

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, 1988

ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1988
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
Street & Number

Andover, MA 01810

City/Town, State and Zip Code

Telephone Number 508-470-3800

We, the undersigned, members of the Board of Retirement of Andover, MA 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

William T. Downs

(Named Typed)

(Signature)

Chairman

Rodney P. Smith

(Named Typed)

(Signature)

Board Member

Leo F. Daley

(Named Typed)

(Signature)

Board Member

INVESTMENT ADVISOR(S)

(Name)

(Address)

(Name)

(Address)

(Name)

(Address)

CUSTODIAN

(Name)

(Address)

Annual Statement of the Andover Contributory Retirement System
for the year ended December 31, 1988

ASSETS AND LIABILITIES

	<u>Current Year</u>	<u>Prior Year</u>
1. 1040-Cash	299,636.24	518,603.09
2. 1100-Short Term Investments	365,131.73	508,710.72
3. 1180-Fixed Income Securities (at book value)	11,534,779.35	8,958,663.35
4. 1170-Equities (at market value)	633,202.95	432,943.75
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	277,817.40	207,601.05
14. 1398-Accounts Receivable	1,196.76	116,022.79
15. 2020-Accounts Payable	()	()
TOTAL	<u>13,111,764.43</u>	<u>10,742,544.75</u>

FUNDS

1. 3293-Annuity Savings Fund	6,098,757.99	5,483,878.53
2. 3294-Annuity Reserve Fund	2,049,066.60	1,826,154.80
3. 3295-Military Service Fund		
4. 3296-Pension Fund	1,520,509.92	1,520,968.09
5. 3298-Expense Fund	20,730.79	11,181.02
6. 3297-Pension Reserve Fund	3,422,699.13	1,900,362.31
TOTAL	<u>13,111,764.43</u>	<u>10,742,544.75</u>

Annual Statement of the Andover Contributory Retirement System
for the year ended December 31, 1988

Receipts

	<u>Current Year</u>	<u>Prior Year</u>
1. Annuity Savings Fund:		
(a) 4891-Members Deductions	757,869.26	680,601.50
(b) 4892-Transfers From Other Systems	21,209.10	50,720.28
(c) 4893-Member Make Up Payments and Redeposits	11,307.69	11,948.84
(d) Investment Income Credited to Members Accounts	271,719.26	258,301.55
Subtotal	<u>1,062,105.31</u>	<u>1,001,572.17</u>
2. Annuity Reserve Fund:		
(a) Investment Income Credited Annuity Reserve Fund	58,223.59	52,608.21
Subtotal	<u>58,223.59</u>	<u>52,608.21</u>
3. Pension Fund:		
(a) 4898-3(8)(c) Reimbursements From Other Systems	17,517.12	19,575.03
(b) 4899-Received From Commonwealth For COLA and Survivor Benefits	183,964.77	265,298.74
(c) 4884-Profit on Sale of Investments	36,081.85	27,903.03
(d) 4886-Increase in Market Value of Equities	93,027.20	14,375.00
(e) 4889-Principal Adjustment Account Amortization Gain		
(f) 4894-Pension Fund Appropriation	1,159,503.00	1,151,959.87
Subtotal	<u>1,490,093.94</u>	<u>1,479,111.67</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	29,044.00	26,527.00
Subtotal	<u>29,044.00</u>	<u>26,527.00</u>
6. Pension Reserve Fund:		
(a) 4897-Federal Grant Reimbursement	1,918.00	1,248.00
(b) 4895-Pension Reserve Appropriation	800,000.00	
(c) 4822-Interest Not Refunded	3,350.26	
(d) Excess Investment Income	724,559.96	599,753.40
Subtotal	<u>1,529,828.22</u>	<u>601,001.40</u>
TOTAL RECEIPTS	<u>4,169,295.06</u>	<u>3,160,820.45</u>

Annual Statement of the Andover Contributory Retirement System
for the year ended December 31, 1988

Investment Income

	<u>Current Year</u>	<u>Prior Year</u>
Investment Income received from:		
(a) Cash (from schedules 1A and 1C)	18,459.82	22,207.22
(b) PRIT Cash Fund (from schedules 1A and 1C)		
(c) Short Term Investments (from schedule 2)	58,475.35	25,340.27
(d) Fixed Income Securities (from schedules 3A and 3C)	938,601.10	859,516.24
(e) Equities (from schedules 4A and 4C)	34,067.68	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)		
4821-Total Investment Income	1,049,603.95	931,043.26
Plus:		
4828-Increase in Amortization of Fixed Income Securities	13,067.11	11,849.62
1550-Interest Due and Accrued on Fixed Income Securities-Current Year	277,817.40	207,601.05
	<u>290,884.51</u>	<u>219,450.67</u>
Less:		
4829-Decrease in Amortization of Fixed Income Securities	(6,163.65)	(3,528.13)
4823-Paid Accrued Interest on Fixed Income Securities	(72,220.95)	(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	(207,601.05)	(200,867.86)
NET INVESTMENT INCOME	<u>1,054,502.81</u>	<u>910,663.06</u>
Income Required:		
Annuity Savings Fund (From supplementary schedule)	271,719.26	258,301.55
Annuity Reserve Fund	58,223.59	52,608.11
Military Service Fund		
TOTAL INCOME REQUIRED	329,942.85	310,909.66
Net Investment Income	1,054,502.81	910,663.06
Less: Income Required:	(329,942.85)	(310,909.66)
EXCESS INCOME TO THE PENSION RESERVE FUND	<u>724,559.96</u>	<u>599,753.40</u>

Annual Statement of the Andover Contributory Retirement System for the Year Ended December 31, 1988
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	518,603.09	(218,966.85)	299,636.24	18,459.82	0

Schedule No. 1-B
Cash Accounts opened During Year

[illegible]

Cash Accounts Closed During Year

[illegible]

Schedule No. 2 (A,B, and C)
 Annual Statement of the Andover Retirement System for the Year Ended December 31, 19 88
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)	QJSP or Account No.	Date Acquired	Par Value	Cost Including Commissions	Int. Rate	Date of Maturity	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
MA Municipal Depositors Trust	44005387	8/15/79	1.00		Var	Var	.00	-----	.00	365,131.73	58,246.41	.00
Shearson Lehman	353-13590-10-275										95.08	
Donaldson, Lufkin & Jenrette	212-751507										133.86	
											<hr/> 58,475.35	

Annual Statement of the Andover Retirement System for the Year Ended December 31, 1988Schedule 5Summary 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	299,636.24							18,459.82
1(b) 1198-PRIT Cash Fund								
2. 1100-Short Term Sec	365,131.73							58,475.35
3. 1180-Fixed Inc. Sec	11,534,779.35	277,817.40	72,220.95		13,067.11	6,163.65	35,931.70	3,030.43938,601.10
4(a) 1170-Equities	633,202.96			322.57		93,027.20	7,492.00	150.15 4,044.73 34,067.68
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								
TOTAL	12,832,750.28	277,817.40	72,220.95	322.57	13,067.11	6,163.65	93,027.20	36,081.85 1,049,603.95
							7,492.00	7,075.16