

ANNUAL STATEMENT  
for the  
FINANCIAL CONDITION  
of

Andover Contributory RETIREMENT SYSTEM

to the  
COMMISSIONER OF PUBLIC EMPLOYEE RETIREMENT  
of the  
COMMONWEALTH OF MASSACHUSETTS  
FOR THE YEAR ENDED DECEMBER 31, 1987



Instructions to Retirement Systems and Pension Funds  
(Henceforth called systems)

- (1) DATE OF FILING: The statement is required by law to be filed on or before May 1.
- (2) THE NAME OF THE SYSTEM must be typed or stamped at the top of all pages and schedules (and duplicate schedules) and also upon all inserted schedules and loose sheets.
- (3) This statement must be typewritten.
- (4) BLANK SCHEDULES will not be accepted. If no entries are to be made, type "NONE" across the schedule in question.
- (5) Each category of investment must be grouped alphabetically on appropriate schedules as listed below. Group totals in each category must be shown (sub-totals should be identified as such). Investments must be listed on a trade date basis (as opposed to the cashbook which is on a settlement date basis). Purchases made prior to January 1st but not settled until after December 31st should be recorded as accounts payable and as such should be listed as purchased and owned. Sales made prior to January 1st but not settled until after December 31st should be recorded as accounts receivable and as such should be listed as sold and no longer owned.

SCHEDULE 1

- (a) Cash
- (b) Prit Cash Fund

SCHEDULE 2

Short Term Securities (Treasury Bills, Commercial Paper, CD's, Term Deposits, Cooperative Shares, and Saving and Loan Shares).

SCHEDULE 3

Fixed Income Securities including Insurance Contracts\* categorized as Fixed Income Securities (non waived systems must group securities by classifications: U.S. Government, mortgage, railroad, telephone, public service and miscellaneous)

SCHEDULE 4

- (a) Equities including Insurance Contracts\* categorized as equities as well as any mutual fund not listed in 4(b) or 4(c)
- (b) Mutual or Commingled Real Estate Funds
- (c) Mutual or Commingled Venture Capital Fund
- (d) Options
- (e) PRIT Capital Fund
- (f) Treasurers Management Trust
- (g) Treasurers Fixed Income Securities Trust

SCHEDULE 5

Recap of schedules 1 through 4

\*Insurance contracts must be categorized in accordance with PERA's accounting manual.

- (6) If the Annual Statement and schedules do not contain the information asked for in the blank, or are not prepared as requested above, they will NOT be accepted by this Division.

NOTE: IN ACCORDANCE WITH THE PROVISIONS OF SECTION 20(5)(h) AND SECTION 23(1)(c) AND SECTION 23(2)(e) OF CHAPTER 32 OF THE GENERAL LAWS THIS STATEMENT MUST BE FILED IN THE OFFICE OF THE COMMISSIONER OF PUBLIC EMPLOYEE RETIREMENT NO LATER THAN MAY 1. THE DUE DATE FOR FILING WILL BE STRICTLY ENFORCED.

ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1987  
OF THE CONDITIONS AND AFFAIRS OF

Andover Contributory Retirement System  
(Name of Retirement System)

Organized under the Laws of the Commonwealth of Massachusetts to the  
COMMISSIONER OF PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION  
OF THE COMMONWEALTH OF MASSACHUSETTS  
PURSUANT TO THE LAWS THEREOF

Date of Certificate July 1, 1937  
Effective Date July 1, 1937

Administration Office

36 Bartlet Street Andover, MA 01810  
Street & Number City/Town, State and Zip Code

Telephone Number 617-470-3800

We, the undersigned, members of the Board of Retirement of Andover certify under the penalties of perjury, that we are the official board members of said retirement system, and that on the thirty-first day of December last all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all the assets, liabilities, income and disbursements, changes in fund balances and of the conditions and affairs of the said retirement system on the said thirty-first day of December last, and for the year ended on that date, according to the best of our information, knowledge and belief, respectively.

