,659.23	63,473,287.75
Gouws Capital Management	134,039,648.44	144,273,787.50
Group Life	23,394,129.43	27,182,176.43
Liquidity	4,769,752.00	4,767,074.00
Morgan Guaranty (MGT)	140,426,390.43	174,582,473.23
Morgan Guaranty (Multi-Market)	19,645,337.60	22,087,735.15
Morgan Guaranty (Private Placements)	49,954,329.73	58,862,388.14
Panagora (Bond Index)	466,945,679.82	595,968,395.56
Panagora (Equity Core)	404,133,691.16	743,859,974.10
Panagora (Value Index Fund)	61,003,358.34	69,378,329.07
Peregrine Capital	64,082,234.71	81,305,062.15
Property Capital Advisors	48,662,343.08	30,527,496.21
Putnam Advisory	83,827,588.22	87,298,197.04
Stems Acct.	49,552,805.31	49,290,176.00
Travelers Insurance (Sep. Acc. "R")	2,583,448.39	2,213,466.16
Walter Scott and Partners (Intl.)	61,620,504.13	65,153,411.69
TOTAL	\$2,287,794,139.80	\$2,919,547,177.44

INVESTMENT SUMMARY BY TYPE

	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN (LOSS)</u>
Cash and Equivalents	\$ 91,290,267.40	\$ 91,304,991.83	\$ 14,724.43
Common Stock	1,249,850,296.55	1,716,520,653.72	466,670,357.17
Fixed Income Securities	893,441,825.09	1,078,052,743.87	184,610,921.78
Oil and Gas Investments	1,962,954.29	927,822.65	(1,038,131.64)
Real Estate	51,245,791.47	32,740,962.37	(18,504,829.10)
TOTAL	\$2,287,791,134.80	\$2,919,547,177.44	\$631,753,042.64

CASH AND EQUIVALENTS

<u>NAME</u>	<u>UNITS SHARES/PAR</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/(LOSS)</u>
First National Bank CH1	\$21,652,288.08	\$ 2,751,034.00	\$ 2,795,466.81	\$ 44,432.81
Foreign Currency Trading	9,355,013.12	4,480,084.40	4,450,376.02	(29,708.38)
Orange County California Taxable Notes	1,500,000.00	1,500,000.00	1,500,000.00	0.00
TBC Inc Pooled Employee Funds	82,559,149.00	82,559,149.00	82,559,149.00	\$0.00
TOTAL CASH AND EQUIVALENTS		\$91,290,267.40	\$91,304,991.83	\$14,724.43



COMMON STOCK

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Adaptec Inc	20,200	466,179.23	22.88	462,075.00	(4,104.23)
Ahold NV Ntfl	25,076	1,200,045.95	50.86	1,275,405.95	75,360.00
Albertsons Inc	57,600	3,178,289.80	54.00	3,110,400.00	(67,889.80)
ALC Communications Corp	43,200	615,600.00	20.00	864,000.00	248,400.00
Alexander & Alexander	60,000	1,360,350.00	27.63	1,657,500.00	297,150.00
Alliedsignal Inc	50,900	2,983,979.78	66.75	3,397,575.00	413,595.22
Allstate Corp	28,300	781,546.06	29.00	820,700.00	39,153.94
Altera Corp	65,800	1,245,970.42	18.63	1,225,525.00	(20,445.42)
Aluminum Co Amer	12,800	816,561.00	70.00	896,000.00	79,438.56
Amerada Hess Corp	44,600	2,033,247.64	49.00	2,185,400.00	152,152.36
American Barrick Res Co	71,400	1,662,340.40	25.25	1,802,850.00	140,509.60
American Building Maintenance	31,500	521,070.00	17.25	543,375.00	22,305.00
American Electric Power Inc	70,000	1,836,561.32	37.75	2,642,500.00	805,938.68
American Express Co	249,600	6,436,809.94	32.25	8,049,600.00	1,612,790.06
American Healthcorp Inc	37,800	756,000.00	19.50	737,100.00	(18,900.00)
American Home Products Corp	41,500	2,667,049.99	64.50	2,676,750.00	9,700.01
American Intl Group Inc	65,200	6,401,477.63	129.00	8,410,800.00	2,009,322.37
American Med Holdings Inc	47,200	531,316.00	12.13	572,300.00	40,984.00
American Telephone & Telegraph Co	37,000	2,042,625.80	63.00	2,331,000.00	288,374.20
Ametek Inc	130,000	1,689,723.08	13.50	1,755,000.00	65,276.92
Amgen Inc	50,000	2,497,998.79	36.50	1,825,000.00	(672,998.79)
Amoco Corp	50,000	2,434,175.00	54.88	2,743,750.00	309,575.00
Ampolex Limited Ord	400,000	1,165,108.39	2.89	1,154,464.60	(10,643.79)
AMR Corp Del	65,100	4,350,827.22	63.25	4,117,575.00	(233,252.22)
Amtech Corp	20,125	400,921.10	23.88	480,484.38	79,563.28
Analog Devices Inc	20,000	191,757.14	19.50	390,000.00	198,242.86
Angelica Corp	75,000	1,800,770.00	23.88	1,790,625.00	(10,145.00)
Anheuser Busch Cos Inc	57,700	3,144,485.16	48.50	2,798,450.00	(346,035.16)
Anika Research Inc	13,950	72,684.96	3.00	41,850.00	(30,834.96)
Aoyama Trading	22,500	946,274.52	62.13	1,397,894.72	451,620.20
Applied Materials Inc	61,500	2,553,747.78	54.00	3,321,000.00	767,252.22
Archer Daniels Midland	165,060	4,100,315.60	23.63	3,899,542.50	(200,773.10)
Argosy Gaming Corp	36,300	753,388.86	30.25	1,098,075.00	344,686.14
Armco Inc	100,000	1,080,826.95	7.25	725,000.00	(355,826.95)
Astra AB Ser 'A' Free	60,000	1,142,568.97	18.46	1,107,739.98	(34,828.99)
Atmel Corp	37,700	571,272.87	24.88	937,787.50	366,514.63
Avnet Inc	50,000	1,491,125.00	34.00	1,700,000.00	208,875.00
Avon Products Inc	28,000	1,521,960.00	57.63	1,613,500.00	91,540.00
Baker J Inc	40,300	794,012.50	21.13	851,337.50	57,325.00
Banctec Inc	41,000	723,450.00	18.25	748,250.00	24,800.00
Bank New York Inc	46,500	2,129,958.00	59.38	2,760,937.50	630,979.50
Bankamerica Corp	146,600	6,794,548.51	45.25	6,633,650.00	(160,898.51)
Bankers Trust Intl Equity Indx Fd	819,940	102,145,814.24	137.03	112,356,458.77	10,210,644.53
Bankers Trust N Y Corp	35,300	2,200,320.86	74.13	2,616,612.50	416,291.64
Baxter Intl Inc	103,200	3,306,574.88	28.63	2,954,100.00	(352,474.88)
Baybanks Inc	46,200	1,725,366.65	43.00	1,986,600.00	261,233.35
Bear Stearns Cos Inc	58,668	742,886.35	23.50	1,378,698.00	635,811.65
Bearings Inc New	10,000	211,987.35	21.50	215,000.00	3,012.65
Bellsouth Corp	35,000	1,800,957.58	55.50	1,942,500.00	141,542.42
Benchmark Electrs Inc	46,100	645,400.00	16.75	772,175.00	126,775.00
Best Buy Inc	34,200	1,307,429.83	34.63	1,184,175.00	(123,254.83)
Binding Braueri	3,517	1,160,726.35	342.71	1,205,298.77	44,572.42
Birmingham Stl Corp	26,850	468,105.43	23.13	620,906.25	152,800.82
BMC Software Inc	45,000	1,587,197.00	52.75	2,373,750.00	786,553.00
Bobst Ag SZF200	420	802,244.77	1,651.80	693,756.19	(108,488.58)
Bowater Inc	70,000	1,522,400.00	19.63	1,373,750.00	(148,650.00)
Box Energy Corp Class B Non-voting	70,800	741,510.28	11.25	796,500.00	54,989.72
Brock Ctl Sys Inc Com	18,300	211,300.00	11.75	215,025.00	3,725.00
Brown Group Inc	75,000	1,799,859.15	31.25	2,343,750.00	543,890.85
Brunswick Corp	130,000	1,789,285.71	12.63	1,641,250.00	(148,035.71)
Brush Wellman Inc	110,000	1,621,025.00	12.13	1,333,750.00	(287,275.00)
Burlington Northn Inc	28,100	1,635,483.00	53.63	1,506,862.50	(128,620.50)
Cable & Wireless Ord	120,000	1,244,076.36	11.57	1,387,885.50	143,809.14
Cabletron Sys Inc	22,100	1,537,559.70	105.50	2,331,550.00	793,990.30



