

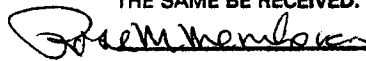
No. 30

**EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY
OF PROVIDENCE**

ANNUAL REPORT
OF THE
RETIREMENT BOARD

IN CITY COUNCIL

READ
WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

 CLERK

**FOR THE FISCAL YEAR
ENDED JUNE 30, 1986**

**EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY
OF PROVIDENCE**

ANNUAL REPORT
OF THE
RETIREMENT BOARD

**FOR THE FISCAL YEAR
ENDED JUNE 30, 1986**

CITY HALL, DECEMBER 15, 1986

*To the Honorable Joseph R. Paolino, Jr., Mayor and
The Honorable City Council:*

In compliance with the provisions of Article 3, Section 3, of Chapter 489 of the Public Laws, passed at the January Session, A.D. 1923, entitled "An Act to provide for the Retirement of Employees of the City of Providence," the Retirement Board herewith transmits its 61st annual report for the year ended June 30, 1986, giving in detail the receipts, disbursements and investments, together with certain membership statistics.

Frank E. Corrente, City Controller
12/31/86

EMPLOYEES' RETIREMENT FUND
Of the City of Providence, R.I.

Statement of Current Condition
June 30, 1986

ASSETS

| | | |
|---------------------------------------|----------------|-------------------------|
| Cash..... | \$6,775,917.88 | |
| Receivables: | | |
| Member Loans | \$6,119,818.31 | |
| Member Loan Interest..... | 20,920.29 | |
| Due from Other Funds: | | |
| Long Term Debt | 4,270,353.60 | |
| Due from School/Federal..... | 141,195.38 | |
| Investments | 122,801,811.28 | |
| Accrued Interest on Investments | 624,676.16 | |
| Total Assets | | \$140,754,692.90 |

LIABILITIES AND FUND BALANCES

| | | |
|----------------------------------------------|------------------|-------------------------|
| Liabilities: | | |
| Accounts Payable | \$1,776,480.00 | |
| Fund Balances: | | |
| Bequest to Employees Retirement System | 7,356.50 | |
| Annuity Savings Funds: | | |
| General Employees..... | \$40,723,296.29 | |
| Teacher Employees..... | 47,785.46 | |
| Elected Officials..... | 206,504.00 | |
| Pension Accumulated Funds: | | |
| General Employees..... | \$(1,051,070.26) | |
| Teacher Employees..... | 43,579.84 | |
| Annuity Reserve Funds: | | |
| General Employees..... | \$11,048,936.07 | |
| Teacher Employees..... | 175,440.32 | |
| Teacher Excess Reserve..... | 332,944.04 | |
| Pension Reserve Funds: | | |
| General Employees..... | \$87,493,611.87 | |
| Teacher Employees..... | (50,171.23) | |
| Total Liabilities and Fund Balances | | \$140,754,692.90 |

**Statement of Revenue, Expenses and Fund Balance
For the Year Ended June 30, 1986**

| | | |
|-----------------------------------|-----------------|-----------------|
| Operating Revenue: | | |
| Employee Contributions | \$4,047,910.18 | |
| Employer Contributions | 11,502,578.98 | |
| Total Operating Revenue | | \$15,550,489.16 |
| Operating Expenses: | | |
| Retiree Benefits | \$15,616,494.57 | |
| Member Refunds | 1,313,482.91 | |
| Other | 481,299.25 | |
| Total Operating Expense | | 17,411,276.73 |
| Operating Loss | | (1,860,787.57) |
| Non-Operating Revenue: | | |
| Interest on Investments | \$10,988,102.52 | |
| Interest on Member Loans | 363,210.28 | |
| Net Gain on Investments | 1,917,857.16 | |
| Other | 220,291.46 | |
| Total Non-Operating Revenue | | 13,489,461.42 |
| Net Income | | 11,628,673.85 |
| Fund Balance 6/30/85 | | 127,349,539.07 |
| Fund Balance 6/30/86 | | 138,978,212.92 |

**Statement of Investment Income
For the Year Ended June 30, 1986**

| | | |
|------------------------------------------------|----------------|-----------------|
| Gross Income on Investments: | | |
| Interest on United States Securities | \$5,811,186.83 | |
| Interest on Public Utility Bonds | 1,563,663.44 | |
| Corporate Stock Dividends | 2,464,281.50 | |
| Interest on Other U.S. Gov't Obligations | 225,709.05 | |
| Interest on Commercial Paper | 630,329.49 | |
| Interest on First Mortgages | 70,491.23 | |
| Interest on Retirement Debt | 374,829.75 | |
| Gain on Sale of Investments | 2,774,461.63 | |
| Amortization of Discount on | | |
| Public Utility Bonds | 132,451.82 | |
| Other | 220,291.46 | |
| Total Gross Interest Revenues on Fund | | \$14,267,696.20 |

| | | |
|-----------------------------------------------|------------------|-----------------|
| Deductions from Gross Interest Revenues | | |
| Trust Commission Expense | \$241,446.64 | |
| Loss on Sales of Investments | 856,604.47 | |
| Amortization of Premiums on | | |
| Public Utility Bonds | 1,233.97 | |
| Accrued Interest Paid | 81,897.54 | |
| Total Deductions | | \$1,181,182.62 |
| Net Income on Investments | | 13,086,513.58 |
| Add: Net Income on Member Loans | | 363,210.28 |
| Total Net Income on Investments & Loans | | \$13,449,723.86 |
| Average Investment | \$112,768,852.28 | |
| Net Income Yield | 11.61% | |
| Average Member Loans | \$6,001,527.45 | |
| Net Income Yield | 6.05% | |
| Average Investment & Loan | \$118,770,379.73 | |
| Net Income Yield | 11.32% | |

