

9-1-1992

# Annual Report of the Maine State Retirement System, Maine Judicial Retirement System, and Maine Legislative Retirement System for the Fiscal Year ended June 30, 1990

Maine State Retirement System

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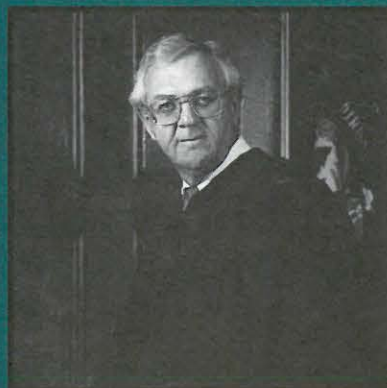
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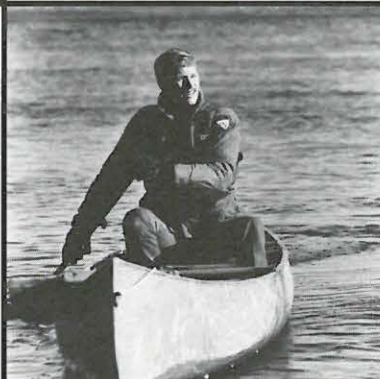
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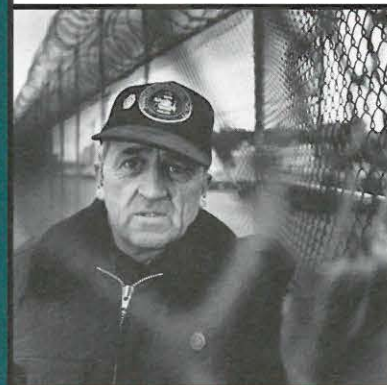
# ANNUAL REPORT



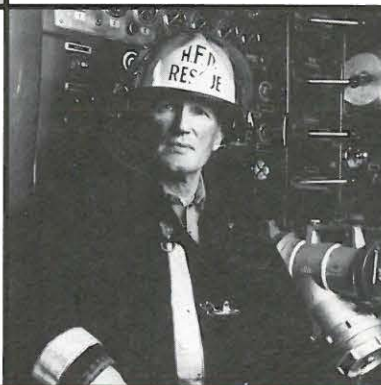
Maine State  
Retirement  
System



Maine Judicial  
Retirement  
System



Maine Legislative  
Retirement  
System



FOR THE FISCAL YEAR ENDED JUNE 30, 1990

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A N N U A L  
R E P O R T

OF THE

	Maine State Retirement System
Maine Judicial Retirement System	
	Maine Legislative Retirement System

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FOR THE FISCAL YEAR ENDED JUNE 30, 1990

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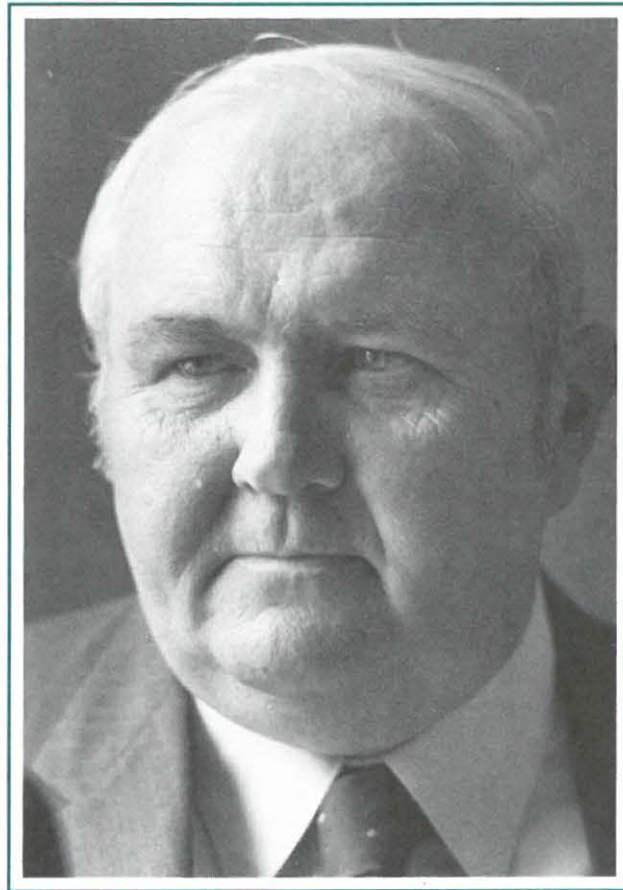


Members of the Maine State Retirement System come from all walks of life--police officers, firefighters, cooks, school teachers, bus drivers, judges, and almost every other state employee classification from accountants to zoologists. For most members, the Retirement System is their sole source for disability, life insurance, and retirement income. Given this, our Board of Trustees takes its role very seriously. Its important charge is to administer the System fairly for our members in accordance with Legislative intent and, at the same time, to manage the System's financial affairs so that any potential financial impact on state taxpayers is minimized. The Trustees realize that, in one way or another, all of the decisions the Board makes impact our members, our members' families, and the quality of life these people will invariably lead after retirement.





## IN MEMORIAM



**Richard J. McDonough**  
**1929-1990**

This Annual Report is dedicated to the memory of Richard J. McDonough, a former member and chairman (1984-88) of the Board of Trustees of the Maine State Retirement System. Dick served a total of nearly ten (10) years on the Board of Trustees, from 1979 through 1988, representing the Maine State Employees Association.





STATE OF MAINE

## MAINE STATE RETIREMENT SYSTEM

Claude R. Perrier, *Executive Director*  
Joseph A. Gahagan, *Deputy Director*  
Philip R. Gingrow, *Deputy Director*

February 1, 1991

Dear Member:

The Annual Report of the Maine State Retirement System for the year ended June 30, 1990, consists of four sections: the Annual Report Overview and Plan Summary; a Summary of Statistical and Financial Information; the Actuarial Valuation of the System; and, a Summary of Investments held by the Retirement System.

As of June 30, 1990, the book value of the System's assets (including the Judicial and Legislative Retirement Systems) was \$1,774.5-million as compared with \$1,520.1-million on June 30, 1989. This represented an increase of \$254.4-million in the book value of the System's assets over the fiscal year. The market value of System assets was \$1,973.2-million and \$1,686.1-million for the periods ending June 30, 1990 and 1989, respectively.

Net income from investments for fiscal year 1990, including funds distributed to the Judicial and Legislative Retirement Systems, was \$142.0-million, an increase from the \$125.3-million recorded a year earlier. This increase was due to gains from the sales of securities from \$44.3-million in fiscal year 1989 to \$63.1-million in fiscal year 1990. Dividend and interest income remained about the same at approximately \$83-million for the fiscal year. Deductions from investment income totaled \$3.7-million compared to a fiscal year 1989 amount of \$3.0-million.

Contributions to the trust fund reserves from employers and employees during 1990 totaled \$285.8-million, an increase from \$248.4-million in 1989. The rate of employee contributions, set by statute, remained unchanged at 6.5 percent. In general, increased employer contributions were the result of salary increases coupled with additional amounts being contributed for the "old system" teachers.

Total outpayments during fiscal year 1990 were \$179.2-million as compared with \$167.7-million in 1989. Total receipts of \$427.1-million exceeded payments by \$247.9-million during the year.

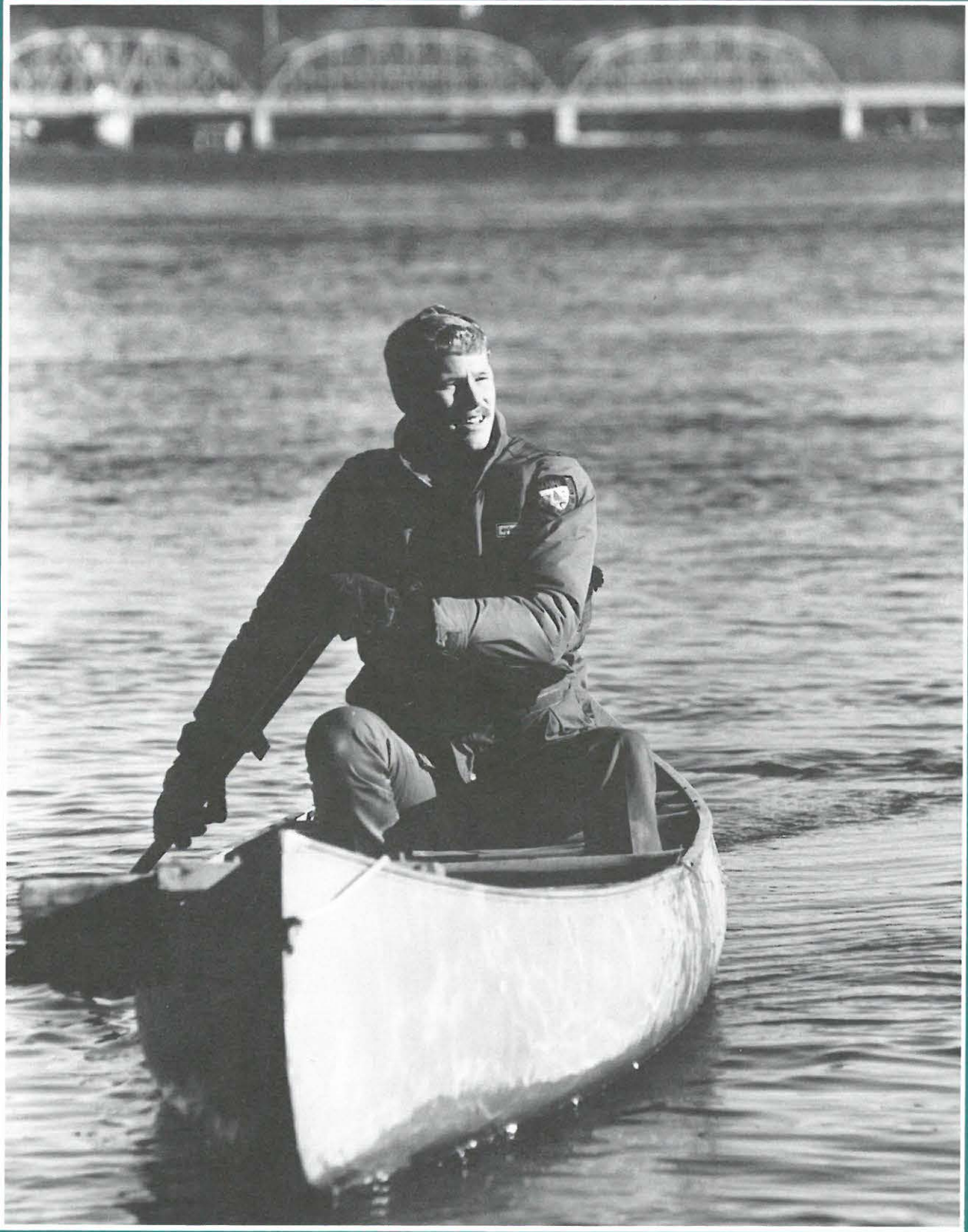
The System's time-weighted rate of return was 10.1 percent during fiscal year 1990 as compared with 13.4 percent the previous fiscal year.

Sincerely,

Claude R. Perrier  
Executive Director for the Board of Trustees  
MAINE STATE RETIREMENT SYSTEM



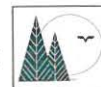




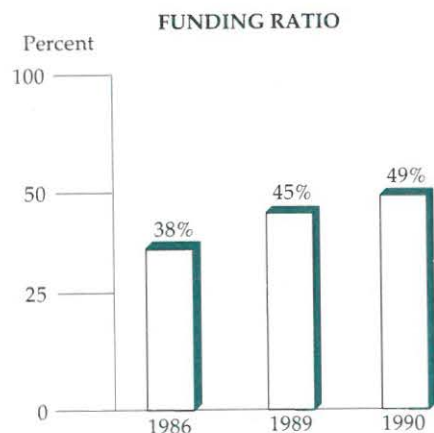
## ANNUAL REPORT OVERVIEW and PLAN SUMMARY







## Maine State Retirement System ANNUAL REPORT OVERVIEW for the Fiscal Year ending June 30, 1990



June 30, 1990—the end of the Maine State Retirement System's fiscal year—saw the investment portfolio standing at a record level of \$1.965 billion.

As in past years, the increase in the portfolio's market value for the fiscal year was attributed primarily to realized and unrealized capital gains, net cash flow from contributions and investment income. Approximately 63 percent of the asset growth was attributable to investments. Net cash flow from contributions accounted for the remaining 37 percent.

An indicator of the System's financial health is the funding ratio which measures the relationship of assets to liabilities. The funding ratio rose to 49 percent, as compared to 45 percent one year ago. Four years ago the ratio stood at 38 percent.

The outlook for the System continues to remain positive, but the Board recognizes that the unfunded liability for accrued benefits is significant (\$1.3 billion) and that continued support from the State is essential. The funding ratio has markedly improved in recent years, but remains well below a desirable level.

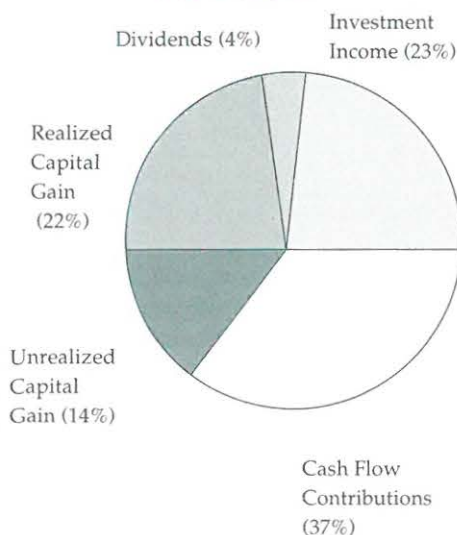
### INVESTMENTS

In accordance with the asset allocation strategy adopted by the Board in 1988, the System continues to maintain a diversified investment portfolio which balances the risks and rewards of various capital markets. Investment returns for the year and the five years, ended June 30, 1990, were 10.1 and 12.1 percent, respectively. In the last five years, the System's assets increased by \$1.107 billion to a level of \$1.965 billion.

During the year, the Board's ongoing investment program and net cash flow from employer/member contributions increased the level of assets by \$265 million.

The System continues to utilize index funds, which provide broad market representation. Use of these funds permit lower management fees and reduced transaction expenses, and provide returns comparable to many individually managed accounts.

**CHANGE IN MARKET VALUE**  
Fiscal Year 1990

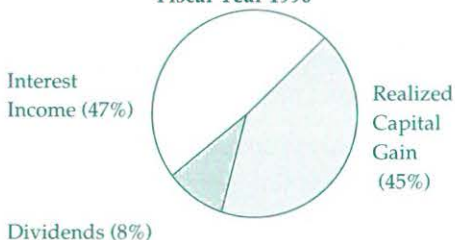




## Maine State Retirement System ANNUAL REPORT OVERVIEW

page 2

**INVESTMENT INCOME**  
Fiscal Year 1990

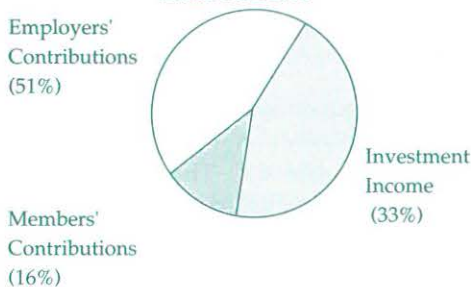


As a continuation of this program, the System established a new index fund which emulates the domestic, fixed income market but with the advantage of lower management fees than an actively-managed portfolio. The fund invests primarily in United States Treasury securities, corporate bonds and mortgage-backed securities and, at year end, had a market value of \$182.6 million.

The System also employs the services of active portfolio managers to complement the index funds by focusing on specific market niches with the purpose of earning incremental returns above the market.

The Board aggressively reviews management performance and has replaced 4 of 18 managers in the past year as part of this process.

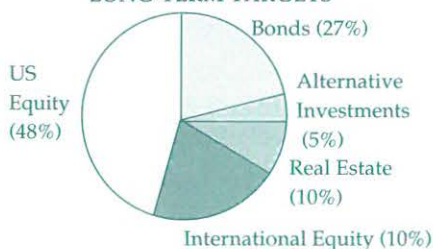
**TOTAL REVENUE**  
Fiscal Year 1990



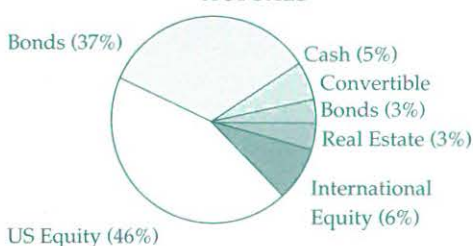
The Board reviewed the existing asset allocation policy and based on recommendations of its consultant and the Investment Committee, reaffirmed the existing asset allocation policy.

During the upcoming year, the Board will continue to explore a variety of investment options in order to maintain its policy of diversification, earning the maximum return consistent with acceptable risk parameters.

**ASSET ALLOCATION PLAN**  
LONG-TERM TARGETS



**ASSET ALLOCATION MARKET VALUE 06/30/90**  
ACTUALS



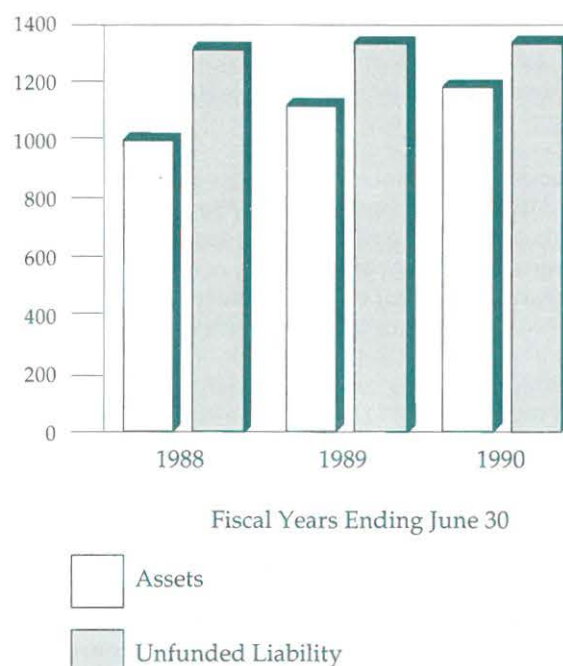




## Maine State Retirement System ANNUAL REPORT OVERVIEW page 3

### INVESTED ASSETS VS. UNFUNDED LIABILITY

Millions  
of \$



### LIABILITIES

The System's unfunded accrued benefits liability, excluding that of participating local districts (PLD's), approximated the previous year's level of \$1.3 billion. Although the level of unfunded accrued benefits reserve liability remained constant during the year, the System's funding ratio improved during the same period. More specifically, the funding ratio increased from 45 percent to 49 percent.

An important objective identified by the Board when it formulated the investment strategy and actuarial assumptions was to develop a funding program that maintained a level percent of payroll. Although payrolls are expected to increase over time, the employer's contribution rate, presented as a percentage, will remain a constant. When the Board revised the actuarial assumptions in 1987 and modified the amortization period, the contribution rate was set at 19.4 percent. Currently the rate is 19.7 percent, representing a small increase over this period of time.

As mentioned before, the System's financial situation is improving as expected, and this should continue barring any unforeseen changes to the System's funding program. The Board, however, recognizes the fact that a significant unfunded liability remains requiring ongoing review of the underlying investment and funding programs.

### BENEFITS AND PLAN DESIGN

The Retirement System continues to provide a comprehensive package of employee benefits in the areas of Retirement, Life Insurance, Disability and Survivors' benefits.

Retirement is offered as a defined benefit program where benefits are calculated at the point of retirement based on a prescribed formula. The Life Insurance program provides term insurance with various supplemental options whereby an employee can increase coverage at reasonable rates. Finally, the Disability and Survivors' programs are designed to protect employees and their families prior to retirement in the event of illness or death. Although existing programs are the product of changes over a period of many years, the System and the Legislature review the programs each year to identify possible improvements wherever practicable in light of what additional costs there may be to taxpayers.





## Maine State Retirement System ANNUAL REPORT OVERVIEW

page 4

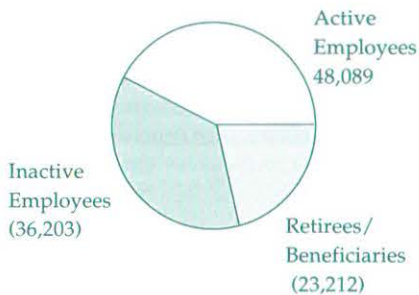
In recent years, MSRS staff, in conjunction with a number of interested labor and management organizations, has been developing a program to consolidate the large number of participating local district plans currently available.

To facilitate the process, the 114th Legislature passed enabling legislation to implement the consolidated plan and established the Consolidation Advisory Committee, which is currently drafting the various plan designs that will be made available to PLD employers.

We anticipate meeting with employers throughout the State in the next year in order to secure commitments for initiating the new plans. The program, once adopted, will replace the large number of existing plans with a smaller number of plans with portability for all participants and lower administrative expenses. In the longer term, the consolidation program could well extend to the teacher and state plans as well, resulting in coordinated benefits for all public employees.

The Disability unit recently initiated its rehabilitation program in which disabled employees will be rehabilitated and retrained with the objective of their becoming re-employed. Previously this option did not exist. Although the program is still in its early stages, we are confident that as it matures, both employees and employers throughout the State will benefit from this change of focus.

### MEMBERSHIP

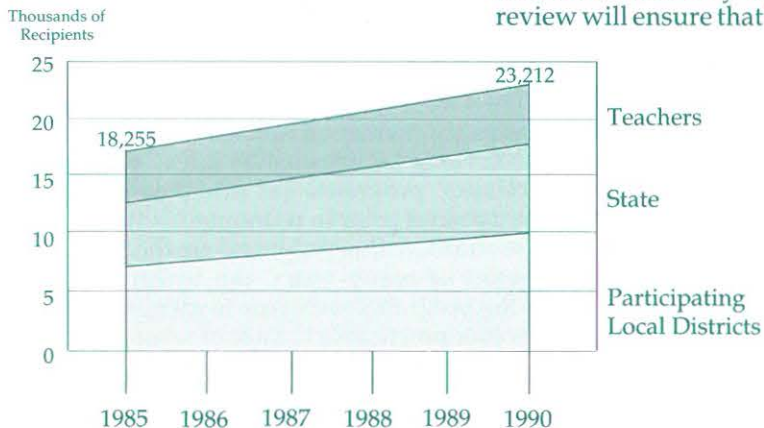


### MEMBERSHIP

Membership in the retirement system continues to expand and currently stands at 107,504, an increase of 5,600 over the previous year. In conjunction with the growth in membership, the number of participants currently receiving benefits also continues to increase and now approximates 23,212 with a total of \$170.5 million being disbursed in annual benefits.

The Retirement system continues to offer term life insurance coverage to all public sector employees as well as retirees throughout the State. Current coverage exceeds \$5 billion and is expected to increase into the future. The program offers low-cost coverage to all eligible employees, their spouses and dependents. The System's actuary has initiated an extensive review of the Life Insurance reserves to determine if they are adequate to meet current and future obligations. This review will ensure that benefits will be paid into the future at a reasonable expense

### BENEFIT RECIPIENTS RETIREMENT, DISABILITY & SURVIVORS



to both the employers and employees.

The System also acts as the Social Security coverage agent for the State and local governments. Although its responsibilities were reduced by the Omnibus Budget Reconciliation Act of 1986, the legislation did not relieve the System from the administrative duties of phasing out the collection and deposit responsibilities until April, 1990. The System also continues to assist employers in applying for Social Security and Medicare coverages and acting as intermediaries when questions arise.



## Maine State Retirement System ANNUAL REPORT OVERVIEW

page 5

Congress is considering mandating Social Security coverage for all public sector employees not otherwise covered by a governmental pension plan. Should the current proposal be enacted into law, the effective date would be July 1, 1991.\* If this were to occur, the Retirement System would work with employers throughout the State to assist them with compliance to the law.

### ADMINISTRATION

The Retirement System performs an important role as the administrator of the various benefit programs under its stewardship. This role includes record keeping, counseling, eligibility determinations and communicating with the System's membership regarding the benefits they're entitled and what has been earned to date.

To this end, the System embarked on an ambitious automation program to modernize and improve internal accounting systems and improve services to all participants. Significant progress has been made in the last year, and the new systems are expected to be operational by year's end. In January 1991, the benefit payroll system is scheduled for completion—followed by member accounting. Moving from manual record keeping to automated records will allow more rapid response time to member inquiries and provide the system with a better backup of informational data. As record keeping functions become automated, staff orientation will be redirected more toward the membership and counseling functions and away from the traditional bookkeeping roles. This shift of orientation will continue to move toward a greater emphasis on service throughout the nineties.

The System's Membership Information Program is steadily evolving. Recently several informational videotapes have been produced to focus on various aspects of the benefit programs administered by the System. These tapes provide a convenient format to distribute information consistently throughout the State for use in various forums. They not only provide orientation to new employees but also inform older members getting ready to retire about their specific benefits and the retirement process in general. Additional video presentations are scheduled for completion by the end of 1991.

The Retirement System considers its relationship with the plan participants to be extremely important and will continue to seek ways of improving the services it offers on an ongoing basis.

\* This provision was enacted into law to become effective on July 1, 1991.







## MAINE STATE RETIREMENT SYSTEM PLAN SUMMARY for the Fiscal Year ending June 30, 1990

The Maine State Retirement System was established by the Legislature in 1947. It is a contributory retirement system covering all public school teachers, state employees (except as members of the Judiciary and Legislature, who are covered under the Judicial and Legislative Retirement Systems), and the employees of 274 political subdivisions.

The responsibility for the operation of the Retirement System is vested in a Board of eight Trustees. The Board formulates policies for, and exercises general supervision over, the system under the provisions of 5 MRSA, Chapters 421, 423, and 425, and appoints an Executive Director who is charged with the administrative responsibility of the system including approval of benefit payments.

The Board is comprised of members elected by the Maine State Employees Association (MSEA), the Maine Teachers Association (MTA), the Maine Municipal Association (MMA), four members appointed by the Governor--one who is a retired teacher nominated by the Maine State Retired Teachers Association (MSRTA), and one who is retired under the system and who is selected from a list or lists submitted by retired state employees and retired local district employees--and the State Treasurer, who serves as an ex-officio member.