BOARD OF RETIREMENT

<u>William T. Downs</u> (Named Typed)	<u>(Signature)</u>	Chairman
<u>Rodney P. Smith</u> (Named Typed)	<u>(Signature)</u>	Board Member
<u>Leo F. Daley</u> (Named Typed)	<u>(Signature)</u>	Board Member

INVESTMENT ADVISOR(S)

<u>(Name)</u>	<u>(Address)</u>
<u>(Name)</u>	<u>(Address)</u>
<u>(Name)</u>	<u>(Address)</u>

CUSTODIAN

<u>(Name)</u>	<u>(Address)</u>
---------------	------------------

Annual Statement of the Andover Retirement System for  
the year ended December 31, 1987

ANNUAL STATEMENT BALANCE TESTS

1.	ASSET BALANCE	
	Assets Previous Year.....	\$ <u>9,412,502.28</u>
	Income Current Year.....	<u>3,160,820.45</u>
	Disbursements Current Year.....	( <u>1,830,777.98</u> )
	Assets Current Year.....	<u>10,742,544.75</u>
2.	ASSET DIFFERENCE	
	Assets Current Year.....	<u>10,742,544.75</u>
	Assets Previous Year.....	( <u>9,412,502.28</u> )
	Difference.....	<u>1,330,042.47</u>
3.	INCOME DIFFERENCE	
	Income Current Year.....	<u>3,160,820.45</u>
	Disbursements Current Year.....	( <u>1,830,777.98</u> )
	Difference.....	<u>1,330,042.47</u>
4.	FUND CHANGE DIFFERENCE	
	Total Fund Change Credits Current Year.....	<u>3,450,592.38</u>
	Total Fund Change Debits Current Year.....	( <u>2,120,549.91</u> )
	Difference.....	<u>1,330,042.47</u>

NOTE:  
THE SUMS OF TESTS 2,3, AND 4 SHOULD BE THE SAME.

Annual Statement of the Andover Contributory Retirement System  
for the year ended December 31, 1987

ASSETS

	<u>Current Year</u>	<u>Prior Year</u>
1. 1040-Cash	518,603.09	361,193.08
2. 1100-Short Term Investments	508,710.72	
3. 1180-Fixed Income Securities (at book value)	8,958,663.35	8,335,235.34
4. 1170-Equities (at market value)	432,943.75	513,000.00
5. 1172-Mutual or Commingled Real Estate Funds		
6. 1173-Mutual or Commingled Venture Capital Funds		
7. 1197-Options		
8. 1198-PRIT Cash Fund		
9. 1199-PRIT Capital Fund		
10. 1171-Treasurer's Management Trust		
11. 1181-Treasurer's Fixed Income Securities Trust		
12. 1891-Principal Adjustment Account		
13. 1550-Interest Due and Accrued	207,601.05	200,867.86
14. 1398-Accounts Receivable	116,022.79	2,206.00
TOTAL	<u>10,742,544.75</u>	<u>9,412,502.28</u>

FUNDS AND LIABILITIES

1. 3293-Annuity Savings Fund	5,483,878.53	4,873,513.74
2. 3294-Annuity Reserve Fund	1,826,154.80	1,664,870.67
3. 3295-Military Service Fund		
4. 3296-Pension Fund	1,520,968.09	1,567,346.12
5. 3298-Expense Fund	11,181.02	10,003.70
6. 3297-Pension Reserve Fund	1,900,362.31	1,296,768.05
7. 2020-Accounts Payable		
TOTAL	<u>10,742,544.75</u>	<u>9,412,502.26</u>

Annual Statement of the Andover Contributory Retirement System  
for the year ended December 31, 1987

	Balance December 31 Prior Year	Receipts	Interfund Transfers	Disbursements	Balance December 31 Current Year
Annuity Savings Fund	4,873,513.74	1,001,572.17	(285,207.40)	105,999.98	5,483,878.53
Annuity Reserve Fund	1,664,870.67	52,608.21	287,179.07	178,503.15	1,826,154.80
Pension Fund	1,567,346.12	1,479,111.67	(4,564.53)	1,520,925.17	1,520,968.09
Military Service Fund					
Expense Fund	10,003.70	26,527.00		25,349.68	11,181.02
Pension Reserve Fund	1,296,768.05	601,001.40	2,592.86		1,900,362.31
TOTAL ALL FUNDS	9,412,502.28	3,160,820.45	.00	1,830,777.98	10,742,544.75

List below all transfers:

Transfer from Pension Fund to the Annuity Saving Fund in the amount of \$ 4,564.53 on account of 1986 W/C Adjustment .

Transfer from Annuity Saving Fund to the Annuity Reserve Fund in the amount of \$ 287,179.07 on account of 1987 Retirement .