**Employees' Retirement Fund
Individual Investment Yields
As of June 30, 1986**

| Type of Investment | Book Value | Net Income | Yield |
|------------------------------------------|------------------|-----------------|-------|
| Public Utility Bonds | \$19,338,284.68 | \$1,563,663.44 | 8.1% |
| Corporate Capital Stock | 36,665,112.31 | 2,464,281.50 | 6.7% |
| U.S. Treasury Notes and Bonds | 47,823,493.75 | 5,811,186.83 | 12.2% |
| Other U.S. Government Agency Notes | 3,145,740.62 | 225,709.05 | 7.2% |
| First Mortgages | 619,223.89 | 70,491.23 | 11.4% |
| Commercial Paper | 14,219,946.03 | 630,329.49 | 4.4% |
| Capital Note | 1,000,000.00 | 85,000.00 | 8.5% |
| Other | 10.00 | | |
| Total | \$122,801,811.28 | \$10,850,661.54 | |

COST OF OPERATIONS
General Fund Appropriations for the Year Ended June 30, 1986

| | | |
|---------------------------------------------------|-------------|--------------|
| Personal Services: | | |
| Salaries | | \$88,868.08 |
| Services Other than Personal: | | |
| Consulting Actuary | \$71,061.00 | |
| Medical Services | 13,489.00 | |
| Postage, Freight & Express | 2,215.32 | |
| Printing and Binding | 3,559.00 | |
| Repairs to Office Machinery | 499.30 | |
| Dues and Subscriptions | 151.20 | |
| Misc. Services not Classified | 25.00 | 90,999.82 |
| Materials and Supplies: | | |
| Stationery, Printed Forms & Office Supplies | 1,257.99 | |
| Office Furniture & Mach. Equip. | 925.00 | 2,182.99 |
| Total Cost of Operations | | \$182,050.89 |

Investments as of June 30, 1986 (Exclusive of Member Loans)

SUMMARY

| | Total Investment | Percent of Investment |
|------------------------------------------|---------------------|--------------------------|
| Public Utility Bonds | \$19,338,284.68 | 15.3% |
| Corporate Capital Stock | 36,655,112.31 | 29.0% |
| U.S. Treasury Bonds & Notes | 47,823,493.75 | 37.8% |
| Other U.S. Government Agency Notes | 3,145,740.62 | 2.5% |
| First Mortgages | 619,223.89 | .5% |
| Commercial Paper | 17,942,912.10 | 14.2% |
| Capital Note | 1,000,000.00 | .7% |
| Other | 10.00 | |
| Total | \$126,524,777.35 | 100.0% |

First Mortgage Investments as of June 30, 1986

| | | Maturity Date | Book Value | Market Value |
|-------|---------------------------|------------------|---------------|-----------------|
| 9.50% | Foremost Lithograph | 4-29-90 | \$55,696.28 | \$55,696.28 |
| 7.75% | Foremost Lithograph | 4-29-90 | 85,985.10 | 85,985.10 |
| 7.00% | Foremost Lithograph | 4-29-90 | 35,652.88 | 35,652.88 |
| 7.50% | Westco Realty | 2-04-95 | 441,889.63 | 441,889.63 |
| | Total | | \$619,223.89 | \$619,223.89 |

United States Government Securities

| Report by | | Par Value | Book Value | Market Value |
|-----------|------------------------|--------------|-----------------|-----------------|
| Yield % | Treasury Notes & Bonds | | | |
| 14.875% | August 15, 1991..... | \$500,000 | \$489,056.25 | \$651,250.00 |
| 14.00% | May 15, 1987..... | 800,000 | 798,750.00 | 849,496.00 |
| 14.00% | May 15, 1987..... | 600,000 | 589,875.00 | 637,122.00 |
| 14.00% | July 15, 1988..... | 800,000 | 798,750.00 | 905,000.00 |
| 14.00% | July 15, 1988..... | 700,000 | 692,781.25 | 791,875.00 |
| 13.25% | April 15, 1988..... | 1,000,000 | 997,500.00 | 1,104,370.00 |
| 13.00% | November 15, 1990..... | 1,700,000 | 1,658,125.00 | 2,037,348.00 |
| 13.00% | November 15, 1990..... | 1,000,000 | 970,000.00 | 1,198,440.00 |
| 12.75% | February 15, 1987..... | 1,000,000 | 992,500.00 | 1,038,440.00 |
| 12.75% | February 15, 1987..... | 1,000,000 | 989,375.00 | 1,038,440.00 |
| 12.625% | November 15, 1987..... | 1,000,000 | 980,000.00 | 1,074,690.00 |
| 12.00% | May 15, 1987..... | 1,000,000 | 952,500.00 | 1,045,620.00 |
| 12.00% | March 31, 1988..... | 1,000,000 | 1,000,000.00 | 1,082,500.00 |
| 11.875% | October 15, 1989..... | 1,000,000 | 935,000.00 | 1,127,810.00 |
| 11.875% | October 15, 1989..... | 1,000,000 | 935,000.00 | 1,127,810.00 |
| 11.75% | November 15, 1988..... | 1,000,000 | 942,500.00 | 1,097,810.00 |
| 11.75% | November 15, 1993..... | 1,100,000 | 1,080,968.75 | 1,346,807.00 |
| 11.625% | November 15, 1994..... | 500,000 | 518,750.00 | 620,000.00 |
| 11.50% | October 15, 1990..... | 500,000 | 499,687.50 | 570,625.00 |
| 11.50% | November 15, 1995..... | 1,600,000 | 1,588,687.50 | 2,002,992.00 |
| 10.875% | February 15, 1993..... | 1,200,000 | 1,176,000.00 | 1,400,244.00 |
| 10.750% | November 15, 1989..... | 500,000 | 500,000.00 | 548,905.00 |
| 10.750% | November 15, 1989..... | 760,000 | 738,164.06 | 834,335.60 |
| 10.750% | August 15, 1990..... | 500,000 | 485,000.00 | 555,780.00 |
| 10.50% | June 30, 1987..... | 1,000,000 | 975,000.00 | 1,037,500.00 |
| 10.50% | April 15, 1990..... | 1,000,000 | 997,500.00 | 1,097,190.00 |
| 10.50% | November 15, 1992..... | 1,500,000 | 1,510,000.00 | 1,715,625.00 |
| 10.50% | February 15, 1995..... | 800,000 | 774,500.00 | 941,752.00 |
| 10.375% | May 15, 1995..... | 1,200,000 | 1,221,250.00 | 1,407,744.00 |
| 10.250% | March 31, 1987..... | 1,000,000 | 997,500.00 | 1,026,250.00 |
| 10.125% | May 15, 1993..... | 4,400,000 | 4,420,000.00 | 4,981,636.00 |
| 10.125% | May 15, 1993..... | 4,000,000 | 4,020,000.00 | 4,528,760.00 |
| 10.125% | February 15, 1988..... | 500,000 | 480,000.00 | 523,905.00 |
| 10.125% | November 15, 1994..... | 2,400,000 | 2,288,320.31 | 2,765,256.00 |
| 10.00% | December 31, 1986..... | 3,000,000 | 2,957,500.00 | 3,051,570.00 |
| 9.875% | August 15, 1990..... | 500,000 | 505,000.00 | 541,250.00 |
| 9.50% | August 15, 1988..... | 1,000,000 | 1,010,000.00 | 1,047,810.00 |
| 9.25% | May 15, 1989..... | 75,000 | 74,250.00 | 79,054.50 |
| 9.00% | February 15, 1994..... | 1,925,000 | 1,760,560.31 | 2,082,599.75 |
| 8.875% | February 15, 1996..... | 500,000 | 529,687.50 | 548,125.00 |
| 8.25% | May 15, 1988..... | 400,000 | 389,799.07 | 409,624.00 |
| 7.875% | February 15, 1993..... | 1,000,000 | 810,937.50 | 1,021,250.00 |
| 7.50% | August 15, 1993..... | 400,000 | 297,093.75 | 400,748.00 |
| 7.25% | March 31, 1990..... | 500,000 | 495,625.00 | 500,935.00 |
| | Total..... | \$48,860,000 | \$47,823,493.75 | \$54,396,293.85 |