### MEMBERS OF THE BOARD OF TRUSTEES January 1, 1991

Jon A. Lund, Chairman	Governor's Appointment
George Burgoyne	MSEA
William J. Deering, Ph.D.	MSEA/Retired & Governor's Appointment
Charles M. Jackson	MMA
John Kimball	MTA
Grover MacLaughlin	MSRTA & Governor's Appointment
David S. Wakelin	Governor's Appointment
Samuel Shapiro	State Treasurer, Ex-officio Member

The Board employs an actuary whose duties include making funding recommendations to the Legislature and preparing annual valuations of the assets and liabilities of the system on the basis of actuarial assumptions adopted by the Board. The actuary is also required to make such investigations of the experience of the System as deemed necessary.

A medical board composed of three physicians, not eligible to participate in the System, assists the Board in evaluating disability retirement claims.

As of June 30, 1990, there were 48,089 active members:

State employees	16,252
Teachers	22,286
Participating Local Districts	9,551

In addition, there were 36,203 inactive accounts representing deposits by former members who have terminated service and whose contributions have been left on deposit with the System.



## ASSETS

As of June 30, 1990, the book value of the total assets of the Maine State Retirement System amounted to \$1,764.6 million, an increase of \$250.6 million over assets at the beginning of the year. The composition of the assets is as follows:

Stock	\$846.9 million
Bonds	676.4 million
Mortgage-Type Investments	192.3 million
Cash Due from Other Funds	33.0 million
Other Assets	16.0 million

These assets had a market value of \$1,973 million at year end.

## TRUST FUND RESERVES

The System's trust fund reserves were \$1,756.5 million as of June 30, 1990, an increase of \$247.9 million over reserves at the beginning of the year. A comparison of these reserves by membership grouping is as follows:

### TRUST FUND RESERVES BY MEMBER GROUP

	(Amounts in Millions)	
	<u>June 30, 1990</u>	<u>June 30, 1989</u>
State Employees	\$547.3	\$479.7
Teachers (post-July 1, 1924)	777.2	668.7
Teachers (pre-July 1, 1924)	(189.0)	(196.9)
Participating Local Districts	418.2	377.6
Consolidated (Disability, Survivor Benefits)	<u>202.8</u>	<u>179.4</u>
TOTAL	\$1,756.5	\$1,508.5

The pre-July 1, 1924 teacher account deficit decreased slightly this year with funding being provided for these benefit payments. The appropriations approved by the Legislature and the Governor for funding of the "Old System Teacher" (pre-July 1, 1924) Plan totaled \$23.2 million in fiscal year 1990. The accumulated 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 fiscal year totaled \$217.8 million with the following detail:

State Employees	\$74.5 million
Teachers	117.0 million
Participating Local Districts	26.3 million

Individual member contributions totaled \$68.0 million, as compared with \$61.3 million during the previous year.





**NET INCOME FROM INVESTMENTS**  
**June 30, 1990**

Net income from investments amounted to \$142.0 million, summarized as follows:

1.	Net Gain/Sale of Securities		\$63.5 million
2.	Income from Investments		
	A. Bond Interest	\$70.6 million	
	B. Stock Dividends	11.4 million	
	C. Loan Premiums	<u>0.2 million</u>	
	TOTAL		82.2 million
3.	Less: Investment/Management Fees		<u>(3.7) million</u>
	TOTAL INCOME FROM INVESTMENTS		\$142.0 million
4.	Investment Income Distribution		
	A. Maine State Retirement System	141.3 million	
	B. Judicial Retirement System	.6 million	
	C. Legislative Retirement System	<u>.1 million</u>	
	TOTAL DISTRIBUTION OF INVESTMENT INCOME		\$142.0 million

Expenditures and other charges to the fund totaled \$179.1 million during the year ended June 30, 1990. Retirement benefit payments totaled \$167.5 million; payments to survivors of former members were \$2.5 million; and refunds to former members and beneficiaries of former members were \$9.1 million.

**RETIREMENT ALLOWANCE PAYROLL AND RETIREES/JUNE 1990**

For the month of June, 1990, the retirement allowance payroll totaled \$14.4 million and was distributed as follows:

	<u>Payroll Dollars</u>	<u>Number of Retirees</u>
State Employees	4.9 million	8,633
Teachers	6.2 million	8,503
Participating Local Districts	2.2 million	5,170
Disability	0.9 million	879
Accidental Death	<u>0.2 million</u>	<u>27</u>
TOTAL	14.4 million	23,212

Retirement allowance payments during the recent fiscal year were \$12.5 million more than retirement allowance payments during the previous year. The increase in payments was due to a larger number of retirees, the statutory 4.0 percent cost-of-living increase granted in September, 1989, and to higher average final compensation.



## GROUP LIFE INSURANCE

The State Group Life Insurance Plan is administered by the Board of Trustees of the Maine State Retirement System and is available to all public school teachers, state employees, and the employees of those participating local districts which elect to provide the plan for their employees. There are three sections of the Group Life Insurance Program: Basic, Supplemental, and Dependent Plans.

The Basic plan offers insurance equal to the member's annual salary, rounded up to the nearest \$1,000. Members can purchase Supplemental insurance in increments equal to one, two, or three times annual salary. There are two levels of benefits also available under Dependent life insurance. Employee participation is optional under all plans.

The Group Life Insurance Fund assets totaled \$22.7 million at fiscal year end. The breakdown is as follows:

Cash	\$ .9 million
Bonds	21.0 million
Stocks	.7 million
Accrued Interest	.1 million

Assets are invested through a fund manager.

Funds received during fiscal year 1990 amounted to \$6.9 million. This included premiums from employees and employers amounting to \$4.6 million and earnings on investments of \$2.3 million.

Charges to the Group Life Insurance Program included payments in the following categories in fiscal year 1990:

Claims: Active Employees/Dependents	\$3.65 million
Retired Persons	1.55 million
Supplemental Dividend Distributions	0.48 million
Administrative Expenses	0.49 million

The supplemental dividend distribution established as of June 30, 1984 is paid only to beneficiaries of retired individuals who had participated in the supplemental group life insurance program. This is a scaled distribution based upon years of participation. It pays up to 15 percent of the supplemental insurance carried at time of retirement. As noted above, payments from this reserve were almost \$500 thousand during fiscal year 1990. At June 30, 1990, the funds available in the Reserve for Supplemental Distribution totaled \$823 thousand.

The Reserve for Future Premiums, which totaled \$13.0 million at June 30 1990, is held for the payment of premiums on account of retired state employees and teachers. Retired persons who participated in the Group Life Insurance Program for 10 continuous years prior to retirement carry this insurance into retirement at no cost under the statute. Premiums for retirees are paid from the Reserve for Future Premiums.



## SOCIAL SECURITY

On October 17, 1986, Congress passed the Omnibus Budget Reconciliation Act of 1986 which included provision transferring deposit responsibility for state and local government Social Security contributions from the individual State Social Security Agencies to the Internal Revenue Service, effective January 1, 1987.

However, the budget reconciliation bill did not change the status of the State as the Social Security coverage agent for state and local government coverage nor did it release the State from liability for tax year 1986 and prior until these periods become barred to correction under the Federal Statute of Limitations, which was April 15, 1990.

The legislation did not relieve the State from the administrative costs of phasing out the collection and deposit responsibilities until April, 1990.

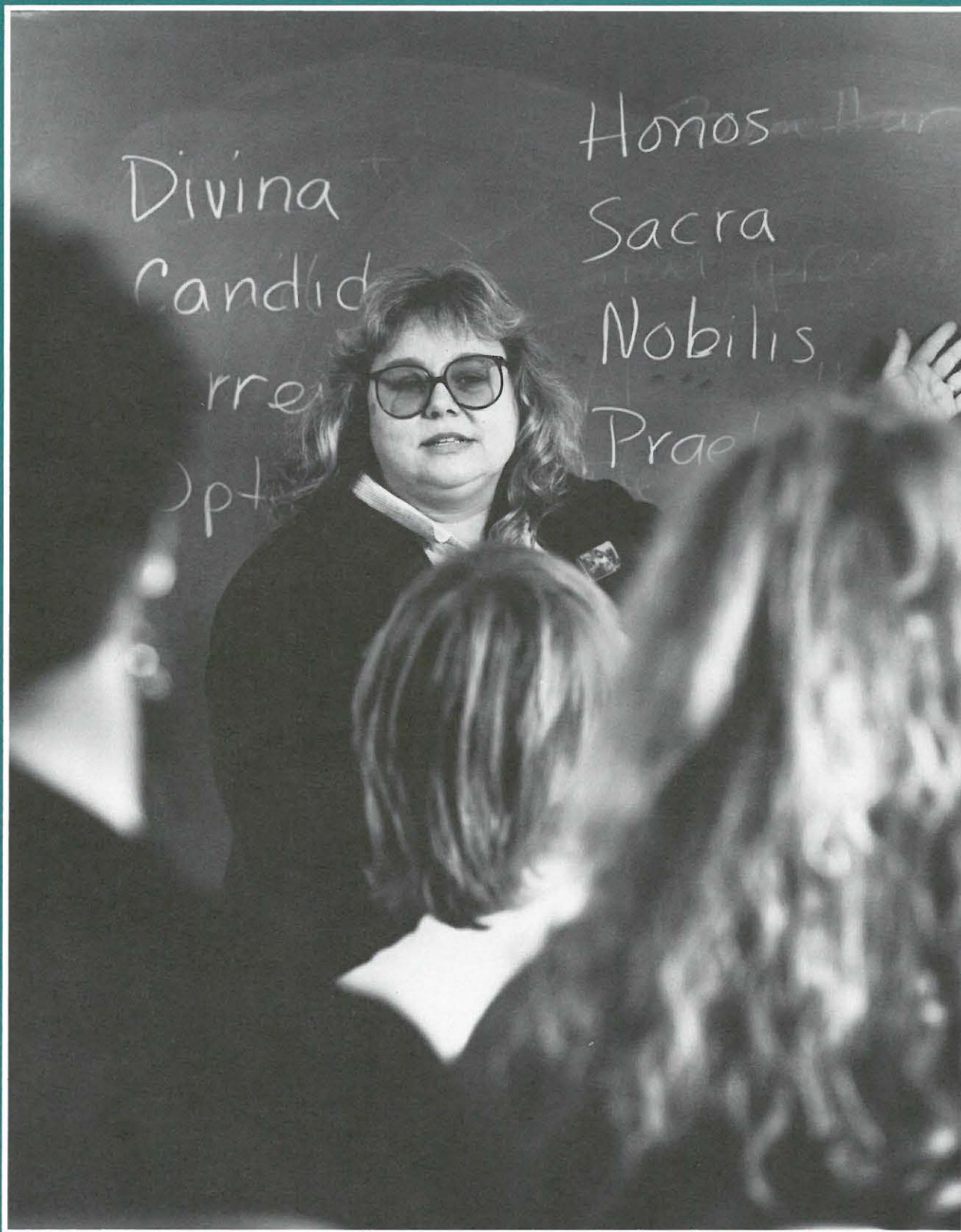
On April 7, 1986, the President signed Public Law 99-272, the Consolidated Omnibus Reconciliation Act of 1985. This law mandated that state and local employees hired after March 31, 1986, or old employees hired prior to April 1, 1986, who were working in positions which were not considered to be substantial and regular, be covered by the Medicare portion of the Social Security tax if not covered by Social Security. The collection of the tax and the audit of returns for this "Medicare only" coverage was also administered by this office.

When Congress initially enacted Section 218 of the Social Security Act providing social security coverage to state and local governments, it realized the need for the State Social Security Agencies to be funded for their intermediary role as collector, auditor, depositor and liaison between the sub-state entities and the Social Security Administration. States were allowed to retain the investment earnings gained from their collections prior to deposit through the Federal Reserve Banking System. Today, all 50 states fund the operation of their Social Security Agencies directly or indirectly from these interest earnings.

In removing the Social Security collection and deposit responsibility for local government employees from the individual states, Congress eliminated a source of funding needed by states to continue their role in administering (Section 218) Social Security coverage for state and local government employees. The wage and contributions for both Medicare and Social Security for all the years including 1986 for the State of Maine has been reconciled to the wage and tax statements (W-2S) and any and all necessary corrections have been made. It now remains a matter for the Federal government to balance its records to the State of Maine.







STATISTICAL and  
FINANCIAL INFORMATION







**SUMMARY OF STATISTICAL AND FINANCIAL TABLES**  
**for the Fiscal Year ending June 30, 1990**

<u>Page</u>	<u>Description</u>
1	STATISTICAL DATA SUMMARY for the Last Six Fiscal Years Retirement and Survivor Benefit Payments Member and Employer Contributions Numbers of Retirement Allowance Recipients
2	BALANCE SHEET at June 30, 1990
3	TRUST RESERVES AND LIABILITY DETAIL at June 30, 1990
4	COMPARATIVE BALANCE SHEET for FY's ending June 30, 1989 and 1990
5	NET INCOME FROM INVESTMENT OPERATIONS for 12 months ending June 30, 1990
6	INVESTMENT BOOK & MARKET VALUES at June 30, 1990
7	CHANGES IN TRUST FUND RESERVES for 12 months ending June 30, 1990
8	20-YEAR SUMMARY OF INVESTMENT BOOK VALUE & EARNINGS 7/1/42 - 6/30/62
9	20-YEAR SUMMARY OF INVESTMENT BOOK VALUE & EARNINGS 7/1/62 - 6/30/82
10	8-YEAR SUMMARY OF INVESTMENT BOOK VALUE & EARNINGS 7/1/82 - 6/30/90
11	SUMMARY OF TRUST FUND BALANCES at June 30, 1990
19	GROUP LIFE INSURANCE PROGRAM STATEMENT OF OPERATIONS for FY ending June 30, 1990
20	GROUP LIFE INSURANCE PROGRAM COMPARATIVE BALANCE SHEET for FY's ending June 30, 1989 and 1990
21	ADMINISTRATION FUND for FY's ending June 30, 1989 and 1990





STATISTICAL DATA SUMMARY  
for the Last Six Fiscal Years

RETIREMENT AND SURVIVOR BENEFIT PAYMENTS  
for Fiscal Years 1985 to 1990

<u>Fiscal Year</u> <u>ending June 30</u>	<u>Retirement</u> <u>Payments</u>	<u>Survivor Benefit</u> <u>Payments</u>
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
1986	125,371,133	2,034,197
1985	116,707,876	1,955,251

MEMBER AND EMPLOYER CONTRIBUTIONS  
for Fiscal Years 1985 to 1990

<u>Fiscal Year</u> <u>ending June 30</u>	<u>Employee</u>	<u>Employer</u>
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 *
1986	47,503,907	140,201,854
1985	43,871,715	121,894,360

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

NUMBERS OF RETIREMENT ALLOWANCE RECIPIENTS  
for Fiscal Years 1985 to 1990

<u>Fiscal Year</u> <u>ending June 30</u>	<u>Teachers</u>	<u>State</u> <u>Employees</u>	<u>Local District</u> <u>Employees</u>	<u>TOTAL</u>
1990	8,802	9,160	5,250	23,212
1989	8,757	8,863	5,186	22,806
1988	8,167	8,220	5,684	22,071
1987	8,016	7,855	4,427	20,298
1986	7,797	7,588	4,184	19,569
1985	7,657	6,988	3,985	18,938



**BALANCE SHEET**  
**June 30, 1990**

ASSETS

1. Investments	
A. Bonds	\$676,365,268.05
B. Common Stocks	846,850,126.78
C. Mortgages	52,261.19
D. Commingled Funds	
1. Morgan Guaranty	192,396,370.37
2. Travelers	12,908,111.76
E. Land & Building	2,355,391.57
F. Due Other Funds (see Note 1)	<u>(9,969,751.66)</u>
 TOTAL-Investments	 \$1,720,957,778.06
2. Other Assets	
A. Cash-Due from Other Funds	\$35,481,518.54
B. Cash-Fiduciary Due from Other Funds	(2,543,800.53)
C. Accrued Interest	9,339,638.96
D. Capital Equipment	995,396.86
E. Accounts Receivable	<u>363,745.57</u>
 TOTAL-Other Assets	 \$43,636,499.40
 TOTAL-ASSETS	 \$1,764,594,277.46

TRUST RESERVES AND LIABILITIES

1. Trust Reserves	
A. Members Contribution Fund-Current	\$721,977,424.91
B. Members Contribution Fund-Prior	48,129.93
C. Retirement Allowance Fund	987,794,756.42
D. Survivor Benefit Fund	<u>46,641,593.25</u>
 TOTAL - Trust Reserves	 \$1,756,461,904.51
2. Liabilities & Operating Reserves	
A. Accounts Payable	\$1,472,225.88
B. Reserve for Expenditures	524,008.21
C. Retirees Health Insurance	6,022,930.99
D. Suspense Account	<u>113,207.87</u>
 TOTAL-Liabilities & Operating Reserves	 \$8,132,372.95
 TOTAL-TRUST RESERVES & LIABILITIES	 \$1,764,594,277.46

Note 1: Assets Due the Judicial Retirement System      \$9,293,550.83  
Assets Due the Legislative Retirement System      676,200.83





**TRUST RESERVES AND LIABILITY DETAIL**  
**June 30, 1990**

**TRUST RESERVES AND LIABILITIES**

**1. Trust Reserves**

**A. Members Contribution Fund-Current**

1. State	\$225,670,648.60	
2. Teachers		
a. pre-July 1, 1924	0.00	
b. post-July 1, 1924	381,373,788.86	
3. Participating Districts	101,381,733.50	
4. Consolidated		
a. Accidental Death	0.00	
b. Disability	13,551,253.95	
c. Survivor Benefit	0.00	\$721,977,424.91

**B. Members Contribution Fund-Prior**

1. Teachers		
a. pre-July 1, 1924	\$48,129.93	48,129.93

**C. Retirement Allowance Fund**

1. State	\$321,618,018.59	
2. Teachers		
a. pre-July 1, 1924	(189,063,137.50)	
b. post-July 1, 1924	395,782,036.17	
3. Participating Districts	316,836,805.82	
4. Consolidated		
a. Accidental Death	6,697,911.02	
b. Disability	135,923,122.32	
c. Survivor Benefit	0.00	987,794,756.42

**D. Survivor Benefit Fund**

1. Consolidated		
a. Survivor Benefit	\$46,641,593.25	46,641,593.25

**TOTAL-Trust Reserves** \$1,756,461,904.51

**2. Liabilities and Operating Reserves**

**A. Accounts Payable**

1. State	\$747,097.08	
2. Teachers		
a. post-July 1, 1924	576,709.05	
3. Participating Districts	148,419.75	1,472,225.88

**B. Reserve for Expenditures**

1. State	\$524,008.21	524,008.21
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**C. Retirees Health Insurance**

1. State	\$5,643,837.63	
2. Teachers		
a. post-July 1, 1924	379,093.36	6,022,930.99

**D. Suspense Account**

1. State	\$113,207.87	113,207.87
----------	--------------	------------

**TOTAL-Liabilities & Operating Reserves** 8,132,372.95

**TOTAL-TRUST RESERVES AND LIABILITIES** \$1,764,594,277.46



**COMPARATIVE BALANCE SHEET**  
for Fiscal Years ending June 30, 1990 and June 30, 1989

<u>ASSETS</u>	<u>at June 30, 1990</u>	<u>at June 30, 1989</u>	<u>Increase (Decrease)</u>
1. Investments			
A. Bonds	\$676,365,268.05	\$631,325,826.27	\$45,039,441.78
B. Common Stocks	846,850,126.78	679,917,860.29	166,932,265.49
C. Mortgages	52,261.19	61,958.44	(9,697.25)
D. Commingled Funds			
1. Morgan Guaranty	192,396,370.37	174,751,933.22	17,644,437.15
2. Travelers	12,908,111.76	13,039,251.26	(131,139.50)
E. Land & Building	2,355,391.57	2,301,368.23	54,023.34
F. Due Other Funds (see Note 1)	<u>(9,969,751.66)</u>	<u>(7,654,884.26)</u>	<u>(2,314,867.40)</u>
TOTAL-Investments	\$1,720,957,778.06	\$1,493,743,313.45	\$227,214,464.61
2. Other Assets			
A. Cash-Due from Other Funds	\$35,481,518.54	\$25,469,248.04	\$10,012,270.50
B. Cash-Fiduciary Due from Other Funds	(2,543,800.53)	(15,373,982.61)	12,830,182.08
C. Accrued Interest	9,339,638.96	7,850,265.81	1,489,373.15
D. Capital Equipment	995,396.86	390,972.11	604,424.75
E. Accounts Receivable	<u>363,745.57</u>	<u>414,595.69</u>	<u>(50,850.12)</u>
TOTAL-Other Assets	\$43,636,499.40	\$18,751,099.04	\$24,885,400.36
<b>TOTAL-ASSETS</b>	<b>\$1,764,594,277.46</b>	<b>\$1,512,494,412.49</b>	<b>\$252,099,864.97</b>
 <u>TRUST RESERVES AND LIABILITIES</u>			
1. Trust Reserves			
A. Members Contribution Fund-Current	\$721,977,424.91	\$633,934,801.93	\$88,042,622.98
B. Members Contribution Fund-Prior	48,129.93	51,305.92	(3,175.99)
C. Retirement Allowance Fund	987,794,756.42	831,152,516.68	156,642,239.74
D. Survivor Benefit	<u>46,641,593.25</u>	<u>43,383,752.32</u>	<u>3,257,840.93</u>
TOTAL-Trust Reserves	\$1,756,461,904.51	\$1,508,522,376.85	\$247,939,527.66
2. Liabilities & Operating Reserves			
A. Accounts Payable	\$1,472,225.88	\$46,356.57	\$1,425,869.31
B. Reserve for Expenditures	524,008.21	56,126.02	467,882.19
C. Retirees Health Insurance	6,022,930.99	3,763,306.59	2,259,624.40
D. Suspense Account	<u>113,207.87</u>	<u>106,246.46</u>	<u>6,961.41</u>
TOTAL-Liabilities and Operating Reserves	\$8,132,372.95	\$3,972,035.64	\$4,160,337.31
<b>TOTAL-TRUST RESERVES &amp; LIABILITIES</b>	<b>\$1,764,594,277.46</b>	<b>\$1,512,494,412.49</b>	<b>\$252,099,864.97</b>

Note 1. Amounts shown are due Legislative & Judicial Retirement Systems.



**NET INCOME FROM INVESTMENT OPERATIONS**  
for 12 Months ending June 30, 1990

1. PRIOR YEAR ADJUSTMENT	\$363,857.10	\$363,857.10
2. GAINS/LOSSES ON SECURITY SALES		
A. Gain on Sale of Stock	\$43,470,558.87	
B. Gain on Sale of Bonds	<u>19,668,449.70</u>	
NET GAIN on Security Sales		\$63,139,008.57
3. INCOME FROM INVESTMENTS		
A. Interest Paid-Bonds	\$70,608,588.43	
B. Cash Dividends-Stock	11,419,356.83	
C. Premiums Paid-Loan of Securities	193,281.58	
D. Interest Paid-Mortgages	<u>277.84</u>	
TOTAL INCOME from Investments		82,221,504.68
4. DEDUCTIONS FROM INVESTMENT INCOME		
A. Investment Advisor & Custodial Fees	\$3,664,382.20	
B. General Operating Expenses	<u>30,558.13</u>	
TOTAL DEDUCTIONS from Investment Income		<u>(3,694,940.33)</u>
NET INCOME FROM INVESTMENTS (Note 1)		<u>\$142,029,430.02</u>

Note 1	Income Due to Judicial Retirement System	\$677,576.00
	Income Due to Legislative Retirement System	\$50,007.80



## INVESTMENT BOOK & MARKET VALUES

June 30, 1990

<u>Investments</u>	<u>Book Value</u>	<u>Market Value</u>
Bonds	\$676,365,268.05	\$693,466,696.52
Stocks	846,850,126.78	1,009,890,967.00
Mortgages	52,261.19	48,259.00
Comingled Funds:		
Morgan Guaranty	192,396,370.37	209,363,930.00
Travelers Insurance	12,908,111.76	14,471,246.00
Land/Building	2,355,391.57	2,301,000.00
Cash-Due from Other Funds	35,481,518.54	34,632,877.92
Cash-Fiduciary	(2,543,800.53)	(1,638,450.48)
Accrued Interest	9,339,638.96	9,339,638.96
Capital Equipment	995,396.86	995,396.86
Accounts Receivable	<u>363,745.57</u>	<u>363,745.57</u>
 TOTALS	 \$1,774,564,029.12	 \$1,973,235,307.35
 Due Other Funds	 <u>(9,969,751.66)</u> (See Note 1)	
 TOTAL	 \$1,764,594,227.46	

Note 1 Assets Due the Judicial and Legislative Retirement Systems





**CHANGES IN TRUST FUND RESERVES**  
**for 12 Months ending June 30, 1990**

1. BALANCE ON JULY 1, 1989			\$1,508,522,376.85
2. ADDITIONS			
A. Employer Contributions			
1. State Employees	\$74,486,613.21		
2. Teachers	117,012,907.58		
3. Participating Districts	<u>26,315,388.88</u>		
TOTAL-Employer Contributions		\$217,814,909.67	
B. Employee Contributions			
1. State Employees	\$20,936,607.20		
2. Teachers	36,140,856.82		
3. Participating Districts	<u>10,895,835.11</u>		
TOTAL-Employee Contributions		67,973,299.13	
C. Net Income from Investments			
Net Income	\$142,029,430.02		
(Less: Due Judicial/Legislative)	<u>(727,583.80)</u>		
TOTAL-Net Income from Investments		<u>141,301,846.22</u>	
TOTAL ADDITIONS to Trust Fund Reserves			427,090,055.02
3. DEDUCTIONS			
A. Retirement Allowances			
Paid & COLA	\$167,483,163.57		
B. Survivor Benefits	2,508,650.08		
C. Refunds	<u>9,158,713.71</u>		
TOTAL-Deductions			(179,150,527.36)
4. NET INCREASE to Trust Fund Reserves			<u>247,939,527.66</u>
5. TRUST FUND RESERVES AT JUNE 30, 1990			\$1,756,461,904.51