Transfer from Annuity Saving Fund to the Pesnion Reserve Fund in the amount of \$ 2,592.86 on account of Old Balances .

Transfer from \_\_\_\_\_ Fund to the \_\_\_\_\_ Fund in the amount of \$ \_\_\_\_\_ on account of \_\_\_\_\_ .

Transfer from \_\_\_\_\_ Fund to the \_\_\_\_\_ Fund in the amount of \$ \_\_\_\_\_ on account of \_\_\_\_\_ .

Transfer from \_\_\_\_\_ Fund to the \_\_\_\_\_ Fund in the amount of \$ \_\_\_\_\_ on account of \_\_\_\_\_ .

Transfer from \_\_\_\_\_ Fund to the \_\_\_\_\_ Fund in the amount of \$ \_\_\_\_\_ on account of \_\_\_\_\_ .

Annual Statement of the Andover Contributory Retirement System  
for the year ended December 31, 1987

Receipts

	<u>Current Year</u>	<u>Prior Year</u>
1. Annuity Savings Fund:		
(a) 4891-Members Deductions	680,601.50	
(b) 4892-Transfers From Other Systems	50,720.28	
(c) 4893-Member Make Up Payments and Redeposits	11,948.84	
(d) Investment Income Credited to Members Accounts	<u>258,301.55</u>	
2. Annuity Reserve Fund:		
(a) Investment Income Credited Annuity Reserve Fund	<u>52,608.21</u>	
3. Pension Fund:		
(a) 4898-3(8)(c) Reimbursements From Other Systems	19,575.03	
(b) 4899-Received From Commonwealth For COLA and Survivor Benefits	265,298.74	
(c) 4884-Profit on Sale of Investments	27,903.03	
(d) 4886-Increase in Market Value of Equities	14,375.00	
(e) 4889-Principal Adjustment Account Amortization Gain		
(f) 4894-Pension Fund Appropriation	<u>1,151,959.87</u>	
4. Military Service Fund:		
(a) 4890-Contributions Received from municipality on account of military service		
(b) Investment Income Credited Military Service Fund		
5. Expense Fund:		
(a) 4896-Expense Fund Appropriation	<u>26,527.00</u>	
6. Pension Reserve Fund:		
(a) 4897-Federal Grant Reimbursement	1,248.00	
(b) 4895-Pension Reserve Appropriation		
(c) 4822-Interest Not Refunded		
(d) Excess Investment Income	<u>599,753.40</u>	
TOTAL RECEIPTS	<u><u>3,160,820.45</u></u>	

Annual Statement of the Andover Contributory Retirement System  
for the year ended December 31, 1987

Disbursements

	<u>Current Year</u>	<u>Prior Year</u>
1. Annuity Savings Fund:		
(a) 5757-Refunds to Members	72,875.78	
(b) 5756-Transfers to Other Systems	33,124.20	
2. Annuity Reserve Fund:		
(a) 5750-Annuities Paid	162,196.60	
(b) 5759-Option B Refunds	16,306.55	
3. Pension Fund:		
(a) 5751-Pensions Paid		
Regular Pension Payments	947,025.53	
Survivorship Payments	87,830.93	
Ordinary Disability Payments	53,307.19	
Accidental Disability Payments	110,331.31	
Accidental Death Payments	63,196.50	
Section 101 Benefits		
(b) 5755-3(8)(c) Reimbursements To Other Systems	26,765.28	
(c) 5752-COLA's Paid		
(d) 5753-Chapter 389 Beneficiary Increase Paid		
(e) 4885-Loss on Sale of Investments	40,530.68	
(f) 4887-Decrease in Market Value of Equities	191,937.75	
(g) 4888-Principal Adjustment Account - Amortization Loss		
4. Military Service Fund:		
(a) 4890-Return to Municipality for Members who withdrew their funds		
5. Expense Fund:		
(a) 5119-Salaries	24,529.71	
(b) 5308-Legal Expenses		
(c) 5309-Medical Expenses		
(d) 5719-Travel		
(e) 5589-Administrative Expenses	819.97	
(f) 5599-Furniture and Equipment		
(g) 5304-Management Fees (not charged to Investment Income)		
(h) 5305-Custodial Fees		
TOTAL DISBURSEMENTS	1,830,777.98	



Annual Statement of the Andover Contributory Retirement System  
for the year ended December 31, 1987