Other United States Government Obligations

| | | Par Value | Book Value | Market Value |
|-------------------------------------------------|--------------------------|----------------|----------------|----------------|
| Government National Mortgage Association | | | | |
| 6.50% | October 15, 2003 | \$74,241.38 | \$59,948.42 | \$67,002.84 |
| 6.50% | April 15, 2003 | 278,142.04 | 224,246.57 | 251,023.19 |
| | Subtotal | 352,383.42 | 284,194.99 | 318,026.03 |
| Federal National Mortgage Association | | | | |
| 15.25% | May 10, 1989 | 250,000.00 | 250,625.00 | 298,750.00 |
| 10.40% | March 10, 1988 | 500,000.00 | 500,000.00 | 525,310.00 |
| | Subtotal | 750,000.00 | 750,625.00 | 824,060.00 |
| Twelve Federal Land Banks | | | | |
| 7.95% | April 22, 1991 | 500,000.00 | 401,250.00 | 500,310.00 |
| 7.35% | January 20, 1997 | 500,000.00 | 377,500.00 | 470,625.00 |
| | Subtotal | 1,000,000.00 | 778,750.00 | 970,935.00 |
| Federal Farm Credit Banks | | | | |
| 11.70% | July 20, 1988 | 500,000.00 | 497,030.00 | 538,905.00 |
| 10.75% | October 20, 1986 | 200,000.00 | 164,000.00 | 202,250.00 |
| | Subtotal | 700,000.00 | 661,030.00 | 741,155.00 |
| Federal Home Loan Banks | | | | |
| 16.40% | September 25, 1986 | 500,000.00 | 504,140.63 | 511,095.00 |
| 11.30% | November 25, 1986 | 200,000.00 | 167,000.00 | 203,562.00 |
| | Subtotals | 700,000.00 | 671,140.63 | 714,657.00 |
| | Grand Totals | \$3,502,383.42 | \$3,145,740.62 | \$3,568,833.03 |