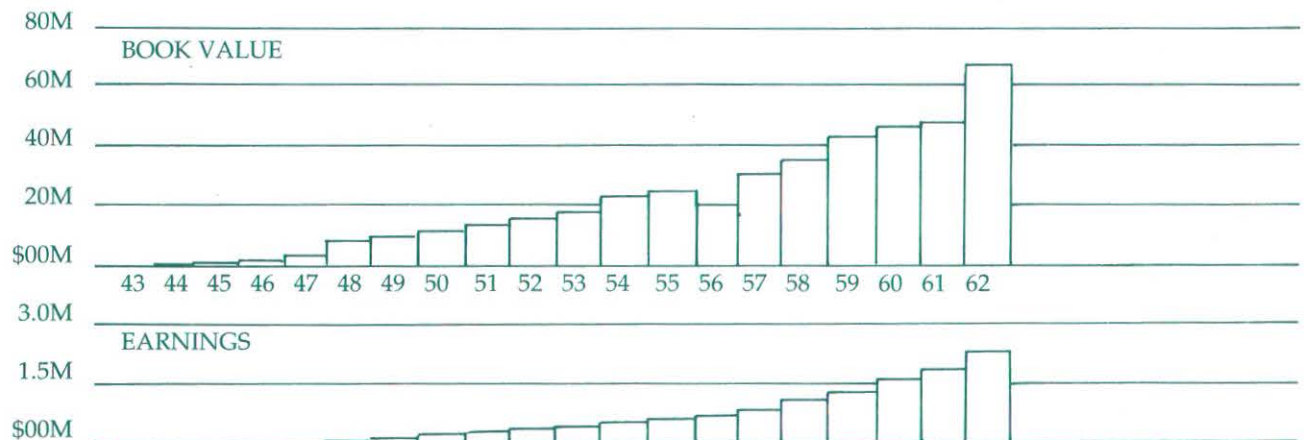


**TWENTY-YEAR SUMMARY OF EARNINGS**  
July 1, 1942 through June 30, 1962

<u>FY Ending June 30</u>	<u>Book Value of Investments</u>	<u>Net Increase in Investment Book Value</u>	<u>Earnings for the Year *1 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

\*1 Earnings applicable to all Trust Fund Reserves

**BOOK VALUE OF INVESTMENTS & EARNINGS FOR YEAR FISCAL YEAR 1943/1962**



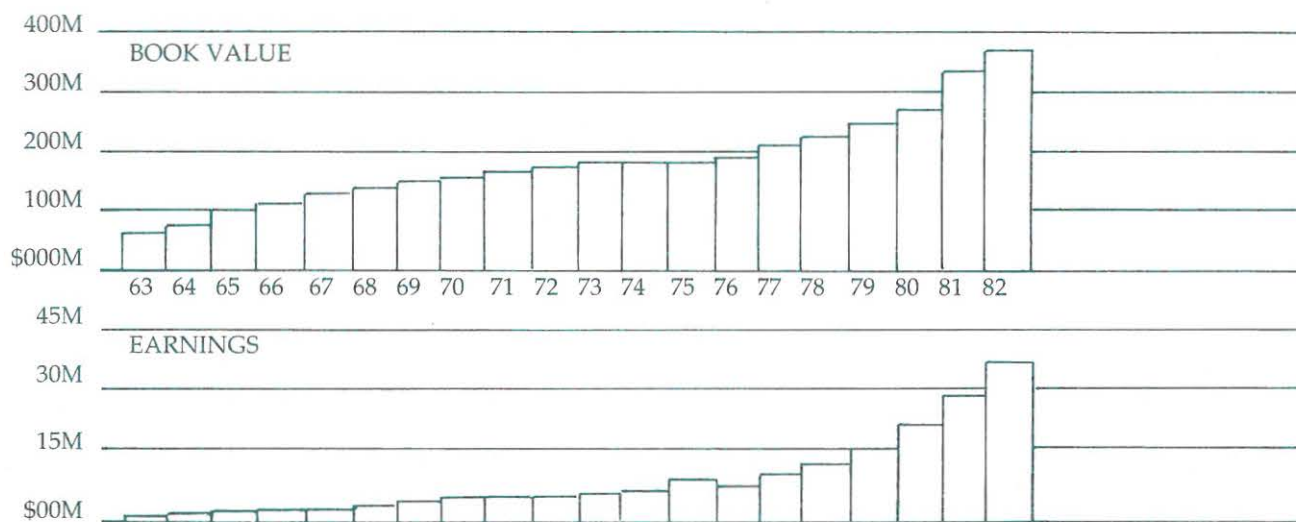


**TWENTY-YEAR SUMMARY OF EARNINGS**  
July 1, 1962 through June 30, 1982

<u>FY Ending June 30</u>	<u>Book Value of Investments</u>	<u>Net Increase in Investment Book Value</u>	<u>Earnings for the Year *1 Accrual Basis</u>
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

\*1 Earnings applicable to all Trust Fund Reserves

**BOOK VALUE OF INVESTMENTS & EARNINGS FOR YEAR FISCAL YEAR 1963/1982**





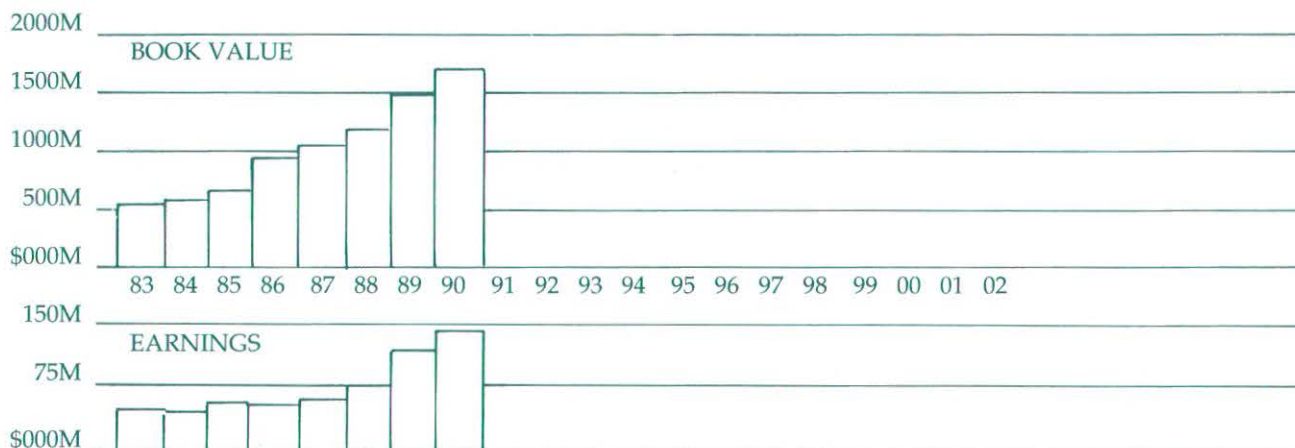
### EIGHT-YEAR SUMMARY OF EARNINGS July 1, 1982 through June 30, 1990

<u>FY Ending June 30</u>	<u>Book Value of Investments</u>	<u>Net Increase in Investment Book Value</u>	<u>Earnings for the Year *1 Accrual Basis</u>
1983 *2	\$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
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			
1992			
1993			
1994			
1995			
1996			
1997			
1998			
1999			
2000			
2001			
2002			

\*1 Earnings applicable to all Trust Fund Reserves

\*2 Includes \$105,000,000 in "New Cash" for Fiscal Year 1983

### BOOK VALUE OF INVESTMENTS & EARNINGS FOR YEAR FISCAL YEAR 1983/1990







**STATEMENT OF TRUST FUND BALANCES**  
**June 30, 1990**

<u>Ref Nbr</u>	<u>Plan or District Name</u>	<u>Members' Contribution</u>	<u>Retirement Allowance</u>	<u>Total Trust Fund Reserves</u>
1	Maine State Employees Association	\$225,670,648.60	\$321,618,018.59	\$547,288,667.19
2	Portland	16,584,111.63	32,239,572.19	48,823,683.82
3	Millinocket	1,040,759.22	3,969,593.22	5,010,352.44
4	Presque Isle	1,726,564.55	4,990,218.20	6,716,782.75
5	Cumberland County	707,245.22	1,995,322.10	2,702,567.32
6	Disability	13,551,253.95	135,923,122.32	149,474,376.27
7	Teachers (post-July 1, 1924)	381,373,788.86	395,782,036.17	777,155,825.03
8	Camden	316,396.31	810,095.11	1,126,491.42
9	South Portland	2,376,201.59	11,172,672.13	13,548,873.72
10	Houlton	316,391.51	1,218,296.40	1,534,687.91
11	Penobscot County	434,780.98	1,679,618.48	2,114,399.46
12	Kittery Water District	254,557.40	562,314.03	816,871.43
13	Ellsworth	414,920.75	1,403,769.43	1,818,690.18
14	Kittery	582,322.14	2,061,384.53	2,643,706.67
15	Bar Harbor	305,931.93	1,101,973.52	1,407,905.45
16	Mount Desert	305,932.60	959,486.22	1,265,418.82
17	Fort Fairfield	120,423.75	568,494.48	688,918.23
18	Rockland	751,480.79	4,050,754.84	4,802,235.63
19	Bath Water District	242,052.46	605,753.53	847,805.99
20	Bangor	10,029,551.87	27,833,978.12	37,863,529.99
21	Boothbay Harbor Water District	108,996.31	208,643.02	317,639.33
22	Bangor Public Library	477,724.39	845,914.46	1,323,638.85
23	Augusta	4,231,932.35	12,198,197.10	16,430,129.45
24	Gardiner	685,193.08	1,852,942.47	2,538,135.55
25	Teachers (pre-July 1, 1924)	0.00	(189,063,137.50)	(189,063,137.50)
26	Houlton Water District	552,754.15	1,783,630.97	2,336,385.12
27	Auburn	2,940,990.65	13,212,071.89	16,153,062.54
28	York	763,826.91	1,328,278.77	2,092,105.68
29	Limestone Water/Sewer	35,769.12	79,355.98	115,125.10
30	Saint Agatha	23,319.11	122,174.08	145,493.19
31	Kennebec Water District	228,645.93	533,411.86	762,057.79
32	Livermore Falls Water District	108,589.52	357,220.82	465,810.34
33	Knox County	50,777.86	329,694.65	380,472.51
34	Augusta Water District	306,618.58	982,460.48	1,289,079.06
35	Belfast	303,122.08	1,052,913.99	1,356,036.07
36	Calais	356,494.17	949,025.79	1,305,519.96



# STATEMENT OF TRUST FUND BALANCES

June 30, 1990

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
37	York County	\$288,614.84	\$1,470,736.91	\$1,759,351.75
38	Maine Maritime Academy	1,759,927.09	10,116,014.92	11,875,942.01
39	York Water District	111,978.04	344,210.25	456,188.29
40	Washington County	181,693.95	809,525.79	991,219.74
41	Portland Public Library	764,487.75	1,729,425.69	2,493,913.44
42	Brunswick	1,707,620.68	6,892,744.56	8,600,365.24
43	Auburn Public Library	59,417.33	294,489.64	353,906.97
44	Maine-NH Bridge Authority	0.00	0.00	0.00
45	Jay	425,038.75	1,023,320.41	1,448,359.16
46	Waldo County	166,053.91	628,488.56	794,542.47
47	Kennebec County	258,904.96	1,075,652.72	1,334,557.68
48	Lewiston	5,058,439.21	21,185,770.65	26,244,209.86
49	Maine Turnpike Authority	4,694,915.05	12,902,879.25	17,597,794.30
50	SAD 31	75,150.72	401,263.05	476,413.77
51	Auburn Sewer District	78,194.68	243,051.33	321,246.01
52	Auburn Water District	189,800.35	720,183.63	909,983.98
54	East Millinocket	546,621.17	1,375,476.12	1,922,097.29
55	Maine Municipal Association	130,154.24	361,999.07	492,153.31
56	Hancock County	253,603.09	943,382.98	1,196,986.07
57	Oxford County	324,976.31	1,124,753.56	1,449,729.87
58	Falmouth Memorial Library	38,173.90	90,157.35	128,331.25
59	Bangor Water District	261,610.44	756,532.68	1,018,143.12
60	Rumford Fire/Police	602,420.61	3,312,202.88	3,914,623.49
61	Orono	289,363.25	814,707.39	1,104,070.64
62	Kennebunk Light/Power	209,334.83	663,320.82	872,655.65
63	Brewer	1,401,704.70	3,213,728.20	4,615,432.90
64	Augusta Sanitary District	350,292.52	935,822.65	1,286,115.17
65	Rumford Water District	78,983.80	403,658.87	482,642.67
66	Waterville Fire/Police	1,387,059.19	4,157,661.61	5,544,720.80
67	Androscoggin County	439,824.57	1,532,718.84	1,972,543.41
68	Brewer Water District	63,049.26	205,881.41	268,930.67
69	Baileyville	45,420.04	281,264.01	326,684.05
70	Westbrook Fire/Police	912,571.16	6,138,869.86	7,051,441.02
71	Greater Portland Public Development	0.00	0.00	0.00
72	Brunswick Sewer District	144,262.34	392,600.22	536,862.56
73	Bath	1,961,154.06	9,977,853.86	11,939,007.92
74	Mexico	212,600.67	387,215.64	599,816.31



# STATEMENT OF TRUST FUND BALANCES

June 30, 1990

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
75	Accidental Death	\$0.00	\$6,697,911.02	\$6,697,911.02
76	Lincoln	322,129.70	814,044.63	1,136,174.33
77	SAD 34	282,965.96	1,031,609.08	1,314,575.04
78	SAD 28	0.00	19,742.03	19,742.03
79	Old Town Water District	163,411.08	301,632.30	465,043.38
80	Skowhagan	531,444.45	1,889,250.83	2,420,695.28
81	Topsham	179,537.67	500,562.81	680,100.48
82	Madawaska	592,425.44	1,540,382.97	2,132,808.41
83	Sanford	1,427,547.61	5,293,663.89	6,721,211.50
84	Kennebunk	167,971.95	879,088.45	1,047,060.40
85	Cape Elizabeth	641,903.96	2,438,407.13	3,080,311.09
86	Wilton	124,099.51	296,523.43	420,622.94
87	Falmouth	281,665.92	893,504.65	1,175,170.57
88	Lubec Water/Electric	52,686.26	242,059.72	294,745.98
89	Sanford Sewer District	128,128.27	293,782.61	421,910.88
90	Rumford	837,700.79	2,231,863.72	3,069,564.51
91	Fort Kent	125,637.06	379,344.45	504,981.51
92	Lincoln Water District	36,540.13	124,381.15	160,921.28
93	Maine Municipal Bond Bank	102,736.73	150,400.93	253,137.66
94	Greater Portland Council of Government	189,149.64	543,259.23	732,408.87
95	Lincoln County	150,199.29	750,480.66	900,679.95
96	Sagadahoc County	114,871.09	669,631.79	784,502.88
97	Dexter	117,665.49	302,905.37	420,570.86
98	Frenchville	23,052.67	59,878.77	82,931.44
100	Farmington	297,513.90	1,546,357.09	1,843,870.99
101	Somerset County	190,665.47	458,575.67	649,241.14
102	Franklin County	141,490.28	367,971.86	509,462.14
103	Lisbon	496,150.07	1,628,913.59	2,125,063.66
104	Milo	44,166.59	170,713.21	214,879.80
105	Maine State Principals Association	91,024.17	316,454.32	407,478.49
106	Aroostook County	721,484.71	1,737,359.88	2,458,844.59
107	Wells	618,199.39	1,621,519.96	2,239,719.35
108	Berwick	84,923.07	181,348.56	266,271.63
109	Livermore Falls	95,451.42	223,427.86	318,879.28
110	Pittsfield	77,068.21	283,934.99	361,003.20
111	Old Town	391,196.77	2,590,237.42	2,981,434.19





# STATEMENT OF TRUST FUND BALANCES

June 30, 1990

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
112	Franklin County	\$116,229.93	\$392,320.26	\$508,550.19
113	SAD 66	0.00	162,940.55	162,940.55
114	Mechanic Falls	64,070.48	287,160.27	351,230.75
115	SAD 54	194,744.44	923,066.80	1,117,811.24
116	Yarmouth	633,145.14	2,317,809.95	2,950,955.09
117	Searsport	80,212.87	215,747.94	295,960.81
118	Farmington Village Corporation	21,681.13	60,527.75	82,208.88
119	SAD 9	486,429.23	1,146,835.05	1,633,264.28
120	Mount Desert Regional Schools	65,768.23	174,111.81	239,880.04
121	Piscataquis County	141,945.73	614,148.85	756,094.58
122	Westbrook	583,208.72	2,818,379.76	3,401,588.48
124	Searsport Water District	28,167.71	90,692.11	118,859.82
125	Norway	136,895.90	477,012.84	613,908.74
126	SAD 67	227,655.87	962,743.03	1,190,398.90
127	Paris	133,048.59	382,081.51	515,130.10
128	SAD 71	183,184.77	735,561.00	918,745.77
129	SAD 53	43,025.84	100,700.23	143,726.07
130	Bucksport	479,207.55	1,063,967.12	1,543,174.67
131	Fort Fairfield Utility District	71,544.35	245,501.99	317,046.34
132	Belfast Water District	58,753.47	264,169.02	322,922.49
133	Gorham	528,087.44	1,055,353.48	1,583,440.92
134	Lincoln Academy	84,291.42	148,668.60	232,960.02
135	So. Kennebec Valley Regional Planning	23,067.46	41,646.94	64,714.40
136	Norway Water District	41,528.10	144,698.63	186,226.73
137	Dover-Foxcroft Water District	0.00	39,429.41	39,429.41
138	Naples	21,333.29	87,189.52	108,522.81
139	York Sewage District	32,122.55	213,495.82	245,618.37
140	Old Orchard Beach	561,515.58	2,199,191.78	2,760,707.36
141	South Berwick	62,541.26	302,131.53	364,672.79
142	Freeport	93,840.52	381,583.84	475,424.36
143	SAD 41	445,813.56	1,067,594.90	1,513,408.46
144	Winslow	288,422.30	840,654.46	1,129,076.76
145	Auburn Housing Authority	112,524.32	394,097.53	506,621.85
146	Boothbay Harbor	58,163.90	326,875.75	385,039.65
147	Scarborough	322,491.33	1,563,151.21	1,885,642.54
148	Cranberry Isles	0.00	336.32	336.32





# STATEMENT OF TRUST FUND BALANCES

June 30, 1990

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
149	Fryburg	\$0.00	\$79,619.91	\$79,619.91
150	Hermon	82,137.13	324,260.20	406,397.33
151	Hampden	206,015.95	533,299.23	739,315.18
152	Sanford Housing Authority	79,232.06	206,537.25	285,769.31
153	Vassalboro	37,123.05	100,712.07	137,835.12
154	Lewiston Housing Authority	309,317.65	435,253.93	744,571.58
155	Garland	0.00	638.48	638.48
156	Exeter	5,423.72	9,288.08	14,711.80
157	Bingham Water District	83.46	28,664.40	28,747.86
158	Biddeford	1,163,190.87	2,868,108.54	4,031,299.41
159	Paris Utilities District	107,831.35	172,356.43	280,187.78
160	Hallowell	22,716.08	133,629.33	156,345.41
161	Rockport	55,460.19	207,922.53	263,382.72
162	Wallagrass Plantation	7.75	11,208.76	11,216.51
163	Lewiston-Auburn Water Pollution	54,985.49	265,137.54	320,123.03
164	Thomaston	49,112.74	250,759.13	299,871.87
165	Pleasant Point/Passamaquoddy Reserv.	18,264.89	100,957.02	119,221.91
166	Orland	28,372.43	153,433.30	181,805.73
167	Dover-Foxcroft	140,195.77	400,173.80	540,369.57
168	SAD 29	133,368.82	483,579.17	616,947.99
169	Maine Housing Authority	171,110.05	425,679.95	596,790.00
170	Sanford Water District	182,593.20	510,130.36	692,723.56
171	So Berwick Water District	10,488.19	52,011.26	62,499.45
172	New Canada Plantation	0.00	16,412.73	16,412.73
173	Indian Township/Passamaquoddy RHA	25.20	59,601.30	59,626.50
174	Glenburn	39,518.27	56,020.67	95,538.94
175	Sabattus	29,893.30	241,747.33	271,640.63
176	Bridgton	21,453.42	207,535.09	228,988.51
177	Brownville	40,800.64	131,460.51	172,261.15
178	SAD 2	0.00	0.00	0.00
179	Winthrop	340,216.10	680,904.19	1,021,120.29
180	Eliot	115,775.36	301,518.58	417,293.94
181	Lebanon	19,224.18	109,532.60	128,756.78
182	Van Buren	149,831.92	331,508.47	481,340.39
183	Hampden Water District	18,150.26	47,987.62	66,137.88
184	Monson	32,459.11	48,828.44	81,287.55



# STATEMENT OF TRUST FUND BALANCES

June 30, 1990

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
185	Portland Housing Authority	\$479,286.38	\$1,335,425.15	\$1,814,711.53
186	Milford	519.92	56,923.56	57,443.48
187	SAD 60	144,875.40	626,075.42	770,950.82
188	Kennebunkport	326,390.96	987,175.61	1,313,566.57
189	SAD 49	58,999.56	281,251.32	340,250.88
190	SAD 16	55,542.14	247,849.62	303,391.76
191	Damariscotta	38,522.82	68,057.32	106,580.14
192	Saco	559,967.02	2,460,171.91	3,020,138.93
193	Otisfield	11,686.88	45,351.70	57,038.58
194	Medway	94,205.19	189,751.37	283,956.56
195	Waldoboro	186,004.41	369,381.13	555,385.54
196	Waterville Urban Renewal Authority	0.00	1,393.05	1,393.05
197	Dixfield	685.25	129,998.57	130,683.82
198	SAD 51	247,416.40	669,998.55	917,414.95
199	Bradford	0.00	8,333.87	8,333.87
200	Oxford	20,195.96	108,087.51	128,283.47
201	Kennebunk Sewer Authority	59,314.06	223,877.65	283,191.71
202	Phippsburg	48,173.26	71,999.46	120,172.72
203	Cheverus High School	127,523.20	290,578.88	418,102.08
204	Boothbay/Boothbay Harbor CSD	48,859.39	138,453.50	187,312.89
205	Gould Academy	58,048.55	233,322.91	291,371.46
206	South Portland Housing Authority	155,854.48	406,627.89	562,482.37
207	Berwick Sewer District	77,872.63	261,430.62	339,303.25
208	Caribou Fire and Police	313,571.98	1,159,019.46	1,472,591.44
209	Orrington	121,745.18	224,318.15	346,063.33
210	New Gloucester	139,329.00	303,174.76	442,503.76
211	SAD 21	194,297.02	381,182.03	575,479.05
212	Readfield	11,176.19	17,632.50	28,808.69
213	Richmond	43,775.56	207,234.83	251,010.39
214	Linneus	13,008.83	36,898.04	49,906.87
215	Hodgdon	25,493.52	97,275.09	122,768.61
216	Cumberland	315,519.99	442,984.78	758,504.77
217	Corinna	41,024.42	146,007.76	187,032.18
218	SAD 56	65,599.95	200,490.62	266,090.57
219	Lincoln Sanitary District	63,735.50	86,088.49	149,823.99
220	Kennebec Sanitary District	97,389.99	299,174.61	396,564.60



# STATEMENT OF TRUST FUND BALANCES

June 30, 1990

(continued)

Ref Nbr	Plan or District Name	Members' Contribution	Retirement Allowance	Total Trust Fund Reserves
221	Gardiner Water District	\$45,652.35	\$97,098.70	\$142,751.05
222	Waterville Sewer District	112,307.34	204,316.04	316,623.38
223	SAD 13	105,122.96	280,189.93	385,312.89
224	Waldoboro Regional Voc. Region 7	4,541.90	69,632.90	74,174.80
225	Maine County Commissioners Assn.	132.31	24,684.22	24,816.53
226	Jackman Water District	15,500.51	33,512.42	49,012.93
227	Mars Hill	67,200.82	126,254.49	193,455.31
228	Lubec	31,509.95	53,379.52	84,889.47
229	Van Buren Housing Authority	25,602.84	90,579.55	116,182.39
230	Washburn	62,745.83	114,537.26	177,283.09
231	Androscoggin Valley Reg. Plg. Comm.	154,885.15	203,087.41	357,972.56
232	Howland	0.00	27,247.70	27,247.70
233	Community School District 915	56,375.50	228,549.31	284,924.81
234	Durham	36,136.67	70,896.35	107,033.02
235	China	16,820.72	45,471.75	62,292.47
236	Madawaska Water District	63,255.98	66,986.78	130,242.76
237	Penquis CAP	380,110.36	949,927.88	1,330,038.24
238	Milo Water District	32,955.14	133,738.92	166,694.06
239	Maine School Management Assoc.	298,271.27	468,482.10	766,753.37
240	Easton	139,600.99	389,330.89	528,931.88
241	Franklin County Comm. Action Council	126,898.84	300,446.96	427,345.80
242	Richmond Utilities District	19,606.83	73,737.82	93,344.65
243	Lisbon Water District	21,212.88	58,431.57	79,644.45
244	Indian Township Tribal Government	62,881.16	466,747.18	529,628.34
245	Limestone	83,648.26	83,259.80	166,908.06
246	Bethel	35,005.84	131,797.08	166,802.92
247	Rumford/Mexico Sewer District	13,349.12	50,146.87	63,495.99
248	Brewer Housing Authority	53,233.49	89,383.53	142,617.02
249	Erskine Academy	28,008.19	66,546.49	94,554.68
250	Winter Harbor Utility District	14,105.54	6,973.32	21,078.86
251	Corinna Sewer District	35,742.08	48,706.95	84,449.03
252	Community School District 912	17,983.50	36,057.28	54,040.78
253	Bridgton Water District	14,670.05	24,642.85	39,312.90
254	North Berwick	95,716.55	193,942.59	289,658.84
255	Kennebunk/Knbkprt/Wells Water District	521,997.95	1,084,207.77	1,606,205.72
256	Auburn-Lewiston Airport	21,727.65	112,704.69	134,432.34





