



# **Comprehensive Annual Financial Report**

**for the**

**Teachers' Retirement System of Oklahoma  
a Component Unit of the State of Oklahoma**

**For the Fiscal Year Ended June 30, 2000**

**Prepared by the Retirement System Staff**

**Teachers' Retirement System of Oklahoma  
2801 North Lincoln Boulevard  
Oklahoma City, Oklahoma**

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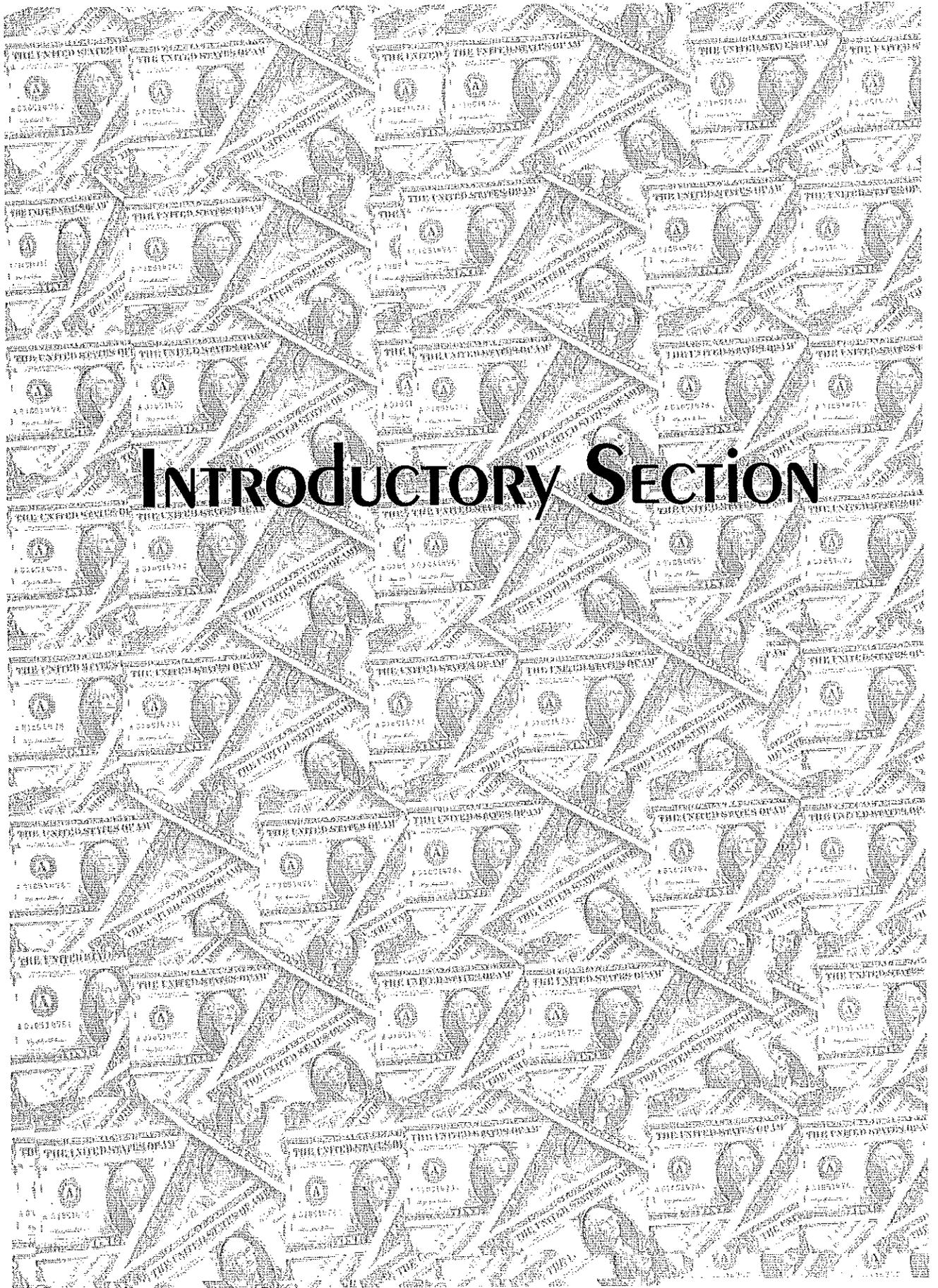
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**Comprehensive Annual Financial Report for the  
Teachers' Retirement System of Oklahoma**

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# INTRODUCTORY SECTION





FRANK KEATING  
GOVERNOR

STATE OF OKLAHOMA  
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

TO THE BOARD OF TRUSTEES OF THE TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA:

The Management of the Oklahoma Teachers' Retirement System (known collectively as TRS or the System) presents the Comprehensive Annual Financial Report for the Teachers' Retirement System of Oklahoma, a component unit of the state of Oklahoma, for the year ended June 30, 2000.

Established by legislation, the System began operation July 1, 1943, and concluded its 57th year on June 30th. The System provides retirement allowances and other benefits to public education employees in the common schools, vocational-technical schools, colleges and universities, and other local and state educational agencies of the State of Oklahoma. At the close of business on June 30, 2000, the System had 633 participating employers, 83,024 active members, 11,472 inactive members and 34,117 retired members and beneficiaries receiving monthly benefits.

The 2000 Comprehensive Annual Financial Report is presented in five sections: the Introductory, Financial, Investment, Actuarial, and Statistical. Responsibility for the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the management of the System. To the best of our knowledge and belief, all data in the report is accurate in all material respects and is reported in a manner designed to present fairly the plan net assets and changes in plan net assets of the System. All disclosures necessary to enable the reader to gain an understanding of the System's financial activities have been included.

#### ECONOMIC CONDITION AND OUTLOOK

The year ending June 30, 2000, continued to see an expansion of capital markets which began in the Fourth Quarter of 1994. Concerns about slower growth during calendar year 2000 continue to increase. The state of Oklahoma's economy continues to improve as evidenced by the growth in tax revenues, up from 1999 levels.

#### MAJOR INITIATIVES

As previously reported, the System is one of the country's five worst-funded state-operated pension plans. As of June 30, 2000, only 53.7% of the System's actuarial liabilities were covered by the actuarial value of its assets. The Board of Trustees of the Teachers' Retirement System continues to stress the importance of improving the overall funded position of the System. During the past year, Trustees have worked with the Governor, legislative leaders, and representatives from education organizations to find ways to better finance the System's obligations. A properly funded pension plan is the most important issue before the Board of Trustees.

In March 1998, the Oklahoma Teachers' Retirement System Task Force issued its findings and recommendations after almost six months of meetings. The 100-page report concluded that the System's poor financial condition was "the most serious fiscal problem that faces the State of Oklahoma." Among the recommendations subsequently adopted by the Legislature and signed into law by the Governor was a revised funding schedule replacing the pay-out plan adopted in 1992.

A new law enacted and signed by Governor Keating during the 1999 legislative session provides that the System will receive 3.54% of the state's sales and use taxes, and 3.54% of the state's corporate and

The current combined local school/state contribution rate is not large enough to pay the normal cost and pay interest on the unfunded accrued actuarial liabilities. Therefore, negative amortization results. This is the reason unfunded liabilities are expected to increase each year until at least 2013. Under the present funding schedule, unfunded liabilities are expected to increase to \$5.5 billion in 2013 before declining. It will then take another 18 to 20 years before assets match liabilities.

The System's actuary presented a revised set of actuarial assumptions to the Board of Trustees on completion of an experience study earlier this year which analyzed plan experience for the last five years. The new set of assumptions has not been accepted by the Board. The recommended assumptions would not have materially changed either the System's Unfunded Actuarial Accrued Liabilities (UAAL) or the funded ratio. However, the recommended new assumptions would have extended the funding period by about 20 years; principally due to lower payroll growth assumption and a change in the annual inflation rate assumption from 4% to 3%.

Even though positive investment returns have allowed the System to make substantial improvements in its funded position, the System is still poorly funded compared to other public retirement systems in Oklahoma and elsewhere. Projected amortization of current liabilities is based on assumptions and is subject to change. Each annual actuarial valuation is a refinement of the previous year's estimates. This year's report contained good news, i.e., positive investment returns that reduced liabilities faster than anticipated. But plan participants and other interested parties cannot depend on investment returns alone to solve the System's underfunded financial position. The state of Oklahoma must contribute more in future years to fund the pension obligations already earned by retired and active members. The new contribution schedule will eventually fund the System, but only if the schedule is maintained and new benefit increases are funded in addition to current obligations.