Corporation Stock Owned as of June 30, 1986

| Name of Corporation | #Shares | Book Value | Market Value |
|------------------------------------------|---------|--------------|--------------|
| Preferred Stock: | | | |
| BCI Holdings Corp. | \$.80 | \$0 | \$20.20 |
| Union Pacific Corp. | \$5,700 | \$684,225.00 | \$696,825.00 |
| Common Stock: | | | |
| American Express Co. Inc. | 5,500 | 163,338.46 | 343,750.00 |
| American Home Products Corp. | 42,000 | 1,206,476.05 | 3,780,000.00 |
| American Telephone & Telegraph Co. | 31,000 | 455,681.02 | 786,625.00 |
| Amoco Corp. | 23,000 | 696,863.13 | 1,385,750.00 |
| A.T. Cross Co. | 31,000 | 435,544.46 | 1,329,125.00 |
| Atlantic Richfield Co. | 27,700 | 1,103,014.42 | 1,440,400.00 |
| Automatic Data Processing | 10,000 | 343,650 | 353,750.00 |
| Avon Products Inc. | 6,500 | 178,247.72 | 232,375.00 |
| BankAmerica Corp. | 19,000 | 365,786.00 | 296,875.00 |
| Bell Atlantic Corp. | 19,000 | 771,287.58 | 1,320,500.00 |
| Bell South Corp. | 20,000 | 596,723.68 | 1,255,000.00 |
| Bristol-Myers Co. | 30,000 | 845,714.89 | 2,580,000.00 |
| Burroughs Corp. | 5,500 | 277,754.04 | 338,250.00 |
| Capital Holding Corp. of America | 15,000 | 198,632.67 | 566,250.00 |
| Caterpillar Tractor Co. | 15,000 | 577,607.14 | 746,250.00 |
| Central & Southwest Corp. | 31,300 | 670,525.28 | 978,125.00 |
| Champion International Corp. | 10,000 | 228,479.83 | 246,250.00 |
| Coca-Cola Co. | 10,000 | 349,750.00 | 1,255,000.00 |
| Dayton-Hudson Corp. | 25,000 | 842,127.60 | 1,393,750.00 |
| Deere & Co. | 5,500 | 160,783.31 | 156,750.00 |
| Delta Air Line Inc. | 15,000 | 570,650.00 | 622,500.00 |
| Dominion Resources Inc. | 16,200 | 622,089.55 | 680,400.00 |
| Dow Chemical Corp. | 43,500 | 1,171,575.35 | 2,495,812.50 |
| Dupont E.I. DeNemours & Co. | 4,600 | 212,843.25 | 382,950.00 |
| Eastman Kodak & Co. | 4,500 | 209,738.38 | 263,812.50 |
| Emerson Electric Co. | 3,600 | 188,983.84 | 313,200.00 |
| Exxon Corp. | 30,000 | 661,804.83 | 1,826,250.00 |
| Federated Department Stores Inc. | 14,100 | 620,583.36 | 1,253,137.50 |
| First Virginia Banks | 9,000 | 151,761.91 | 311,625.00 |
| Fleet Financial Group Inc. | 35,000 | 378,096.79 | 1,903,125.00 |
| Ford Motor Company—Delaware | 30,000 | 834,460.00 | 1,653,750.00 |
| Foxboro Co. | 10,000 | 259,650.00 | 305,000.00 |
| FPL Group Inc. | 53,000 | 849,044.86 | 1,682,750.00 |
| General Electric Co. | 5,000 | 225,706.34 | 405,000.00 |
| General Mills Inc. | 10,000 | 240,413.63 | 830,000.00 |
| General Motors Corp. | 14,400 | 1,043,536.10 | 1,117,800.00 |
| Halliburton Co. | 16,000 | 523,221.98 | 356,000.00 |
| Hewlett Packard Co. | 7,000 | 249,731.94 | 287,000.00 |
| International Business Machines Corp. .. | 34,900 | 2,046,509.00 | 5,112,850.00 |
| International Paper Co. | 5,000 | 246,450.09 | 314,375.00 |
| Jeffery Martin Inc. | 6,000 | 59,159.67 | 36,750.00 |
| Johnson & Johnson | 18,000 | 672,033.65 | 1,307,250.00 |
| J.P. Morgan & Co. Inc. | 29,000 | 845,088.42 | 2,548,375.00 |
| Marsh & McLennan | 6,000 | 283,635.00 | 354,000.00 |
| Maytag Co. | 30,000 | 793,345.00 | 1,605,000.00 |
| McDonalds Corp. | 22,500 | 533,523.19 | 1,645,312.50 |
| Merck & Co. Inc. | 3,400 | 143,118.27 | 355,300.00 |
| Minncota Mining & Mfg. | 2,700 | 194,083.30 | 307,125.00 |
| Mobil Corp. | 50,000 | 996,898.11 | 1,581,250.00 |

| | | | |
|------------------------------------------|--------|----------------|-----------------|
| National Medical Center | 11,000 | 234,841.04 | 257,125.00 |
| New York State Electric & Gas Corp. | 12,375 | 296,470.92 | 408,375.00 |
| Noxell Corp. | 8,000 | 344,812.50 | 346,000.00 |
| Old Kent Financial Corp. | 11,000 | 412,380.00 | 423,500.00 |
| Oneida Ltd. | 9,000 | 185,404.76 | 154,125.00 |
| Panhandle Eastern Corp. | 46,500 | 1,062,308.69 | 2,237,812.50 |
| Pepsico Inc. | 9,000 | 94,101.73 | 303,750.00 |
| Perkin Elmer | 5,000 | 150,362.42 | 136,875.00 |
| Pfizer Inc. | 53,500 | 1,035,316.53 | 3,825,250.00 |
| Proctor & Gamble Co. | 3,000 | 159,179.63 | 240,375.00 |
| Ralston Purina Co. | 4,000 | 41,059.54 | 292,000.00 |
| Raytheon Co. | 11,000 | 476,665.00 | 699,875.00 |
| Sara Lee Corp. | 12,000 | 555,640.00 | 843,000.00 |
| Schlumberger Ltd. | 15,000 | 673,628.24 | 515,625.00 |
| Sears Roebuck & Co. | 12,200 | 398,167.02 | 591,700.00 |
| Square D. Co. | 24,000 | 659,601.51 | 1,026,000.00 |
| Sterling Drug Inc. | 6,000 | 171,540.00 | 291,000.00 |
| Texas Utilities | 20,500 | 456,403.81 | 627,812.50 |
| Transworld Corp. | 15,000 | 465,617.50 | 508,125.00 |
| Travelers Corp. | 2,000 | 102,704.60 | 100,000.00 |
| Union Pacific Corp. | 5,000 | 229,581.47 | 284,375.00 |
| United Tele Communications | 8,000 | 170,211.53 | 218,000.00 |
| Warner Lambert Co. | 6,500 | 201,710.71 | 402,187.50 |
| Weyerhaeuser Co. | 8,500 | 241,752.93 | 296,437.50 |
| Xerox Corp. | 15,000 | 855,701.66 | 841,875.00 |
| Totals | | \$1,249,175.80 | \$36,655,112.33 |
| Stock Purchase Rights: | | | |
| Burroughs Corp. | 5,500 | 0 | 275.00 |
| International Paper Co. | 4,000 | 0 | 200.00 |
| Panhandle Eastern Corp. | 7,500 | 0 | 375.00 |
| Ralston Purina Corp. | 4,000 | 0 | 200.00 |
| Totals | | \$1,270,175.80 | \$36,655,112.33 |
| | | | \$69,210,520.20 |
| | | | \$69,211,570.20 |