Investment Income

	<u>Current Year</u>	<u>Prior Year</u>
Investment Income received from:		
(a) Cash (from schedules 1A and 1C)	22,207.22	
(b) PRIT Cash Fund (from schedules 1A and 1C)		
(c) Short Term Investments (from schedule 2)	25,340.27	
(d) Fixed Income Securities (from schedules 3A and 3C)	859,516.24	
(e) Equities (from schedules 4A and 4C)	23,979.53	
(f) Mutual or Commingled Real Estate Funds (from schedules 4A and 4C)		
(g) Mutual or Commingled Venture Capital Funds (from schedules 4A and 4C)		
(h) PRIT Capital Fund (from schedules 4A and 4C)		
(i) Treasurer's Mgmt Trust (from sch 4A and 4C)		
(j) Treasurer's Fixed Income Tr (from sch 4A and 4C)	<u>                    </u>	<u>                    </u>
4821-Total Investment Income		
Plus:		
4828-Increase in Amortization of Fixed Income Securities	11,849.62	
1550-Interest Due and Accrued on Fixed Income Securities-Current Year	<u>207,601.05</u>	<u>                    </u>
Less:		
4829-Decrease in Amortization of Fixed Income Securities	3,528.13	
4823-Paid Accrued Interest on Fixed Income Securities	35,434.88	
5306-Management Fees Paid (Used when management fee offsets investment income)		
1550-Interest Due and Accrued on Fixed Income Securities-Prior Year	<u>200,867.86</u>	<u>                    </u>
NET INVESTMENT INCOME	<u>910,663.06</u>	<u>                    </u>
Income Required:		
Annuity Savings Fund (From supplementary schedule)	258,301.55	
Annuity Reserve Fund	52,608.11	
Military Service Fund	<u>                    </u>	<u>                    </u>
TOTAL INCOME REQUIRED	310,909.66	
Net Investment Income	910,663.06	
Less: Income Required:	<u>310,909.66</u>	<u>                    </u>
EXCESS INCOME TO THE PENSION RESERVE FUND	<u>599,753.40</u>	<u>                    </u>

Annual Statement of the Andover Contributory Retirement System  
for the year ended December 31, 1987

MEMBERSHIP FOR CURRENT YEAR

Active Members

	Members In Service				
	Group 1		Group 2 & 4		TOTAL
	Male	Female	Male	Female	
Active Membership, Dec. 31, previous year	176	248	122	2	548
Enrolled during current year	24	27	2		53
Transfers between groups					
Reinstatements of disabled members					
Transfers from inactive membership					
Subtotal	200	275	124	2	601
Deduct, ceased by:					
Death					
Withdrawal	13	23			36
Retirements	6	6	4		16
Transfers in inactive membership					
Subtotal	19	29	4		52
Active Membership, Dec. 31, current year	181	246	120	2	549

Inactive Members

Inactive Membership, Dec. 31, previous yr	11	18	2		31
Add: Transfers in inactive membership					
Deduct: Transfers from inactive membership					
Inactive Membership, Dec. 31, current year	11	18	2		31

Retired Members

Retired Membership, Dec. 31, previous year	77	107	37	4	225
Retirements during the year:					
Superannuation	4	6	2		12
Ordinary disability					
Accidental disability	2		2		4
Termination					
Subtotal	83	113	41	4	241
Deduct, ceased by:					
Deaths of retired members	4	4			8
Reinstatements of disabled pensioners					
Subtotal	79	109	41	4	233
Retired Membership, Dec. 31, current year	70	109	29	4	212
Superannuation	3		3		6
Ordinary disability	6		9		15
Accidental disability					
Termination					
Retired Membership, Dec. 31, current year	79	109	41	4	233

TOTAL ACTIVE, INACTIVE & RETIRED MEMBERSHIP DEC. 31, CURRENT YEAR

Total Membership, Dec. 31, previous year	271	373	163	6	813
--	-----	-----	-----	---	-----

BENEFICIARIES AND SURVIVORS DECEMBER 31, CURRENT YEAR

Beneficiaries from accidental deaths:					
Beneficiaries from Section 100					
Beneficiaries from Section 101				4	4
Beneficiaries under Option (c)	1	6		4	11
Option (d) Survivor Allowance	3	11		1	15
Section 12B Survivor Allowance		2		1	3
TOTAL	4	19		10	33

Disability Re-examinations					
Disability Desk Reviews					
Disabilities in Rehabilitation					