#### EXPENSES

Expenses of the System are attributable to retirement benefit payments including health insurance subsidies, death and survivors benefits, refunds of member contributions and administrative expenses. During the year ended June 30, 2000, the System paid \$20.6 million more in retirement and insurance benefits than in the preceding year, \$4.9 million more in refunds and death benefits, and \$7.8 million more in distributions from the System's 403(b) Tax Sheltered Annuity Plan. The increase in retirement and insurance benefits is attributed to a net increase in the number of retired members. The increase in refunds, deaths and annuity distributions is a reflection of growth in the System's membership and the increasing number of retired members who must take a minimum distribution from their 403(b) annuity account. Administrative expenses increased by \$265,222.

#### INVESTMENTS

Net investment income, including realized gains and appreciation on investments of \$597 million, during FY 2000 were positive contributors to the fund's financial status. Net assets totaled \$6.250 billion at market value on June 30, 2000, compared to \$5.737 billion on June 30, 1999. Included in assets is \$360 million held in trust for members who participate in the System's 403(b) Tax Sheltered Annuity Program. The actuarial value of assets is reported at \$5.373 billion after market value of assets is reduced by the \$360 million in member's 403(b) accounts and \$517 million in deferred earnings which are averaged into the actuarial value of assets over a five-year period.

On June 30, 2000, the System's investment portfolio mix at market value was 32% fixed income, 62% equities and 6% cash and short-term investments. As trustee for members' funds, the System is responsible for investment of the funds under the prudent person standard. This standard permits the System to allocate trust funds across a broad group of asset classes. The Board of Trustees elected to limit investments to stocks and bonds, Treasury Bills and Notes, Commercial Paper, foreign currency exchange contracts, and bank deposits collateralized by U.S. Government securities.

The System's time-weighted rate of return for the year ended June 30, 2000, was 11.25%. This was down from the 12.16% return for 1999. Annualized three-year and five-year total returns were 15.43% and 16.41%, respectively. The System's long-term goal to exceed by 3% the rate of inflation measured by the CPI has been achieved for both the three-year and five-year periods. A summary of the System's investment activities during FY 2000 and historic performance results is presented in the Investment Section. A complete listing of securities held by the Teachers' Retirement System as of June 30, 2000, can be found at the end of the Investment Section.

#### INDEPENDENT AUDIT

The System is audited annually by independent auditors retained for this purpose by the State Auditor and Inspector. In addition to the audit of the System's financial statements, state statutes require the auditor to perform tests of the System's compliance with certain provisions of laws and regulations. The Independent Auditors' Report is contained in the Financial Section.

#### AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Teachers' Retirement System of Oklahoma for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This is the seventh year the System's *Annual Report* has received this distinction.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to GFOA program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

#### ACKNOWLEDGMENTS

This report reflects the combined efforts of the TRS staff under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions and as a means for determining responsible stewardship for the assets contributed by the members and their employers.

The success of any organization is directly attributable to the dedication, commitment, and proficiency of the personnel. I would like to take this opportunity to express my gratitude to the Board of Trustees, the staff, the advisors, and the many people who have worked so diligently to assure the successful operation and improvement of the financial soundness of the Teachers' Retirement System of Oklahoma.

This report is being mailed to the Governor, members of the Oklahoma Legislature, the Oklahoma State Pension Commission and to each school site of the participating employers of the Teachers' Retirement System. Copies of the report are available upon request by active and retired members of the System and other interested parties. We hope you find this report informative and helpful.

Sincerely yours,



Tommy C. Beavers  
Executive Secretary  
November 1, 2000



FRANK KEATING  
GOVERNOR

STATE OF OKLAHOMA  
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

To the Members of the Teachers' Retirement System:

A well-funded System is the primary goal of the Board of Trustees of the Teachers' Retirement System of Oklahoma.

The Board deals with many challenges, chief among them the management of the System's investment portfolio so as to earn the highest possible rate of return. Investment income, coupled with employee and employer contributions, produces the funding for the Retirement System's pension benefits. Our returns have averaged 13.6% per year for the past 10 years. At the current time, the market value of the portfolio is in excess of \$6.2 billion. The investment returns have been good, but concerns over the underfunded status persists. Improvement of the System's long-term financial soundness is an ongoing objective of the Board of Trustees. An influx of substantial new monies would improve the chances for younger and future retirees to receive what they have earned and have been promised.

COLAs and other benefits are necessary on a regular basis. Retirees as well as active members are faced with escalating costs for health care, particularly for prescription drugs.

Improved service to our membership is an ongoing goal. Most of the contact between members and the Retirement System is via telephone. With that in mind, the telephone response center was implemented in January 2000 to assist in fulfilling this service commitment. The call center's primary function is to allow phone calls to be addressed by retirement analysts trained to answer questions and provide information on a variety of retirement topics. In the six-month period ending June 30, 2000, the Retirement System received 43,051 calls.

Mailing the *Trends* newsletters directly to active members began in February 2000. The Trustees believe this will help keep our members informed about their Retirement System. We welcome ideas for the improvement of the System.

Sincerely,

A handwritten signature in cursive script that reads "Tommy G. Fulton".