Summary of Utility Corporation Bond Holdings

| Name of Corporation | Par Value |
|-------------------------------------------|--------------|
| American Telephone & Telegraph..... | \$4,200,000 |
| Baltimore Gas & Electric Co. | 575,000 |
| Bell Telephone Co. of PA..... | 250,000 |
| Central Illinois Pub. Serv. Co. | 25,000 |
| Chesapeake & Potomac Tel. & Tel. | 25,000 |
| Chevron..... | 250,000 |
| Cleveland Elec. & Illum. Co. | 250,000 |
| Consolidated Edison of NY | 200,000 |
| Derre & Co. | 100,000 |
| Delmarva Power & Lt. | 500,000 |
| Duke Power Co. | 900,000 |
| Duquesne Lt. Co. | 50,000 |
| Exxon Corp. | 500,000 |
| Florida Power & Lt. | 425,000 |
| Ford Motor Credit..... | 250,000 |
| General Motors Accept. Corp. | 450,000 |
| Georgia Power Co. | 500,000 |
| Idaho Power Co. | 50,000 |
| Illinois Bell Tel. Co. | 500,000 |
| Inland Steel Co. | 500,000 |
| International Bank for Recon. & Dev. | 1,500,000 |
| Iowa-Illinois Gas & Elec. | 49,000 |
| Kansas Gas & Elec. | 500,000 |
| Mass. Elec. Co. | 25,000 |
| Michigan Bell Tel. Co. | 800,000 |
| Montana Power Co. | 50,000 |
| Narragansett Electric Co. | 250,000 |
| New England Tel. Co. | 500,000 |
| New York Telephone Co. | 200,000 |
| Northwestern Bell Tel. Co. | 75,000 |
| Oklahoma Gas and Elec. | 25,000 |
| Pacific Gas and Elec. | 425,000 |
| Pacific Tel. & Tel. | 250,000 |
| Potomac Elec. & Power..... | 50,000 |
| Public Service Co. of Colorado..... | 50,000 |
| Public Service Gas & Elec. | 700,000 |
| Sears Roebuck Accept. | 100,000 |
| Shell Oil Co. | 500,000 |
| So. Bell Tel. & Tel. | 600,000 |
| So. New England Tel. | 300,000 |
| S.W. Bell Tel. Co. | 925,000 |
| Tennessee Valley Authority | 725,000 |
| Texaco, Inc. | 54,000 |
| Texas Elec. Serv. Co. | 500,000 |
| Union Carbide Corp. | 200,000 |
| Union Electric Co. | 200,000 |
| Virginia Elec. & Power..... | 50,000 |
| Wisconsin Power & Lt. | 573,000 |
| Total | \$20,676,000 |