# STATEMENT OF TRUST FUND BALANCES

June 30, 1990

(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>
257	Maine Development Foundation	\$0.00	\$91.53	\$91.53
258	Princeton	59,843.21	107,382.21	167,225.42
259	Westbrook Housing Authority	27,549.32	37,096.44	64,645.76
260	Fairfield	79,966.73	214,680.04	294,646.77
261	Georgetown	10,813.33	20,210.53	31,023.86
262	Old Town Housing Authority	74,068.42	101,371.48	175,439.90
265	Mapleton	53,471.36	135,021.89	188,493.25
266	Wells-Ogunquit CSD	99,292.06	270,454.45	369,746.51
267	Tri-Community Sanitary Landfill	18,908.53	22,546.46	41,454.99
268	Project Lodestone	2,538.82	12,483.78	15,022.60
269	So. Penobscot Voc. School Region 4	36,379.05	51,494.31	87,873.36
270	Harpwell	58,688.36	143,889.69	202,578.05
271	Maine Veterans Home	493,389.92	996,268.14	1,489,658.06
272	Sabattus Sanitary District	0.00	69.21	69.21
273	Brunswick Public Library	34,584.87	136,605.19	171,190.06
274	Eagle Lake Water/Sewer	21,243.17	34,932.19	56,175.36
275	Fort Fairfield Housing Authority	29,516.24	34,431.35	63,947.59
276	Lovell	6,684.57	25,546.70	32,231.27
277	Carabasset Valley	12,426.10	32,417.64	44,843.74
278	Yarmouth Water District	22,297.14	70,496.75	92,793.89
279	Preschool HCS Council	23,583.73	33,833.69	57,417.42
280	Harrison	33,957.71	18,422.20	52,379.91
281	Mid-Maine Waste Action Corp.	0.00	2,935.32	2,935.32
282	Mechanic Falls Sanitary District	5,490.96	6,736.61	12,227.57
283	Mars Hills Utility District	1,339.15	2,771.70	4,110.85
284	Norway/Paris Solid Waste Corp	3,833.90	6,651.20	10,485.10
285	The Homestead Project	17,389.54	16,887.29	34,276.83
286	No. Maine Regional Planning	4,707.13	14,434.56	19,141.69
350	Judicial	1,130,209.24	8,032,813.28	9,163,022.52
351	Legislative	160,198.72	511,652.60	671,851.32
		\$723,267,832.87	\$996,339,222.30	\$1,719,607,055.17





**GROUP LIFE INSURANCE PROGRAM  
STATEMENT OF OPERATIONS  
for Fiscal Year ending June 30, 1990**

RECEIPTS

Premiums Collected		
Employee Contributions - State	\$1,355,481.41	
Employer Contributions - State	1,214,097.24	
Teacher and PLD's	<u>3,950,914.00</u>	
TOTAL PREMIUMS COLLECTED		\$6,520,492.65
Earnings on Investments		\$1,530,142.85
TOTAL RECEIPTS		<u>\$8,050,635.50</u>

DISBURSEMENTS

Claims Paid to Insurer		
Basic	\$1,676,475.86	
Supplemental	1,956,899.96	
Dependent	231,322.26	
Retired Employees	1,571,086.05	
Supplemental Distribution	<u>610,445.92</u>	
TOTAL CLAIMS PAID TO INSURER		\$6,046,240.05
Program Administration		<u>450,656.52</u>
TOTAL EXPENSES		<u>\$6,496,896.57</u>



**GROUP LIFE INSURANCE PROGRAM  
COMPARATIVE BALANCE SHEET  
for Fiscal Years ending June 30, 1989 and June 30, 1990**

<u>ASSETS</u>	<u>at June 30, 1990</u>	<u>at June 30, 1989</u>	<u>Increase (Decrease)</u>
Cash	\$856,809.70	\$1,037,968.23	(\$181,158.53)
Cash (Fiduciary)	0.43	0.76	(0.33)
Investments - Bonds	21,042,020.77	16,920,913.68	4,121,107.09
Investments - Stock	734,575.00	1,484,575.00	(750,000.00)
Accrued Interest	<u>77,457.31</u>	<u>2,493,629.16</u>	<u>(2,416,171.85)</u>
<b>TOTAL ASSETS</b>	<b><u>\$22,710,863.21</u></b>	<b><u>\$21,937,086.83</u></b>	<b><u>\$773,776.38</u></b>
 <u>RESERVES AND WORKING CAPITAL</u>			
Reserves for Future Premiums	\$13,026,967.07	\$13,185,524.41	(\$158,557.34)
Reserves for Supplemental Distributions	437,100.31	823,380.73	(386,280.42)
Suspense Account	<u>0.00</u>	<u>10,755.07</u>	<u>(10,755.07)</u>
<b>TOTAL RESERVES AND WORKING CAPITAL</b>	<b>\$13,464,067.38</b>	<b>\$14,019,660.21</b>	<b>(\$555,592.83)</b>
 <u>LIABILITIES</u>			
Accounts Payable	\$162,468.56	\$93,136.35	\$69,332.21
Premiums Payable	<u>9,084,327.27</u>	<u>7,824,290.27</u>	<u>1,260,037.00</u>
<b>TOTAL LIABILITIES</b>	<b>\$9,246,795.83</b>	<b>\$7,917,426.62</b>	<b>\$1,329,369.21</b>
 <b>TOTAL RESERVES, WORKING CAPITAL AND LIABILITIES</b>	 <b><u>\$22,710,863.21</u></b>	 <b><u>\$21,937,086.83</u></b>	 <b><u>\$773,776.38</u></b>



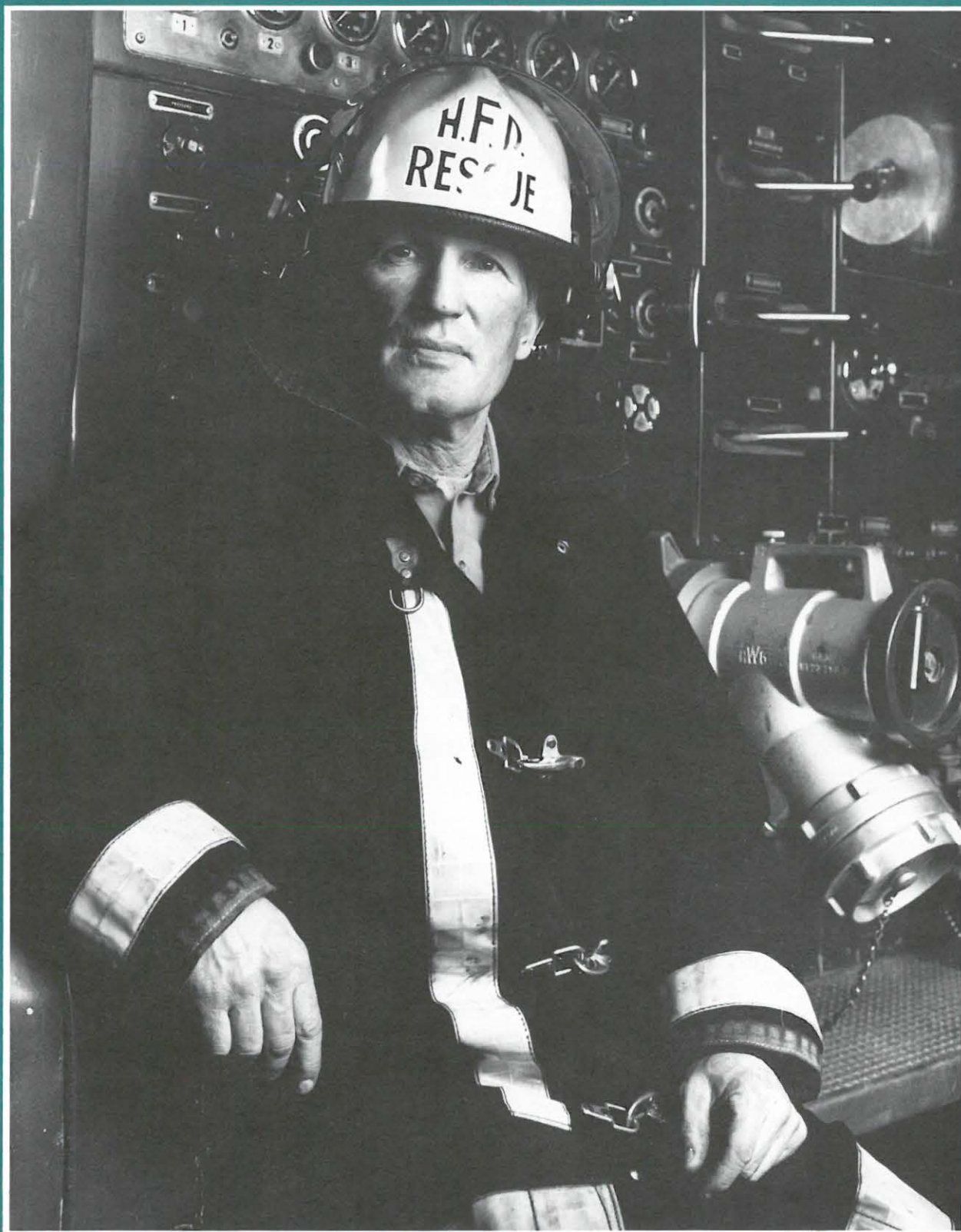
**ADMINISTRATION FUND**  
for Fiscal Years ending June 30, 1989, and June 30, 1990

<u>REVENUE</u>	<u>Fiscal Year 1990</u>	<u>Fiscal Year 1989</u>
1. Employer Contributions		
A. State Employees	\$1,482,009.08	\$1,369,611.50
B. Teachers	1,822,862.38	1,204,324.09
C. Participating Districts	599,267.10	405,025.73
D. Other Sources	<u>550,841.43</u>	<u>669,798.86</u>
<b>TOTAL-REVENUE</b>	<b>\$4,454,979.99</b>	<b>\$3,648,760.18</b>
<u>EXPENDITURES</u>		
1. Personal Services	\$1,728,997.80	\$1,480,231.14
2. Actuarial Services	256,398.68	357,468.02
3. Data Processing	337,695.75	454,753.38
4. Utilities	82,443.05	74,459.63
5. Postage & Mailing	127,725.88	105,849.93
6. Repairs to Equipment	24,882.08	33,025.23
7. Printing & Binding	51,258.79	55,744.45
8. Office Supplies	77,675.71	60,514.92
9. Retirement Costs	345,907.93	288,374.34
10. Research & Legal Services	32,836.00	74,710.75
11. Health Insurance	152,309.55	137,941.41
12. STA-CAP Costs	30,986.62	36,683.01
13. General Operating	94,995.92	55,047.89
14. Travel	59,341.95	34,310.63
15. Office Equipment	0.00	357.00
16. Unemployment	1,763.83	0.00
17. Per Diem	6,655.00	7,500.00
18. Medical Services	34,582.99	29,056.25
19. Intragovernmental	17,456.85	17,227.94
20. Workers' Compensation	54,813.45	9,488.87
21. Equipment Rental	0.00	2,151.04
22. Building Rental	189,166.70	173,927.82
23. Depreciation	50,000.00	95,523.72
24. Contracted Services	<u>229,203.27</u>	<u>118,942.81</u>
<b>TOTAL-EXPENDITURES</b>	<b>\$3,987,097.80</b>	<b>\$3,703,290.18</b>
Current Year Reserves	\$467,882.19	(\$54,530.00)
Adjustment to Reserves (1)	0.00	(988,871.75)
Prior Year Reserves	<u>56,126.02</u>	<u>1,099,527.77</u>
 Balance of Reserves	 \$524,008.21	 \$56,126.02

Notes: (1) The \$1-million amount which was transferred from the Social Security Fund in 1988 was transferred back.  
The amount shown is not of income which was applied directly to reserves.







ACTUARIAL VALUATION  
June 30, 1990





## ACTUARIAL CONSIDERATIONS OF THE PLAN for the Fiscal Year Ended June 30, 1990

The Maine State Retirement System has retained Milliman and Robertson, Inc., as consulting actuaries and their report on an actuarial valuation of the System as of June 30, 1990 has been largely reproduced on the following pages.

The principal part of the report provides an Executive Summary and detailed sections on Assets, Liabilities, Contributions, and Reserves for Disability, Survivor and Accidental Death Benefits (Sections I through V).

Two sets of supplemental data are shown: Summary of Plan Provisions for State Employees and Teachers (Appendix A) and Actuarial Assumptions and Methods (Appendix B). The Membership and Data Profile has not been reproduced; however, much of the data are referenced in the Statistical and Annual Report Overview sections of this report, offered earlier.

### CONTENTS

#### **Section I EXECUTIVE SUMMARY**

- I-1 Overview
- I-2 Valuation Comments
- I-5 Overall System Experience
- I-6 Unfunded Actuarial Reserves
- I-7 Contribution Rates & Summary of Special Results
- I-8 Table on Total Plan
- I-9 Table for MTRA
- I-10 Table for State Regular
- I-11 Table for Special Groups
- I-12 Table for Old System Teachers

#### **Section II ASSETS**

- II-1 Book Value of Assets
- II-1 Market Value of Assets
- II-1 Actuarial Value of Assets
- II-2 Allocation by Group
- II-3 Asset Comparison & Book Value
- II-4 Book and Market Value by Asset Category
- II-5 Allocation of Asset Market Value
- II-6 Allocation of Asset Actuarial Value

#### **Section III LIABILITIES**

- III-1 Actuarial Reserves and Accounting Statement Information - Accrued Benefit Reserves
- III-3 Table showing Actuarial Reserves as of June 30, 1990
- III-4 Table showing Accrued Benefit Reserves as of June 30, 1990

#### **Section IV CONTRIBUTIONS**

- IV-1 General Comments
- IV-1 Rate Components
- IV-2 Total Contribution Rate Summary
- IV-3 Recommended State Contribution Rates
- IV-4 Derivation of Unfunded Actuarial Reserve Rates

#### **Section V RESERVES FOR DISABILITY, SURVIVOR, AND ACCIDENTAL DEATH BENEFITS**

#### **Appendix A SUMMARY OF PLAN PROVISIONS - STATE EMPLOYEES AND TEACHERS**

#### **Appendix B ACTUARIAL ASSUMPTIONS AND METHODS**







## SECTION I EXECUTIVE SUMMARY

### OVERVIEW

This report presents the results of the June 30, 1990 actuarial valuation of the Maine State Retirement System.

The major findings of the valuation are summarized in the following charts. Please note that, with the exception of Asset Values below, all figures exclude results attributable to Participating Local Districts.

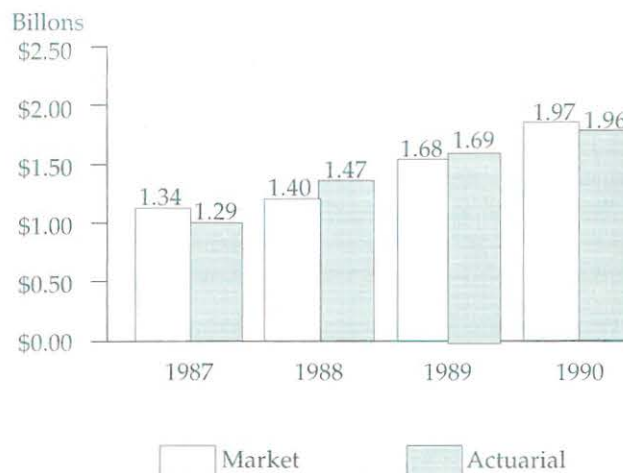
**Retirement System Contribution Rates\***



*There was a slight decrease in the System's contribution rate over the past year. Over the past four valuations the contribution rate has remained very stable, increasing or decreasing in any year by less than .21% of payroll.*

*The System's assets have grown considerably in the recent past. The increase in the actuarial value was 16% over the past year and 52% since 1987.*

**System Assets**

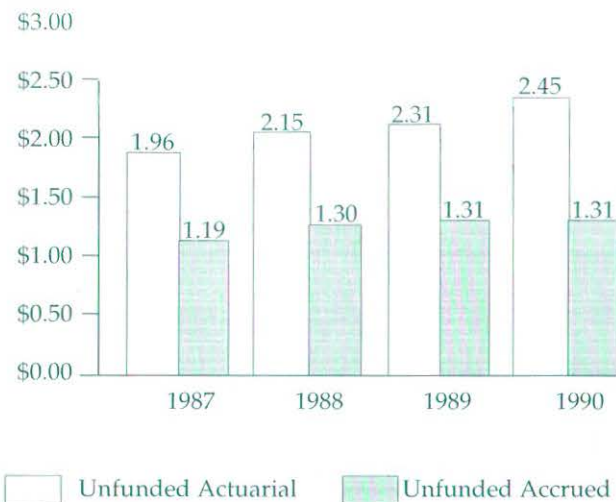


\* Rates do not include retiree health insurance charges, administrative expenses or payment to fund Old System Teachers. Rates shown are composite rates for the State Regular employees, Teachers, and the state special groups: State Police, Games Wardens, Sea and Shore Wardens, Prison Wardens, Liquor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



### Unfunded Reserves

Billions

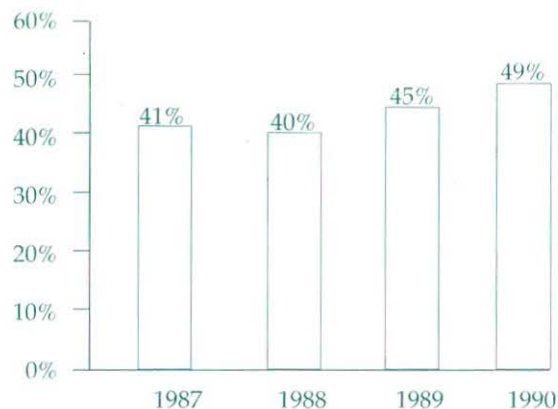


*The unfunded accrued reserve did not increase over the past year, while the unfunded actuarial reserve increased by 6%, slightly more than expected.*

*The significant increase in the assets combined with a less significant increase in the Accrued Benefits Reserve has caused the Accrued Benefit Funding Ratio to increase by 4% over the past year.*

### Accrued Benefit Funding Ratio

Percent



Each of the 1990 figures differs slightly from that which would have been expected, based upon the 1989 results. Details of this experience and additional findings are presented later in this section.

Following the valuation comments are summary tables which compare the 1990 results with those developed in the 1989 valuation. Cost results relating to the combined state portion of the System are first presented, followed by corresponding results for Teachers and State Regular employees.



In later sections of the report, detailed results on System Assets (Section II), System Liabilities (Section III), System Contributions (Section IV), and the financial position of reserves for Ancillary Benefits (Section V) are presented. This report also contains two Appendices. Appendix A provides a summary of System benefit provisions, and an outline of all actuarial assumptions and procedures used in the valuation is contained in Appendix B.

## VALUATION COMMENTS

### ASSETS

As of June 30, 1990, the System has present funds, when measured on a market value basis, of \$1.97 billion, an increase of \$0.29 billion from a 1989 figure of \$1.68 billion. When measured on a book value basis (cost), System assets increased to \$1.77 billion in 1990 from \$1.52 billion in 1989. Finally, for 1990 an actuarial value of assets was computed at \$1.96 billion, as compared to \$1.69 billion in 1989. All asset figures presented here include funds accumulated for retirement benefits and ancillary benefits (death, disability, etc.) by the State System, Judicial and Legislative Systems, and Participating Local Districts. Section II presents more detailed information on System assets.

### LIABILITIES

Throughout this report several types of liabilities are discussed. In Section III, the different uses and definitions of the liability measures are discussed in detail.

In general, Actuarial Reserves 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 reserves include future increases in pay and service credits.

As of June 30, 1990, the State's Unfunded Actuarial Reserve was \$2.45 billion. This compares to a June 30, 1989, Unfunded Actuarial Reserve of \$2.31 billion.

The second type of liability presented in this report is the Accrued Benefit Reserve. This represents the liabilities for all future benefits, based on members' earnings and service credits as of the valuation date June 30, 1990. The difference between this figure and the market value of System assets represents the Unfunded Accrued Benefit Reserve. As of June 30, 1990, the Unfunded Accrued Benefit Reserve was \$1.31 billion, as compared to a June 30, 1989, Unfunded Accrued Benefit Reserve of \$1.31 billion.

The third type of liability is the Pension Benefit Obligation (PBO). This is similar to the Accrued Benefit Reserve 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 \$2.09 billion on June 30, 1989, and is \$2.19 billion on June 30, 1990.

### CONTRIBUTIONS

In section IV of this report, detailed information on the development of State contributions rates to the System, calculated as of June 30, 1990, is presented. In addition, Section IV 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 reserve contribution," for the excess of projected liabilities allocated 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; and

- 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 the year following the valuation date.





These rates, as a percentage of payroll, are summarized as follows (composite rate for all State employees and Teachers).

	<u>June 30, 1990</u>	<u>June 30, 1989</u>
1. Normal Cost	6.38%	6.37%
2. Unfunded Actuarial Reserve	11.42%	11.50%
3. Disability Benefits	1.49%	1.49%
4. Death Benefits		
A. Survivor Benefits	0.27%	0.22%
B. Accidental Death	0.10%	0.10%
5. Total Contribution	19.66%	19.68%

The State contributions listed above do not include additional charges to cover retiree health insurance or administrative expenses, nor do they include payments for Old System Teachers.

#### MEMBERSHIP

The total membership (active, retired, and vested deferred) of the MSRS has increased by 3.2% from 53,719 as of June 30, 1989, to 55,433 as of June 30, 1990. The total annual payroll of active members has increased by 11.3% from \$830 million as of June 30, 1989, to \$924 million as of June 30, 1990.

#### **OVERALL SYSTEM EXPERIENCE**

The overall experience of the System was slightly more favorable than expected, based on actuarial assumptions first used in the 1987 valuation. The key indicator of overall experience in the System is the overall State contribution rate. These rates are being set so that they 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.

Two primary factors which contributed to the change in the System's assets, unfunded reserves, and contribution rates between June 30, 1989, and June 30, 1990, were the expected changes due to the passage of time (e.g., new employees) and unexpected changes due to experience gains and losses.

#### ASSETS

Between June 30, 1989, and June 30, 1990, the assets of the System, measured on an actuarial basis, increased by \$0.27 billion. This change was attributable to the following:

\$286	million from employer and member contributions
- 179	million from payment of benefits and expenses
+ 161	million from investment experience
= \$268	million total increase in assets

Of this total change, \$264 million was expected, based on the assumption that the assets of the System would earn 9.00%. However, the effective investment return on the actuarial value of the assets was about 9.25%, resulting in an actuarial gain of \$4 million. On a market value basis, the assets of the System earned 10.21% or a gain of \$21 million.

The asset gain (actuarial value), excluding participating local districts, was \$3 million.





## UNFUNDED ACTUARIAL RESERVES

The actual increase in the unfunded actuarial reserve of the System (excluding participating local districts) between June 30, 1989, and June 30, 1990, was \$145 million. This compares with an expected increase of \$72 million, based upon the actuarial assumptions used in the valuations. The difference, \$73 million, is attributable to the combined effect of asset gains, liability losses, the difference between expected and actual State contributions, and membership growth.

Unfunded Actuarial Reserve, June 30, 1989	\$2,309 million
- increase expected	72 million
- decrease due to asset gain	(3) million
- other losses (see below)	<u>76 million</u>
Unfunded Actuarial Reserve, June 30, 1990	\$2,454 million

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

- salary increases greater than expected
- differences between assumed and actual rates of members retiring, terminating employment, or dying
- the difference between actual and expected contributions paid
- growth in membership
- payment form selections made by retiring members

Although \$76 million is a significant amount, it represents less than 2% of the total liabilities of the System. This level of deviation will occur from year to year with the expectation that gains and losses will offset in the long run. In 1989, the System liability losses from these sources were \$84 million.

## CONTRIBUTION RATES

The composite contribution rate for all State employees and Teachers decreased from 19.68% of payroll as of June 30, 1989, to 19.66% of payroll as of June 30, 1990. The primary components of this change are shown below:

Contribution Rate as of June 30, 1989	19.68%
Increase in Survivor Benefit Rate Due to Plan Change	+ 0.07%
Asset Gain	- 0.02%
Net effect Liability Losses, Membership Growth, and Shifts in Payroll Among the State Employee and Teacher Groups	<u>- 0.07%</u>
Contribution Rate as of June 30, 1990	19.66%

## SUMMARY

During the past year, the System experienced a slight decrease in the overall contribution rate. Since adoption of stronger actuarial assumptions in 1987, the composite contribution rate has remained very stable. This indicates that the actuarial assumptions used in the valuation are reasonable in aggregate. However, as noted on the previous page, relatively small liability losses have occurred during the past two years, and despite these losses, System contribution rates have not increased. The reason for this is that growth in System membership has increased the payroll used for determining the contribution rate.

We continue to believe that as long as there is commitment by the State to pay required contributions on schedule, the long-term outlook for the System is favorable.