Tommy Fulton  
Chairman, Teachers' Retirement System Board of Trustees

**The Teachers' Retirement System of Oklahoma  
Board of Trustees**

**Mr. Tommy G. Fulton, Chairman**

Del City

Retired TRS Member Representative, Senate President Pro Tempore Appointee

**Mr. John C. Kahre, Vice Chairman**

Tulsa

Higher Education Representative, Governor Appointee

**Ms. Helen Snyder Rambo, Secretary**

Oklahoma City

Governor Appointee

**Mr. Kenneth Anderson**

Oklahoma City

Governor Appointee

**Mr. George W. Barnes, Member**

Oklahoma City

Governor Appointee

**Mr. Thomas E. Daxon, Member Ex Officio**

Director of State Finance

**Ms. Sandy Garrett, Member Ex Officio**

State Superintendent of Public Instruction

**Mr. Robert C. Gates, Member**

Broken Arrow

Governor Appointee

**Mr. Dale E. Nye**

Wayne

Designee of Dr. Roy Peters, State Director of Vocational and Technical Education

**Ms. Barbara G. Osborn, Member**

Checotah

Non-Classified Optional Personnel Representative, Governor Appointee

**Ms. Susan L. Raasch**

Claremore

Classroom Teacher Representative, Senate President Pro Tempore Appointee

**Mr. M.C. Rider**

Goodwell

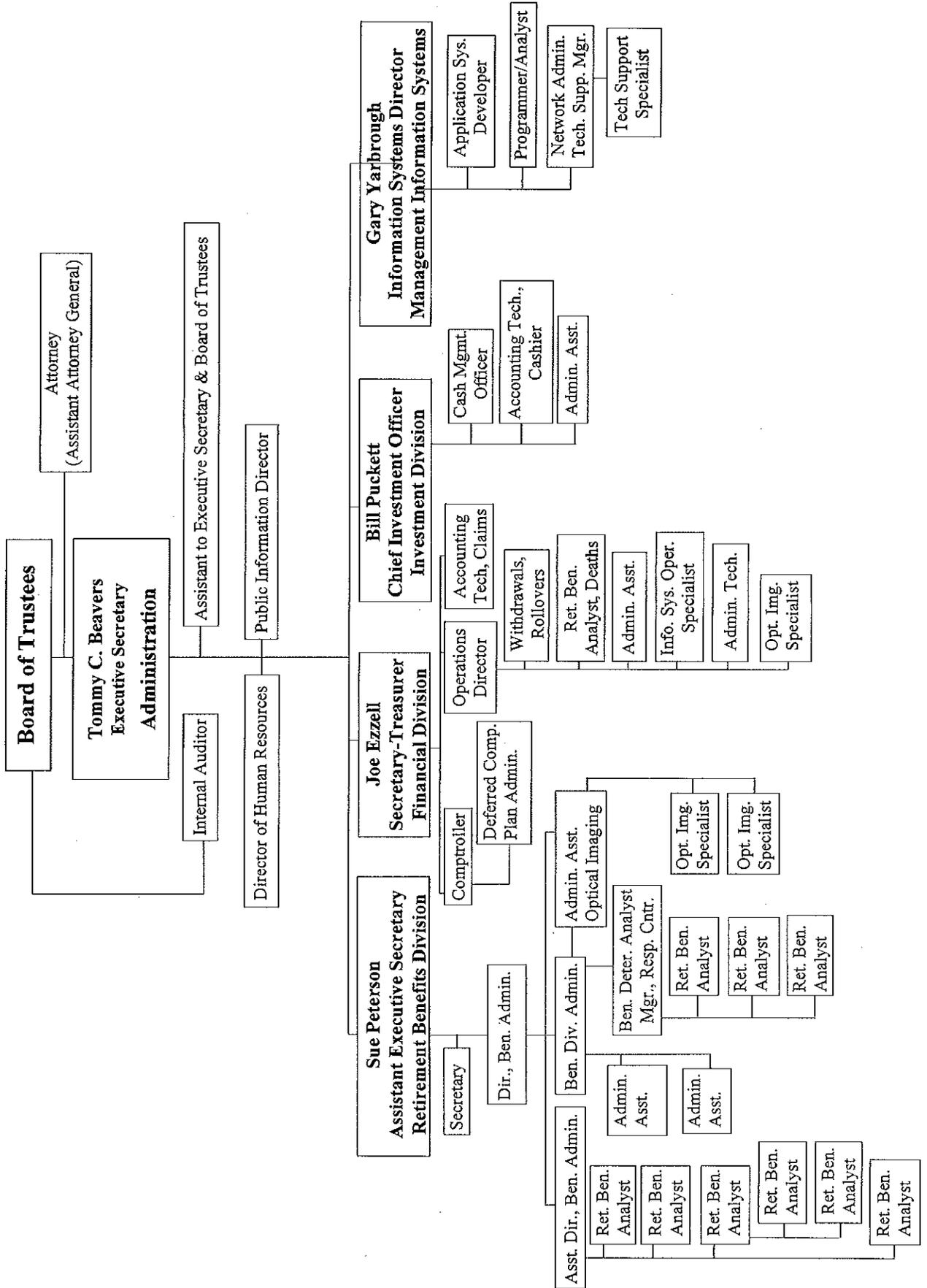
Retiree Representative, House Speaker Appointee

**Ms. Celeste L. Tillery, Member**

Claremore

Classroom Teacher Representative, House Speaker Appointee

# The Teachers' Retirement System of Oklahoma Organization



# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## 2000-01 PLAN SUMMARY

### BEGINNINGS

The Teachers' Retirement System of Oklahoma (TRS) was established July 1, 1943, to provide retirement allowances and other specified benefits for qualified employees of state-supported educational institutions.

### ADMINISTRATION

A 13-member Board of Trustees oversees the administration of the System and acts as fiduciary for investing its funds.

### REVENUE

The four primary sources of revenue for TRS are contributions from active members, contributions from local schools, dedicated revenue from the State of Oklahoma, and investment income. As a participating member, you contribute 7% of your total compensation. Certain employees at the University of Oklahoma and Oklahoma State University who were employed before July 1, 1995, contribute on less than total compensation. However, these members' retirement benefits also will be calculated to reflect the lower contributions.

The law also requires employers to contribute a percentage of applicable employee earnings. Local schools will pay a contribution rate of 5.8% during the 2000-01 school year. The local school contribution rate will increase to 6.8% for FY-2002, and 7.05% for FY-2003. The State's contribution is 3.54% of annual state and income tax revenues.

### MEMBERSHIP

All teachers and other certified employees of common schools, faculty and administrators in public colleges and universities, and administrative personnel of state educational boards and agencies who are employed at least half-time must join TRS. Membership is optional for all other regular employees of public educational institutions who work at least 20 hours per week.

Employees of a charter school as defined in Oklahoma statutes may join the Teachers' Retirement System if the TRS Board of Trustees approves the school's application for membership.

### SERVICE CREDIT

You must work at least six full school months to qualify for one year of membership. A school month is 20 school days of at least six hours. You will receive partial credit for employment of fewer than six months or part-time employment between four and six hours per school day. You also may purchase credit for out-of-state service, military service, service with certain Oklahoma governmental entities, and employment in Oklahoma schools before your date of membership.

### RETIREMENT ANNUITY

A vested member can receive benefits after satisfying eligibility requirements. You are fully vested after 10 years of contributory Oklahoma membership service. You may retire at age 62 with unreduced benefits after completing 10 years of Oklahoma service. If you joined TRS before July 1, 1992, you may retire with unreduced benefits when your age and years of creditable service total 80 (Rule of 80). *For members joining TRS after June 30, 1992, the age and years of creditable service must total 90 (Rule of 90).*

You may retire with reduced benefits as early as age 55 if you have at least 10 years of creditable Oklahoma service.

For "Rule of 80" members, the monthly benefit is determined by multiplying the average salary of the three highest years of contributory service by 2%, times years of service, divided by 12. *For "Rule of 90" members, the benefits will be computed based on an average salary of the five highest consecutive years.* However, in all cases, years of service prior to July 1, 1995, shall be calculated using an average salary no greater than \$40,000.

TRS offers members five retirement plans, each providing a life benefit to the member and, after the member's death, either a lump sum payment to the member's designated beneficiary(ies), or continued payments to one beneficiary.

### DISABILITY BENEFITS

You may qualify for disability retirement benefits if a medical condition keeps you from performing your regular duties as an employee of the public schools. You may be considered for a TRS disability retirement benefit if:

- you are vested (at least 10 years' creditable TRS service),  
*and*
- you submit a disability retirement application detailing your medical condition which must have existed while you were employed by the public schools of Oklahoma,  
*and*
- your application is approved by the TRS Medical Review Board and the Board of Trustees.

If you are awarded Social Security Disability benefits, you qualify for TRS disability benefits if you incur the disability while employed by the public schools, are vested, and notify TRS of the Social Security award.

### HEALTH INSURANCE BENEFITS

If you are vested and retire or terminate your employment, you may elect to continue coverage in the insurance program your employer provides to active employees. TRS will pay the first \$100 to \$105 of monthly premiums for each participating retiree (not dependents). The actual amount paid by TRS is determined by the member's total service and average salary at retirement. Dependent and dental coverage is available if you are enrolled in the State and Education Employees Group Health and Dental Insurance Plan. If you are not enrolled in the state

plan, coverage is subject to the provisions of the plan in which you are enrolled. If you are non-vested, you have certain rights under federal law to continue health insurance coverage after your employment ends. You should request information about continued coverage from your school's payroll office or the state's Employees Group Insurance Board before termination.

#### **SURVIVOR BENEFITS**

Your designated beneficiary or estate is entitled to survivor benefits if you are a TRS member when you die. The amount of those benefits depends upon when you joined TRS and whether you are an active in-service, inactive, or a retired member when you die. "Active in-service" is defined in the TRS Rules, but generally means a member currently employed by an Oklahoma public education institution.

If you are an active in-service member when you die, and you joined TRS before July 1, 1992, your beneficiary(ies) will receive an \$18,000 death benefit, plus the contributions in your account and the interest on those contributions. If you have 10 or more years of service, have reached age 55 or your age and service total 80, and have one designated primary beneficiary, he or she may choose a monthly benefit instead of the lump sum payment.

If you are an inactive member, or if you joined TRS after 1992, the death benefit your beneficiaries will receive is the amount of the contributions in your TRS account plus the interest on those contributions. Inactive members and members joining TRS after June 30, 1992, do not qualify for the \$18,000 death benefit or the monthly retirement benefit payment payable to the surviving beneficiary of active in-service members.

If you are retired when you die, your beneficiary or estate will receive a \$5,000 death benefit, plus the survivor benefits provided by your chosen retirement plan. Certain retirement plan options provide your surviving beneficiary(s) with a continuing monthly retirement benefit.

#### **WITHDRAWING YOUR CONTRIBUTIONS**

If you leave the job that qualified you for TRS membership, you may request a refund of your contributions any time after your last day at that job. You will be eligible to receive the refund four months after you leave your job. The refund includes all contributions made by you or on your behalf by your employer, plus any applicable portion of interest earnings. When you accept a refund, you forfeit all TRS service credit.

If you return to qualifying employment, you may redeposit your withdrawn account after you contribute to TRS for 12 months. Redepositing your withdrawn contributions reinstates your initial membership date. If you do not redeposit your withdrawn contributions, your official membership date will be the date you rejoined TRS.