Corporate Utility Bonds as of June 30, 1986

| | Name of Corporation | Maturity | Par Value | Cost | Book Value | Unamortized Premiums | Balance Discount | Annual Income | Yield |
|--------|-------------------------------------|----------|------------|------------|------------|----------------------|------------------|---------------|-------|
| 3.625% | Potomac Elec. Power Co. | 6-1-91 | 25,000.00 | 25,277.25 | 25,033.53 | 33.53 | 0 | 906.00 | 4.31% |
| 3.875% | American Tel. & Tel. | 7-1-90 | 25,000.00 | 25,692.50 | 25,064.75 | 64.75 | 0 | 968.00 | 4.29% |
| 5% | Pacific Gas & Elec. | 6-1-89 | 25,000.00 | 25,205.62 | 25,019.80 | 19.80 | 0 | 1,250.00 | 5.34% |
| 4% | Baltimore Gas & Elec. | 3-1-93 | 25,000.00 | 25,375.00 | 25,068.12 | 68.12 | 0 | 1,000.00 | 5.01% |
| 4.625% | Public Service Elec. & Gas..... | 8-1-88 | 25,000.00 | 25,517.75 | 25,018.34 | 18.34 | 0 | 1,156.25 | 4.89% |
| 4.750% | Southwestern Bell Tel. Co. | 10-1-92 | 25,000.00 | 26,375.00 | 25,221.74 | 221.74 | 0 | 1,187.40 | 5.68% |
| 4.375% | Northwestern Bell Tel. Co. | 5-1-89 | 50,000.00 | 51,000.00 | 50,071.28 | 71.28 | 0 | 2,187.34 | 4.74% |
| 4.50% | Oklahoma Gas & Elec. | 1-1-87 | 25,000.00 | 25,375.00 | 25,000.00 | 0 | 0 | 1,125.00 | 4.56% |
| 4.375% | Northwestern Bell Tel. Co. | 5-1-89 | 25,000.00 | 25,187.50 | 25,013.30 | 13.30 | 0 | 1,093.66 | 4.74% |
| 4.625% | Potomac Elec. Power Co. | 12-1-93 | 25,000.00 | 25,333.00 | 25,067.34 | 67.34 | 0 | 1,156.00 | 5.70% |
| 4.750% | Central Illinois Pub. Ser. Co. | 1-1-89 | 25,000.00 | 25,408.25 | 25,029.06 | 29.06 | 0 | 1,187.00 | 5.05% |
| 4.125% | Chesapeake & Potomac Tel. Co. | 12-1-93 | 25,000.00 | 24,125.00 | 24,835.94 | 0 | 164.06 | 1,031.00 | 5.29% |
| 4.375% | Illinois Bell Tel. Co. | 3-1-94 | 50,000.00 | 50,512.50 | 50,108.72 | 108.72 | 0 | 2,187.50 | 5.53% |
| 4.250% | Duquesne Light Co. | 3-1-89 | 50,000.00 | 49,437.50 | 49,959.84 | 0 | 40.16 | 2,125.00 | 4.68% |
| 4.375% | Illinois Bell Tel. Co. | 3-1-94 | 50,000.00 | 49,625.00 | 49,920.36 | 0 | 79.64 | 2,187.50 | 5.53% |
| 4.50% | Montana Power Co. | 4-1-89 | 50,000.00 | 49,312.50 | 49,950.80 | 0 | 49.20 | 2,250.00 | 4.97% |
| 4.625% | Wisconsin Power & Light | 3-1-89 | 23,000.00 | 22,942.50 | 22,995.51 | 0 | 4.49 | 1,063.00 | 4.95% |
| 4.625% | Public Service Co. of Colorado..... | 5-1-89 | 50,000.00 | 50,000.00 | 50,000.00 | 0 | 0 | 2,312.00 | 5.01% |
| 5% | Idaho Power Co. | 5-15-89 | 50,000.00 | 50,401.00 | 50,028.68 | 28.68 | 0 | 2,500.00 | 5.36% |
| 4.625% | Virginia Elec. Co. | 9-1-90 | 50,000.00 | 50,364.50 | 50,039.00 | 39.00 | 0 | 2,312.00 | 5.18% |
| 4.625% | S.W. Bell Tel. Co. | 8-1-95 | 50,000.00 | 50,312.50 | 50,075.75 | 75.75 | 0 | 2,312.40 | 6.11% |
| 4.375% | Florida Power & Light | 12-1-86 | 50,000.00 | 49,875.00 | 50,000.00 | 0 | 0 | 2,187.00 | 4.43% |
| 4.875% | Iowa-Illinois Gas & Elec. | 5-1-91 | 49,000.00 | 49,580.65 | 49,100.07 | 100.07 | 0 | 2,388.00 | 5.51% |
| 5% | Mass. Elec. Co. | 7-1-91 | 25,000.00 | 25,509.75 | 25,087.83 | 87.83 | 0 | 1,250.00 | 5.66% |
| 4.625% | Tennessee Valley Authority..... | 7-1-86 | 250,000.00 | 249,375.00 | 250,000.00 | 0 | 0 | 11,562.50 | 4.62% |
| 4.375% | Consolidated Edison | 6-1-92 | 200,000.00 | 199,000.00 | 199,821.56 | 0 | 178.44 | 8,750.00 | 5.21% |
| 4.625% | American Tel. & Tel. | 2-1-94 | 200,000.00 | 206,500.00 | 201,516.59 | 1,516.59 | 0 | 9,250.18 | 5.69% |
| 4.375% | So. Bell Tel. & Tel. | 4-1-01 | 200,000.00 | 200,000.00 | 200,000.00 | 0 | 0 | 8,750.17 | 6.77% |
| 4.125% | Wisconsin Power & Light..... | 5-1-92 | 50,000.00 | 49,125.00 | 49,843.75 | 0 | 156.25 | 2,125.00 | 5.08% |
| 4.625% | Narragansett Elec. | 1-1-94 | 250,000.00 | 253,087.20 | 250,745.08 | 745.08 | 0 | 11,562.00 | 5.82% |
| 4.625% | American Tel. & Tel. | 3-1-94 | 400,000.00 | 400,000.00 | 400,000.00 | 0 | 0 | 18,500.37 | 5.69% |
| 4.750% | American Tel. & Tel. | 6-1-98 | 850,000.00 | 850,000.00 | 850,000.00 | 0 | 0 | 40,375.00 | 6.50% |
| 4.375% | American Tel. & Tel. | 5-1-99 | 400,000.00 | 400,000.00 | 400,000.00 | 0 | 0 | 17,500.07 | 6.33% |
| 4.50% | Union Elec. Co. | 4-1-95 | 200,000.00 | 200,000.00 | 200,000.00 | 0 | 0 | 9,000.00 | 5.98% |
| 4.375% | Illinois Bell Tel. Co. | 3-1-94 | 400,000.00 | 400,000.00 | 400,000.00 | 0 | 0 | 17,500.00 | 5.53% |
| 4.50% | International Bank..... | 12-1-90 | 800,000.00 | 800,000.00 | 800,000.00 | 0 | 0 | 36,000.00 | 4.95% |
| 4.375% | Michigan Bell Tel. Co. | 12-1-91 | 800,000.00 | 800,000.00 | 800,000.00 | 0 | 0 | 35,000.00 | 5.12% |