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Campbell Soup Co	26,000	1,045,468.00	39.25	1,020,500.00	(24,968.00)
Capital RE Corp	32,000	624,000.00	24.75	792,000.00	168,000.00
Capitol American Financial Corp	27,100	695,628.90	25.38	687,662.50	(7,966.40)
Carlisle Cos Inc	9,800	157,706.50	29.13	285,425.00	127,718.50
Castle Energy Corp	15,179		6.63	100,562.86	100,562.86
Castorama Dubois Invest	10,000	1,043,164.75	105.15	1,051,488.16	8,323.41
Castorama Dubois Invest	113	10,590.39	103.74	11,722.74	1,132.35
Catherines Stores Corp	25,100	324,028.45	13.88	348,262.50	24,234.05
Cato Corp Class A	37,950	300,656.48	21.25	806,437.50	505,781.02
CBS Inc	2,700	473,204.12	234.00	631,800.00	158,595.88
Cellular Communications	40,000	1,357,385.00	39.00	1,560,000.00	202,615.00
Centerior Energy Corp	44,300	698,151.00	18.38	814,012.50	115,861.50
Central Maine Power Co	12,000	212,263.39	23.38	280,500.00	68,236.61
Century Communications Corp	56,208	471,237.09	8.00	449,664.00	(21,573.09)
Champion Intl Corp	60,000	1,798,396.88	33.75	2,025,000.00	226,603.12
Chemical Banking Corp	205,452	6,687,855.64	40.88	8,397,850.50	1,709,994.86
Cheung Kong (Hlds)	500,000	1,567,188.97	3.44	1,717,569.58	150,380.61
China Light and Power Co	350,000	1,571,856.10	5.17	1,807,967.98	236,111.88
Chiron Corp	30,000	1,498,063.00	64.25	1,927,500.00	429,437.00
Chrysler Corp	136,400	5,267,629.80	47.25	6,444,900.00	1,177,270.20
Chubb Corp	40,200	3,141,884.91	86.88	3,492,375.00	350,490.09
Chudenko Corp	31,030	950,212.65	35.09	1,088,771.91	138,559.26
Cisco Sys Inc	100,100	1,972,999.08	54.75	5,480,475.00	3,507,475.92
Citicorp Dep Sh Repstg	162,100	2,390,975.00	19.12	3,100,162.50	709,187.50
CML Group Inc	17,700	225,049.09	41.25	730,125.00	505,075.91
Coastal Healthcare Group Inc	40,000	863,120.00	23.25	930,000.00	66,880.00
Coca Cola Co	110,000	4,052,065.00	43.00	4,730,000.00	677,935.00
Colruyt SA NPV	5,800	981,841.47	176.81	1,025,509.40	43,667.93
Coltec Inds Inc	66,000	1,030,480.00	15.63	1,031,250.00	770.00
Columbia Hosp Corp New	36,700	788,709.60	26.75	981,725.00	193,015.40
Comcast Corp Class A Spl	100,000	1,533,881.43	20.50	2,050,000.00	516,118.57
Commercial Fed Corp	33,300	407,393.00	26.25	874,125.00	466,732.00
Community Psychiatric Centers	30,200	296,962.00	11.50	347,300.00	50,338.00
Compaq Computer Corp	55,000	1,874,819.48	49.00	2,695,000.00	820,180.52
Compusa Inc	39,400	1,195,926.23	29.50	1,162,300.00	(33,626.23)
Compuware Corp	41,300	1,065,015.80	28.50	1,177,050.00	112,034.20
Consolidated Stores Corp	68,000	700,515.78	17.75	1,207,000.00	506,484.22
Continental Corp	90,000	2,533,621.42	31.13	2,801,250.00	267,628.58
Coors Adolph Co Class B	100,000	1,352,088.00	18.63	1,862,500.00	510,412.00
Copley Pharmaceutical Inc	31,050	745,200.00	36.50	1,133,325.00	388,125.00
Corning Inc	28,500	959,543.49	33.25	947,625.00	(11,918.49)
Countrywide Cr Inds Inc	76,012	2,147,693.56	30.63	2,327,867.50	180,173.94
CPC Intl Inc	47,900	1,990,838.05	41.13	1,969,887.50	(20,950.55)
CUC Intl Inc	120,150	2,822,734.61	27.75	3,334,162.50	511,427.89
D R Horton Inc	54,100	543,399.60	12.25	662,725.00	119,325.40
Daifuko Machinery	100,000	1,144,173.48	13.19	1,319,298.23	175,124.75
Daiwa House Industry Co	75,000	1,039,099.15	13.76	1,031,578.93	(7,520.22)
Dayton Hudson Corp	33,600	2,314,766.22	66.50	2,234,400.00	(80,366.22)
Delta Air Lines Inc Del	7,100	358,745.24	48.33	343,462.50	(15,282.74)
Dexter Corp	110,000	2,507,882.80	21.75	2,392,500.00	(115,382.80)
Digicon Inc Par \$0.01	52,300	225,292.13	2.38	124,212.50	(101,079.63)
Digital Equip Corp	67,100	3,056,313.73	41.75	2,801,425.00	(254,888.73)
Dillard Department Stores Inc	60,000	2,012,076.76	36.25	2,175,000.00	162,923.24
Discount Auto Parts Inc	28,000	611,853.20	26.75	749,000.00	137,146.80
Disney Walt Co	25,000	740,832.22	40.75	1,018,750.00	277,917.78
Dow Chemical Co	92,800	4,940,514.30	56.63	5,254,800.00	314,235.70
Drug Research Plc Sponsored Adr	5,600	52,404.32	21.25	119,000.00	66,595.68
DSC Communications Corp	79,600	2,189,035.00	50.75	4,039,700.00	1,850,665.00
Duff & Phelps Utilities Inc	100,000	849,770.95	10.63	1,062,500.00	212,729.05
Dyckerhoff AG Non Vtg. Pref	3,500	1,208,172.20	278.27	973,930.87	(234,241.33)
Eastern Enterprises	100,000	2,489,245.00	28.38	2,837,500.00	348,255.00
Eastman Kodak Co	122,000	5,561,323.05	50.00	6,100,000.00	538,676.95
EG & G Inc	1,500	28,605.00	19.25	28,875.00	270.00
Elan Plc Adr	35,550	920,902.13	34.00	1,208,700.00	287,797.87