REPORT OF THE ACTUARY ON THE VALUATION OF THE  
MAINE STATE RETIREMENT SYSTEM  
AS OF JUNE 30, 1990  
(TOTAL)\*  
SUMMARY OF PRINCIPAL RESULTS

	<u>June 30, 1990</u>	<u>June 30, 1989</u>
1. Participant Data		
Number of:		
Active Members	38,504	36,916
Retired Members and Beneficiaries	16,326	16,193
Vested Deferred Members	603	610
Annual Salaries of Active Members	\$923,528,314	\$829,535,238
Annual Retirement Allowances for Retired Members and Beneficiaries	\$135,005,263	\$127,604,285
2. Assets and Liabilities		
Actuarial Value of Assets	\$1,264,824,833	\$1,067,805,978
Unfunded Actuarial Reserve	\$2,454,148,342	\$2,309,364,688
Market Value of Assets	\$1,270,568,000	\$1,062,778,812
Unfunded Accrued Reserve	\$1,307,598,825	\$1,311,093,671
Accrued Benefit Funding Ratio	49.3%	44.8%
3. Contribution Results as a Percent of Payroll (Composite Rate for all State Employees and Teachers)**		
Normal Cost	6.38%	6.37%
Unfunded Actuarial Reserve	11.42%	11.50%
Disability	1.49%	1.49%
Survivor Benefits	0.27%	0.22%
Accidental Death	0.10%	0.10%
Total	19.66%	19.68%

\* Excludes participating local districts

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



REPORT OF THE ACTUARY ON THE VALUATION OF THE  
MAINE STATE RETIREMENT SYSTEM  
AS OF JUNE 30, 1990  
(TEACHERS)\*  
SUMMARY OF PRINCIPAL RESULTS

	<u>June 30, 1990</u>	<u>June 30, 1989</u>
1. Participant Data		
Number of:		
Active Members	22,281	21,296
Retired Members and Beneficiaries	7,505	7,312
Vested Deferred Members	441	434
Annual Salaries of Active Members	\$528,431,027	\$478,479,650
Annual Retirement Allowances for Retired Members and Beneficiaries	\$68,959,109	\$64,199,840
2. Assets and Liabilities		
Actuarial Value of Assets	\$853,132,332	\$736,417,308
Unfunded Actuarial Reserve	1,401,971,329	1,297,936,880
Market Value of Assets	856,502,387	733,490,124
Unfunded Accrued Reserve	625,033,896	615,819,318
Accrued Benefit Funding Ratio	57.8%	54.4%
3. Contribution Results as a Percent of Payroll*		
Normal Cost	6.28%	6.26%
Unfunded Actuarial Reserve	12.51%	12.44%
Disability	1.50%	1.50%
Survivor Benefits	0.23%	0.19%
Accidental Death	0.08%	0.08%
Total	20.60%	20.47%

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



**REPORT OF THE ACTUARY ON THE VALUATION OF THE  
MAINE STATE RETIREMENT SYSTEM  
AS OF JUNE 30, 1990  
(STATE REGULAR)\*  
SUMMARY OF PRINCIPAL RESULTS**

	<u>June 30, 1990</u>	<u>June 30, 1989</u>
1. Participant Data		
Number of:		
Active Members	15,344	14,849
Retired Members and Beneficiaries	7,577	7,582
Vested Deferred Members	158	170
Annual Salaries of Active Members	\$368,254,605	\$327,783,073
Annual Retirement Allowances for Retired Members and Beneficiaries	\$53,314,316	\$50,847,310
2. Assets and Liabilities		
Actuarial Value of Assets	\$515,854,697	\$452,160,076
Unfunded Actuarial Reserve	\$716,217,442	\$669,673,995
Market Value of Assets	\$517,892,433	\$450,362,786
Unfunded Accrued Reserve	\$382,659,897	\$387,281,672
Accrued Benefit Funding Ratio	57.5%	53.8%
3. Contribution Results as a Percent of Payroll (State Portion only)*		
Normal Cost	5.92%	5.91%
Unfunded Actuarial Reserve	9.17%	9.37%
Disability	1.50%	1.50%
Survivor Benefits	0.33%	0.27%
Accidental Death	0.11%	0.11%
Total	17.03%	17.16%

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





## SECTION II ASSETS

In this section the value assigned to assets held by the System is presented. 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, 1990, and June 30, 1989, 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, 1990, 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 (9.74%).
- 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.  $(9.74\% - 9.00\% = 0.74\%)$
- Step 3: Calculate an adjusted rate equal to the expected rate plus one-third of the rate determined in step 2.  
 $(9.00\% + (1/3 * 0.74\%) = 9.25\%)$
- 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, 1990, 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>Increase</u> <u>June 30, 1990</u>	<u>June 30, 1989</u>	<u>(Decrease)</u>	
Bonds & Cash Equivalents	\$707,831,152	\$652,961,511	\$54,869,641	
Stocks	846,850,127	676,227,707	170,622,420	
Commingled Funds	205,304,482	187,791,185	17,513,297	
Mortgages	52,261	61,958	(9,697)	
Land & Buildings	2,355,392	2,301,368	54,024	
Other Assets		10,698,781	805,568	9,893,213
Other Liabilities	(6,660,539)	(3,972,036)	(2,688,503)	
<b>TOTAL</b>	<b>\$1,766,431,656</b>	<b>\$1,516,177,261</b>	<b>\$250,254,395</b>	

**TABLE II-2**  
**BOOK AND MARKET VALUES**  
**BY ASSET CATEGORY**  
**(June 30, 1990)**

<u>Asset Category</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Market Value</u> <u>% to Total</u>
Bonds	\$676,365,268	\$693,466,697	35.27%
Cash Equivalents	31,465,884	32,371,234	1.65
Stocks	846,850,127	1,009,890,967	51.37
Commingled Funds	205,304,482	223,835,176	11.39
Mortgages	52,261	48,259	0.00
Land & Buildings	2,355,392	2,301,000	0.12
Other Assets		10,698,781	10,698,781 0.54
Other Liabilities	(6,660,539)	(6,660,539)	(0.34)
<b>TOTAL</b>	<b>\$1,766,431,656</b>	<b>\$1,965,951,575</b>	<b>100.00%</b>



TABLE II-3  
ALLOCATION OF  
BOOK VALUE OF ASSETS  
(June 30, 1990)

	<u>Allocation to Member Contribution Fund</u>	<u>Allocation to Retirement Allowance Fund</u>	<u>Total</u>
1. RETIREMENT RESERVES			
State Employees	\$225,670,649	\$321,618,019	\$547,288,668
Teachers	381,421,919	395,782,036	777,203,955
Old System Teachers	0	(189,063,137)	(189,063,137)
Judges	1,130,209	8,032,813	9,163,022
Legislators	<u>160,199</u>	<u>511,653</u>	<u>671,852</u>
Subtotal State	\$608,382,976	\$536,881,384	\$1,145,264,360
Participating Districts	<u>101,381,733</u>	<u>316,836,806</u>	<u>418,218,539</u>
Total	\$709,764,709	\$853,718,190	\$1,563,482,899
2. COMMINGLED RESERVES			
Disability	\$ 13,551,254	\$135,923,122	\$149,474,376
Accidental Death	0	6,697,911	6,697,911
Survivor Benefits	<u>0</u>	<u>46,776,470</u>	<u>46,776,470</u>
Total	\$13,551,254	\$189,397,503	\$202,948,757
C. TOTAL RESERVES	\$723,315,963	\$1,043,115,693	\$1,766,431,656



TABLE II-4  
ALLOCATION OF  
MARKET VALUE OF ASSETS  
(June 30, 1990)

	<u>Allocation to Member Contribution Fund</u>	<u>Allocation to Retirement Allowance Fund</u>	<u>Total</u>
1. RETIREMENT RESERVES			
State Employees	\$225,670,649	\$377,458,101	\$603,128,750
Teachers	381,421,919	475,080,468	856,502,387
Old System Teachers	0	(189,063,137)	(189,063,137)
Judges	1,130,209	8,967,720	10,097,929
Legislators	<u>160,199</u>	<u>580,202</u>	<u>740,401</u>
Subtotal State	\$608,382,976	\$673,023,354	\$1,281,406,330
Participating Districts	<u>101,381,733</u>	<u>359,507,811</u>	<u>460,889,544</u>
Total	\$709,764,709	\$1,032,531,165	\$1,742,295,874
2. COMMINGLED RESERVES			
Disability	\$13,551,254	\$151,174,053	\$164,725,307
Accidental Death	0	7,381,302	7,381,302
Survivor Benefits	<u>0</u>	<u>51,549,092</u>	<u>51,549,092</u>
Total	\$13,551,254	\$210,104,447	\$223,655,701
3. TOTAL RESERVES	\$723,315,963	\$1,242,635,612	\$1,965,951,575





TABLE II-5  
ALLOCATION OF  
ACTUARIAL VALUE OF ASSETS  
(June 30, 1990)

	Allocation to Member <u>Contribution Fund</u>	Allocation to Retirement <u>Allowance Fund</u>	<u>Total</u>
1. RETIREMENT RESERVES			
State Employees	\$225,670,649	\$375,084,989	\$600,755,638
Teachers	381,421,919	471,710,413	853,132,332
Old System Teachers	0	(189,063,137)	(189,063,137)
Judges	1,130,209	8,927,988	10,058,197
Legislators	<u>160,199</u>	<u>577,289</u>	<u>737,488</u>
Subtotal State	\$608,382,976	\$667,237,542	\$1,275,620,518
Participating Districts	<u>101,381,733</u>	<u>357,694,361</u>	<u>459,076,094</u>
Total	\$709,764,709	\$1,024,931,903	\$1,734,696,612
2. COMMINGLED RESERVES			
Disability	\$13,551,254	\$150,525,913	\$164,077,167
Accidental Death	0	7,352,259	7,352,259
Survivor Benefits	<u>0</u>	<u>51,346,263</u>	<u>51,346,263</u>
Total	\$13,551,254	\$209,224,435	\$222,775,689
3. TOTAL RESERVES	\$723,315,963	\$1,234,156,338	\$1,957,472,301



## SECTION III LIABILITIES

### ACTUARIAL RESERVES

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 reserve 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 reserve and funds accumulated as of the same date is referred to as the unfunded actuarial reserve. 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 reserve, this reserve will be reduced. Benefit improvements, actuarial gains and losses, and changes in actuarial procedures will also have an effect on the total actuarial reserve and on the portion of it that is unfunded.

After the amount of the unfunded actuarial reserve has been determined, a schedule of contributions is established to amortize that amount over a given period. Effective with the 1987 valuation, a 30-year amortization period was adopted for the Maine State Retirement System. Payments to fund the actuarial reserve will be a level percentage of payroll.

In Table III-1, the actuarial reserves as of June 30, 1990, and the amounts that were unfunded have been summarized.

### 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 Reserves, 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-1  
ACTUARIAL RESERVES  
as of June 30, 1990

	<u>STATE EMPLOYEES</u>	<u>TEACHERS</u>	<u>OLD SYSTEM TEACHERS</u>	<u>ALL STATE EMPLOYEES</u>
1. Active Employees				
a. Current Accrued Benefits	\$414,126,224	\$724,728,589	\$0	\$1,138,854,813
b. Future Benefit Accruals	833,799,382	1,458,680,307	0	2,292,479,689
c. Total Active Projected Benefits	\$1,247,925,606	\$2,183,408,896	\$0	\$3,431,334,502
2. Inactive Employees	\$653,485,135	\$756,807,694	\$29,019,183	\$1,439,312,012
3. Total Present Value of Projected Benefits (1 + 2)	\$1,901,410,741	\$2,940,216,590	\$29,019,183	\$4,870,646,514
4. Future Contributions	\$466,560,410	\$685,112,929	\$0	\$1,151,673,339
5. Actuarial Reserve (3 - 4)	\$1,434,850,331	\$2,255,103,661	\$29,019,183	\$3,718,973,175
6. Invested Assets (Actuarial Value)	\$600,755,638	\$853,132,332	(\$189,063,137)	\$1,264,824,833
7. Unfunded Actuarial Reserve (5 - 6)	\$834,094,693	\$1,401,971,329	\$218,082,320	\$2,454,148,342



TABLE III-2  
ACCRUED BENEFIT RESERVES  
as of June 30, 1990

	<u>STATE EMPLOYEES</u>	<u>TEACHERS</u>	<u>OLD SYSTEM TEACHERS</u>	<u>ALL STATE EMPLOYEES</u>
1. Present Value of Accrued Benefits				
a. Employees Terminated with Vested Rights	\$4,412,808	\$12,064,733	\$0	\$16,477,541
b. Retired Employees	\$649,072,327	\$744,742,961	\$29,019,183	\$1,422,834,471
c. Active Employees	\$414,126,224	\$724,728,589	\$0	\$1,138,854,813
d. Total	\$1,067,611,359	\$1,481,536,283	\$29,019,183	\$2,578,166,825
2. Invested Assets (Market Value)	\$603,128,750	\$856,502,387	(\$189,063,137)	\$1,270,568,000
3. Unfunded Present Value of Accrued Benefits ( 1 - 2)	\$464,482,609	\$625,033,896	\$218,082,320	\$1,307,598,825
4. Accrued Benefit Funding Ratio (2/1)	56.5%	57.8%	N/A	49.3%





TABLE III-3  
GASB DISCLOSURE  
as of June 30, 1990

	<u>STATE EMPLOYEES</u>	<u>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	\$653,485,135	\$756,807,694	\$29,019,183	\$1,439,312,012
b. Current Employees				
1. Accumulated employee contributions including allocated investment earnings	\$225,670,649	\$381,421,919	\$0	\$607,092,568
2. Employer-financed vested	\$160,630,618	\$307,927,135	\$0	\$468,557,753
3. Employer-financed nonvested	\$282,842,213	\$530,546,560	\$0	\$813,388,773
c. Total Pension Benefit Obligation	\$1,322,628,615	\$1,976,703,308	\$29,019,183	\$3,328,351,106
2. Net Assets Available for Benefits (at cost)	\$547,288,668	\$777,203,955	(\$189,063,137)	\$1,135,429,486
3. Unfunded Pension Benefit Obligation (not less than \$0)	\$775,339,947	\$1,199,499,353	\$218,082,320	\$2,192,921,620



## SECTION IV CONTRIBUTIONS

### GENERAL COMMENTS

Under established procedures, contribution rates based on this June 30, 1990, actuarial valuation will be used to determine Fiscal Year 1992 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 reserve 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 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 RESERVE RATE

The unfunded actuarial reserve 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 reserve 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 reserve 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, 1990, applicable for determining the Fiscal Year 1992 State appropriations to the System, using the cost methods described above. These were developed using actuarial assumptions and methods described in Appendix B.

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



TABLE IV-1  
RECOMMENDED STATE CONTRIBUTION RATES\*  
FISCAL YEAR 1991/1992

	<u>RETIREMENT BENEFITS</u>		<u>ANCILLARY BENEFITS</u>			
	<u>NORMAL COST**</u>	<u>UNF ACTRL RESRV</u>	<u>DISAB</u>	<u>SURV</u>	<u>ACC DEATH</u>	<u>ALL BENEFITS</u>
STATE EMPLOYEES	5.92%	9.17%	1.50%	0.33%	0.11%	17.03%
TEACHERS	6.28%	12.51%	1.50%	0.23%	0.08%	20.60%
SPECIAL GROUPS						
State Police (Closed Plan)	20.00%	32.56%	0.71%	0.20%	0.22%	53.69%
State Police (Open Plan)	20.00%	0.00%	0.75%	0.12%	0.15%	21.02%
Sea and Shore Wardens (Closed Plan)	17.50%	33.85%	0.80%	0.24%	0.24%	52.63%
Game Wardens (Closed Plan)	20.00%	36.48%	0.59%	0.19%	0.19%	57.45%
Prison Wardens (Closed Plan)	8.00%	13.06%	1.60%	0.46%	0.55%	23.67%
Prison Wardens (Open Plan)	8.00%	0.00%	1.12%	0.16%	0.30%	9.58%
Liquor Inspectors (Closed Plan)	8.00%	13.01%	1.72%	0.52%	0.63%	23.88%
Forest Rangers (Closed Plan)	7.50%	19.10%	1.54%	0.57%	0.54%	29.25%

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

\*\* Includes cost of Automatic Option 2



**TABLE IV-2**  
**JUNE 30, 1990, VALUATION**  
**DERIVATION OF UNFUNDED ACTUARIAL RESERVE 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>TEACHERS</u>
1. Present Value of Future Benefits	1,666,254,382	117,124,930	14,505,378	47,081,039	36,436,373	2,691,552	17,317,087	2,940,216,590
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	3,618,185,358	57,855,303	4,042,825	8,527,482	67,566,022	2,849,101	14,842,280	5,480,903,430
4. Present Value of Future Normal Costs: (2 ) x (3)	199,000,195	11,571,061	707,494	1,705,496	5,405,282	227,928	1,113,171	328,854,206
5. Present Value of Future Member Contributions	235,182,048	4,339,148	303,212	639,561	5,067,451	185,192	1,113,171	356,258,723
6. Actuarial Reserve: (1) - (4) - (5)	1,232,072,139	101,214,721	13,494,672	44,735,982	25,963,640	2,278,432	15,090,745	2,255,103,661
7. Actuarial Value of Assets	515,854,697	42,377,461	5,650,067	18,730,451	10,870,683	953,954	6,318,325	853,132,332
8. Unfunded Actuarial Reserve: (6) - (7)	716,217,442	58,837,260	7,844,605	26,005,531	15,092,957	1,324,478	8,772,420	1,401,971,329
9. Estimated Payroll	368,254,605	11,377,052	1,092,983	3,362,320	8,364,13	480,208	2,165,986	528,431,027
10. Amortization Factor	21.2014	21.2014	21.2014	21.2014	21.2014	21.2014	21.2014	21.2014
11. Unfunded Actuarial Reserve Rate (8)/(9)/(10)	9.17%	24.39%	33.85%	36.48%	8.51%	13.01%	19.10%	12.51%

\* Includes closed and open plans

\*\* Does not include cost of Automatic Option 2





## SECTION V

### 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 Part II.

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%.

1. Disability Benefits Reserve

A. Theoretical Reserve

1. State Employees	\$48,868,674
2. Teachers	44,602,840
3. Participating Districts	N/A
4. Total	N/A

B. Actual Reserve (Actuarial Value) \$164,077,167

C. Ratio: (2) / (1) N/A

2. Survivor Benefits Reserve

A. Theoretical Reserve

1. State Employees	\$20,398,551
2. Teachers	9,444,600
3. Participating Local Districts	2,854,905
4. Total	\$32,698,056

B. Actual Reserve (Actuarial Value) \$51,346,263

C. Ratio: (2) / (1) 157.03%

3. Accidental Death Benefit Reserve

A. Theoretical Reserve \$3,328,456

B. Actual Reserve (Actuarial Value) \$7,352,259

C. Ratio: (2) / (1) 220.89%



## APPENDIX A

### SUMMARY OF PLAN PROVISIONS

### STATE EMPLOYEES AND TEACHERS

#### 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.

#### 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.

#### 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.

#### 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.

#### 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.



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.

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.

#### 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 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.

#### 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.

#### 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 Optional Method of Payments) is automatically effective with benefits payable to designated beneficiary, spouse, or parents; however, beneficiary may elect benefit under Ordinary Death Benefits before Eligibility for Service Retirement instead. Otherwise, accumulated contributions are payable to the estate.

#### ACCIDENTAL DEATH BENEFITS

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

Benefit - if the member leaves no dependent children,  $\frac{2}{3}$  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 worker's compensation.



### REFUND OF CONTRIBUTIONS

Eligibility - termination of service except by retirement or death.

Benefit - member's accumulated contributions with interest.

### 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.

### 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.



## APPENDIX B ACTUARIAL ASSUMPTIONS AND METHODS

		<u>State Employees</u>	<u>Teachers</u>
1. ACTUARIAL ASSUMPTIONS			
A. Rate of Investment Return	1990-91	8.5%	8.5%
	1991+ (ultimate)	8.0%	8.0%
B. Cost-of-living Increases in Benefits		4.0%	4.0%
C. 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

Includes 6% across-the-board increase at each age

		<u>State Employees Service</u>			<u>Teachers Service</u>		
D. Rates of Termination at Select and Ultimate Service (% at Selected Ages)*	<u>Age</u>	<u>0-1</u>	<u>1-2</u>	<u>2+</u>	<u>0-1</u>	<u>1-2</u>	<u>2+</u>
	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



		State Employees		Teachers	
		<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
E.	Rates of Healthy Life Mortality at Selected Ages (number of deaths per 10,000 members)*				
	Age				
	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.

		State Employees		Teachers	
		<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
F.	Rates of Disabled Life Mortality at Selected Ages (number of deaths per 10,000 members)				
	Age				
	45	349	210	349	210
	50	376	228	376	228
	55	420	263	420	263
	60	488	317	488	317
	65	595	403	595	403
	70	763	537	763	537

		<u>State Employees</u>	<u>Teachers</u>
G.	Rates of Retirement at Selected Ages (number retiring per 1,000 members)		
	Age		
	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

H.	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

\* 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.





I. 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.

2. ACTUARIAL METHODS

A. 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 reserve (UAR) rate.

For Teachers 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 reserve. The actuarial reserve is defined as the present value of future benefits less the present value of future normal costs and future member contributions. The unfunded actuarial reserve is the total of the actuarial reserve for all members less the actuarial value of the System's assets. The actuarial reserve includes projections of future member pay increases and future service credits and should not be confused with the Accrued Benefit Reserve.

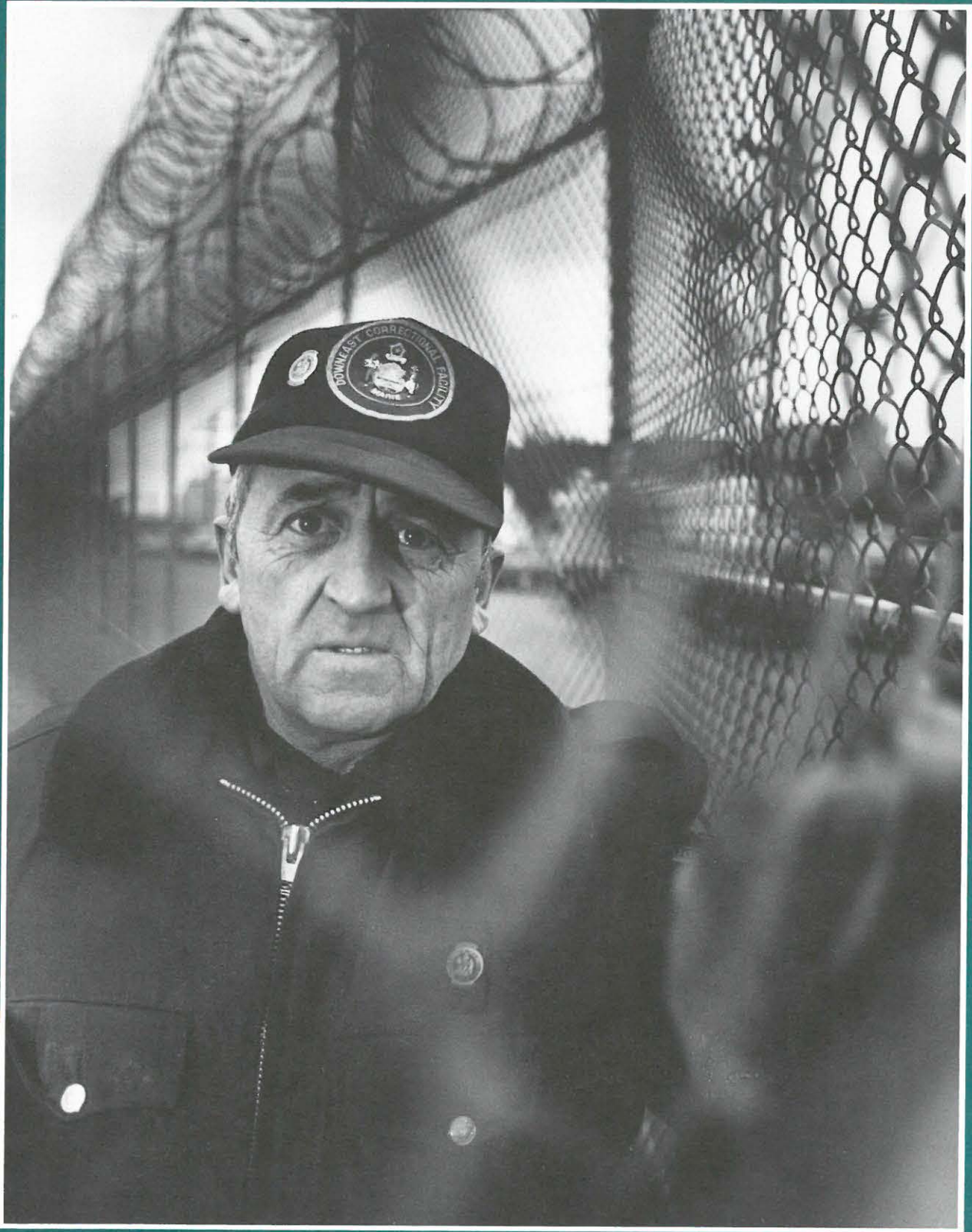
The unfunded actuarial reserve is amortized by annual payments over a 27 year period from July 1, 1990. The payments are determined so that they will be a level percentage of pay, assuming total pay increases 6% per year.

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

B. Asset Valuation Method

For purposes of the June 30, 1990, actuarial valuation, assets are valued at an "actuarial value" as described in Part II.