Corporate Utility Bonds as of June 30, 1986

| | Name of Corporation | Maturity | Par Value | Cost | Book Value | Unamortized Premiums | Balance Discount | Annual Income | Yield |
|--------|-----------------------------------|----------|--------------|--------------|--------------|----------------------|------------------|---------------|--------|
| 4.625% | N.E. Tel. & Tel. | 7-1-05 | 500,000.00 | 500,000.00 | 500,000.00 | 0 | 0 | 23,125.00 | 7.45% |
| 4.625% | New York Tel. Co. | 1-1-02 | 200,000.00 | 200,000.00 | 200,000.00 | 0 | 0 | 9,250.00 | 7.08% |
| 4.375% | Pacific Gas & Elec. | 6-1-94 | 400,000.00 | 400,000.00 | 400,000.00 | 0 | 0 | 17,500.00 | 5.86% |
| 4.625% | Pacific Tel. & Tel. | 4-1-99 | 250,000.00 | 250,000.00 | 250,000.00 | 0 | 0 | 11,562.00 | 6.70% |
| 8.5% | Duke Power Co. | 3-1-00 | 500,000.00 | 500,025.00 | 500,009.00 | 9.00 | 0 | 42,500.00 | 8.91% |
| 8.625% | Georgia Power Co. | 4-1-00 | 500,000.00 | 499,425.00 | 499,793.00 | 0 | 207.00 | 43,125.00 | 9.24% |
| 8.50% | Kansas Gas & Elec. | 3-1-00 | 500,000.00 | 495,650.00 | 498,434.00 | 0 | 1,566.00 | 42,500.00 | 9.56% |
| 8.00% | Wisconsin Power & Light | 7-1-01 | 500,000.00 | 498,850.00 | 499,444.90 | 0 | 555.10 | 40,000.00 | 8.71% |
| 7.25% | Shell Oil Co. | 2-15-02 | 500,000.00 | 502,600.00 | 501,344.75 | 1,344.75 | 0 | 36,250.00 | 8.42% |
| 7.125% | Baltimore Gas & Elec. | 1-1-02 | 500,000.00 | 489,512.54 | 494,569.72 | 0 | 5,430.28 | 35,624.50 | 8.40% |
| 7.00% | Delmarva Power & Light | 11-1-98 | 500,000.00 | 482,596.44 | 492,342.46 | 0 | 7,657.54 | 35,000.00 | 8.03% |
| 7.125% | Texas Elec. Service Co. | 1-1-02 | 500,000.00 | 495,489.00 | 498,812.90 | 0 | 1,187.10 | 35,625.00 | 8.65% |
| 6.50% | Exxon Corp. | 7-15-98 | 250,000.00 | 210,000.00 | 229,130.43 | 0 | 20,869.57 | 16,250.00 | 7.36% |
| 7.00% | American Tel. & Tel. | 2-15-01 | 1,250,000.00 | 1,053,889.58 | 1,136,919.38 | 0 | 113,080.61 | 87,500.00 | 8.09% |
| 7.125% | Cleveland Elec. & Illum. | 1-15-90 | 250,000.00 | 206,604.36 | 239,151.02 | 0 | 10,848.88 | 17,812.00 | 7.44% |
| 7.250% | General Motors Accept. Corp. | 3-1-95 | 250,000.00 | 224,717.99 | 238,024.29 | 0 | 11,975.71 | 18,125.00 | 7.68% |
| 7.350% | Tennessee Valley Authority | 4-1-98 | 250,000.00 | 250,000.00 | 250,000.00 | 0 | 0 | 18,374.54 | 8.12% |
| 8.125% | So. New England Tel. | 5-1-08 | 225,000.00 | 218,204.73 | 220,043.23 | 0 | 4,956.77 | 18,281.25 | 8.93% |
| 8.125% | So. New England Tel. | 5-1-08 | 75,000.00 | 73,139.23 | 73,697.41 | 0 | 1,302.59 | 609,375.00 | 8.93% |
| 8.50% | Southwestern Bell Tel. | 3-15-16 | 500,000.00 | 492,500.00 | 494,166.64 | 0 | 5,833.36 | 42,500.00 | 9.24% |
| 8.375% | Sears Roebuck Accept. | 12-31-86 | 100,000.00 | 98,250.00 | 100,000.00 | 0 | 0 | 8,375.00 | 8.39% |
| 4.375% | So. Bell Tel. | 4-1-01 | 400,000.00 | 231,416.00 | 292,719.20 | 0 | 107,280.80 | 17,499.83 | 6.77% |
| 7.9% | Deere & Co. | 3-1-87 | 100,000.00 | 96,625.00 | 100,000.00 | 0 | 0 | 7,900.00 | 7.92% |
| 7.5% | Ford Motor Credit | 11-15-91 | 250,000.00 | 227,292.50 | 243,087.75 | 0 | 6,912.25 | 18,450.00 | 7.67% |
| 7.00% | Chevron Corp. | 4-1-96 | 250,000.00 | 216,250.00 | 232,000.00 | 0 | 18,000.00 | 17,500.00 | 7.81% |
| 4.875% | General Motors Accept. | 12-1-87 | 200,000.00 | 153,422.00 | 194,177.75 | 0 | 5,822.25 | 9,750.00 | 5.04% |
| 6.00% | Exxon Corp. | 11-1-97 | 250,000.00 | 186,250.00 | 212,500.00 | 0 | 37,500.00 | 15,000.00 | 6.96% |
| 4.75% | S.W. Bell Tel. | 10-1-92 | 100,000.00 | 65,823.00 | 85,759.56 | 0 | 14,240.44 | 4,749.60 | 5.68% |
| 7.350% | Tennessee Valley Authority | 4-1-98 | 225,000.00 | 187,479.50 | 202,929.06 | 0 | 22,070.94 | 16,537.46 | 8.12% |
| 4.625% | Public Service Elec. & Gas | 8-1-88 | 175,000.00 | 127,487.50 | 168,212.50 | 0 | 6,787.50 | 8,093.75 | 4.89% |
| 6.00% | Florida Power & Light | 12-1-96 | 175,000.00 | 102,284.00 | 131,370.38 | 0 | 43,629.62 | 10,500.00 | 7.28% |
| 7.125% | Baltimore Gas & Elec. | 1-1-02 | 50,000.00 | 33,975.00 | 38,553.54 | 0 | 11,446.46 | 3,562.50 | 8.40% |
| 7.625% | Public Service Gas & Elec. | 4-1-99 | 500,000.00 | 371,275.00 | 414,183.28 | 0 | 85,816.72 | 38,125.00 | 8.5% |
| 11.25% | Inland Steel Corp. | 6-1-90 | 500,000.00 | 504,300.00 | 501,603.50 | 1,603.50 | 0 | 56,250.00 | 11.17% |
| 11.30% | Florida Power & Light | 5-1-10 | 200,000.00 | 197,250.00 | 197,741.05 | 0 | 2,258.95 | 22,600.00 | 10.39% |
| 4.625% | S.W. Bell Tel. Co. | 8-1-95 | 125,000.00 | 64,500.00 | 87,769.20 | 0 | 37,230.80 | 5,781.30 | 6.11% |

Corporate Utility Bonds as of June 30, 1986

| | Name of Corporation | Maturity | Par Value | Cost | Book Value | Unamortized Premiums | Balance Discount | Annual Income | Yield |
|---------|----------------------------|----------|--------------|-----------------|-----------------|----------------------|------------------|----------------|--------|
| 4.625% | S.W. Bell Tel. Co. | 8-1-95 | 125,000.00 | 64,500.00 | 87,769.20 | 0 | 37,230.80 | 5,781.30 | 6.11% |
| 4.375% | American Tel. & Tel. | 5-1-99 | 275,000.00 | 100,718.75 | 147,193.75 | 0 | 127,806.25 | 12,030.93 | 6.33% |
| 14.50% | Union Carbide Corp. | 12-1-91 | 200,000.00 | 195,750.00 | 197,875.00 | 0 | 2125.00 | 29,000.00 | 13.52% |
| 15.00% | Int. Bank Rec. & Dev. | 12-15-88 | 500,000.00 | 495,500.00 | 499,100.00 | 0 | 900.00 | 75,000.00 | 12.87% |
| 15.125% | Int. Bank Rec. & Dev. | 2-15-91 | 200,000.00 | 198,040.00 | 199,020.00 | 0 | 980.00 | 30,250.00 | 11.63% |
| 4.625% | American Tel. & Tel. | 2-1-94 | 800,000.00 | 372,800.00 | 515,199.98 | 0 | 284,800.02 | 36,999.45 | 5.69% |
| 8.50% | Duke Power Co. | 7-1-95 | 400,000.00 | 399,000.00 | 399,000.00 | 0 | 1,000.00 | 34,000.00 | 8.35% |
| | Totals | | \$20,372,000 | \$18,618,224.59 | \$19,338,284.68 | \$6,266.23 | \$1,039,981.55 | \$1,346,231.50 | |