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Elan Plc Wt Exp	8,400	85,647.11	19.63	164,850.00	79,202.89
Electronic Arts	113,600	1,479,074.52	30.25	3,436,400.00	1,957,325.48
Electronics for Imaging Inc	42,900	611,725.00	18.75	804,375.00	192,650.00
Envoy Corp	50,200	683,975.00	13.50	677,700.00	(6,275.00)
Ethan Allen Interiors Inc	41,000	827,995.00	19.13	784,125.00	(43,870.00)
Federal Express Corp	20,700	956,764.09	46.63	965,137.50	8,373.41
Federal Mogul Corp	29,400	569,625.00	21.50	632,100.00	62,475.00
Federal National Mtg Assn	61,700	2,588,633.70	82.88	5,113,387.50	2,524,753.80
Federated Dept Stores Inc	177,600	3,202,519.00	23.88	4,240,200.00	1,037,681.00
First Brands Corp	70,000	1,822,375.00	29.38	2,056,250.00	233,875.00
First Financial Mgmt Corp	61,000	2,384,133.00	42.13	2,569,625.00	185,492.00
First UN Corp	100,200	3,521,449.82	48.50	4,859,700.00	1,338,250.18
Fleet Financial Group Inc New	15,900	462,109.28	33.75	536,625.00	74,515.72
Fleetwood Enterprises Inc	70,000	1,199,900.00	19.88	1,391,250.00	191,350.00
Foote Cone & Belding	46,500	1,550,470.10	34.00	1,581,000.00	30,529.90
Ford Motor Company Del	96,200	4,224,213.16	52.25	5,026,450.00	802,236.84
Forest Labs Inc Class A	50,000	1,643,604.60	34.88	1,743,750.00	100,145.40
Foundation Health Corp	24,750	424,088.00	29.50	730,125.00	306,037.00
Franklin Quest Co	34,700	555,381.95	24.75	858,825.00	303,443.05
Futaba Industrial	72,600	948,610.05	16.85	1,222,736.82	274,126.77
Galen Health Care Inc	120,000	1,672,672.40	18.75	2,250,000.00	577,327.60
Gap Inc	72,000	2,339,165.00	30.25	2,178,000.00	(161,165.00)
Gehe AG	4,000	1,153,473.83	197.42	789,689.51	(363,784.32)
General Cable Corp Del	27,500	182,187.50	3.25	89,375.00	(92,812.50)
General Electric Co	105,300	8,369,312.05	95.75	10,082,475.00	1,713,162.95
General Motors Corp	113,100	4,419,410.94	44.50	5,032,950.00	613,539.06
General RE Corp	17,500	2,022,599.90	114.13	1,997,187.50	(25,412.40)
Genesis Health Ventures Inc	46,700	774,381.10	18.00	840,600.00	66,218.90
Genetics Inst Inc Depository	36,000	1,042,690.84	31.00	1,116,000.00	73,309.16
Genting Berhad	155,000	731,735.11	7.39	1,145,023.33	413,288.22
Genuine Parts Co	57,500	1,562,928.77	34.63	1,990,937.50	428,008.73
Georgia Pac Corp	26,500	1,657,357.50	58.38	1,546,937.50	(110,420.00)
Gerber Prods Co	50,000	1,494,386.62	27.88	1,393,750.00	(100,636.62)
Gerrity Oil & Gas Corp	45,600	304,690.14	15.25	695,400.00	390,709.86
Gerresheimer Glas AG	7,500	1,354,738.83	111.89	839,191.56	(515,547.27)
Guyenne & Gascogne	3,500	1,028,402.79	259.84	909,406.91	(118,995.88)
Glatfelter P H Co	70,000	1,254,875.00	19.00	1,330,000.00	75,125.00
Goodrich B F Co	30,000	1,304,100.00	42.50	1,275,000.00	(29,100.00)
Halliburton Co	81,900	3,303,925.20	38.13	3,122,437.50	(181,487.70)
Harris Corp Del	30,000	760,500.00	38.75	1,162,500.00	402,000.00
HBO & Co	20,000	518,750.00	27.00	540,000.00	21,250.00
HCA Hosp Corp Amer	153,300	2,754,726.96	19.50	2,989,350.00	234,623.04
Health Care & Retirement Corp	69,100	644,080.45	20.13	1,390,637.50	746,557.05
HECLA Mng Co	80,000	1,011,362.50	13.75	1,100,000.00	88,637.50
Hennes and Mauritz Swkr5 Ser 'B'	50,000	945,295.94	24.01	1,200,697.18	255,401.24
Herlitz AG	4,500	786,258.10	184.42	829,876.98	43,618.88
Hewlett Packard Co	29,600	2,490,063.70	81.00	2,397,600.00	(92,463.70)
Hillhaven Corp Nev	188,100	628,557.66	3.56	670,200.30	41,642.64
Hirose Electronics	50,000	1,516,174.35	45.85	2,292,397.63	776,223.28
Hollywood Casino Corp	14,400	240,300.00	21.75	313,200.00	72,900.00
Home Depot Inc	165,633	2,981,685.65	43.75	7,246,443.75	4,264,758.10
Homedco Group Inc	78,000	1,340,625.00	25.00	1,950,000.00	609,375.00
Homestake Mng Co	120,000	1,581,530.00	19.13	2,295,000.00	713,470.00
Honeywell Inc	50,200	1,627,860.03	37.13	1,863,675.00	235,814.97
Hong Kong and China Gas	600,000	859,980.03	1.86	1,115,774.52	255,794.49
Hornback Hldg Ag Non Vtg Prf	1,400	1,069,503.67	697.31	975,981.25	(93,522.42)
Hughes Supply Inc	27,000	442,415.00	15.50	418,500.00	(23,915.00)
Humana Inc	251,000	2,577,048.60	11.25	2,823,750.00	246,701.40
Hyde Athletic Inds Inc	74,800	766,700.00	10.25	766,700.00	0.00
Immune Response Corp Del	36,000	612,751.80	12.75	459,000.00	(153,751.80)
Iceland Frozen Foods Holdings Ord	300,000	1,044,330.1	3.43	1,029,721.50	(14,608.60)
Infrasonics Inc New	35,000	348,125.00	4.88	170,625.00	(177,500.00)
Integrated Health Services Inc	35,000	665,000.00	28.50	997,500.00	332,500.00
Intel Corp	202,000	6,408,423.57	55.00	11,110,000.00	4,701,576.43