If you decide to redeposit, you must redeposit the entire amount of the account you withdrew and pay 10 percent (10%) of that amount for each year your account was withdrawn. You may pay this amount in one lump sum or through installment payments for up to 60 months.

Only an optional member (support personnel) can terminate membership in TRS without terminating employment. If you are an optional member and withdraw your account without leaving your job, contributions made on a pre-tax basis *cannot* be refunded until you leave your job (this is an IRS rule). If you continue working for your employer after terminating your TRS membership, you cannot rejoin TRS unless you become employed in a position requiring TRS membership. In this case, you would become a new member as of the date you rejoin.

You also may leave your contributions in your account. If you are vested (have at least 10 years of creditable service), your account will continue earning interest until you withdraw it or begin drawing your retirement benefit. If you are not vested, your account will continue earning interest for five years, unless you withdraw it before then.

#### **TAX-SHELTERED ANNUITY PLAN**

The System administers a tax-sheltered annuity program qualified under section 403(b) of the Internal Revenue Code. As a TRS member, you may deposit funds into this plan if your local Board of Education or other governing board adopts a resolution making the plan available to its employees and you sign a salary reduction agreement with your employer. Contributions to the annuity plan are restricted to an annual "exclusion allowance" determined by the IRS Code. Withdrawals from the plan are subject to various withdrawal restrictions and tax penalties mandated by the Internal Revenue Code.

#### **RIGHTS AND RESPONSIBILITIES**

TRS publications provide answers to general questions. *You* are responsible for resolving any questions about your retirement account. You are entitled to counseling from the TRS staff concerning any question you have about your retirement account. *TRS will not be held accountable for information that is contrary to statutes or administrative rules, regardless of who provides that information.*

For details of how statutes and administrative rules may affect your retirement account, contact:

**Teachers' Retirement System of Oklahoma**

**P.O. Box 53524**

**Oklahoma City, OK 73152-3524**

**2801 North Lincoln Blvd.**

**405-521-2387**

**1-877-738-6365**

**Visit us on the Internet!**

**<http://www.state.ok.us/~okteachers/>**

This *Plan Summary* provides general information summarizing the basic benefits available to TRS members. If any conflict arises between information contained in this summary and state statutes or official TRS rules, the law and/or rule takes precedence.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Teachers' Retirement System of Oklahoma

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Anne Spray Kinney*  
President

*Jeffrey L. Essler*  
Executive Director

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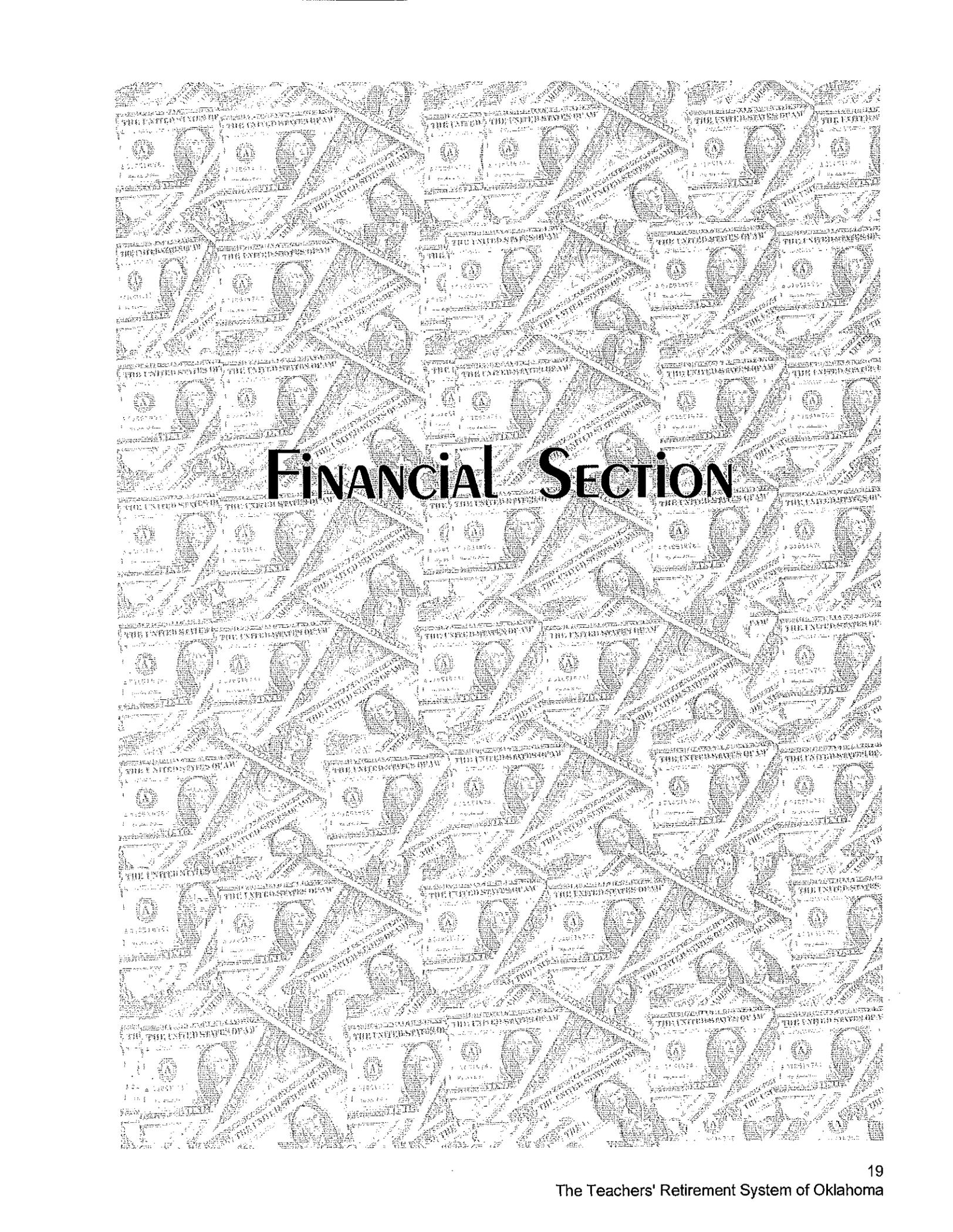
*Anne Spray Kinney*

President

*Jeffrey L. Esser*

Executive Director

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# FINANCIAL SECTION





**TEACHERS' RETIREMENT SYSTEM  
OF OKLAHOMA**

**Financial Statements**

**June 30, 2000 and 1999**

**(With Independent Auditors' Report Thereon)**

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700 Oklahoma Tower  
Oklahoma City, OK 73102-5671

## Independent Auditors' Report

Board of Trustees  
Teachers' Retirement System of Oklahoma:

We have audited the accompanying statements of plan net assets of the Teachers' Retirement System of Oklahoma (the System), a part of the financial reporting entity of the state of Oklahoma, as of June 30, 2000 and 1999, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

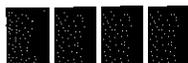
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in note 1, the financial statements of the Teachers' Retirement System of Oklahoma, are intended to present the net assets and changes in net assets of only that portion of the financial reporting entity of the state of Oklahoma that is attributable to the transactions of the System.

As discussed in note 2, the System's actuary has determined that the System's unfunded actuarial accrued liability is approximately \$4,635,700,000. The funding of the actuarial accrued liabilities is predicated on a funding schedule mandated by Oklahoma Statutes and if any changes further reduce or delay the implementation of the funding schedule the funding period will increase.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Teachers' Retirement System of Oklahoma at June 30, 2000 and 1999, and the changes in its net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued a report dated August 15, 2000, on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



The schedules of funding progress and employer contributions in schedule 1 are not a required part of the financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this opinion and express no opinion on it.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 2 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

August 15, 2000

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

Statements of Plan Net Assets

June 30, 2000 and 1999

Assets	2000	1999
Cash	\$ 30,777,532	2,450,674
Short-term investments	338,743,201	210,377,770
Long-term investments	5,956,513,454	5,371,413,766
Security lending institutional daily assets fund	731,866,253	353,164,340
Accrued interest and dividends receivable	33,153,290	31,885,751
Contributions receivable	24,699,745	25,289,962
Receivable from state of Oklahoma	12,831,212	10,323,666
Due from brokers for securities sold	134,537,732	194,659,973
Furniture and fixtures, net	400,195	393,824
<b>Total assets</b>	<b>7,263,522,614</b>	<b>6,199,959,726</b>
<b>Liabilities</b>		
Benefits in process of payment	42,137,486	40,260,275
Due to brokers for securities purchased	234,935,437	66,070,147
Payable under security lending agreement	731,866,253	353,164,340
Accrued investment fees	3,871,882	3,321,955
Compensated absences	161,995	139,061
<b>Total liabilities</b>	<b>1,012,973,053</b>	<b>462,955,778</b>
Net assets held in trust for pension benefits and annuity benefits (note 6) of electing members (a schedule of funding progress is presented on page 41)	<b>\$ 6,250,549,561</b>	<b>5,737,003,948</b>

See accompanying notes to financial statements.