Annual Statement of the Andover Contributory Retirement System for the Year Ended December 31, 1987

Schedule No. 1-A

Cash\* Held at End of Year

\*Cash defined in ledger #1040 as Savings, Checking or Money Market Account  
and in ledger #1198 PRIT Cash Fund

Description Give complete description alphabetically by name of bank, type of account.	Account No.	Date Account Opened	Interest Rate at Year End	Book Value Dec. 31st Previous Year	Net Amount Deposited or Withdrawn During Year Including Interest If Not Withdrawn	Book Value December 31st Current Year	Interest Received During Year Including Interest Reinvested	Interest Due and Accrued on Dec. 31st
Baybank	111-01143		Var	283,193.08	235,410.01	518,603.09	22,207.22	

Annual Statement of the Andover Contributor Retirement System for the Year Ended December 31, 1987Schedule No. 1-BCash Accounts opened During Year

Description Give complete description alphabetically by name of bank, type of account	Account No.	Date Account Opened	Interest Rate at Year End	Initial Funds Deposited	Net Amount Deposited or Withdrawn During Year Including Interest If Not Withdrawn	Book Value December 31st Current Year
---	----------------	---------------------------	---------------------------------	-------------------------------	--	---

NONE

NONE

NONE

NONE

NONE

NONE

NONE

NONE



Annual Statement of the Andover Retirement System for the Year Ended December 31, 1987

Schedule No. 1-C

### Cash Accounts Closed During Year.

[illegible]

Schedule No. 2 (A,B, and C)  
 Annual Statement of the Andover Contributor Retirement System for the Year Ended December 31, 19 87  
Short Term Securities\* Bought and Sold or matured during  
as well as still held on December 31st  
 \*Short Term defined in ledger #1100 as U.S. Treasury Bills  
 Commercial Paper, CD's, Term Deposits, Cooperative Shares, Savings and Loan Shares

Description Give complete description list alphabetically listing those owned Dec. 31st first (rolled over securities must be listed as sold and then repurchased)	CUSIP or Account No.	Date Acquired	Par Value	Cost Including Commissions	Int. Rate	Date Matured	Amount Received at maturity less Commissions and Excluding Interest	Name of Broker	Commission	Book Value Dec. 31st Current Year	Interest Received During Year	Interest Due and Accrued Dec. 31st
Massachusetts Municipal Depositors Trust	44005387	8/15/79				Var				508,710.72	24,950.73	.00
Merrill Lynch										.00	389.54	.00

Annual Statement of the Andover Contrib. Retirement System for the Year Ended December 31, 19<sup>87</sup>  
Schedule 5  
Summary of Investments Owned

<u>Category of Investment</u>	<u>Book Value</u>	<u>Interest Due and Accrued</u>	<u>Paid Accrued Interest on Purchases in Current Year</u>	<u>Commissions Paid During Current Year</u>	<u>Amortization of Fixed Income securities</u>	<u>Increase or Decrease in mkt. value of equities</u>	<u>Profit or Loss on Securities Sold Current Yr</u>	<u>Investment Income Received During Yr</u>	
					<u>Increase</u> <u>Decrease</u>	<u>Increase</u> <u>Decrease</u>	<u>Profit</u> <u>Loss</u>		
1(a) 1040-Cash	518,603.09							22,207.22	
1(b) 1198-PRIT Cash Fund									
2. 1100-Short Term Sec	508,710.72							25,340.27	
3. 1180-Fixed Inc. Sec	8,958,663.35	207,601.55	35,434.88		11,849.62	3,528.13	19,831.78	40,530.68 785,580.27	
4(a) 1170-Equities	432,943.75						191,937.75	14,375.00 8,071.25 23,979.53	
4(b) 1172-Mut. or Commingled Real Estate Funds									
4(c) 1173-Mut. or Commingled Venture Capital Funds									
4(d) 1197-Options									
4(e) 1199-PRIT Capital Fund									
4(f) 1171-Treasurer's Mgmt. Trust									
4(g) 1181-Treasurer's Fixed Inc. Securities Trust									
<b>TOTAL</b>	<b>10,418,920.91</b>	<b>207,601.55</b>	<b>35,434.88</b>		<b>11,849.62</b>	<b>3,528.13</b>	<b>191,937.75</b>	<b>14,375.00</b>	<b>27,903.03</b>