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Interpool Inc	50,100	701,400.00	15.25	764,025.00	62,625.00
Intl Business Machines Corp	25,000	2,831,807.73	49.38	1,234,375.00	(1,597,432.73)
ISS Intl Service System AS 'B'	28,500	775,127.92	28.64	815,997.08	40,869.16
Ito-yokado Co	45,000	1,573,991.80	40.61	1,827,368.39	253,376.59
IIT Corp	20,000	1,116,042.86	85.25	1,705,000.00	588,957.14
James River Corp VA	120,000	2,411,312.50	19.75	2,370,000.00	(41,312.50)
Jardine Matheson Hldgs	200,000	1,424,203.18	7.62	1,523,858.73	99,655.55
Jostens Inc	100,000	2,212,688.88	19.38	1,937,500.00	(275,188.88)
Jungheinrich Prf	7,500	1,348,674.90	114.53	858,963.09	(489,711.81)
Just Toys Inc	35,700	677,988.20	19.88	709,537.50	31,549.30
JWP Inc	824	3,708.00	1.25	1,030.00	(2,678.00)
K MART Corp	100,000	2109,085.00	21.00	2,100,000.00	(9,085.00)
Kaman Corp	72,000	814,780.00	10.75	774,000.00	(40,780.00)
Kennametal Inc	54,600	1,470,047.00	33.50	1,829,100.00	359,053.00
Kurita Water Industries	50,000	1,016,158.02	20.40	1,019,883.03	3,725.01
La Quinta Inns Inc	56,300	777,831.10	32.13	1,808,637.50	1,030,806.40
Landstar Sys Inc Com	58,500	767,812.50	14.00	819,000.00	51,187.50
Large Cap Value Pooled Fund	60,732,988	61,003,358.34	1.14	69,378,329.07	8,374,970.73
Lawter Intl Inc	43,666	587,501.23	14.13	616,782.25	29,281.02
LDDS Communications Inc	15,650	173,888.90	35.00	547,750.00	373,861.10
LEGG Mason Inc	70,100	1,449,565.20	27.50	1,927,750.00	478,184.80
Lennar Corp	50,100	1,475,016.00	29.88	1,496,737.50	21,721.50
Life Partners Group Inc	58,000	1,089,588.00	19.75	1,145,500.00	55,912.00
Limited Inc	172,600	4,071,546.70	21.38	3,689,325.00	(382,221.70)
Lockheed Corp	10,000	440,622.25	66.00	660,000.00	219,377.75
Loews Corp	20,500	2,171,198.65	94.63	1,939,812.50	(231,386.15)
Longs Drug Stores Corp	70,000	2,385,198.00	34.00	2,380,000.00	(5,198.00)
Louisiana Pac Corp	112,600	1,880,489.02	32.00	3,603,200.00	1,722,710.98
M A Com Inc	99,700	811,932.52	8.25	822,525.00	10,592.48
Mac Frugals Bargains Close Outs, Inc.	45,900	784,926.72	15.25	699,975.00	(84,951.72)
Magna Group Inc	60,700	819,450.00	17.50	1,062,250.00	242,800.00
Magna Intl Class A	6,600	169,370.56	39.50	260,700.00	91,329.44
Mariner Health Group Inc	56,100	635,287.65	15.25	855,525.00	220,237.35
Marks & Spencer Ord	200,000	1,191,925.25	5.18	1,035,690.90	(156,234.35)
Marion Merrell Dow Inc	120,000	2,562,900.00	17.00	2,040,000.00	(522,900.00)
Marriott Corp	69,000	1,807,625.25	25.50	1,759,500.00	(48,125.25)
Maxim Integrated Prods Inc	14,900	299,862.50	34.25	510,325.00	210,462.50
Maxus Energy Corp	70,000	519,900.00	9.00	630,000.00	110,100.00
May Department Stores Co	116,700	3,626,233.50	38.25	4,463,775.00	837,541.50
McDonalds Corp	67,100	2,755,879.68	49.13	3,296,287.50	540,407.82
McGraw Hill Inc	40,000	2,313,410.00	59.00	2,360,000.00	46,590.00
MCI Communications Corp	34,000	1,406,166.90	57.50	1,955,000.00	548,833.10
McKesson Corp	58,100	2,397,216.20	44.00	2,556,400.00	159,183.80
Measurx Corp	70,000	1,137,320.00	18.38	1,286,250.00	148,930.00
Medaphis Corp	43,500	656,706.69	19.38	842,812.50	186,105.81
Medco Containment Svcs Inc	237,700	5,462,241.89	32.00	7,606,400.00	2,144,158.11
Medical Care Amer Inc	20,088	871,932.20	18.25	366,606.00	(505,326.20)
Medtronic Inc	25,500	1,579,074.00	67.50	1,721,250.00	142,176.00
Melville Corp	52,300	2,449,027.47	46.63	2,438,487.50	(10,539.97)
Merck & Co Inc	31,000	1,272,101.13	35.50	1,100,500.00	(171,601.13)
Mercury Fin Co	297,523	1,686,666.41	15.88	4,723,172.34	3,036,505.93
MFS Communication Co Inc	32,200	644,000.00	30.00	966,000.00	322,000.00
MGI Pharma Inc	30,000	247,500.00	14.00	420,000.00	172,500.00
Midlantic Corp	59,500	1,090,947.63	21.13	1,256,937.50	165,989.87
Mikuni Coca Cola	60,000	974,694.96	20.02	1,201,403.49	226,708.53
Miller Herman Inc	12,500	259,950.00	25.50	318,750.00	58,800.00
Minerals Technologies Inc	32,000	512,000.00	29.50	944,000.00	432,000.00
Mobil Corp	104,400	6,862,147.26	74.75	7,803,900.00	941,752.74
Mobile Telecommunications Tech	65,300	754,307.23	22.38	1,461,087.50	706,780.27
Moore Ltd	120,000	2,383,966.50	16.63	1,995,000.00	(388,966.50)
Morgan J P & Co Inc	36,000	2,247,286.95	67.88	2,443,500.00	196,213.05
Morgan Stanley Group Inc	40,000	1,980,377.80	69.13	2,765,000.00	784,622.20
Morton Intl Inc Ind	21,000	1,622,182.80	77.38	1,624,875.00	2,692.20
Motorola Inc	113,800	4,944,349.85	87.38	9,943,275.00	4,998,925.15