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

Statements of Changes in Plan Net Assets

Years ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<b>Additions:</b>		
<b>Contributions:</b>		
Members	\$ 195,988,873	190,718,633
Member tax-shelter	7,038,250	7,255,812
Employer statutory requirement from local school districts	130,758,712	127,047,763
Federal matching	12,454,200	10,991,648
Dedicated tax	<u>132,574,886</u>	<u>106,267,672</u>
Total contributions	<u>478,814,921</u>	<u>442,281,528</u>
<b>Investment income:</b>		
Interest	140,911,589	119,896,345
Dividends	52,506,072	52,285,619
Net appreciation in fair value of investments	417,582,752	452,159,607
Less investment expenses	<u>(13,571,552)</u>	<u>(11,576,749)</u>
Income from investing activities	<u>597,428,861</u>	<u>612,764,822</u>
<b>Income from securities lending activities:</b>		
Securities lending income	33,821,402	23,737,850
Securities lending expenses:		
Borrower rebates	(30,723,626)	(21,441,166)
Management fees	<u>(817,240)</u>	<u>(688,755)</u>
Income from securities lending activities	<u>2,280,536</u>	<u>1,607,929</u>
Net investment income	<u>599,709,397</u>	<u>614,372,751</u>
Total additions	<u>1,078,524,318</u>	<u>1,056,654,279</u>
<b>Deductions:</b>		
Retirement, death, survivor, and health benefits	500,289,049	479,637,193
Refund of member contributions and annuity payments	61,725,419	48,962,376
Administrative expenses	<u>2,964,237</u>	<u>2,699,015</u>
Total deductions	<u>564,978,705</u>	<u>531,298,584</u>
Net increase	513,545,613	525,355,695
<b>Net assets held in trust for pension benefits and annuity benefits of electing members:</b>		
Beginning of year	<u>5,737,003,948</u>	<u>5,211,648,253</u>
End of year	\$ <u>6,250,549,561</u>	\$ <u>5,737,003,948</u>

See accompanying notes to financial statements.

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Notes to Financial Statements

June 30, 2000 and 1999

### (1) Description of the System

The following brief description of the Teachers' Retirement System of Oklahoma (the System) is provided for general information purposes only. Participants should refer to Title 70 of the Oklahoma Statutes, 1991, sections 17-101 through 116.9 as amended. Administrative expenses are paid with funds provided by operations of the System.

The System was established as of July 1, 1943, for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by state-supported educational institutions. The System is a part of the state of Oklahoma, financial reporting entity which is combined with other similar funds to comprise the fiduciary-pension trust funds of the state of Oklahoma. The supervisory authority for the management and operation of the System is a 13-member board of trustees which acts as a fiduciary for investment of the funds and the application of plan interpretations. The System is a cost-sharing multiple-employer public employee retirement system which is a defined benefit pension plan covering all employees of the public school system.

The System's membership consisted of the following as of June 30:

	<u>2000</u>	<u>1999</u>
Retirees and beneficiaries currently receiving benefits	34,117	33,033
Terminated vested participants	3,273	3,117
Active participants	83,024	81,851
	<u>120,414</u>	<u>118,001</u>

There are 633 contributing employers in the System. In addition, there were 8,199 and 7,515 of nonvested inactive participants at June 30, 2000 and 1999, respectively, who are entitled to a refund of their accumulated contributions.

### (2) Funding Status

The System's actuary conducts an annual valuation to determine the adequacy of the current employer contribution rates, to describe the current financial condition of the System, and to analyze changes in the System's condition. This valuation shows the funded position of the System has improved from the funding level at June 30, 1999. This is mainly due to the investment performance and plan experience gain, which offset the increase in the funding period due to new legislation that provided for an ad hoc benefit increase for retirees and an increase in the payment for supplemental medical insurance. Actuarial accrued liability increased \$551 million and the actuarial value of assets increased \$665 million. The System's unfunded actuarial accrued liabilities decreased \$115 million. Despite the system's results this year, it should be noted that unfunded liabilities are expected to increase until the year 2013, due to the negative amortization created by the current funding schedule that increases employer contribution rates by 1% per year until 2002 and then is fixed at 7.05% for 2003 and thereafter and the employee contributes 7%. (See note 7.)

The System will experience difficulty in meeting long-term obligations at a point in time if not funded at a more appropriate level. Based on calculations using GASB Statement No. 25, the System's funded ratio is only 53.7% and 49.8% at June 30, 2000 and 1999, respectively.

(Continued)

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Notes to Financial Statements

June 30, 2000 and 1999

The financial condition of the System and its ability to meet future obligations is predicated on a funding schedule in state statutes which provides an increasing revenue stream based on a percentage of active members' pay. Local school districts and other employers are required to contribute any difference between the statutory rate and the State's contribution of dedicated revenue which is revenues from sales, use, corporate income and individual income taxes (see note 7). If the funding schedule is maintained and adequate earnings and gains are provided on investments, the System will eventually be adequately funded. If legislative changes further reduce, delay, or roll back the funding schedule or if unfunded benefit improvements are added to the plan, the funding period will increase.

### (3) Summary of Significant Accounting Policies

#### (a) *Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates.

#### (b) *Budgetary Control*

The System prepares and submits an annual budget of operating revenues and expenses on the cash basis for monitoring and reporting to the Office of State Finance. The System's budget process follows the budget cycle for State operations as outlined by the Office of State Finance.

The Executive Secretary may approve changes within the budget, but a change to the total budget must be handled according to the provision of Title 62 O.S. Sec. 41.12 of the Oklahoma Statutes.

#### (c) *Investments*

The System is authorized to invest in eligible investments as approved by the Board of Trustees (the Board) as set forth in its investment policy.

Plan investments are reported at fair value. The short-term investment fund is comprised of an investment in units of commingled trust funds of the Plan's custodial agent, which is reported at cost, which approximates fair value. Debt and equity securities are reported at fair value, as determined by the Plan's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The Security Lending Institutional Daily Assets Fund represents investment in Banker's Trust Company's Institutional Daily Assets Fund and is carried at amortized cost, which approximates fair value.

Net investment income includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, investment income from foreign currency translation gains and losses, securities lending income and expenses and investment expenses,

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Notes to Financial Statements

June 30, 2000 and 1999

which includes investment management and custodial fees and all other significant investment related costs.

The System's international investment managers enter into forward foreign exchange contracts to protect against fluctuation in exchange rates between the trade date and the settlement date of foreign investment transactions. The gains and losses on these contracts are included in income in the period in which the exchange rates change.

The System invests in various traditional financial instruments that fall under the broad definitions of derivatives. The System's derivatives include U.S. Treasury Strips, collateralized mortgage obligations, futures and options, convertible stocks and bonds, and variable rate instruments. These investments are not speculative in nature and do not increase investment risk beyond allowable limits specified in the System's investment policy.

Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect the amounts reported in the statement of plan net assets.

**(d) Furniture and Fixtures**

Furniture and fixtures are stated at cost when acquired. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, which range from 5 to 10 years.

**(e) Income Taxes**

The System is exempt from federal and state income taxes and has received a favorable determination from the Internal Revenue Service under Code section 401(a). The System's 403(b) Plan is also tax-exempt and has received a private letter ruling from the Internal Revenue Service.

**(f) Compensated Absences**

The System's employees are allowed, by statute, to accrue between 240 and 480 hours of compensated absences, of which the monetary obligation is recognized as an expense when incurred.