NUMBER OF EMPLOYEES ON RETIREMENT AND CAUSE

| Group | SERVICE | | | DISABILITY | | | | | | ACCIDENTAL DEATH | | | |
|----------------|---------|------|-------------------|------------|------|-------------------|----------|------|-------------------|------------------|------|-------------------|-----------|
| | To Date | Died | Total End of Year | Accidental | | | Ordinary | | | To Date | Died | Total End of Year | Total All |
| | | | | To Date | Died | Total End of Year | To Date | Died | Total End of Year | | | | |
| Laborers..... | 793 | 42 | 804 | 38 | 1 | 38 | 15 | 0 | 16 | 4 | 0 | 4 | 862 |
| Clerks..... | 542 | 23 | 573 | 9 | 0 | 10 | 7 | 0 | 7 | 1 | 0 | 1 | 591 |
| Teachers..... | 46 | 9 | 37 | 0 | 0 | 0 | 7 | 0 | 1 | 0 | 0 | 0 | 38 |
| Firemen..... | 215 | 0 | 222 | 113 | 1 | 117 | 3 | 0 | 3 | 15 | 0 | 15 | 357 |
| Policemen..... | 315 | 7 | 316 | 34 | 0 | 35 | 3 | 0 | 3 | 5 | 0 | 5 | 359 |
| Total..... | 1911 | 81 | 1953 | 194 | 2 | 200 | 31 | 0 | 32 | 25 | 0 | 25 | 2210 |

38 Teachers Under Chapter 2101, 1948

STATEMENT OF CHANGES IN THE MEMBERSHIP DURING THE YEAR ENDED JUNE 30, 1986

| Group | Total Enrolled | Decrease in Membership | Increase or Decrease* in Active Members |
|----------------|----------------|------------------------|-----------------------------------------|
| Laborers..... | 32 | 19 | 13 |
| Clerks..... | 86 | 22 | 64 |
| Teachers..... | 0 | 0 | 0 |
| Firemen..... | 1 | 2 | 1 |
| Policemen..... | 6 | 4 | 2 |
| Total..... | 123 | 478 | |

| Group | Resigned Dismissed | Deaths | Total Withdrawals | Retirements | Suspensions | Decrease in Membership |
|----------------|--------------------|--------|-------------------|-------------|-------------|------------------------|
| Laborers..... | 19 | 43 | 62 | 55 | 0 | 117 |
| Clerks..... | 22 | 23 | 45 | 55 | 0 | 100 |
| Teachers..... | 0 | 8 | 8 | 0 | 0 | 8 |
| Firemen..... | 2 | 1 | 3 | 13 | 0 | 16 |
| Policemen..... | 4 | 8 | 12 | 10 | 0 | 22 |
| Total..... | 47 | 83 | 130 | 133 | 0 | 263 |

STATEMENT OF TOTAL MEMBERSHIP AS OF JUNE 30, 1986

| Group | Total Enrolled | Decrease in Membership | Net Active Membership |
|----------------|----------------|------------------------|-----------------------|
| Laborers..... | 15,244 | 14,556 | 688 |
| Clerks..... | 7,684 | 6,752 | 932 |
| Teachers..... | 2,331 | 2,329 | 2 |
| Firemen..... | 1,332 | 863 | 469 |
| Policemen..... | 1,573 | 1,106 | 467 |
| Total..... | 28,164 | 25,606 | 2,558 |

WITHDRAWALS, RETIREMENT AND SUSPENSIONS

| Group | Withdrawals | Retirement | Suspensions | Decrease in Membership |
|----------------|-------------|------------|-------------|------------------------|
| Laborers..... | 12,453 | 2,015 | 88 | 14,556 |
| Clerks..... | 5,627 | 1,037 | 88 | 6,752 |
| Teachers..... | 1,779 | 550 | 0 | 2,329 |
| Firemen..... | 289 | 569 | 5 | 863 |
| Policemen..... | 582 | 519 | 5 | 1,106 |
| Total..... | 20,730 | 4,690 | 186 | 25,606 |

The members of the Retirement Board of the Employees Retirement System of the City of Providence hereby certify that on December 1, 1986 they examined and accepted from City Treasurer Stephen Napolitano and City Controller Frank E. Corrente, their detailed certification of all Securities by the Employee's Retirement System as of June 30, 1986. The members further certify that they also on December 1, 1986 examined the cash balance as of June 30, 1986 and hereby present their report as a true statement of receipts, disbursements and investments for the fiscal year ended June 30, 1986.

JOSEPH R. PAOLINO, JR.
Mayor and Chairman

CAROLYN F. BRASSIL
Chairman Finance Committee

Carolyn F. Brassil

FRANK E. CORRENTE
City Controller, as Officer in Charge

ANN T. McCRINK

Ann T. McCrink

MAURICE BISSINETTE

Maurice Bissinette

ALFRED B. MENDILLO

Alfred B. Mendillo

ENRICO J. LANDI

Enrico J. Landi

JOHN J. POWER, JR.

John J. Power, Jr.

EDMOND F. MARNANE

Edmond F. Marnane

JAMES QUATTROCCHI

James Quattrocchi

THOMAS D'AMICO

Thomas D'Amico

December 31, 1986