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Mutual Risk Mgmt Ltd	26,600	679,404.92	36.00	957,600.00	278,195.08
Mylan Labs Inc	82,400	2,478,167.60	27.25	2,245,400.00	(232,767.60)
Nabors Inds Inc	43,200	305,424.00	10.13	437,400.00	131,976.00
Nac Re Corp	63,500	1,912,192.39	35.50	2,254,250.00	342,057.61
Nashua Corp	60,000	1,353,750.00	27.38	1,642,500.00	288,750.00
National City Corp	44,000	2,333,052.30	50.38	2,216,500.00	(116,552.30)
National Fuel Gas Co New Jersey	30,000	698,629.93	33.38	1,001,250.00	302,620.07
National Pizza Co Class A	10,000	124,424.08	6.75	67,500.00	(56,924.08)
National RE Corp	18,200	552,616.09	32.88	598,325.00	45,708.91
National Svc Inds Inc	86,500	2,024,755.00	25.50	2,205,750.00	180,995.00
Nationsbank Corp	84,000	3,793,840.96	49.63	4,168,500.00	374,659.04
Neiman Marcus Group Inc	32,100	533,697.30	14.75	473,475.00	(60,222.30)
New England Business Services Inc	9,000	145,115.06	16.00	144,000.00	(1,115.06)
New Line Cinema Corp	60,100	721,200.00	14.00	841,400.00	120,200.00
Newell Co	30,000	1,145,908.00	33.25	997,500.00	(148,408.00)
Newmont Mng Corp	8,500	330,392.84	52.50	446,250.00	115,857.16
NFO Resh Inc	33,500	532,875.00	15.75	527,625.00	(5,250.00)
Nintendo Co	11,000	959,358.81	89.64	986,011.68	26,652.87
Nippon Denso	85,000	989,186.76	14.32	1,216,842.09	227,655.33
Nippon Tel and Tel Corp	180	1,198,034.77	8,065.50	1,451,789.45	253,754.68
Novacare Inc	120,000	1,779,030.00	13.50	1,620,000.00	(159,030.00)
Occidental Pete Corp	114,000	2,239,144.81	21.00	2,394,000.00	154,855.19
Office Depot Inc	117,600	2,456,427.90	26.25	3,087,000.00	630,572.10
Ohio Edison Co	50,000	913,458.33	24.63	1,231,250.00	317,791.67
Oracle Sys Corp	68,800	2,164,355.50	49.25	3,388,400.00	1,224,044.50
Oryx Energy Co	55,000	1,113,215.25	20.50	1,127,500.00	14,284.75
Oshkosh B Gosh Inc	7,450	113,612.50	15.00	111,750.00	(1,862.50)
Pacific Telesis Group	36,800	1,528,067.00	48.63	1,789,400.00	261,333.00
Pall Corp	30,000	568,082.81	17.75	532,500.00	(35,582.81)
Paramount Communications Inc	30,000	1,149,415.00	54.00	1,620,000.00	470,585.00
Parker & Parsley Pete Co Del	48,600	535,841.89	28.00	1,360,800.00	824,958.11
Payless Cashways Inc	37,500	524,035.03	13.13	492,187.50	(31,847.53)
Penn Cent Corp	50,000	1,079,783.53	32.00	1,600,000.00	520,216.47
Penn Traffic Co New	30,000	1,177,500.00	42.75	1,282,500.00	105,000.00
Penney J C Inc	55,800	1,931,421.11	45.13	2,517,975.00	586,553.89
Pepsico Inc	81,000	2,837,241.29	37.00	2,997,000.00	159,758.71
Philip Morris Cos Inc	67,300	2,933,280.18	48.50	3,264,050.00	330,769.82
Pittston Co	120,000	1,867,840.00	18.25	2,190,000.00	322,160.00
Polaroid Corp	35,700	1,011,819.91	38.25	1,365,525.00	353,705.09
Praxair Inc	146,900	2,372,639.27	15.50	2,276,950.00	(95,689.27)
President Riverboat Casinos	29,000	536,244.69	32.25	935,250.00	399,005.31
Primark Corp	69,200	802,812.70	12.25	847,700.00	44,887.30
Primerica Corp New	50,000	1,468,662.92	52.63	2,631,250.00	1,162,587.08
Progress Software Corp	15,000	663,750.00	45.50	682,500.00	18,750.00
Quantum Health Res Inc	65,000	1,329,460.00	19.25	1,251,250.00	(78,210.00)
Raychem Corp	20,000	654,567.50	39.50	790,000.00	135,432.50
Raymond James Finl Inc	26,800	553,908.61	23.75	636,500.00	82,591.39
Redland	145,000	1,000,655.45	7.10	1,030,019.97	29,364.52
Redoute (LA)	1,050	1,280,852.27	1,272.21	1,335,824.46	54,972.19
Rehabclinics Inc	20,000	260,000.00	16.00	320,000.00	60,000.00
Reliance Elec Co New	62,000	1,132,904.27	18.75	1,162,500.00	29,595.73
Rhodes Inc New	67,100	805,200.00	9.75	654,225.00	(150,975.00)
Richfood Holdings Inc	10,000	176,250.00	29.75	297,500.00	121,250.00
Rite Aid Corp	234,000	4,500,725.94	18.00	4,212,000.00	(288,725.94)
Rockwell Intl Corp	50,000	1,196,729.17	33.25	1,662,500.00	465,770.83
Rohm & Haas Co	40,000	2,090,700.08	53.63	2,145,000.00	54,299.92
Rohm Co	55,000	951,359.93	23.40	1,286,549.69	335,189.76
Sainsbury(J) Ord	140,000	1,156,640.69	7.28	1,019,573.52	(137,067.17)
Salomon Inc	10,000	268,363.63	38.25	382,500.00	114,136.37
Sankyo Co	60,000	997,615.51	22.55	1,352,982.44	355,366.93
Santa Cruz Operation Inc	20,000	250,000.00	9.13	182,500.00	(67,500.00)
Santen Pharmaceutical Co	44,000	953,063.74	26.20	1,152,748.52	199,684.78
Scott Paper Co	142,200	5,107,131.07	33.13	4,710,375.00	(396,756.07)
Sears Roebuck & Co	89,400	3,769,615.77	55.00	4,917,000.00	1,147,384.23



COMMON STOCK

(Continued)

<u>NAME</u>	<u>UNITS SHARES/PAR</u>	<u>BOOK VALUE</u>	<u>UNIT PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/(LOSS)</u>
Secom Co	21,000	932,382.43	59.13	1,241,824.54	309,442.11
SEI Corp	27,500	758,125.00	30.50	838,750.00	80,625.00
Sembawang Shipyards	150,000	968,746.59	8.06	1,209,602.96	240,856.37
Sequent Computer Sys Inc	52,300	1,099,633.62	17.00	889,100.00	(210,533.62)
Service Corp Intl	30,000	454,375.00	20.63	618,750.00	164,375.00
Shimachu Co	28,000	1,016,782.16	37.52	1,050,573.08	33,790.92
Sholodge Inc	31,500	422,100.00	23.25	732,375.00	310,275.00
Shoneys Inc	105,000	1,785,556.90	18.50	1,942,500.00	156,943.10
Silicon Graphics Inc	67,300	1,735,354.84	37.38	2,515,337.50	779,982.66
Sizzler Intl Inc	68,200	1,094,754.75	7.63	520,025.00	(574,729.75)
Skyline Corp	60,000	905,480.99	16.88	1,012,500.00	107,019.01
Smith A O Corp	15,400	431,700.92	48.00	739,200.00	307,499.08
Snap On Tools Corp	45,000	1,390,152.27	39.00	1,755,000.00	364,847.73
Sonat Inc	54,800	3,315,068.40	66.75	3,657,900.00	342,831.60
Sothebys Holdings Inc	109,200	1,449,011.90	12.88	1,405,950.00	(43,061.90)
South Jersey Ind	21,346	381,934.13	24.75	528,313.50	146,379.37
Southwest Airlines Co	61,500	2,617,870.30	43.63	2,682,937.50	65,067.20
Southwestern Public Service Co	50,000	1,325,428.57	32.50	1,625,000.00	299,571.43
Sprint Corp	114,900	3,830,743.20	35.13	4,035,862.50	205,119.30
Stanhope Inc Vtg	80,000	2,438,000.00	29.00	2,320,000.00	(118,000.00)
State of the Art Inc	86,000	783,625.00	8.50	731,000.00	(52,625.00)
State Street MSCI Australia Fund	331,433	3,793,174.92	12.72	4,215,826.09	422,651.17
State Street MSCI Belgium Fund	157,547	2,144,518.37	15.78	2,486,249.57	341,731.20
State Street MSCI Canada Fund	481,026	4,971,000.00	10.60	5,097,435.57	126,435.57
State Street MSCI France Fund	259,379	4,382,287.89	19.59	5,079,939.79	697,651.90
State Street MSCI Germany Fund	213,078	3,683,397.78	16.94	3,609,546.35	(73,851.43)
State Street MSCI Hong Kong Fund	68,948	1,877,428.33	32.50	2,240,884.77	363,456.44
State Street MSCI Japan Fund	2,592,094	23,834,510.35	9.42	24,407,159.83	572,649.48
State Street MSCI Netherlands	183,198	3,242,580.32	20.00	3,663,222.41	420,642.09
State Street MSCI New Zealand	229,378	1,920,000.00	8.75	2,005,911.82	85,911.82
State Street MSCI Spain Fund	280,602	2,784,000.00	9.27	2,600,060.46	(183,939.54)
State Street MSCI Switzerland	141,293	1,898,000.00	17.46	2,466,412.46	568,412.46
State Street MSCI U.K. Fund	819,245	13,854,027.70	17.08	13,995,156.77	141,129.07
Stewart Enterprises Inc	34,200	777,327.50	33.75	1,154,250.00	376,922.50
Stone & Webster Inc	70,000	1,760,525.00	24.75	1,732,500.00	(28,025.00)
Structural Dynamics Resh Corp	105,000	1,666,875.00	15.13	1,588,125.00	(78,750.00)
Student LN Marketing Assn New	60,000	3,634,697.57	43.25	2,595,000.00	(1,039,697.57)
Sun Hung Kai Properties	290,000	1,381,903.45	4.98	1,441,854.46	59,951.01
Sun Inc	80,000	2,318,685.00	24.00	1,920,000.00	(398,685.00)
Sun Microsystems Inc	128,700	3,798,255.72	29.63	3,812,737.50	14,481.78
Sundstrand Corp	30,000	1,143,106.00	44.38	1,331,250.00	188,144.00
Sybron Corp Del	32,700	457,800.00	25.25	825,675.00	367,875.00
Symantec Corp	71,200	1,383,711.00	13.38	952,300.00	(431,411.00)
Syncor Intl Corp New	30,300	609,787.50	20.50	621,150.00	11,362.50
Synergen Inc	63,000	1,392,945.00	11.63	732,375.00	(660,570.00)
Synoptics Communications Inc	72,000	823,779.06	36.00	2,592,000.00	1,768,220.94
Syntex Corp	90,000	2,118,737.00	18.25	1,642,500.00	(476,237.00)
Systems Ctr Inc	49,300	424,553.57	10.25	505,325.00	80,771.43
Tandem Computers Inc	126,700	1,576,770.01	12.50	1,583,750.00	6,979.99
TCA Cable TV Inc	25,300	517,091.62	20.25	512,325.00	(4,766.62)
TCF Finl Corp	24,000	381,093.57	33.75	810,000.00	428,906.43
Tele Communications Inc	229,300	4,646,713.63	22.75	5,216,575.00	569,861.37
Telefonos de Mexico S A	44,400	2,076,608.95	46.75	2,075,700.00	(908.95)
Tenneco Inc	83,100	3,801,138.34	51.00	4,238,100.00	436,961.66
Teradyne Inc	15,500	249,733.50	21.38	331,312.50	81,579.00
Teva Pharmaceutical Inds Ltd	97,000	1,303,399.90	20.63	2,000,625.00	697,225.10
Thomas Inds Inc	40,000	615,500.00	12.00	480,000.00	(135,500.00)
TIG Holdings Inc	74,600	1,868,953.80	25.50	1,902,300.00	33,346.20
Time Warner Inc	169,100	4,777,520.04	38.63	6,531,487.50	1,753,967.46
Times Mirror Co Ser A	30,000	874,600.00	29.00	870,000.00	(4,600.00)
TNT Freightways Corp	30,200	583,538.17	28.00	845,600.00	262,061.83
Topps Co Inc	97,500	1,308,197.50	8.88	865,312.50	(442,885.00)
Total Pharmaceutical Care Inc	55,500	767,875.00	11.75	652,125.00	(115,750.00)
Toyko Steel Mfg Co	42,000	992,626.15	24.61	1,033,543.84	40,917.69