(Continued)

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Notes to Financial Statements

June 30, 2000 and 1999

### **(g) Plan Termination**

In the event the plan terminates, the board of trustees will distribute the net assets of the System to provide the following benefits in the order indicated:

- (i) Accumulated contributions will be allocated to each respective participant, former participant, retired member, joint annuitant, or beneficiary then receiving payments.
- (ii) The balance of such assets, if any, will be allocated to each person then having an interest in the System based upon the excess of their retirement income under the plan less the retirement income which is equal to the actuarial equivalent of the amount allocated to them under (i) above in the following order:
  - Those retired members, joint annuitants, or beneficiaries receiving payments,
  - Those members eligible to retire,
  - Those members eligible for early retirement,
  - Former participants electing to receive a vested benefit, and
  - All other members.

### **(h) Use of Estimates**

The preparation of the System's financial statements in conformity with generally accepted accounting principles requires the System administrator to make significant estimates and assumption that affect the reported amounts of net assets held in trust for pension benefits at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in System net assets during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

### **(i) Risks and Uncertainties**

Contributions to the System and the actuarial information included in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

(Continued)

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Notes to Financial Statements

June 30, 2000 and 1999

### (4) Cash and Investments

Cash includes amounts on deposit with the Office of the State Treasurer (State Treasurer) in a pooled account, which is required to be insured or collateralized by the Oklahoma Statutes. The amount of collateral securities to be pledged for the security of public deposits shall be established by rules and regulations promulgated by the State Treasurer. At June 30, 2000 and 1999, the carrying amount of cash with the State Treasurer was approximately \$30,800,000 and \$2,500,000, respectively.

Deposits with financial institutions are categorized depending on whether they are insured or collateralized. The System's deposits are categorized to give an indication of the level of risk assumed at year end. Category 1 includes deposits that are insured or collateralized, with securities held by the System or its agent in the System's name. Category 2 includes deposits collateralized with securities held by the counterparty's trust department or agent in the System's name. Category 3 includes uncollateralized deposits.

The System's investments would generally be categorized into one of three separate credit risk categories. Category 1 includes investments that are insured or registered, or are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the System's name. Category 3 includes uninsured and unregistered investments, held by the counterparty, or by its trust department or agent, but not in the System's name.

The investments held by broker-dealers under the collateralized securities lending program are categorized based upon the nature of the collateral. If the collateral received is cash, then the investments lent are noncategorized since the cash is reflected on the balance sheet. If the collateral received is securities and letters of credit, then the investments lent are categorized according to the characteristics of the collateral received.

Deposits and investments as of June 30, 2000 and 1999, are categorized as follows on page 32:

(Continued)

## TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

### Notes to Financial Statements

June 30, 2000 and 1999

	2000	1999
Category 1 Classification:		
Deposits:		
Domestic money market account	\$ 46,926,000	2,308,000
International money market account	112,381,000	89,058,000
Short-term investments:		
Commercial paper	174,353,000	109,416,000
U.S. government	5,083,000	9,596,000
Total deposits and short-term investments	338,743,000	210,378,000
Long-term investments:		
U.S. government	827,703,000	961,195,000
Corporate bonds	584,050,000	332,763,000
International bonds	297,288,000	282,613,000
Domestic stock	2,891,648,000	2,861,142,000
International equities	619,607,000	529,714,000
Futures and options	4,950,000	—
Total long-term investments in category 1	5,225,246,000	4,967,427,000
Total Category 1	5,563,989,000	5,177,805,000
Category 3 Classification:		
Investments held by broker-dealers under securities		
loans for noncash collateral:		
U.S. government	1,149,000	18,462,000
Corporate bonds	779,000	2,576,000
Domestic stocks	7,877,000	27,186,000
International equities	6,908,000	15,737,000
Total Category 3	16,713,000	63,961,000
Not subject to classification:		
Investments held by broker-dealers under securities		
loans for cash collateral:		
U.S. government	292,471,000	100,030,000
Corporate bonds	23,170,000	10,820,000
International bonds	14,735,000	25,650,000
Domestic stocks	280,367,000	141,796,000
International equities	103,812,000	61,729,000
Securities lending collateral	731,866,000	353,164,000
Total not subject to classification	1,446,421,000	693,189,000
Total deposits and investments	\$ 7,027,123,000	5,934,955,000

(Continued)

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Notes to Financial Statements

June 30, 2000 and 1999

The System has investments in mortgage-backed securities pools of approximately \$658,626,000 and \$374,740,000 at June 30, 2000 and 1999, respectively. These securities are backed by the full faith of the U.S. Government or its Agencies. Market risk related to these securities are based on cash flows from payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgages, which may result from a decline in interest rates. The market risk including interest rate risk and prepayment risk of these investments is reduced by the securities pool having varying interest rates and maturity dates.

### **Securities Lending Activity:**

The System's investment policy and state statutes provides for its participation in a securities lending program. The program is administered by the System's master custodian and there are no restrictions on the amount of loans that can be made. Certain securities of the System are loaned to participating brokers, who must provide collateral in the form of cash, U.S. Treasury or Government Agency securities, or letters of credit issued by approved banks. Under the terms of the agreement, collateralization of the fair value of the loaned securities must be provided in the amount of 102% for loans of securities for which the principal trading market is the United States and 105% for securities for which the principal trading market is outside the United States.

The fair value of securities on loan was approximately \$731,268,000 and \$403,986,000 at June 30, 2000 and 1999, respectively. The underlying collateral for these securities had a market value of approximately \$749,215,000 and \$418,801,000 at June 30, 2000 and 1999, respectively. Collateral of securities and letters of credit represented approximately \$34,062,000 and \$65,636,000 of total collateral at June 30, 2000 and 1999, respectively. Because the System cannot pledge or sell collateral securities and letters of credit received unless the borrower defaults, the collateral and related liability are not presented in the balance sheet.

At June 30, 2000 and 1999, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. Furthermore, the contract with the System's lending agent requires it to indemnify the System if the borrowers fail to return the lent securities. However, should a collateral deficiency occur beyond the lending agent's responsibilities, the deficiency is allocated pro rata among all lenders. There have been no losses on security lending transactions, or recoveries from prior period losses, during 2000 or 1999 resulting from the default of a borrower or the lending agent.

All securities loans can be terminated on demand by either the System or the borrower. However, the average term of the loans cannot be determined. Cash collateral is invested in the lending agent's institutional daily assets fund, which at year-end has an average maturity of 30 days. The relationship between the maturities of the investment fund and the System's loans is affected by the maturities of the securities loans made by other entities that use the lending agent's fund, which the System cannot determine.

(Continued)

## TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

### Notes to Financial Statements

June 30, 2000 and 1999

**(5) Furniture and Fixtures**

Furniture and fixtures consist of the following:

		2000	1999
Furniture and fixtures	\$	1,425,624	1,286,432
Accumulated depreciation		1,025,429	892,608
Net, furniture and fixtures	\$	400,195	393,824

The System has commitments to lease building space from the Oklahoma State School Board Association, as well as leases on certain equipment. The future minimum commitments for operating leases as of June 30, 2000, was approximately \$144,000. The System's leases are one year renewable contracts. Rental expense for all operating leases amounted to approximately \$128,000 and \$130,000 for the years ended June 30, 2000 and 1999, respectively.

**(6) Reserved and Designated Funds**

Amounts included in the Teachers' Deposit Fund, the Expense Fund, and the Furniture and Fixtures Fund are not available to pay regular retirement benefits. A brief description of the major funds is as follows:

- The Teachers' Deposit Fund represents funds in the tax-sheltered annuity program which is an optional program for members.
- The Expense Fund represents funds accumulated to pay for the expense of administering and maintaining the System.
- The Furniture and Fixtures Fund represents amounts used to purchase various furniture and fixtures for the System.

		2000	1999
Teachers' Deposit Fund (tax-sheltered annuities)	\$	360,209,000	349,901,000
Expense Fund		24,394,000	22,673,000
Furniture and Fixtures Fund		400,000	394,000
	\$	385,003,000	372,968,000

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Notes to Financial Statements

June 30, 2000 and 1999

### (7) Contributions

The authority to define or amend employer contribution rates is given to the board by title 70, section 17-106 of the Oklahoma Statutes; all other contribution rates are defined or amended by the Oklahoma Legislature. All active members contribute to the System; however, the employer may elect to make all or part of the contribution for its employees. There are special provisions for members of higher education who joined the System before July 1, 1995.