INVESTMENTS  
June 30, 1990







**MAINE STATE RETIREMENT SYSTEM**  
**INVESTMENT SUMMARY BY FUND, MANAGER, OR ACCOUNT**  
**June 30, 1990**

<u>Fund/Manager/Account</u>	<u>Investments at Cost</u>	<u>Market Value 6/30/90</u>
Alliance Capital Management (Equity)	\$94,403,349.42	\$112,282,127.00
Alliance Capital Management (Fixed)	101,085,852.74	101,429,874.71
Mass Financial Services (Fixed)	49,315,955.62	49,429,310.04
Mass Financial Services (Group Life Insurance)	21,776,595.77	22,523,428.43
Morgan Guaranty Real Estate Fund	101,702,794.98	118,967,261.21
Putnam Advisory (Fixed)	102,261,664.70	102,571,301.33
Travelers Commingled Funds	12,908,111.34	14,471,246.10
Mass Financial Zero Coupon	20,874,490.84	29,658,054.27
MSRS Liquidity Account	25,230,347.13	25,230,347.15
First Reserve Energy Advisors	2,007,679.70	1,992,318.76
Morgan Guaranty Private Placement Fund	7,556,944.70	39,966,424.51
Gouws Capital Management	92,063,484.61	93,039,978.00
Property Capital Advisors	34,028,009.67	34,419,837.38
Convertibles	53,138,077.11	50,431,689.86
Dalton, Greiner, Hartman, Maher	81,508,157.63	84,209,507.00
MSRS STEMS Account	130,226,534.08	131,189,602.20
MSRS Equity Core Account	349,581,588.40	469,950,347.16
Columbus Circle Investors	93,620,080.05	114,165,813.75
International Index Account	60,143,438.10	59,401,360.18
International Equity Fund	52,828,930.52	52,457,806.42
Lehman Management Company	56,708,716.05	59,320,420.00
Fixed Income Core Account	177,377,930.76	182,605,381.23



## INVESTMENT SUMMARY

June 30, 1990

<u>INVESTMENT DISTRIBUTION</u>	<u>COST</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
Certificates of Deposit	\$5,000,000.00	\$4,999,000.00	(\$1,000.00)
U. S. Government Securities	257,802,394.18	267,943,550.89	10,141,156.71
Corporate Debt Instruments	154,963,674.05	155,420,157.62	456,483.57
Corporate Stock - Preferred	7,794,164.42	6,736,500.00	(1,057,664.42)
Corporate Stock - Common	389,047,191.68	437,246,731.13	48,199,539.45
Real Estate	34,028,009.67	34,587,376.02	559,366.35
Mortgages	48,259.13	48,259.13	0.00
Common/Collective Trusts	894,357,325.57	1,035,807,891.57	141,450,566.00
Other Investments	<u>7,307,715.22</u>	<u>6,923,970.33</u>	<u>(383,744.89)</u>
TOTAL INVESTMENTS	\$1,750,348,733.92	\$1,949,713,436.69	\$199,364,702.77



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
<u>CERTIFICATES OF DEPOSIT</u>					
5,000,000.0000	FIFTH THIRD BK C/D 8.630% 08/19/1991	5,000,000.00	99.9800	4,999,000.00	(1,000.00)
TOTAL CERTIFICATES OF DEPOSIT		5,000,000.00		4,999,000.00	(1,000.00)
<u>U. S. GOVERNMENT SECURITIES</u>					
2,150,625.0000	CPN TREAS RCPTS 11/15/1992 FR USTB 13.875% 2011	923,779.46	82.0610	1,764,824.38	841,044.92
2,100,000.0000	CPN TR RCPT INT PT 08/15/1992 ON USTB 12.000% 2013	927,927.00	83.7930	1,759,653.00	831,726.00
2,880,000.0000	CPN TREAS RCPT 02/15/1993 FR USTB 12.000% 2013	2,318,869.20	80.2830	2,312,150.40	(6,718.80)
1,113,750.0000	CPN TREAS RCPT 11/15/1992 FR USTB 12.375% 2004	478,400.18	82.0610	913,954.39	435,554.21
6,640.6900	FHA INSD MTG P/T SER GOLDOME 6.875% 05/01/2016	5,161.06	84.6562	5,621.76	460.70
2,000,000.0000	FFCB CONS SYSTEMWIDE BDS SER D 13.650% 12/02/1991 DD 12/01/81	2,266,875.00	106.9370	2,138,740.00	(128,135.00)
1,000,000.0000	FEDERAL HOME LN BKS CONS BD 10.850% 10/26/1992 DD 10/25/82	1,008,125.00	104.8440	1,048,440.00	40,315.00
1,910,000.0000	FEDERAL HOME LN BKS CONS BD 11.100% 11/25/1992 DD 11/26/82	1,951,781.25	105.3440	2,012,070.40	60,289.15
450,000.0000	FEDERAL HOME LN BKS CONS BD 10.900% 12/26/1990 DD 12/27/82	452,390.62	101.2810	455,764.50	3,373.88
2,350,000.0000	FHLMC MULTICLASS CTFS SER 31-D 7.55% 05/15/2020	2,062,429.56	91.1780	2,142,683.00	80,253.44



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
5,250,000.0000	FHLMC MULTICLASS CTFS SER 46-B 7.800% 09/15/2020	4,838,437.50	92.6250	4,862,812.50	24,375.00
133,608.7500	FHLMC GROUP #38-0064 8.500% 09/01/2004 DD 09/01/89	127,292.15	96.1250	128,431.41	1,139.26
2,066,787.9600	FHLMC GROUP #38-0067 8.500% 10/01/2004 DD 10/01/89	1,969,459.46	96.1250	1,986,699.93	17,240.47
563,647.3200	FHLMC GROUP #38-0075 8.500% 12/01/2004 DD 12/01/89	536,938.73	96.1250	541,805.99	4,867.26
1,027,957.8800	FHLMC GROUP #38-0084 8.500% 03/01/2005 DD 03/23/90	979,450.97	96.1870	988,761.85	9,310.88
1,227,792.7300	FHLMC GROUP #38-0085 8.500% 04/01/2005 DD 04/01/90	1,169,934.45	96.1870	1,180,976.99	11,042.54
920,074.7000	FHLMC GROUP #53-0990 8.000% 01/01/2017 DD 08/01/89	872,887.20	92.1870	848,189.26	(24,697.94)
2,000,000.0000	FEDERAL NATL MTG ASSN DEB 8.900% 06/12/2000	2,000,000.00	99.8120	1,996,240.00	(3,760.00)
74,792.6200	FNMA POOL #0043181 8.000% 05/01/2017 DD 05/01/87	70,359.30	92.6250	69,276.66	(1,082.64)
205,589.0700	FNMA POOL #0045204 8.000% 04/01/2017 DD 04/01/87	193,524.12	92.6250	190,426.88	(3,097.24)
86,408.2400	FNMA POOL #0046629 8.000% 05/01/2017 DD 05/01/87	81,207.40	92.6250	80,035.63	(1,171.77)
331,118.4700	FNMA POOL #0046798 8.500% 05/01/2017 DD 05/01/87	308,044.28	94.6870	313,526.15	5,481.87
383,905.0100	FNMA POOL #0046813 8.000% 05/01/2017 DD 05/01/87	361,938.16	92.6250	355,592.02	(6,346.14)





# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
269,680.9900	FNMA POOL #0046843 8.000% 05/01/2017 DD 05/01/87	253,458.19	92.6250	249,792.02	(3,666.17)
467,110.5100	FNMA POOL #0047642 8.000% 05/01/2017 DD 05/01/87	440,379.11	92.6250	432,661.11	(7,718.00)
310,017.5400	FNMA POOL #0049405 8.000% 06/01/2017 DD 06/01/87	292,264.49	92.6250	287,153.75	(5,110.74)
444,810.7300	FNMA POOL #0049530 8.000% 06/01/2017 DD 06/01/87	418,734.36	92.6250	412,005.94	6,728.42-
454,683.3200	FNMA POOL #0050273 8.500% 01/01/2020 DD 02/08/90	424,756.24	94.6870	430,526.00	5,769.76
497,453.0200	FNMA POOL #0050274 8.5000% 02/01/2020 DD 01/04/90	464,666.02	94.6870	471,023.34	6,357.32
648,164.2300	FNMA POOL #0050285 8.500% 03/01/2020 DD 03/19/90	605,507.98	94.6870	613,727.26	8,219.28
375,379.3900	FNMA POOL #0053990 8.000% 07/01/2017 DD 08/01/87	352,971.92	92.6250	347,695.16	(5,276.76)
35,920.6800	FNMA POOL #0056593 8.500% 08/01/2017 DD 11/01/87	33,558.42	94.6870	34,012.21	453.79
910,893.9700	FNMA POOL #0059834 8.000% 03/01/2018 DD 04/01/88	858,833.09	92.6520	843,715.54	(15,117.55)
298,897.5400	FNMA POOL #0061468 8.500% 04/01/2018 DD 05/01/88	278,553.82	94.6870	283,017.11	4,463.29
321,186.5000	FNMA POOL #0080147 8.500% 11/01/2019 DD 11/10/89	299,934.34	94.6870	304,121.86	4,187.52
990,294.5000	FNMA POOL #0082947 8.000% 11/01/2019 DD 11/01/89	932,313.89	92.6250	917,260.28	(15,053.61)



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
628,332.9600	FNMA POOL #0083277 8.500% 11/01/2019 DD 11/01/89	587,036.07	94.6870	594,949.63	7,913.56
258,376.3800	FNMA POOL #0083379 8.500% 11/01/2019 DD 11/01/89	241,393.67	94.6870	244,648.84	3,255.17
934,844.7500	FNMA POOL #0083383 8.000% 11/01/2019 DD 11/01/89	881,306.36	92.6250	865,899.95	(15,406.41)
350,136.6900	FNMA POOL #0083387 8.000% 11/01/2019 DD 11/01/89	330,135.84	92.6250	324,314.11	(5,821.73)
215,588.3100	FNMA POOL #0085063 8.000% 11/01/2019 DD 11/01/89	203,280.96	92.6250	199,688.67	(3,592.29)
259,616.4900	FNMA POOL #0086702 8.500% 01/01/2020 DD 02/01/90	242,554.03	94.6870	245,823.07	3,269.04
73,829.4400	FNMA POOL #0087093 8.500% 02/01/2020 DD 02/01/90	68,974.57	94.6870	69,906.88	932.31
255,384.4100	FNMA POOL #0087382 8.500% 01/01/2020 DD 01/01/90	238,598.14	94.6870	241,815.84	3,217.70
581,573.2400	FNMA POOL #0087939 8.500% 01/01/2020 DD 01/01/90	543,244.52	94.6870	550,674.25	7,429.73
956,457.2600	FNMA POOL #0088614 8.500% 02/01/2020 DD 02/01/90	892,861.27	94.6870	905,640.69	12,779.42
69,950.4100	FNMA POOL #0088675 8.500% 01/01/2020 DD 02/01/90	65,351.62	94.6870	66,233.94	882.32
117,700.7100	FNMA POOL #0089432 8.500% 02/01/2020 DD 02/01/90	109,963.98	94.6870	111,447.27	1,483.29
1,006,505.2700	FNMA POOL #0089557 8.500% 2/1/2020 DD 2/1/90	940,289.84	94.6870	953,029.65	12,739.81



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
475,872.3400	FNMA POOL #0089618 8.500% 2/1/2020 DD 2/1/90	444,597.16	94.6870	450,589.24	5,992.08
253,155.8500	FNMA POOL #0089654 8.500% 2/1/2020 DD 2/1/90	236,512.50	94.6870	239,705.68	3,193.18
474,008.8700	FNMA POOL #0089783 8.500% 3/1/2020 DD 3/19/90	442,837.00	94.6870	448,824.78	5,987.78
1,005,796.5400	FNMA POOL #0090110 8.500% 3/1/2020 DD 3/19/90	939,676.86	94.6870	952,358.57	12,681.71
1,000,969.6800	FNMA POOL #0090358 8.500% 2/1/2020 DD 3/19/90	935,116.96	94.6870	947,788.16	12,671.20
1,020,078.5600	FNMA STRIP MTG BKD SMBS 6.00% 5/1/2009	842,839.92	82.4687	841,245.53	(1,594.39)
137,872.0000	GNMA POOL #0001306 6.500% 1/15/2002 DD 1/1/72	122,717.98	89.5620	123,480.92	762.94
431,558.3800	GNMA POOL #0001442 6.500% 5/15/2002 DD 5/1/72	383,906.38	89.5620	386,512.32	2,605.94
295,649.7700	GNMA POOL #0001518 6.500% 5/15/2002 DD 5/1/72	264,032.00	89.5620	264,789.85	757.85
171,989.1200	GNMA POOL #0001520 6.500% 4/15/2002 DD 4/1/72	152,421.56	89.5620	154,036.90	1,615.34
191,181.9500	GNMA POOL #0001603 6.500% 4/15/2002 DD 5/1/72	169,085.98	89.5620	171,226.38	2,140.40
627,418.6400	GNMA POOL #0001660 6.500% 6/15/2002 DD 6/1/72	560,024.49	89.5620	561,928.68	1,904.19
375,141.1200	GNMA POOL #0001751 6.500% 7/15/2002 DD 7/1/72	333,357.01	89.5620	335,983.89	2,626.88



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
280,490.9000	GNMA POOL #0001752 6.500% 11/15/2002 DD 11/1/72	247,166.73	89.5620	251,213.26	4,046.53
1,143,970.3800	GNMA POOL #0001980 6.500% 9/15/2002 DD 11/1/72	1,019,931.87	89.5620	1,024,562.75	4,630.88
144,814.3900	GNMA POOL #0001997 6.500% 8/15/2002 DD 12/1/72	129,267.83	89.5620	129,698.66	430.83
258,707.6700	GNMA POOL #0145941 8.000% 6/15/2016 DD 6/1/86	241,742.38	92.3120	238,818.22	(2,924.16)
997,848.8500	GNMA POOL #0152063 9.000% 2/15/2020 DD 2/1/90	931,705.46	97.1560	969,470.03	37,764.57
886.7100	GNMA POOL #0152586 9.000% 6/15/2016 DD 6/1/86	0.00	97.1560	861.49	861.49
69,918.6000	GNMA POOL #0160008 8.000% 10/15/2016 DD 11/1/86	61,273.06	92.3120	64,543.26	3,270.20
998,248.0900	GNMA POOL #0181930 9.000% 3/15/2020 DD 4/1/90	932,067.74	97.1560	969,857.91	37,790.17
924,106.5800	GNMA POOL #0182873 8.000% 11/15/2016 DD 12/1/86	812,438.35	92.3120	852,978.19	40,539.84
805,176.6500	GNMA POOL #0187412 8.000% 4/15/2017 DD 4/1/87	692,907.29	92.3120	743,274.67	50,367.38
654,647.0300	GNMA POOL #0188016 8.000% 2/15/2017 DD 3/1/87	576,859.00	92.3120	604,317.77	27,458.77
47,005.4600	GNMA POOL #0191256 8.000% 9/15/2017 DD 10/1/87	41,344.58	92.3120	43,391.68	2,047.10
280,154.1100	GNMA POOL #0194200 8.000% 2/15/2017 DD 3/1/87	261,770.10	92.3120	258,615.86	(3,154.24)





# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
357,962.1400	GNMA POOL #0195040 8.000% 1/15/2017 DD 1/1/87	333,169.84	92.3120	330,442.01	(2,727.83)
382,423.1300	GNMA POOL #0195783 8.000% 1/15/2017 DD 1/1/87	357,026.48	92.3120	353,022.44	(4,004.04)
277,233.6100	GNMA POOL #0197012 8.000% 5/15/2017 DD 5/1/87	244,052.35	92.3120	255,919.89	11,867.54
315,144.1800	GNMA POOL #0197218 8.000% 4/15/2017 DD 5/1/87	294,458.56	92.3120	290,915.90	(3,542.66)
304,767.6800	GNMA POOL #0199619 8.000% 2/15/2017 DD 3/1/87	284,767.77	92.3120	281,337.14	(3,430.63)
871,146.1600	GNMA POOL #0200523 8.000% 3/15/2017 DD 4/1/87	756,026.60	92.3120	804,172.44	48,145.84
395,637.4700	GNMA POOL #0201543 9.500% 10/15/2018 DD 8/29/89	391,284.66	99.4680	393,532.68	2,248.02
564,099.0000	GNMA POOL #0202148 8.000% 4/15/2017 DD 4/1/87	516,503.18	92.3120	520,731.07	4,227.89
304,088.4600	GNMA POOL #0202206 8.000% 1/15/2017 DD 1/1/87	284,162.18	92.3120	280,710.14	(3,452.04)
409,687.4500	GNMA POOL #0202738 8.000% 2/15/2017 DD 3/1/87	382,827.99	92.3120	378,190.68	(4,637.31)
491,864.0800	GNMA POOL #0202885 8.000% 3/15/2017 DD 4/1/87	428,580.54	92.3120	454,049.57	25,469.03
884,332.3600	GNMA POOL #0204097 9.500% 12/15/2016 DD 3/1/87	873,903.25	99.4680	879,627.71	5,724.46
123,655.9400	GNMA POOL #0204363 9.500% 7/15/2017 DD 7/1/87	122,221.55	99.4680	122,998.09	776.54



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
296,916.3500	GNMA POOL #0204776 8.000% 9/15/2017 DD 11/1/87	277,455.58	92.3120	274,089.42	(3,366.16)
43,280.3100	GNMA POOL #0205334 9.500% 10/15/2017 DD 11/1/87	42,505.58	99.4680	43,050.06	544.48
286,248.5000	GNMA POOL #0205373 8.000% 3/15/2017 DD 4/1/87	266,631.68	92.3120	264,241.72	(2,389.96)
296,849.8200	GNMA POOL #0206932 8.000% 3/15/2017 DD 4/1/87	277,396.12	92.3120	274,028.01	(3,368.11)
335,216.2400	GNMA POOL #0207061 8.000% 5/15/2017 DD 5/1/87	296,424.53	92.3120	309,444.82	13,020.29
621,526.1400	GNMA POOL #0207677 8.000% 4/15/2017 DD 4/1/87	544,409.21	92.3120	573,743.21	29,334.00
403,700.5600	GNMA POOL #0209488 8.000% 4/15/2017 DD 5/1/87	376,523.45	92.3120	372,664.06	(3,859.39)
1,923,586.9600	GNMA POOL #0210211 9.500% 7/15/2017 DD 7/1/87	1,892,062.60	99.4680	1,913,353.48	21,290.88
256,638.0200	GNMA POOL #0211220 8.000% 5/15/2017 DD 6/1/87	225,647.32	92.3120	236,907.69	11,260.37
358,327.5500	GNMA POOL #0211496 8.000% 4/15/2017 DD 4/1/87	334,826.96	92.3120	330,779.33	(4,047.63)
258,410.9500	GNMA POOL #0213128 8.000% 6/15/2017 DD 6/1/87	241,456.13	92.3120	238,544.32	(2,911.81)
277,328.9000	GNMA POOL #0215589 8.000% 5/15/2017 DD 5/1/87	259,151.68	92.3120	256,007.85	(3,143.83)



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
536,987.4000	GNMA POOL #0216271 8.000% 5/15/2017 DD 5/1/87	473,965.00	92.3120	495,703.81	21,738.81
422,882.3700	GNMA POOL #0217520 8.000% 5/15/2017 DD 5/1/87	371,072.70	92.3120	390,371.17	19,298.47
429,685.0400	GNMA POOL #0217799 8.000% 7/15/2017 DD 7/1/87	377,909.13	92.3120	396,650.85	18,741.72
703,069.5800	GNMA POOL #0219768 8.000% 6/15/2017 DD 6/1/87	618,575.07	92.3120	649,017.59	30,442.52
2,692,141.6400	GNMA POOL #0227313 9.500% 9/15/2019 DD 9/1/89	2,645,874.12	99.4680	2,677,819.45	31,945.33
316,869.4100	GNMA POOL #0227964 8.000% 7/15/2017 DD 8/1/87	296,062.36	92.3120	292,508.49	(3,553.87)
361,847.6900	GNMA POOL #0228717 8.000% 6/15/2017 DD 7/1/87	337,691.42	92.3120	334,028.84	(3,662.58)
371,234.3100	GNMA POOL #0230633 9.500% 8/15/2018 DD 8/1/88	367,025.04	99.4680	369,259.34	2,234.30
796,054.2500	GNMA POOL #0231593 9.500% 8/15/2017 DD 8/29/89	785,992.12	99.4680	791,819.24	5,827.12
312,827.6800	GNMA POOL #0233245 8.000% 11/15/2017 DD 11/1/87	292,334.87	92.3120	288,777.49	(3,557.38)
165,359.0000	GNMA POOL #0249012 9.500% 7/15/2018 DD 8/1/88	162,668.90	99.4680	164,479.29	1,810.39
42,975.4200	GNMA POOL #0252126 9.500% 9/15/2018 DD 10/1/88	42,276.27	99.4680	42,746.79	470.52
852,903.3100	GNMA POOL #0252969 9.500% 8/15/2018 DD 8/1/88	839,027.54	99.4680	848,365.86	9,338.32



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
123,741.7500	GNMA POOL #0259095 9.500% 10/15/2018 DD 8/29/89	122,381.02	99.4680	123,083.44	702.42
986,571.2900	GNMA POOL #0267881 9.500% 8/15/2019 DD 8/29/89	975,725.06	99.4680	981,322.73	5,597.67
7,103,089.2500	GNMA POOL #0281756 9.000% 2/15/2020 DD 2/1/90	6,903,314.86	97.1560	6,901,077.39	(2,237.47)
996,355.1700	GNMA POOL #0282690 9.000% 2/15/2020 DD 2/1/90	930,225.51	97.1560	968,018.83	37,793.32
998,453.6500	GNMA POOL #0284657 9.000% 2/15/2020 DD 3/1/90	932,271.89	97.1560	970,057.63	37,785.74
4,696,604.2900	GNMA POOL #0287258 9.000% 4/15/2020 DD 5/1/90	4,386,698.04	97.1560	4,563,032.86	176,334.82
2,367,647.0000	GNMA POOL #0288154 9.000% 6/15/2020 DD 6/1/90	2,301,056.93	97.1560	2,300,311.12	(745.81)
990,213.5100	GNMA POOL #0288837 9.000% 4/15/2020 DD 4/1/90	924,006.17	97.1560	962,051.84	38,045.67
7,003,470.0300	GNMA POOL #0290000 9.000% 4/15/2020 DD 5/1/90	6,622,443.80	97.1560	6,804,291.34	181,847.54
10,186,745.3300	GNMA POOL #0291133 9.000% 4/15/2020 DD 5/1/90	9,632,549.02	97.1560	9,897,034.29	264,485.27
1,000,000.0000	INTL BANK RECON & DEV 6.375% 10/1/1994	896,000.00	90.9690	909,690.00	13,690.00
500,000.0000	PATRIOT SHPG CORP US GTD 8.000% 4/12/2004	481,090.00	90.0940	450,470.00	(30,620.00)
8,000,000.0000	RESOLUTION FDG CORP 8.625% 1/15/2030 DD 1/15/90	7,963,750.00	98.9370	7,914,960.00	(48,790.00)





# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
5,250,000.0000	US TREASURY BONDS 10.500% 2/15/1995 DD 1/10/80	5,847,187.50	107.6250	5,650,312.50	(196,875.00)
783,750.0000	US TREAS CPN GENERIC MAT 8/15/1991	722,885.24	91.3200	715,720.50	(7,164.74)
13,512,000.0000	US TREAS NT STRIP PRIN 11.625% 11/15/1994	9,126,680.40	69.4200	9,380,030.40	253,350.00
5,750,000.0000	US TREASURY NOTES 9.875% 8/15/1990 DD 6/4/85	5,783,691.41	100.1560	5,758,970.00	(24,721.41)
12,000,000.0000	US TREASURY NOTES 9.125% 2/15/1991 DD 12/3/85	12,068,437.50	100.5310	12,063,720.00	(4,717.50)
1,400,000.0000	US TREASURY NOTES 7.375% 5/15/1996 DD 5/15/86	1,300,171.39	94.9370	1,329,118.00	28,946.61
5,000,000.0000	US TREASURY NOTES 8.250% 6/30/1992 DD 6/30/88	4,959,375.00	100.0310	5,001,550.00	42,175.00
5,000,000.0000	US TREASURY NOTES 9.000% 5/15/1992 DD 5/15/89	5,032,812.50	101.2190	5,060,950.00	28,137.50
3,000,000.0000	US TREASURY NOTES 8.750% 5/31/1991 DD 5/31/89	3,006,562.50	100.5000	3,015,000.00	8,437.50
20,450,000.0000	US TREASURY NOTES 7.875% 7/15/1996 DD 7/17/89	20,327,967.00	97.1250	19,862,062.50	(465,904.50)
7,500,000.0000	US TREASURY NOTES 8.250% 8/31/1991 DD 8/31/89	7,463,085.94	99.9370	7,495,275.00	32,189.06
4,900,000.0000	US TREASURY NOTES 8.250% 11/15/1994 DD 9/1/89	4,793,578.13	99.4060	4,870,894.00	77,315.87
12,000,000.0000	US TREASURY NOTES 8.125% 1/31/1992 DD 1/31/90	11,992,500.00	99.8440	11,981,280.00	(11,220.00)



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
11,250,000.0000	US TREASURY NOTES 8.500% 2/15/20000 DD 2/15/90	11,086,093.75	100.2500	11,278,125.00	192,031.25
5,000,000.0000	US TREASURY NOTES 8.500% 2/29/1992 DD 2/20/90	4,987,109.38	100.3120	5,015,600.00	28,490.62
5,000,000.0000	US TREASURY NOTES 8.500% 5/15/1995 DD 3/1/90	4,971,875.00	100.3120	5,015,600.00	43,725.00
5,000,000.0000	US TREASURY NOTES 8.500% 3/31/1992 DD 4/2/90	4,989,843.75	100.3440	5,017,200.00	27,356.25
4,500,000.0000	US TREASURY NOTES 8.500% 3/31/1994 DD 4/2/90	4,500,000.00	100.3440	4,515,480.00	15,480.00
3,900,000.0000	US TREASURY NOTES 8.500% 4/15/1997 DD 4/16/90	3,879,798.00	100.1560	3,906,084.00	26,286.00
1,820,000.0000	US TREAS STRIP GEN TINT 2/15/1992	1,612,116.06	87.5630	1,593,646.60	(18,469.46)
19,000,000.0000	US TREAS STRIP GEN TINT 5/15/1992	13,776,575.20	85.7870	16,299,530.00	2,522,954.80
10,790,000.0000	US TREAS STRIP GEN TINT 11/15/1992	4,726,268.00	82.2850	8,878,551.50	4,152,283.50
2,124,000.0000	US TREAS STRIP GEN TINT 5/15/1997	1,180,582.92	56.1140	1,191,861.36	11,278.44
TOTAL US GOVERNMENT BONDS		257,802,394.18		267,943,550.89	10,141,156.71
<u>CORPORATE DEBT INSTRUMENTS</u>					
1,500,000.0000	INTER-AMERICAN DEV BAN 12 3/4% NTS 7/11/91 US\$(VAR)	1,571,250.00	104.7500	1,571,250.00	0.00



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
3,000,000.0000	A T & T MED TERM NTS 9.45% 01/23/1992	3,029,040.00	100.7700	3,023,100.00	(5,940.00)
1,945,127.6700	AMERICAN HSG TR A SR MTG CL 3 7.625% 08/25/2018	1,745,481.25	88.7500	1,726,300.81	(19,180.44)
1,100,000.0000	ANADARKO PETE CORP NT 8.95% 05/01/1992	1,095,391.00	99.7500	1,097,250.00	1,859.00
2,000,000.0000	ASSOCIATES CORP NORTH AMER NT 8.375% 01/15/1998	1,968,440.00	98.9520	1,979,040.00	10,600.00
5,000,000.0000	ASSOCIATES CORP NORTH AMER NT 8.300% 05/01/1991	4,924,850.00	99.1250	4,956,250.00	31,400.00
1,500,000.0000	AVCO FINL SVCS INC NT 10.375% 04/01/1991	1,521,615.00	100.9380	1,514,070.00	(7,545.00)
1,800,000.0000	BELLSOUTH CAP MED TERM NT 8.560% 05/20/1991	1,800,000.00	99.8600	1,797,480.00	(2,520.00)
2,700,000.0000	BELLSOUTH CAP MED TERM NT 8.870% 05/20/1992	2,700,000.00	100.0100	2,700,270.00	270.00
2,000,000.0000	BELLSOUTH CORP MED TERM NT 8.700% 10/31/1990	1,986,800.00	100.0100	2,000,200.00	13,400.00
2,000,000.0000	CIGNA CORP SUB DEB CONV 8.200% 07/10/2010	1,862,900.00	96.2500	1,925,000.00	62,100.00
2,500,000.0000	CAROLINA PWR & LT MTN #TR002 9.230% 05/11/1992	2,500,000.00	100.8130	2,520,325.00	20,325.00
500,000.0000	CHAMPION INTL CORP SUB DEB CNV 6.500% 04/15/2011	486,250.00	97.5000	487,500.00	1,250.00
2,500,000.0000	CHESAPEAKE & POTOMAC TEL CO MD 8.000% 10/15/2029	2,492,000.00	96.7010	2,417,525.00	(74,475.00)