COMMON STOCK

(Continued)

NAME	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Trinzic Corp	70,000	508,750.00	3.22	225,330.00	(283,420.00)
TRW Inc	20,000	786,578.57	63.13	1,262,500.00	475,921.43
U S Trust Corp	28,000	1,076,585.00	53.50	1,498,000.00	421,415.00
U S West Inc	40,000	1,398,635.55	45.88	1,835,000.00	436,364.45
UAL Corp	34,100	4,461,142.04	123.25	4,202,825.00	(258,317.04)
UJB Finl Corp	30,000	653,050.00	24.50	735,000.00	81,950.00
UNIFI Inc	23,287	429,518.92	33.63	783,025.38	353,506.46
Union Pac Corp	45,500	2,654,697.60	61.00	2,775,500.00	120,802.40
United Healthcare Corp	196,800	5,025,593.18	64.25	12,644,400.00	7,618,806.82
United States Shoe Corp	30,000	248,343.75	9.75	292,500.00	44,156.25
UNOCAL Corp	252,300	7,155,193.62	29.25	7,379,775.00	224,581.38
USF&G Corp	15,000	493,575.00	18.13	271,875.00	(221,700.00)
USX-Marathon Group New	110,000	2,533,411.34	16.88	1,856,250.00	(677,161.34)
Value Health Inc	97,500	1,043,648.00	33.25	3,241,875.00	2,198,227.00
Vanguard Cellular Sys Inc	47,000	951,750.00	26.38	1,239,625.00	287,875.00
Wal Mart Stores Inc	57,000	1,534,554.00	26.25	1,496,250.00	(38,304.00)
Watkins Johnson Co	75,000	1,047,725.00	18.38	1,378,125.00	330,400.00
Wellman Inc	27,200	675,616.79	21.88	595,000.00	(80,616.79)
Wendys Intl Inc	86,000	1,147,970.50	14.63	1,257,750.00	109,779.50
Wiley John & Sons Inc	35,500	1,272,329.00	45.25	1,606,375.00	334,046.00
Wilshire 5000 Index Pooled Fund	257,512,177	404,133,691.16	2.89	743,859,974.10	339,726,282.94
Woodside Petroleum Ord	500,000	1,119,040.41	2.13	1,066,480.00	(52,560.41)
Woolworth Corp	79,600	2,298,994.18	27.13	2,159,150.00	(139,844.18)
Xerox Corp	21,000	1,539,730.22	79.88	1,677,375.00	137,644.78
Xilinx Inc	117,100	2,826,070.31	38.75	4,537,625.00	1,711,554.69
Yamanouchi Pharmaceutical Co	50,000	1,019,671.36	20.87	1,043,274.84	23,603.48
Zero Corp	80,000	951,325.00	14.75	1,180,000.00	228,675.00
Zurn Inds Inc	20,000	644,530.00	32.00	640,000.00	(4,530.00)
TOTAL COMMON STOCK		\$1,249,850,296.55		\$1,716,520,653.72	\$466,670,357.17

FIXED INCOME SECURITIES

NAME	MATURITY DATE MO/DY/YR	COUPON	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
American HSG TR A SR Mtg CL 3	08/25/18	7.625%	1,377,406	1,210,074.81	100.039	1,377,943.08	167,868.27
Bear Stearns Cos Inc	04/15/03	6.750%	2,500,000	2,495,825.00	100.495	2,512,375.00	16,550.00
Bear Stearns Cos Inc Dep Sh Pfd Ser B		7.88%	110,000	2,700,500.00	24.875	2,736,250.00	35,750.00
Beta Finance Corp Mtn	06/07/95	Fltg. Rt.	1,000,000	1,000,000.00	100.000	1,000,000.00	0.00
Bond Index Fund			284,325,214	466,945,679.82	2.096	595,968,395.56	129,022,715.74
Case Equip LN ABN 93-A CL A-2	11/15/98	4.400%	870,000	868,504.69	101.140	879,918.00	11,413.31
Chase Manhattan CR Card TR 91	08/15/99	8.750%	650,000	708,195.31	108.450	704,925.00	(3,270.31)
Cit Group Holdings Inc Mtn	06/05/95	Var. Rt.	1,000,000	1,000,000.00	100.532	1,005,320.00	5,320.00
Citicorp BDS	14/08/11	Fltg. Rt.	1,650,000	1,518,000.00	92.125	1,520,062.50	2,062.50
Cleveland Elec Illum Co 1st Mg	06/01/03	7.375%	4,500,000	4,498,110.00	100.875	4,539,375.00	41,265.00
Electricite De France Gtd Bd	11/09/94	Zero	830,000	789,952.50	95.437	792,127.10	2,174.60
Federal Home Ln Bks Cons Bd	06/10/96	3.500%	2,000,000	1,990,000.00	99.500	1,990,000.00	0.00
Federal Home Ln Bks Cons Bd	06/28/96	3.250%	250,000	249,750.00	99.900	249,750.00	0.00
Federal Home Ln Mtg Corp Deb	09/22/97	5.440%	1,000,000	1,002,812.50	101.120	1,011,200.00	8,387.50
FHLMC Multiclass Ctf Ser 31-D	05/15/20	7.550%	2,350,000	2,062,429.56	104.245	2,449,757.50	387,327.94
FHLMC Multiclass Ctf Ser 46-B	09/15/20	7.800%	2,244,648	2,068,683.55	104.549	2,346,756.95	278,073.40
First Chicago Corp NT	01/15/03	7.625%	4,500,000	4,487,130.00	106.227	4,780,215.00	293,085.00
First Chicago Master TR II-91	06/15/98	8.400%	1,175,000	1,256,332.03	108.919	1,279,798.25	23,466.22
First DEP MASTER TR ABC 93-1	06/15/01	5.750%	1,185,000	1,182,963.28	100.781	1,194,254.85	11,291.57
First USA Cr Card TR 89-A	07/15/94	8.550%	82,568	83,484.46	100.187	82,722.87	(761.59)
FNMA Gtd Remic P/T Ctf 91-17A	09/25/16	7.850%	317,368	320,937.91	100.812	319,944.54	(993.37)
Ford Motor Cr Mtn	12/12/94	6.900%	2,000,000	2,072,340.00	103.486	2,069,720.00	(2,620.00)
Ford Motor Cr Mtn	03/25/98	5.900%	2,000,000	2,009,880.00	100.585	2,011,700.00	1,820.00



FIXED INCOME SECURITIES

(Continued)

NAME	MATURITY DATE MO/ DY/ YR	COUPON	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
Ford Motor Cr Mtn TR00689	02/26/96	5.150%	2,500,000	2,518,875.00	100.496	2,512,400.00	(6,475.00)
Fruit of the Loom Inc DEB	03/15/11	7.000%	4,500,000	3,936,600.00	92.153	4,146,885.00	210,285.00
General Electric Co Nt	12/01/94	5.875%	2,750,000	2,819,130.00	102.373	2,815,257.50	(3,872.50)
GMAC Med Term Nts #TR 00734	06/10/96	5.650%	2,200,000	2,191,178.00	100.252	2,205,544.00	14,366.00
GNMA Pool #0166154	06/15/16	8.000%	70,922	71,187.70	105.937	75,132.37	3,944.67
GNMA Pool #0189536	12/15/16	8.000%	33,718	33,844.49	105.937	35,719.88	1,875.39
GNMA Pool #0190488	04/15/17	8.000%	209,776	210,562.76	105.937	222,230.51	11,667.75
GNMA Pool #0198751	04/15/17	8.000%	111,508	111,925.70	105.937	118,127.75	6,202.05
GNMA Pool #0201779	01/15/17	8.000%	24,717	24,809.31	105.937	26,184.04	1,374.73
GNMA Pool #0202969	06/15/17	8.000%	208,855	209,638.21	105.937	221,254.73	11,616.52
GNMA Pool #0203756	05/15/17	8.000%	795,674	798,657.44	105.937	842,912.81	44,255.37
GNMA Pool #0207032	04/15/17	8.000%	387,180	388,632.35	105.937	410,167.33	21,534.98
GNMA Pool #0209628	05/15/17	8.000%	196,732	197,469.74	105.937	208,411.97	10,942.23
GNMA Pool #0210246	04/15/17	8.000%	663,029	665,515.41	105.937	702,393.06	36,877.65
GNMA Pool #0213864	05/15/17	8.000%	381,376	382,806.11	105.937	404,018.24	21,212.13
GNMA Pool #0213900	06/15/17	8.000%	825,664	828,760.59	105.937	874,684.06	45,923.47
GNMA Pool #0216511	04/15/17	8.000%	332,935	334,183.88	105.937	352,701.74	18,517.86
GNMA Pool #0228886	07/15/17	8.000%	325,464	326,684.27	105.937	344,786.56	18,102.29
GNMA Pool #0229940	07/15/17	8.000%	28,981	29,089.59	105.937	30,701.50	1,611.91
GNMA Pool #0330239	06/15/23	7.500%	1,308,074	1,355,082.91	104.093	1,361,613.47	6,530.56
GNMA Pool #0333282	10/15/22	7.000%	357,710	345,357.38	101.906	364,527.48	19,170.10
GNMA Pool #0335514	12/15/22	7.000%	323,277	312,113.86	101.906	329,438.68	17,324.82
GNMA Pool #0337360	04/15/23	7.500%	632,996	656,733.51	104.093	658,904.69	2,171.18
GNMA Pool #0337410	05/15/23	7.500%	322,638	334,232.31	104.093	335,843.07	1,610.76
GNMA Pool #0338346	12/15/22	7.000%	333,311	321,801.28	101.906	339,663.82	17,862.54
GNMA Pool #0342503	01/15/23	7.500%	3,314,992	3,319,135.46	104.093	3,450,674.34	131,538.88
GNMA Pool #0353996	04/15/23	7.500%	185,609	192,568.84	104.093	193,205.48	636.64
GNMA Pool #0356927	06/15/23	7.500%	55,284	57,270.77	104.093	57,546.77	276.00
GNMA Pool #0356941	06/15/23	7.500%	1,284,005	1,330,148.93	104.093	1,336,559.32	6,410.39
GNMA Pool #0356942	06/15/23	7.500%	990,000	1,025,578.13	104.093	1,030,520.70	4,942.57
Goldman Sachs Group LP Note	03/01/13	8.000%	4,000,000	4,000,000.00	102.793	4,111,720.00	111,720.00
Goldman Sachs Group LP Note 144A	04/15/98	6.100%	4,000,000	4,000,000.00	101.063	4,042,520.00	42,520.00
Hitachi America Ltd Mtn	05/24/95	Fltg. Rt.	5,000,000	5,000,000.00	100.000	5,000,000.00	0.00
IBM Cr Corp Med Term Notes	03/05/95	Var. Rt.	3,000,000	3,000,000.00	100.546	3,016,380.00	16,380.00
IBM Cr Corp Nt	11/15/94	6.125%	2,000,000	2,053,120.00	102.399	2,047,980.00	(5,140.00)
Inter American Dev Bk Nt	12/01/94	11.625%	3,000,000	3,317,070.00	110.071	3,302,130.00	(14,940.00)
Inter American Dev Bk Nt	05/01/95	11.375%	135,000	151,232.40	112.111	151,349.85	117.45
ITT Finl Corp Mtn #TR00131	05/25/95	Var. Rt.	5,000,000	5,000,000.00	100.932	5,046,600.00	46,600.00
Katina Foods/Jordan Meats Loan	04/29/03	6.025%	2,690,727	2,690,727.98	100.000	2,690,727.98	0.00
Kelley Oil & Gas Sub Deb Conv	04/01/00	8.500%	910,000	910,000.00	108.500	987,350.00	77,350.00
Kidder Peabody Mtg TR 6 CMO G7	07/20/18	7.950%	1,500,000	1,365,000.00	104.921	1,573,815.00	208,815.00
La Caisse Centrale Desjardins	04/28/95	Var. Rt.	2,000,000	2,000,000.00	100.000	2,000,000.00	0.00
Manufacturers Hanovr CP Sub Note	05/07/97	Var. Rt.	2,000,000	2,025,000.00	100.285	2,005,700.00	(19,300.00)
MGT Multi Market Commingled			174,188	19,645,337.60		22,087,735.15	2,442,397.55
Morgan Guarantee Mortgage Fund			481,397	140,426,390.43	362.658	174,582,473.23	34,156,082.80
Morgan Private Placement			142,991	49,954,329.73	411.651	58,862,388.14	8,908,058.41
Morgan Stanley Group Inc NT	03/04/03	6.750%	2,500,000	2,515,800.00	100.989	2,524,725.00	8,925.00
PNC Bank Kentucky Mtn	09/01/94	3.750%	2,000,000	1,998,336.00	99.681	1,993,620.00	(4,716.00)
Prudential Home Mtg 92-39 CLA1	11/25/07	5.150%	640,554	642,360.72	100.343	642,751.37	390.65
Santander Overseas Bk Inc Pfd Ser D		8%	100,000	2,500,000.00	25.000	2,500,000.00	0.00
Sears Roebuck & Co Med Term NT	02/16/99	8.000%	1,500,000	1,601,250.00	108.536	1,628,040.00	26,790.00
Shawmut Natl Home Equity 90-AB	12/01/20	Var. Rt.	2,000,000	2,033,750.00	101.794	2,035,880.00	2,130.00
Shearson Lehman Bros Mtn TR0209	05/14/02	8.970%	2,320,000	2,388,718.40	113.743	2,638,837.60	250,119.20
Shearson Lehman Bros Mtn 00325	06/07/95	Var Rt	2,000,000	2,000,000.00	98.615	1,972,300.00	(27,700.00)
Shearson Lehman Brothers Mtn	06/29/98	6.250%	1,000,000	1,000,000.00	99.843	998,430.00	(1,570.00)
Standard CR Card Master Tr I-A	08/07/97	8.500%	1,805,000	1,943,496.10	109.125	1,969,706.25	26,210.15
Thailand Kingdom Note	03/15/02	8.250%	1,300,000	1,400,776.00	110.065	1,430,845.00	30,069.00
Time Warner Inc Note	02/01/98	7.450%	3,000,000	3,074,520.00	103.449	3,103,470.00	28,950.00
Tiphook Fin Corp Gtd Note	03/15/00	8.000%	3,000,000	2,997,300.00	102.750	3,082,500.00	85,200.00
US Stripped Prin Pmt	02/15/19	Zero	1,925,000	296,103.50	16.084	309,617.00	13,513.50
US Treasury Bonds	08/15/17	8.875%	10,200,000	11,610,944.05	126.078	12,859,956.00	1,249,011.95
US Treasury Bonds	08/15/21	8.125%	6,385,000	7,023,835.95	117.609	7,509,334.65	485,498.70
US Treasury Bond Stripped Prin	02/15/20	Mat	1,860,000	265,645.20	15.015	279,279.00	13,633.80