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
2,000,000.0000	CHRYSLER CORP DEB 12.750% 03/01/1992	2,314,860.00	103.6050	2,072,100.00	(242,760.00)
2,000,000.0000	CHRYSLER FINL CORP BD 10.300% 06/15/1992 DD 06/25/90	1,998,780.00	99.1250	1,982,500.00	(16,280.00)
2,000,000.0000	CHRYSLER FINL MED TERM NT #040 9.400% 05/20/1993	1,974,700.00	95.0570	1,901,140.00	(73,560.00)
4,469,953.7400	CITITRUST II CMO SER A CL A-1 8.450% 12/01/2017	4,229,017.65	96.9375	4,333,061.41	104,043.76
3,690,000.0000	COLL MTG SECS CORP CMO 88-11 B 9.200% 07/01/2003	3,695,000.00	100.0340	3,691,254.60	(3,745.40)
2,000,000.0000	CONSOLIDATED RAIL CORP NT 9.750% 06/01/2000	1,995,500.00	100.7550	2,015,100.00	19,600.00
500,000.0000	DISCOVER CARD TR 1990 P/T CL A 9.000% 02/15/1996	496,718.75	100.0270	500,135.00	3,416.25
2,500,000.0000	FIRST USA CR CARD TR 89-A 8.550% 07/15/1994	2,490,625.00	98.6710	2,466,775.00	(23,850.00)
4,115,000.0000	FIRST USA BK WILMINGTON 88-A 9.150% 10/31/1995	4,106,426.83	100.0580	4,177,386.70	10,959.87
5,000,000.0000	FLEET NATIONAL BK MED TERM NT 8.800% 07/26/1990	5,000,000.00	100.0000	5,000,000.00	0.00
4,000,000.0000	FORD HLDGS INC DEB 9.375% 03/01/2020	3,909,600.00	98.3570	3,934,280.00	24,680.00
1,900,000.0000	FORD MTR CR CO NT 9.125% 08/15/1994	1,885,000.00	99.7840	1,895,896.00	10,896.00
710,000.0000	FRUEHAUF FIN CO NT 9.500% 12/15/1990	713,031.70	100.2190	711,554.90	(1,476.80)





# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
2,270,000.0000	GENERAL ELEC CO NT 6.875% 04/15/1991	2,168,122.40	98.2190	2,229,571.30	61,448.90
5,000,000.0000	GENERAL MTRS ACCEP CORP NT 8.400% 10/15/1999	4,998,150.00	97.9050	4,895,250.00	(102,900.00)
5,000,000.0000	GOVERNMENT TR CTFS CL 1-D ZERO CPN 05/15/1991	4,011,800.00	93.1160	4,655,800.00	644,000.00
1,918,000.0000	GOVERNMENT TR M CTF CL M-1 ZERO CPN 11/15/1996	1,075,729.48	57.4560	1,102,006.08	26,276.60
1,032,000.0000	GOVERNMENT TR M CTF CL M-1 ZERO CPN 11/15/1997	532,315.92	52.5430	542,243.76	9,927.84
500,000.0000	HERCULES INC SUB DEB CONV 8.00% 08/15/2010	452,500.00	94.3750	471,875.00	19,375.00
1,900,000.0000	INTER AMERN DEV BK NT 14.625% 08/01/1992	2,103,509.00	110.5570	2,100,583.00	(2,926.00)
6,250,000.0000	JOHNSON & JOHNSON NT 8.875% 10/15/1990	6,236,250.00	100.0000	6,250,000.00	13,750.00
1,160,000.0000	KELLEY OIL & GAS SUB DEB CONV 8.500% 04/01/2000	1,160,000.00	103.0000	1,194,800.00	34,800.00
3,050,000.0000	MACY RECEIVABLES CR CARD 89-A 8.900% 04/15/1995	3,035,156.25	99.7080	3,041,094.00	5,937.75
2,000,000.0000	MARINE MIDLAND CR CRD TR 90-A 8.950% 12/15/1994	1,998,750.00	98.9375	1,978,750.00	(20,000.00)
4,000,000.0000	MERRILL LYNCH & CO INC NT ADJ RT 05/15/1995	4,000,000.00	100.3750	4,015,000.00	15,000.00
5,000,000.0000	MOBIL OIL CORP ESOP TR DEB 9.170% 02/29/2000	5,000,000.00	100.3960	5,019,800.00	19,800.00



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
5,000,000.0000	MORGAN STANLEY GRP MTN SR00019 9.030% 07/01/1992 DD 06/28/90	5,002,000.00	100.3280	5,016,400.00	14,400.00
2,000,000.0000	NEW ENGLAND TELEPHONE 7.875% 11/15/2029	1,890,160.00	96.0800	1,921,600.00	31,440.00
3,500,000.0000	NORTHWESTERN BELL TEL CO 9.500% 05/01/2000	3,465,000.00	103.4110	3,619,385.00	154,385.00
6,000,000.0000	PHILIP MORRIS COS MTN TR #12 8.450% 12/16/1991 DD 12/15/89	5,945,700.00	99.2500	5,955,000.00	9,300.00
2,900,000.0000	QUEBEC PROV CDA DEB 13.250% 09/15/2014	3,631,264.00	124.8400	3,620,360.00	(10,904.00)
5,000,000.0000	RJR NABISCO INC NT 8.125% 04/15/1991	4,905,350.00	98.3590	4,917,950.00	12,600.00
3,650,000.0000	SEARS CR ACCOUNT TR 90-A CTF 8.750% 01/15/1995	3,590,262.88	98.2200	3,585,030.00	(5,232.88)
2,500,000.0000	SHAWMUT NALT GRANTOR TR 1990-A 9.150% 06/15/1994	2,497,656.25	100.4375	2,510,937.50	13,281.25
2,000,000.0000	SOUTHERN CALIF EDI 1ST REF MTG 9.125% 05/01/1992	1,997,500.00	100.8600	2,017,200.00	19,700.00
1,090,000.0000	SOUTHERN RY CO EQUIP TR SER 86 7.750% 08/01/1996	1,071,480.90	93.9120	1,023,640.80	(47,840.10)
1,765,000.0000	SOUTHERN RY CO EQUIP TR SER 86 7.750% 08/01/1997	1,720,574.95	93.1880	1,644,768.20	(75,806.75)
1,815,000.0000	SOUTHERN RY CO EQUIP TR SER 86 7.750% 08/01/1998	1,766,811.75	92.7360	1,683,158.40	(83,653.35)



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
4,000,000.0000	STANDARD CR CARD TR 90-2 CL A 9.300% 05/10/1993	3,997,812.50	100.7130	4,028,520.00	30,707.50
1,250,000.0000	STANDARD CR CARD TR 1990-6 A 9.375% 07/10/1997	1,246,484.38	99.5850	1,244,812.50	(1,671.88)
1,750,000.0000	TRANSCONTINENTAL GAS PIPE EXT 9.410% 05/15/2000	1,739,460.23	99.8630	1,747,602.50	8,142.27
1,100,000.0000	U S WEST FINL MED TERM NTS 9.080% 01/15/1992	1,103,894.00	100.2100	1,102,310.00	(1,584.00)
2,000,000.0000	WESTINGHOUSE CR COPR NT 8.850% 06/14/2014	2,000,000.00	100.7770	2,015,540.00	15,540.00
1,000,000.0000	WITCO CORP SUB DEB CONV 5.500% 03/15/2012	796,250.00	76.0000	760,000.00	(36,250.00)
4,000,000.0000	XEROX CR CORP NT 8.750% 06/01/1991	3,982,440.00	99.9980	3,999,920.00	17,480.00
166,945.1400	CHAUVERDO II LOAN AGREEMENT	166,945.14	6.5078	10,864.51	(156,080.63)
1,181,066.8400	ESCO BOSTON 86-1 LTD PTSHIP	1,181,066.84	98.3552	1,161,640.65	(19,426.19)
TOTAL CORPORATE DEBT INSTRUMENTS		154,963,674.05		155,420,157.62	456,483.57
<u>CORPORATE STOCK - PREFERRED</u>					
3,000.0000	BANK OF BOSTON CORP PFD SER A ADJUSTABLE RATE	118,653.00	30.5000	91,500.00	(27,153.00)
25,000.0000	BAXTER INTL INC PFD ADJUSTABLE RATE	902,625.00	37.8750	946,875.00	44,250.00
15,000.0000	CUMMINS ENGINE INC DEPOSITARY PREF SER A CONV \$3.50	669,950.00	40.6250	609,375.00	(60,575.00)



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
20,000.0000	GOODRICH B F CO PFD SER D CONV \$3.50	885,150.00	44.2500	885,000.00	(150.00)
45,000.0000	UNISYS CORP	2,291,275.00	32.2500	1,451,250.00	(840,025.00)
65,000.0000	WEYERHAUSER	2,415,711.42	35.0000	2,275,000.00	(140,711.42)
10,000.0000	WILLIAMS COS INC	510,800.00	47.7500	477,500.00	(33,300.00)
TOTAL CORPORATE STOCK - PREFERRED		7,794,164.42		6,736,500.00	(1,057,664.42)
<u>CORPORATE STOCK - COMMON</u>					
117,200.0000	ABBOTT LABS	3,701,882.72	41.0000	4,805,200.00	1,103,317.28
26,900.0000	AETNA LIFE & CAS CO	1,356,820.41	52.2500	1,405,525.00	48,704.59
46,000.0000	ALBERTSONS INC	1,296,712.87	36.0000	1,656,000.00	359,287.13
35,000.0000	ALCAN ALUM LTD	729,050.00	22.5000	787,500.00	58,450.00
60,000.0000	ALLIED SIGNAL INC	2,343,412.05	36.7500	2,205,000.00	(138,412.05)
16,200.0000	AMERADA HESS CORP	725,571.50	44.1250	714,825.00	(10,746.50)
95,100.0000	AMDAHL CORP	1,185,223.40	16.2500	1,545,375.00	360,151.60
41,900.0000	AMERICAN CYANAMID CO	2,230,589.38	57.3750	2,404,012.50	173,423.12
112,200.0000	AMERICAN ELEC PWR INC	2,895,050.43	29.7500	3,337,950.00	442,899.57
39,400.0000	AMERICAN EXPRESS CO	1,253,382.52	30.7500	1,211,550.00	(41,832.52)
69,000.0000	AMERICAN GREETINGS CORP	2,303,945.81	35.0000	2,415,000.00	111,054.19
6,900.0000	AMERICAN HOME PRODS CORP	301,011.92	52.5000	362,250.00	61,238.08





# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
70,000.0000	AMERICAN INTL GROUP INC	5,859,951.64	96.3750	6,746,250.00	886,298.36
40,000.0000	AMERICAN TELEVISION & COMMUNICATIONS CORP	1,749,688.00	37.0000	1,480,000.00	(269,688.00)
90,000.0000	AMETEK INC	1,160,862.50	13.1250	1,181,250.00	20,387.50
13,600.0000	ANADARKO PETE CORP	410,439.37	33.7500	459,000.00	48,560.63
23,500.0000	ANHEUSER BUSCH COS INC	821,343.12	43.1250	1,013,437.50	192,094.38
83,870.0000	APPLIED MAGNETICS CORP	1,082,793.06	13.1250	1,100,793.75	18,000.69
20,700.0000	APPLIED MATLS INC	510,206.10	38.0000	786,600.00	276,393.90
82,600.0000	ARCHER DANIELS MIDLAND CO	1,899,832.00	25.6250	2,116,625.00	216,793.00
65,000.0000	ARKLA INC	1,635,796.70	23.6250	1,535,625.00	(100,171.70)
258,000.0000	ARMCO INC	2,803,640.50	7.5000	1,935,000.00	(868,640.50)
45,400.0000	ARNOLD INDS INC	1,409,650.00	35.8750	1,628,725.00	219,075.00
75,000.0000	ATLANTA GAS LT CO	1,962,675.00	31.5000	2,362,500.00	399,825.00
60,000.0000	ATLANTIC ENERGY INC N J	1,984,597.88	36.3750	2,182,500.00	197,902.12
30,000.0000	AVERY INTL CORP	749,900.00	23.2500	697,500.00	(52,400.00)
54,900.0000	AVNET INC	1,286,152.17	28.7500	1,552,500.00	266,347.83
110,000.0000	BANC ONE CORP	3,184,666.50	29.0000	3,190,000.00	5,333.50
104,200.0000	BANKAMERICA CORP	2,405,467.84	29.6250	3,086,925.00	681,457.16
24,700.0000	BANKERS TR N Y CORP	964,337.35	41.8750	1,034,312.50	69,975.15
39,400.0000	BAXTER INTL INC	848,829.97	24.0000	945,600.00	96,770.03

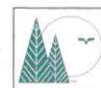


# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
135,210.0000	BEAR STEARNS COS INC	1,699,432.46	13.5000	1,825,335.00	125,902.54
10,000.0000	BEARINGS INC NEW	211,987.35	22.3750	223,750.00	11,762.65
5,100.0000	BECTON DICKINSON & CO	290,377.65	70.1250	357,637.50	67,259.85
33,300.0000	BERKLEY W R CORP	1,290,375.00	40.7500	1,356,975.00	66,600.00
100,000.0000	BERRY PETE CO CL A	1,318,778.50	14.3750	1,437,500.00	118,721.50
39,939.0000	BLOCK DRUG INC	1,140,102.37	34.7500	1,387,880.25	247,777.88
70,000.0000	BLOCK H & R INC	2,528,297.90	42.5000	2,975,000.00	446,702.10
77,750.0000	BOEING CO	3,505,644.50	58.5000	4,548,375.00	1,042,730.50
102,500.0000	BRISTOL MYERS SQUIBB	5,548,087.50	63.3750	6,495,937.50	947,850.00
50,000.0000	BRUNSWICK CORP	747,049.99	12.7500	637,500.00	(109,549.99)
20,500.0000	BURLINGTON NRTHN INC	757,482.50	37.7500	773,875.00	16,392.50
62,000.0000	BURLINGTON RES INC	2,802,051.54	41.8750	2,596,250.00	(205,801.54)
184,400.0000	BUSINESSLAND INC	1,457,667.50	7.6250	1,406,050.00	(51,617.50)
4,300.0000	CMS ENERGY CORP	134,731.86	31.8750	137,062.50	2,330.64
10,000.0000	CSX CORP	337,050.00	34.0000	340,000.00	2,950.00
35,000.0000	CABOT CORP	1,126,500.00	32.5000	1,137,500.00	11,000.00
40,300.0000	CABOT OIL & GAS CORP CL A	648,047.20	16.3750	659,912.50	11,865.30
18,200.0000	CANADIAN PAC LTD	341,752.44	17.6250	320,775.00	(20,977.44)
3,500.0000	CAPITAL CITIES ABC INC	2,116,521.40	623.0000	2,180,500.00	63,978.60



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
51,100.0000	CARLISLE COS INC	1,801,254.86	36.2500	1,852,375.00	51,120.14
28,538.3000	CASTLE ENERGY CORP	0.00	13.8748	395,964.63	395,964.63
10,200.0000	CATERPILLAR INC	534,602.40	52.6250	536,775.00	2,172.60
80,000.0000	CENTRAL MAINE POWER	1,415,089.21	18.8750	1,510,000.00	94,910.79
60,000.0000	CHAMPION INTL CORP	1,907,712.50	30.5000	1,830,000.00	(77,712.50)
25,000.0000	CHEVRON CORP	1,841,715.00	70.3750	1,759,375.00	7,660.00
44,600.0000	CHUBB CORP	1,903,953.43	44.7500	1,995,850.00	91,896.57
60,000.0000	CIRCUIT CITY STORES	1,372,672.00	25.1250	1,507,500.00	134,828.00
60,400.0000	CITICORP	1,693,260.65	22.6250	1,366,550.00	(326,710.65)
6,200.0000	COLUMBIA GAS SYS INC	268,020.63	44.2500	274,350.00	6,329.37
40,000.0000	COMCAST CORP CL A	515,965.40	13.5000	540,000.00	24,034.60
17,800.0000	COMMONWEALTH EDISON CO	581,052.22	32.7500	582,950.00	1,897.78
25,000.0000	COMPAQ COMPUTER CORP	2,203,564.28	124.5000	3,112,500.00	908,935.72
39,800.0000	CONSOLIDATED FREIGHTWAYS	1,312,742.00	12.8750	512,425.00	(800,317.00)
45,000.0000	CONTINENTAL CORP	1,463,600.00	29.8750	1,344,375.00	(119,225.00)
14,100.0000	COOPER INDS INC	596,289.00	42.3750	597,487.50	1,198.50
100,400.0000	COORS ADOLPH CO CL B	2,316,556.30	26.3750	2,648,050.00	331,493.70
34,100.0000	CRAY RESH INC	1,485,168.47	45.6250	1,555,812.50	70,644.03
39,300.0000	CROSS A T CO CL A	1,370,615.40	30.1250	1,183,912.50	(186,702.90)



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
40,000.0000	DQE	787,400.00	22.5000	900,000.00	112,600.00
70,000.0000	DENNISON MFG CO	1,731,850.00	24.8750	1,741,250.00	9,400.00
25,000.0000	DEXTER CORP	552,630.00	23.5000	587,500.00	34,870.00
5,500.0000	DIEBOLD INC	220,330.00	44.1250	242,687.50	22,357.50
18,200.0000	DIGITAL EQUIP CORP	1,664,862.16	85.0000	1,547,000.00	(117,862.16)
27,300.0000	DILLARD DEPT STORES INC	2,112,233.00	88.0000	2,402,400.00	290,167.00
33,900.0000	DISNEY WALT CO	3,137,670.24	128.2500	4,347,675.00	1,210,004.76
11,700.0000	DOW CHEM CO	706,829.91	57.2500	669,825.00	(37,004.91)
20,000.0000	DRESSER INDS INC	811,811.61	49.6250	992,500.00	180,688.39
36,600.0000	DREYFUS CORP	1,140,075.59	33.7500	1,235,250.00	95,174.41
36,900.0000	DUPONT E I DE NEMOURS	1,452,780.17	38.5000	1,420,650.00	(32,130.17)
150,000.0000	DUFF & PHELPS SEL UTILS	1,277,583.50	8.0000	1,200,000.00	(77,583.50)
35,500.0000	DUKE POWER CO	1,909,837.90	55.8750	1,983,562.50	73,724.60
51,800.0000	EASTMAN KODAK CO	2,150,899.49	40.5000	2,097,900.00	(52,999.49)
52,600.0000	ECOLAB INC	1,356,953.18	26.2500	1,380,750.00	23,796.82
65,000.0000	EDWARDS A G INC	1,564,354.20	25.5000	1,657,500.00	93,145.80
40,000.0000	EMERSON ELEC CO	974,218.94	41.0000	1,640,000.00	665,781.06
70,200.0000	EXXON CORP	3,202,629.57	47.8750	3,360,825.00	158,195.43
105,000.0000	FEDERAL NATL MFG ASSN	2,354,752.69	40.6250	4,265,625.00	1,910,872.31





# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
26,700.0000	FIRST CHICAGO CORP	836,575.84	29.2500	780,975.00	(55,600.84)
10,000.0000	FLEETWOOD ENTERPRISES INC	242,988.33	25.0000	250,000.00	7,011.67
32,800.0000	FLEMING COS INC	1,023,025.97	36.7500	1,205,400.00	182,374.03
25,700.0000	FLIGHTSAFETY INTL INC	1,270,790.70	59.1250	1,519,512.50	248,721.80
46,700.0000	FORD MTR CO DEL	2,231,502.64	43.7500	2,043,125.00	(188,377.64)
120,600.0000	FREEPORT MCMORAN OIL&GAS	1,025,198.50	7.3750	889,425.00	(135,773.50)
48,800.0000	GTE CORP	1,506,766.33	32.3750	1,579,900.00	73,133.67
85,400.0000	GENERAL ELEC CO	4,452,853.22	69.2500	5,913,950.00	1,461,096.78
19,600.0000	GENERAL MLS INC	1,615,246.00	89.8750	1,761,550.00	146,304.00
41,300.0000	GENERAL MOTORS CORP	1,807,195.73	47.6250	1,966,912.50	159,716.77
47,600.0000	GENERAL PUB UTILS CORP	2,147,752.40	43.3750	2,064,650.00	(83,102.40)
77,300.0000	GENERAL RE CORP	5,380,620.78	85.5000	6,609,150.00	1,228,529.22
24.2150	GENERAL SIGNAL CORP WT	0.00	0.0010	0.02	0.02
35,000.0000	GENUINE PARTS CO	1,327,580.00	39.7500	1,391,250.00	63,670.00
17,100.0000	GEORGIA PAC CORP	748,849.06	41.3750	707,512.50	(41,336.56)
20,000.0000	GILLETTE CO	943,082.08	59.3750	1,187,500.00	244,417.92
4,300.0000	GLATFELTER P H CO	169,893.00	40.6250	174,687.50	4,794.50
63,000.0000	GOLDEN WEST FINL CORP DEL	1,751,084.80	30.3750	1,913,625.00	162,540.20
20,000.0000	GOODRICH B F CO	834,100.00	42.5000	850,000.00	15,900.00



SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR  
June 30, 1990  
(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
63,100.0000	GRACE W R & CO	1,873,811.40	29.6250	1,869,337.50	(4,473.90)
45,000.0000	HALLIBURTON CO	1,736,142.57	48.1250	2,165,625.00	429,482.43
74,000.0000	HASBRO INC	1,623,978.00	18.3750	1,359,750.00	(264,228.00)
60,000.0000	HECLA MNG CO	792,362.50	11.6250	697,500.00	(94,862.50)
20,000.0000	HERCULES INC	950,350.00	33.3750	667,500.00	(282,850.00)
76,500.0000	HERSHEY FOODS CORP	2,626,378.90	37.6250	2,878,312.50	251,933.60
17,300.0000	HEWLETT PACKARD CO	787,900.64	47.2500	817,425.00	29,524.34
32,000.0000	HOME DEPOT INC	1,158,202.00	57.7500	1,848,000.00	689,798.00
20,600.0000	HOUSEHOLD INTL INC	931,650.30	48.8750	1,006,825.00	75,174.70
27,000.0000	HUGHES SUPPLY INC	442,415.00	15.5000	418,500.00	(23,915.00)
35,000.0000	HUMANA INC	1,356,259.60	49.0000	1,715,000.00	358,740.40
25,900.0000	ITT CORP	1,499,155.78	57.5000	1,489,250.00	(9,905.78)
85,000.0000	IDEX CORP	1,232,500.00	15.7500	1,338,750.00	106,250.00
114,200.0000	IMO DELAVAL INC	1,845,816.50	17.2500	1,969,950.00	124,133.50
85,000.0000	INTEL CORP	3,329,269.60	47.0000	3,995,000.00	665,730.40
66,000.0000	INTERNATIONAL ALUM CORP	1,756,835.00	26.0000	1,716,000.00	(40,835.00)
52,000.0000	INTL BUSINESS MACHS CORP	5,681,223.10	117.5000	6,110,000.00	428,776.90
61,200.0000	INTERNATIONAL LEASE FIN	1,577,739.30	31.0000	1,897,200.00	319,460.70
73,000.0000	IOWA ILL GAS & ELEC CO	1,447,140.90	20.7500	1,514,750.00	67,609.10



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
83,200.0000	K MART CORP	2,935,821.57	35.0000	2,912,000.00	(23,821.57)
70,000.0000	KAMAN CORP CL A	794,140.00	7.1250	498,750.00	(295,390.00)
52,800.0000	KELLWOOD CO	1,428,612.00	14.7500	778,800.00	(649,812.00)
14,000.0000	KERR MCGEE CORP	668,612.48	45.2500	633,500.00	(35,112.48)
55,800.0000	KIMBALL INTL INC CL B	1,250,800.00	23.0000	1,283,400.00	32,600.00
30,000.0000	KROGER CO	361,457.55	16.1250	483,750.00	122,292.45
65,800.0000	LENNAR CORP	1,207,769.10	17.7500	1,167,950.00	(38,819.10)
36,300.0000	LILLY ELI & CO	1,711,053.02	83.1250	3,017,437.50	1,306,384.48
159,500.0000	LIMITED INC	2,891,184.00	24.1250	3,847,937.50	956,753.50
92,600.0000	LIZ CLAIRBORNE INC	1,924,872.80	32.5000	3,009,500.00	1,084,627.20
40,000.0000	LOCKHEED CORP	1,546,744.50	33.5000	1,340,000.00	(206,744.50)
5,900.0000	LOEWS CORP	588,787.74	109.6250	646,787.50	57,999.76
86,200.0000	LOTUS DEV CORP	2,123,845.34	34.7500	2,995,450.00	871,604.66
115,000.0000	M A COM INC	936,532.00	5.3750	618,125.00	(318,407.00)
33,500.0000	MBIA INC	1,064,258.54	41.0000	1,373,500.00	309,241.46
16,000.0000	MCA INC	859,294.83	55.5000	888,000.00	28,705.17
45,000.0000	MCI COMMUNICATIONS CORP	1,214,730.87	41.8750	1,884,375.00	669,664.13
136,900.0000	NNX INC COM	1,021,637.50	4.0000	547,600.00	(474,037.50)
22,600.0000	MANUFACTURERS NATL CORP	1,024,906.31	43.5000	983,100.00	(41,806.31)



## SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
56,000.0000	MARTIN MARIETTA CORP	2,288,030.00	42.8750	2,401,000.00	112,970.00
21,000.0000	MASCO CORP	539,721.58	24.5000	514,500.00	(25,221.58)
31,300.0000	MAY DEPT STORES CO	1,613,274.12	55.3750	1,733,237.50	119,963.38
40,000.0000	MCCAW CELLULAR COMM INC	1,557,426.67	24.2500	970,000.00	(587,426.67)
12,800.0000	MCDONALDS CORP	446,735.43	35.5000	454,400.00	7,664.57
50,000.0000	MELVILLE CORP	2,488,567.00	52.3750	2,618,750.00	130,183.00
36,600.0000	MICROSOFT CORP	2,333,815.84	76.0000	2,781,600.00	447,784.16
20,000.0000	MILLIPORE CORP	536,450.00	32.7500	655,000.00	118,550.00
30,600.0000	MINE SAFETY APPLIANCES	1,352,225.00	57.5000	1,759,500.00	407,275.00
18,000.0000	MINNESOTA MNG & MFG CO	804,042.15	86.6250	1,559,250.00	755,207.85
82,800.0000	MODINE MFG CO	1,429,100.00	20.5000	1,676,700.00	247,600.00
20,000.0000	MONSANTO CO	1,069,124.00	47.6250	952,500.00	(116,624.00)
85,800.0000	MORGAN J P & CO INC	3,130,659.57	35.7500	3,067,350.00	(63,309.57)
60,000.0000	MORRISON INC	1,636,931.50	25.2500	1,515,000.00	(121,931.50)
28,000.0000	MORTON INTL INC IND	973,133.50	43.8750	1,228,500.00	255,366.50
75,400.0000	MOTOROLA INC	4,238,200.84	83.6250	6,305,325.00	2,067,124.16
10,000.0000	NATIONAL FUEL GAS CO N J	229,550.00	23.5000	235,000.00	5,450.00
28,500.0000	NATIONAL MED ENTERPRISES	894,125.01	37.8750	1,079,437.50	185,312.49
98,600.0000	NEW ENGLAND BUSINESS SRV	1,687,353.50	15.7500	1,552,950.00	(134,403.50)





# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
45,000.0000	NEW ENGLAND ELECTRIC SYS	1,204,201.00	26.7500	1,203,750.00	(451.00)
1,700.0000	NEWMONT MNG CORP	68,535.50	43.6250	74,162.50	5,627.00
70,000.0000	NIAGARA MOHAWK PWR CORP	967,250.00	14.1250	988,750.00	21,500.00
34,600.0000	NORTHEAST UTILS	714,254.34	19.3750	670,375.00	(43,879.34)
11,800.0000	NYNEX CORP	960,217.59	82.2500	970,550.00	10,332.41
40,000.0000	OHIO EDISON CO	764,650.00	19.7500	790,000.00	25,350.00
72,600.0000	ORYX ENERGY CO	3,194,182.20	42.8750	3,112,725.00	(81,457.20)
43,800.0000	OVERSEAS SHIPHOLDING GRP	732,740.69	19.3750	848,625.00	115,884.31
93,700.0000	PSI RESOURCES INC	1,354,407.02	17.3750	1,628,037.50	273,630.48
25,900.0000	PACIFIC GAS & ELEC CO	594,336.94	23.2500	602,175.00	7,838.06
10,000.0000	PAINE WEBBER GROUP INC	277,320.92	18.8750	188,750.00	(88,570.92)
16,000.0000	PANHANDLE EASTN CORP	392,428.77	24.5000	392,000.00	(428.77)
82,800.0000	PARKER HANNIFIN CORP	2,337,437.10	29.5000	2,442,600.00	105,162.90
95,200.0000	PENN CENT CORP	2,315,975.29	22.8750	2,177,700.00	(138,275.29)
50,000.0000	PENTAIR INC	1,548,750.00	27.7500	1,387,500.00	(161,250.00)
138,900.0000	PEPSICO INC	6,424,296.27	77.6250	10,782,112.50	4,357,816.23
65,000.0000	PERKIN ELMER CORP	1,480,608.15	24.1250	1,568,125.00	87,516.85
36,400.0000	PFIZER INC	2,136,826.77	64.1250	2,334,150.00	197,323.23
43,000.0000	PHILADELPHIA ELEC CO	852,722.22	16.6250	714,875.00	(137,847.22)
297,800.0000	PHILIP MORRIS COS INC	11,323,738.89	46.5000	13,847,700.00	2,523,961.11



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
18,300.0000	POLAROID CORP	721,143.79	40.6250	943,437.50	22,293.71
10,000.0000	POTASH CORP SASK INC	130,800.00	12.6250	126,250.00	(4,550.00)
62,000.0000	PROCTER & GAMBLE CO	4,002,607.74	87.1250	5,401,750.00	1,399,142.26
40,000.0000	PROGRESSIVE CORP OHIO	1,141,240.00	44.0000	1,760,000.00	618,760.00
47,200.0000	PUBLIC SVC ENTERPRISE GROUP	1,020,173.87	25.8750	1,221,300.00	201,126.13
30,000.0000	PYRAMID TECHNOLOGY CORP	499,809.50	28.0000	840,000.00	340,190.50
117,300.0000	QUANEX CORP	1,681,543.00	16.8750	1,979,437.50	297,894.50
48,200.0000	RAYCHEM CORP	1,521,802.00	33.3750	1,608,675.00	86,873.00
21,500.0000	RAYTHEON CO	1,444,265.26	62.3750	1,341,062.50	(103,202.76)
16,000.0000	REPUBLIC NY CORP	796,169.00	49.0000	784,000.00	(12,169.00)
59,900.0000	REYNOLDS & REYNOLDS CL A	1,855,454.90	19.7500	1,183,025.00	(672,429.90)
48,800.0000	RITE AID CORP	1,619,279.20	34.1250	1,665,300.00	46,020.80
20,000.0000	ROADWAY SVCS INC	716,600.00	35.5000	710,000.00	(6,600.00)
8,000.0000	ROCKWELL INTL CORP	194,407.50	27.3750	219,000.00	24,592.50
22,000.0000	ROHM & HAAS CO	736,010.00	34.3750	756,250.00	20,240.00
123,800.0000	ROLLINS TRUCK LEASING	1,046,655.99	8.5000	1,052,300.00	5,644.01
30,600.0000	ROYAL DUTCH PETE CO	1,134,565.73	75.2500	2,302,650.00	1,168,084.27
106,400.0000	RYDER SYS INC	2,342,054.14	21.7500	2,314,200.00	(27,854.14)
29,300.0000	SCECORP	960,776.30	37.5000	1,098,750.00	137,973.70
33,600.0000	SPS TECHNOLOGIES INC	1,422,936.50	35.8750	1,205,400.00	(217,536.50)



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
55,000.0000	SALOMON INC	1,476,000.00	24.5000	1,347,500.00	(128,500.00)
80,000.0000	SCHERING PLOUGH CORP	3,309,083.33	47.2500	3,780,000.00	470,916.67
12,200.0000	SCOTT PAPER CO	525,781.18	48.1250	587,125.00	61,343.82
48,400.0000	SEAGULL ENERGY CORP	792,039.04	27.6250	1,337,050.00	545,010.96
54,600.0000	SEARS ROEBUCK & CO	2,129,652.63	36.5000	1,992,900.00	(136,752.63)
75,400.0000	SKYLINE CORP	1,090,010.24	14.8750	1,121,575.00	31,564.76
31,600.0000	SONAT INC	1,541,859.00	50.5000	1,595,800.00	53,941.00
57,500.0000	SOUTHWEST AIRLS CO	1,209,973.70	25.7500	1,480,625.00	270,651.30
60,000.0000	SOUTHWESTERN PUB SVC CO	1,591,050.00	27.6250	1,657,500.00	66,450.00
80,000.0000	STANDARD PRODS CO	2,036,173.93	24.2500	1,940,000.00	(96,173.93)
80,000.0000	STANDARD REGISTER CO	1,295,463.33	17.6250	1,410,000.00	114,536.67
49,500.0000	STRATUS COMPUTER INC	1,251,266.31	26.6250	1,317,937.50	66,671.19
70,000.0000	STUDENT LN MKT ASSOC	2,438,883.12	53.1250	3,718,750.00	1,279,866.88
40,000.0000	SUN MICROSYSTEMS INC	1,080,000.00	34.0000	1,360,000.00	280,000.00
20,000.0000	SYNTEX CORP	1,041,485.14	58.6250	1,172,500.00	131,014.86
20,000.0000	TCBY ENTERPRISES INC	421,340.00	19.0000	380,000.00	(41,340.00)
104,200.0000	TJX COS INC NEW	1,715,363.10	13.2500	1,380,650.00	(334,713.10)
58,000.0000	TANDEM COMPUTERS INC	1,486,024.94	23.8750	1,384,750.00	(101,274.94)
16,000.0000	TEXACO INC	839,840.86	56.6250	906,000.00	66,159.14
51,400.0000	TEXAS INSTRS INC	1,874,395.73	39.6250	2,036,725.00	162,329.27



SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
20,000.0000	THOMAS INDS INC	394,100.00	17.6250	352,500.00	(41,600.00)
25,000.0000	TIME WARNER INC	2,611,875.00	100.5000	2,512,500.00	(99,375.00)
55,000.0000	TORO CO	1,309,248.80	24.8750	1,368,125.00	58,876.20
96,421.6400	TRAVLRS SEPARATE A/C R	12,908,111.34	150.0829	14,471,246.10	1,563,134.76
40,000.0000	TRAVELERS CORP	1,702,035.00	29.7500	1,190,000.00	(512,035.00)
47,600.0000	USX CORP	1,620,798.40	33.0000	1,570,800.00	(49,998.40)
19,383.0000	UNUM CORP	484,575.00	53.3750	1,034,567.63	549,992.63
15,000.0000	USF & G CORP	493,575.00	26.6250	399,375.00	(94,200.00)
90,700.0000	UNIFI INC	1,261,009.50	15.5000	1,405,850.00	144,840.50
68,200.0000	UNION ELEC CO	1,767,067.20	26.3750	1,798,775.00	31,707.80
45,900.0000	U S BANCORP ORE	1,034,566.31	27.8750	1,279,462.50	244,896.19
23,500.0000	U S WEST INC	809,013.12	35.8750	843,062.50	34,049.38
30,000.0000	UNITED TELECOMMUNICATIONS	1,308,870.00	39.6250	1,188,750.00	(120,120.00)
154,000.0000	UNOCAL CORP	3,734,040.34	27.1250	4,177,250.00	443,209.66
12,600.0000	UPJOHN CO	417,961.17	41.0000	516,600.00	98,638.83
30,000.0000	VARIAN ASSOC INC	758,340.00	28.1250	843,750.00	85,410.00
73,000.0000	VARLEN CORP	1,407,112.00	15.6250	1,140,625.00	(266,487.00)
78,000.0000	WAL MART STORES INC	2,242,372.18	62.3750	4,865,250.00	2,622,877.82
180,500.0000	WASTE MGMT INC	4,100,763.86	41.3750	7,468,187.50	3,367,423.64
25,400.0000	WAUSAU PAPER MLS CO	861,375.00	44.250	1,123,950.00	262,575.00





# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
15,000.0000	WESTINGHOUSE ELEC CORP	281,846.15	36.7500	551,250.00	269,403.85
17,550.0000	WHEELABRATOR TECH INC	680,157.07	43.1250	756,843.75	76,686.68
25,400.0000	WITCO CORP	863,782.00	36.0000	914,400.00	50,618.00
15,900.0000	WOOLWORTH CORP	512,418.98	32.8750	522,712.50	10,293.52
20,000.0000	ZERO CORP	276,600.00	14.5000	290,000.00	13,400.00
TOTAL CORPORATE STOCK - COMMON		389,047,191.68		437,246,731.13	48,199,539.45
<u>REAL ESTATE</u>					
4,091,083.0300	3 CANAL PLAZA	4,091,083.03	99.6168	4,075,409.68	(15,673.35)
8,411,940.2600	R E BROOKSIDE PLAZA	8,411,940.26	109.3617	9,199,440.87	787,500.61
9,396,486.3800	SHATTUCK OFFICE CENTER	9,396,486.38	95.9559	9,016,486.83	(379,999.55)
12,128,500.0000	ORCHARD PARKWAY/RIVER OAKS PARKWAY INDUSTRIALS	12,128,500.00	100.0000	12,128,500.00	0.00
100.0000	FAULCONE/BOSTON 85-1 LTD PTNRS	0.00	167,538.6400	167,538.64	167,538.64
TOTAL REAL ESTATE		34,028,009.67		34,587,376.02	559,336.35
<u>MORTGAGES</u>					
48,259.1300	FARMER HM ADM INDS LN VAR MATS 5.00%	48,259.13	100.0000	48,259.13	0.00
TOTAL MORTGAGES		48,259.13		48,259.13	0.00



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
<u>COMMON/COLLECTIVE TRUSTS</u>					
466,936.7620	BANKERS TR INTL EQU INDEX FUND	60,143,438.10	127.2150	59,401,360.18	(742,077.92)
122,936.0000	MGT COMM FD CONVERTIBLES FUND	53,137,316.11	41,022.1000	50,430,928.86	(2,706,387.25)
481,397.0000	MGT COMM FD CONVERTIBLES FUND	101,702,692.98	24,712.9000	118,967,159.21	17,264,466.23
142,991.0000	MGT COMM FD PRIVATE PLACEMENT FUND	37,556,361.70	27,949.9000	39,965,841.51	2,409,479.81
448,823.2910	STATE STREET AUSTRALIA FD	4,833,000.00	11.3060	5,074,396.13	241,396.13
125,479.8550	STATE STREET HONG KONG FD	1,648,167.46	13.9660	1,752,451.65	104,284.19
1,128,386.5480	STATE STREET ITALY FD	14,322,445.38	15.6420	17,650,222.38	3,327,777.00
2,478,848.5120	STATE STREET JAPAN FD	27,056,708.09	9.0920	22,537,690.67	(4,519,017.42)
302,822.7330	STATE STREET FINLAND FD	2,968,609.59	10.0970	3,057,601.14	88,991.55
129,321.4930	STATE STREET UNITED KINGDOM FD	1,500,000.00	14.0750	1,820,200.01	320,200.01
36,592.5060	STATE STREET SINGAPORE FD	500,000.00	15.4470	565,244.44	65,244.44
230,981,503.3860	WILSHIRE 5000 INDEX POOLED FD	349,581,588.40	2.0345	469,950,347.16	120,368,758.76
123,142,385.9200	BOND INDEX FUND (ACCT #90-4300-00-1)	177,377,930.76	1.4828	182,605,381.23	5,227,450.47
62,029,067.0000	TBC INC POOLED EMPLOYEE FUNDS DAILY LIQUIDITY FUND	62,029,067.00	1.0000	62,029,067.00	0.00
TOTAL COMMON/COLLECTIVE TRUSTS		894,357,325.57		1,035,807,891.57	141,450,566.00



# SCHEDULE OF INVESTMENTS AT END OF PLAN YEAR

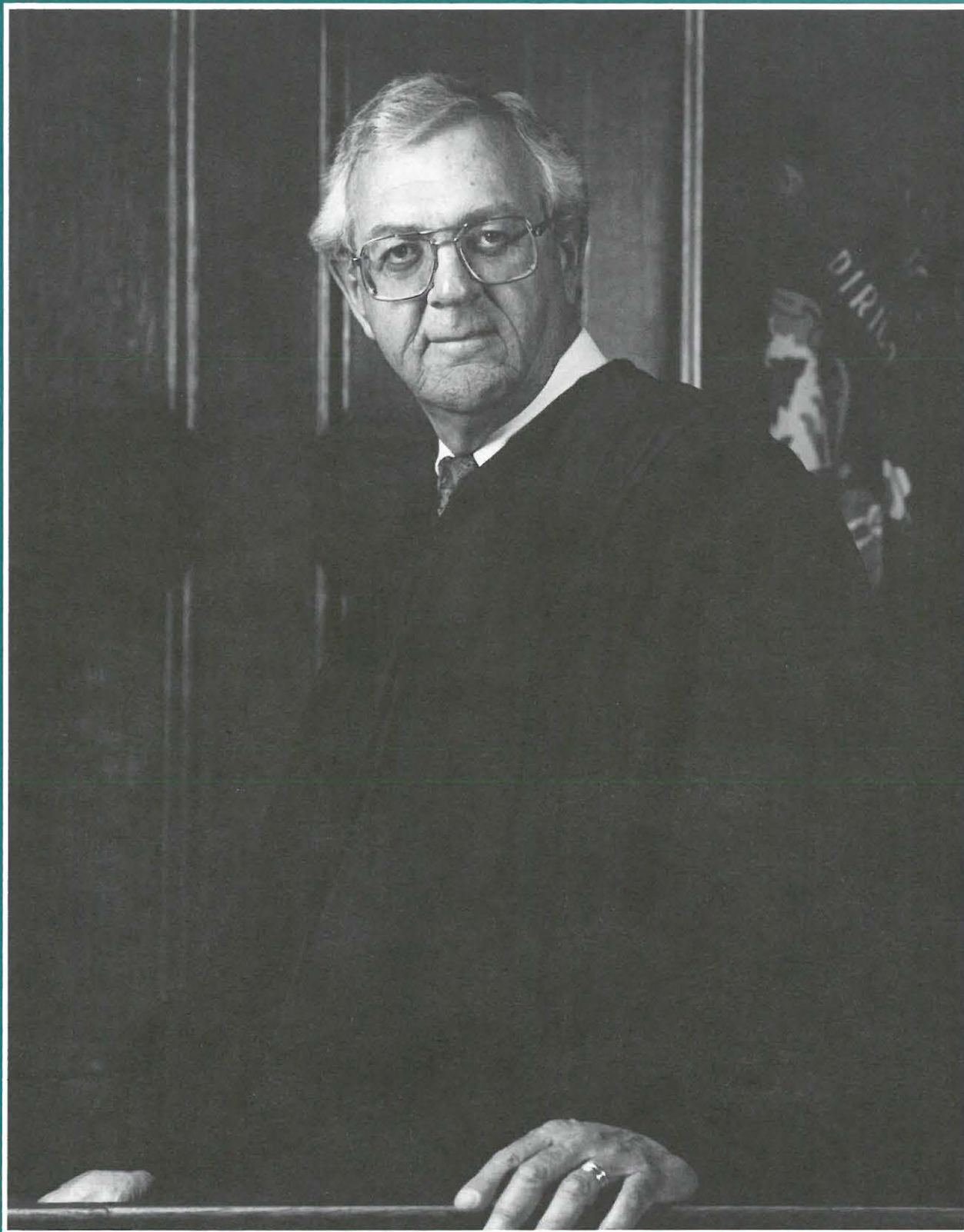
June 30, 1990

(Continued)

<u>SHARES/ PAR VALUE</u>	<u>SECURITY DESCRIPTION</u>	<u>COST</u>	<u>PRICE</u>	<u>MARKET VALUE</u>	<u>UNREALIZED GAIN/LOSS</u>
<u>OTHER INVESTMENTS</u>					
6,000,000.0000	MANITOBA PRV CDA CDN\$ DB SR AZ 7.750% 7/17/2016	5,629,610.00	94.4610	5,667,660.00	38,050.00
1,000,000.0000	PALM BEACH CTY FLA ARPT- ESCROW VAR/RT 10/01/2010 DD 06/28/89	1,018,437.50	100.0000	1,000,000.00	(18,437.50)
659,667.7200	RAY HOLTFIELD & GARY T NANNEN ZERO CPN	659,667.72	38.8544	256,310.33	(403,357.39)
TOTAL OTHER INVESTMENTS		7,307,715.22		6,923,970.33	(383,744.89)
TOTAL INVESTMENT		1,750,348,733.92		1,949,713,436.69	199,364,702.77







REPORT of the LEGISLATIVE  
and JUDICIAL Retirement Systems





STATE OF MAINE

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## MAINE STATE RETIREMENT SYSTEM

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Claude R. Perrier, *Executive Director*  
Joseph A. Gahagan, *Deputy Director*  
Philip R. Gingrow, *Deputy Director*

February 1, 1991

Dear Member:

The Annual Report of the Maine Legislative and Judicial Retirement Systems established on December 3, 1986, and December 1, 1984, respectively, is attached.

Sincerely,

Claude R. Perrier  
Executive Director for the Board of Trustees  
MAINE LEGISLATIVE AND JUDICIAL RETIREMENT SYSTEMS







**MAINE LEGISLATIVE RETIREMENT SYSTEM**  
**ACTUARIAL VALUATION**  
**June 30, 1990**

Consolidated Results

1. PARTICIPANT DATA

A. Number of Active Employees	86
B. Active Payroll	\$903,000
C. Number of Retired Members	6
D. Annual Retiree Benefits	\$3,196
E. Number of Vested Inactive Members	0

2. COST RESULTS

A. Retirement Benefits	
1. Employer Normal Cost	11.64 percent
2. Unfunded Actuarial Reserve	0.00 percent
3. Total Retirement Cost	11.64 percent
B. Disability Cost	1.01 percent
C. Survivor Benefit Cost	0.94 percent
D. Total Cost	13.59 percent

3. ACCOUNTING INFORMATION

A. GASB Disclosure

1. Pension Benefit Obligation:

a. Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$34,514
b. Current employees	
-Accumulated employee contributions including allocated investment earnings	160,199
-Employer-financed vested contributions	(32,657)
-Employer-financed non-vested contributions	460,497
Total Pension Benefit Obligation	\$622,553

2. Net Assets Available for Benefits(at cost)	\$671,852
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3. Unfunded Pension Benefit Obligation (not less than \$0)	0
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B. Other Accounting Information

1. Actuarial Value of Assets	\$737,488
2. Unfunded Actuarial Reserve	0
3. Market Value of Assets	740,401
4. Unfunded Accrued Reserve	0
5. Amortization Period	N/A



**MAINE LEGISLATIVE RETIREMENT SYSTEM  
SUMMARY OF ACTUARIAL ASSUMPTIONS  
June 30, 1990**

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 due to:

<u>at Age</u>	<u>Death</u>	<u>Disability</u>	<u>Quit</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.



**MAINE LEGISLATIVE RETIREMENT SYSTEM**  
**SUMMARY OF PLAN PROVISIONS**  
**June 30, 1990**

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 four (4) percent 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 (3) 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 to the Maine State Retirement System, including appropriate interest;
- C. Service while receiving disability benefits under the System; and
- 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: twenty-five (25) years of creditable service or attainment of age sixty (60).

Eligibility for Members Not in Service: attainment of age sixty (60) with ten (10) years of creditable service (or five (5) full terms as a legislator).

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

Benefit: one-fiftieth ( $1/50$ ) of average final compensation multiplied by years of creditable service, reduced for retirement before age sixty (60); minimum \$100 per month if at least ten (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: sixty-six and two-thirds ( $66\frac{2}{3}$ ) percent 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 eighty (80) percent of average final compensation.

Form of Payment: payment begins on termination of service and ceases on cessation of disability or after five (5) years, unless the member is unable to engage in any gainful activity; in which case payments cease on the earlier of ten (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 sixty-six and two-thirds ( $66\frac{2}{3}$ ) percent 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.





**MAINE LEGISLATIVE RETIREMENT SYSTEM  
SUMMARY OF PLAN PROVISIONS  
(Continued)**

**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 (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 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 (6) months. The maximum increase or decrease is four (4) percent. 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: One Hundred (100) percent joint and survivor annuity.

Option 3: Fifty (50) percent joint and survivor annuity.

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





MAINE JUDICIAL RETIREMENT SYSTEM  
ACTUARIAL VALUATION  
June 30, 1990

Consolidated Results

1. PARTICIPANT DATA

A. Number of Active Employees	49
B. Active Payroll	\$3,547,259
C. Number of Retired Members	12
D. Annual Retiree Benefits	\$522,164
E. Number of Vested and Inactive Members	2

2. COST RESULTS

A. Retirement Benefits	
1. Employer Normal Cost	24.51 percent
2. Unfunded Actuarial Reserve	<u>11.43 percent</u>
3. Total Retirement Cost	35.94 percent
B. Disability Cost	2.01 percent
C. Survivor Benefit Cost	<u>0.23 percent</u>
D. Total Cost	38.18 percent

3. ACCOUNTING INFORMATION

A. GASB Disclosure

1. Pension Benefit Obligation:

a. Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$6,756,770
b. Current employees	
-Accumulated employee contributions including allocated investment earnings	1,130,209
-Employer-financed vested contributions	7,524,550
-Employer-financed non-vested contributions	<u>4,025,806</u>
c. Total Pension Benefit Obligation	\$19,437,335

2. Net Assets Available for Benefits (at cost)	\$9,163,022
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3. Unfunded Pension Benefit Obligation (not less than \$0)	\$10,274,313
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B. Other Accounting Information

1. Actuarial Value of Assets	\$10,058,197
2. Unfunded Actuarial Reserve	\$8,853,526
3. Market Value of Assets	\$10,097,929
4. Unfunded Accrued Reserve	\$6,581,196
5. Amortization Period	27 years



**MAINE JUDICIAL RETIREMENT SYSTEM  
SUMMARY OF ACTUARIAL ASSUMPTIONS  
June 30, 1990**

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 due to:

<u>at Age</u>	<u>Death</u>	<u>Disability</u>	<u>Quit</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: 27 Years

ASSET VALUATION METHOD

Assets are valued at actuarial value.



**MAINE JUDICIAL RETIREMENT SYSTEM**  
**SUMMARY OF PLAN PROVISIONS**  
**June 30, 1990**

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 six and one-half (6.5) percent 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 (3) 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; and
  - 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: twenty-five (25) years of creditable service, or attainment of age sixty (60) with ten (10) years of creditable service, or attainment of age seventy (70) and one (1) year of service immediately before retirement.

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

Maximum Benefit: sixty (60) percent of average final compensation.

Minimum Benefit: for a judge in service and age fifty (50) on December 1, 1984, seventy-five (75) percent 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, fifty (50) percent 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: sixty-six and two-thirds percent (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 5 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.





**MAINE JUDICIAL RETIREMENT SYSTEM  
SUMMARY OF PLAN PROVISIONS**

**June 30, 1990**

**(Continued)**

Retirement On or After December 1, 1984

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 (1/2) 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 (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 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 thereafter.





MAINE JUDICIAL RETIREMENT SYSTEM  
SUMMARY OF PLAN PROVISIONS

June 30, 1990  
(Continued)

Retirement On or After December 1, 1984

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

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 six (6) percent per year each July 1, beginning July 1, 1984.
2. REGULAR RETIREMENT BENEFITS  

Eligibility: attainment of age seventy (70) with seven (7) years of service or attainment of age sixty-five (65) with twelve (12) years of service, or attainment of age sixty (60) with twenty (20) years of service.

Benefit: three-quarters (3/4) of currently effective annual salary.
3. DISABILITY BENEFITS. Three-quarters (3/4) of currently effective annual salary.
4. SURVIVOR BENEFITS. Three-eighths (3/8) of current effective annual salary, payable to the surviving spouse of dependent children.







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