FIXED INCOME SECURITIES (Continued)

NAME	MATURITY DATE MO/DY/YR	COUPON	UNITS SHARES/PAR	BOOK VALUE	UNIT PRICE	MARKET VALUE	UNREALIZED GAIN/(LOSS)
US Treasury Bond Stripped Prin Pmt	11/15/94	11.625%	13,512,000	9,126,680.40	95.029	12,840,318.48	3,713,638.08
US Treasury Bond Stripped Prin Pmt	08/15/19	Mat	1,860,000	275,949.60	15.520	288,672.00	12,722.40
US Treasury Notes	07/31/93	6.875%	13,000,000	13,321,693.31	100.281	13,036,530.00	(285,163.31)
US Treasury Notes	05/31/94	5.125%	1,250,000	1,246,093.75	101.422	1,267,775.00	21,681.25
US Treasury Notes	01/15/95	4.250%	2,000,000	2,008,437.50	100.578	2,011,560.00	3,122.50
US Treasury Notes	02/28/95	3.875%	6,000,000	5,983,531.25	99.984	5,999,040.00	15,508.75
US Treasury Notes	04/30/95	3.875%	1,000,000	992,968.75	99.844	998,440.00	5,471.25
US Treasury Notes	05/31/95	4.125%	2,000,000	1,994,062.50	100.234	2,004,680.00	10,617.50
US Treasury Notes	08/15/95	4.625%	2,750,000	2,764,609.38	101.109	2,780,497.50	15,888.12
US Treasury Notes	02/15/96	4.625%	3,500,000	3,524,765.63	100.844	3,529,540.00	4,774.37
US Treasury Notes	04/15/96	9.375%	4,130,000	4,721,106.25	112.969	4,665,619.70	(55,486.55)
US Treasury Notes	05/15/96	4.250%	2,500,000	2,485,546.88	99.750	2,493,750.00	8,203.12
US Treasury Notes	05/15/96	7.375%	1,960,000	2,128,437.50	107.922	2,115,271.20	(13,166.30)
US Treasury Notes	10/31/96	6.875%	5,000,000	5,018,945.31	107.047	5,352,350.00	333,404.69
US Treasury Notes	01/31/97	6.250%	3,350,000	3,379,543.21	105.125	3,521,687.50	142,144.29
US Treasury Notes	01/15/98	7.875%	1,860,000	2,070,993.75	111.797	2,079,424.20	8,430.45
US Treasury Notes	04/15/98	7.875%	1,000,000	1,114,453.13	112.125	1,121,250.00	6,796.87
US Treasury Notes	04/15/00	5.500%	1,500,000	1,501,626.84	100.391	1,505,865.00	4,238.16
US Treasury Notes	02/15/03	6.250%	1,700,000	1,739,578.13	103.437	1,758,429.00	18,850.87
US Treasury Strip Generic Tint	08/15/05		15,200,000	5,767,492.00	46.425	7,056,600.00	1,289,108.00
US Treasury Strip Generic Tint	11/15/10		4,000,000	994,822.61	30.212	1,208,480.00	213,657.39
USX-Marathon Group DEB	07/15/98	6.375%	2,600,000	2,598,284.00	99.934	2,598,284.00	0.00
TOTAL FIXED INCOME SECURITIES				\$893,441,825.09		\$1,078,052,746.87	\$184,610,921.78

OIL AND GAS INVESTMENTS

NAME	SHARES/PAR	VALUE	PRICE	VALUE	GAIN/(LOSS)
Chaverdo II Loan Agreement	156,563	156,563.18	48.79	76,380.40	(80,182.78)
ESCO Boston 86-1 Ltd Partnership	1,156,805	1,156,805.28	50.99	589,870.20	(566,935.08)
Faulcone/Boston 85-1 Ltd Partnership	100	0.00	103,732.26	103,732.26	
Ray Holifeld and Gary T Nannen	652,586	652,585.83	24.19	157,839.79	(494,746.04)
TOTAL OIL AND GAS		1,965,954.29		927,822.65	(1,038,131.64)

REAL ESTATE

NAME	SHARES/PAR	VALUE	PRICE	VALUE	GAIN/(LOSS)
Brookside Plaza Additions	46,672	46,671.57	100.00	46,671.57	0.00
Coral Key Apts Ltd Partnership	9,311,367	9,311,367.00	0.86	7,987,057.83	(1,324,309.17)
Orchard Parkway/River Oaks	12,815,736	12,815,736.06	81.46	10,439,465.99	(2,376,270.07)
Real Estate Brookside Plaza	9,194,181	9,194,181.09	0.55	5,049,995.91	(4,144,185.18)
Shattuck Office Center Addition	209,155	209,154.58	100.00	209,154.58	0.00
Shattuck Office Center	9,821,588	9,821,588.19	32.07	3,150,000.00	(6,671,588.19)
Travlers Separate A/C R Equity	19,296	2,583,448.39	114.71	2,213,466.16	(369,982.23)
3 Canal Plaza	7,218,495	7,218,494.74	0.50	3,600,000.48	(3,618,494.26)
3 Canal Plaza Additions	45,150	45,149.85	100.00	45,149.85	0.00
TOTAL REAL ESTATE		51,245,791.47		32,740,962.37	(18,504,829.10)