All members must contribute 7% of regular annual compensation, not to exceed the members maximum compensation level. For members other than those employed by a comprehensive university on or before June 30, 1995, the maximum compensation level will be the member's regular annual compensation. For those members employed by a comprehensive university, maximum compensation level was \$42,500 for those who elected the \$25,000 limit prior to June 30, 1995 and \$59,000 for all other members in fiscal year 1999. Maximum compensation levels increase by \$5,000 each year through June 30, 2007, after which the full amount of regular annual compensation will be considered.

Each teacher, meeting minimum salary requirements, shall have a specific amount of the employee's required contribution to the System paid by the State. The credit amount is determined based upon years of service. Contributions by the State totaled approximately \$34,679,000 and \$34,680,000 for 2000 and 1999, respectively.

The employers are required to contribute a fixed percentage of annual compensation on behalf of active members. The employer contribution rate of 11.5% for 2000 and 1999 is applied to annual compensation up to defined caps depending upon the member's elections as previously described. As provided by state statute, the amount of the employer's contribution each fiscal year shall be reduced by a percentage of revenue due to the System from sales, use, and income taxes. The sales, use, and income taxes are considered an on behalf payment made by the state of Oklahoma for the employers. In 2000 and 1999, the actual contribution rate due from the employers was 4.8%

### (8) Benefits

The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. The System does not provide for a cost-of-living adjustment. Title 70 O.S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature. Benefit provisions include:

- Members become 100% vested in retirement benefits earned to date after ten years of credited Oklahoma service. Members who joined the System on June 30, 1992, or prior, are eligible to retire at maximum benefits when age and years of creditable service total eighty. Members joining the System after June 30, 1992, are eligible for maximum benefits when their age and years of creditable service total ninety. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive full benefits based on their years of service. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.

(Continued)

## TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

### Notes to Financial Statements

June 30, 2000 and 1999

Final compensation for members who joined the System prior to July 1, 1992, is defined as the average salary for the three highest years of compensation. Final compensation for members joining the System after June 30, 1992, is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending on the member's election. Monthly benefits are one-twelfth of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities.

- Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100% of interest earned through the end of the fiscal year, with interest rates varying based on time of service. If the deceased, in-service member joined the System prior to July 1, 1992, the beneficiary will receive an additional death benefit of \$18,000. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.
- Upon the death of a retired member, the System will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for by the retirement option selected by the member.
- A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2% of final average compensation for the applicable years of credited service.
- Upon separation from the System, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the Internal Revenue Code.
- Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the Internal Revenue Code under Code section 403(b).

For retirees that elect to obtain health insurance coverage through the Oklahoma State and Education Employees Group Insurance Board (the Board), the System pays between \$70 and \$75 per month to the Board for each retiree, depending on the members' years of service. The System performs no administrative functions related to the health insurance coverage provided through the Board. Such amounts were approximately \$20,537,000 and \$19,869,000 in 2000 and 1999, respectively, and are included in retirement, death, survivor and health benefits. Amounts due to the Board at June 30, 2000 and 1999, respectively are approximately \$1,704,000 and \$1,645,000, and are included in benefits in process of payment.

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Notes to Financial Statements

June 30, 2000 and 1999

### (9) Plan Amendments

In 2000, the Oklahoma Legislature passed the following bills which provide the following changes to the System, effective July 1, 2000:

#### Senate Bill 965

- Modifies language related to the state's contribution. The dollar amount the state will contribute for the 2000-01 school year will be same as for the 1999-2000 year. The state contribution will be a set dollar amount that does not increase with the \$3,000 salary increase for teachers and other certified personnel.

#### Senate Bill 994

- Provides a cost-of-living increase to retired members of the System as well as cost-of-living adjustment for retirees in other state-run retirement systems. The measure increases by \$30 the amount the System pays toward the cost of a retiree's monthly health insurance premium. To be eligible for the health insurance supplement, the retiree must be enrolled in the State and Education Employees Group Insurance Program or continue in the insurance plan offered by the school district from which the member retired. The bill also modifies portability provisions when a state-government employee transfers service credits from the System to the Oklahoma Public Employees Retirement System (OPERS) or from OPERS to the System. The new transfer provisions do not apply to employees of common schools or area vo-tech schools.

#### Senate Bill 996

- Allows the System members to purchase credit for adjunct teaching service if the member taught 18 or more semester hours during a school year.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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## TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Required Supplementary Information

## Schedule of Funding Progress

(dollars in millions)

(unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll (b-a)/(c)
June 30, 1995 \$	2,869.9 \$	7,480.4 \$	4,610.5	38.4%	\$ 2,336.1	197.4%
June 30, 1996	3,103.0	7,843.2	4,740.2	39.6%	2,375.5	199.5%
June 30, 1997	3,544.9	8,257.2	4,712.3	42.9%	2,428.7	194.0%
June 30, 1998	4,085.0	8,891.3	4,806.2	45.9%	2,537.7	189.4%
June 30, 1999	4,708.0	9,458.6	4,750.6	49.8%	2,648.4	179.4%
June 30, 2000	5,373.5	10,009.2	4,635.7	53.7%	2,738.3	169.3%

## Schedule of Employers Contributions

(unaudited)

Fiscal year ended June 30	Annual Required Contribution	Percentage Contributed
1995	\$ 385,986,674	41.8%
1996	434,728,781	40.8%
1997	446,459,961	62.0%
1998	446,219,296	59.1%
1999	456,864,002	53.5%
2000	455,265,033	60.6%

The employer contribution rates are established by the Oklahoma Legislature and are less than the annual required contribution which is performed to determine the adequacy of such contribution rates.

Unaudited - See accompanying independent auditors' report.

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**

Notes to Required Supplementary Information

June 30, 2000 and 1999

**Actuarial Assumptions and Methods**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2000, is as follows:

***Funding Method***

Costs are developed using the entry age normal cost method (based on a level percentage of covered payrolls). Under the method used for this plan, the accrued liability and the present value of future normal costs are determined by summing the individual entry age results for each participant. The normal cost is then determined in aggregate by spreading the present value of future normal costs as a level percentage of expected future covered payrolls. Entry age is defined as the first day service is credited under the System.

Experience gains and losses, i.e., decreases or increases in accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

***Asset Valuation Method***

For actuarial purposes, assets are determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains or losses) for the year ended on the valuation date assuming 8.0% interest return. Prior year's unrecognized gains and losses are added to this amount to develop expected actuarial value. The expected actuarial value is then compared to the market value of the assets at the valuation date, and 20% of any gain (loss) for the last five years is added to the expected actuarial value. The gain (loss) is amortized over five years with the actuarial value of the assets being constrained to a range of 80% to 120% of the market value at the valuation date.

***Amortization***

The unfunded actuarial accrued liability is amortized on a level dollar method over a 40-year open period.

Significant actuarial assumptions employed by the actuary for funding purposes as of July 1, 2000, are as follows:

- Investment Return – 8.0% per annum, compounded annually
- Salary Increases – 4.5% to 7.75% per year (includes inflation of 4.0%)
- Mortality Rates – Active participants and nondisabled pensioners – 1983 Group Annuity Mortality Table; Disabled pensioners – 1983 Group annuity set forward five years for disabled experience
- Post Retirement Benefit Increases – None
- Post Retirement Health Insurance Premium – The System contributes between \$100 and \$105 per month or the Medicare Supplement Premium, if less, for eligible System members receiving retirement benefits who elect health insurance coverage through the Oklahoma State and Education Employee's Group Health Insurance Program, which administers various group health benefit plans.

**OTHER SUPPLEMENTARY INFORMATION**

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**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**Supplementary Information  
Schedules of Investment Expenses

For the Years ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Investment Custodian	\$ 103,261	53,000
Investment Managers	13,849,144	11,809,413
Investment Consultants	209,100	208,350
Investment Information Services	19,730	19,293
Commission Recapture	<u>(609,683)</u>	<u>(513,307)</u>
Total investment expenses	<u>\$ 13,571,552</u>	<u>11,576,749</u>

See accompanying independent auditors' report.

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**Supplementary Information  
Schedules of Administrative Expenses

For the Years ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Salaries and benefits	\$ 1,838,067	1,664,485
General and miscellaneous	490,184	417,035
Professional/consultant fees	178,704	209,660
State of Oklahoma interagency	246,903	206,399
Travel and related expenses	43,951	50,014
Depreciation expense	<u>166,428</u>	<u>151,422</u>
Total administrative expenses	<u>\$ 2,964,237</u>	<u>2,699,015</u>

See accompanying independent auditors' report.

**TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA**Supplementary Information  
Schedules of Professional/Consultant Fees

For the Years ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Actuarial	\$ 87,917	66,033
Medical	25,289	26,211
Legal	6,685	15,624
Audit	38,780	38,800
Data Processing	1,134	29,299
Miscellaneous	18,899	33,693
Total professional/consultant fees	<u>\$ 178,704</u>	<u>209,660</u>

See accompanying independent auditors' report.



700 Oklahoma Tower  
Oklahoma City, OK 73102-5671

**Independent Auditors' Report On Compliance And On Internal Control Over  
Financial Reporting Based On An Audit Of Financial Statements Performed  
In Accordance With *Government Auditing Standards***

Board of Trustees  
Teachers' Retirement System of Oklahoma:

We have audited the financial statements of Teachers' Retirement System of Oklahoma (the System), as of and for the year ended June 30, 2000, and have issued our report thereon dated August 15, 2000, which includes a paragraph emphasizing the funded status of the System and a paragraph regarding the fact that the System is a part of the reporting entity of the State of Oklahoma. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, the Oklahoma State Auditor and Inspector, and management and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

August 15, 2000

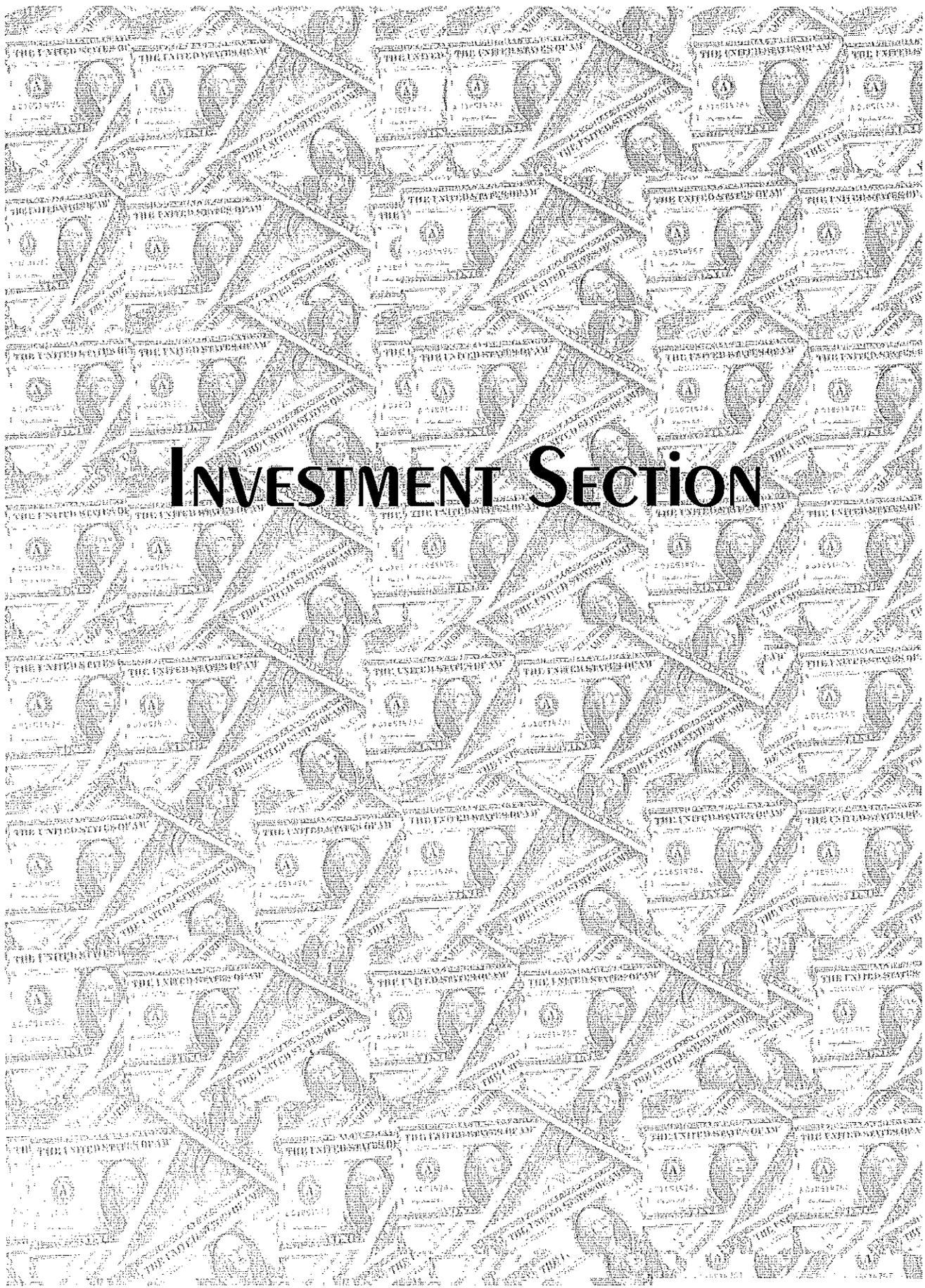
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This report is intended solely for the information and use of the Board of Trustees, the Oklahoma State Auditor and Inspector, and management and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

August 15, 2000

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# INVESTMENT SECTION



## **Professional Consultants and Advisors**

### **Domestic Equity Managers**

Goldman Sachs Management, Large Capitalization Growth  
Tampa, Florida

Hotchkis and Wiley, Large Capitalization Value  
Los Angeles, California

Deutsche Bank, S&P 500 Index Fund  
New York, New York

Aronson+Partners, Middle Capitalization Core  
Philadelphia, Pennsylvania

Wellington Management Company, LLP, Middle Capitalization Growth  
Boston, Massachusetts

Morgan Stanley, Middle Capitalization Value  
West Conshohocken, Pennsylvania

Morgan Stanley, Middle Capitalization Growth  
West Conshohocken, Pennsylvania

Shapiro Capital Management Company, Small Capitalization Value  
Atlanta, Georgia

Kopp Investment Advisors, Small Capitalization Growth  
Edina, Minnesota

### **Domestic Fixed Income Managers**

Mellon Bond Associates, Passive Fixed Income Index Fund  
Philadelphia, Pennsylvania

Neuberger Berman Pension Management, Active Core  
New York, New York

Pacific Investment Management, Core Plus Fixed Income  
Newport Beach, California

Loomis, Sayles & Co., Core Plus Fixed Income  
Chicago, Illinois

### **International Managers**

Brinson Partners, International Balanced Management  
Chicago, Illinois

Brandes Investment Partners, International Equity  
San Diego, California

Bank of Ireland Asset Management, International Equity  
Santa Monica, California

### **Advisors and Consultants**

Northern Trust Company, Global Custodian  
Chicago, Illinois

Marquette Alliance, Inc., Investment Consultant  
Tulsa, Oklahoma

Watson Wyatt Worldwide, Actuarial Consultant  
Dallas, Texas

KPMG LLP, External Auditors  
Oklahoma City, Oklahoma

The Office of the Oklahoma Attorney General, Legal Counsel

## REPORT ON INVESTMENT ACTIVITY

The Oklahoma Teachers' Retirement System achieved another year of double-digit returns in Fiscal Year 2000 with a return of 11.25% on fair value; three-year and five-year returns were 15.43% and 16.41% respectively. Returns for Fiscal 2000 allowed the increase in Unfunded Actuarial Accrued Liability (UAAL) to be \$349.1 million less than it would otherwise have been. The System's short-term and long-term investments increased over \$713 million to over \$6.2 billion at fiscal year-end. The favorable economic conditions along with the asset allocation decisions of the Board have allowed the assets of the System to triple in the last ten years.

The Board of Trustees of the Oklahoma Teachers' Retirement System is authorized by statute to invest the assets of the System solely in the interest of the participants and beneficiaries of the System. The Board is guided by the provisions of the prudent person rule, which affords the standard "with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims." The Board is authorized to establish an investment committee, which is to make recommendations to the full Board of Trustees on all matters, related to the choice of custodians and managers of the assets of the System, and the establishment of investment guidelines.

The main determinant of any pension fund's long term-success is the fund's asset allocation. The Board, in conjunction with the consultant and staff has determined that the appropriate portfolio mix for the System is 65% equity investments and 35% fixed income investments. Adherence to a disciplined investment policy is critical to achieving long-term success while at the same time controlling risk. The System's asset allocation is regularly reviewed and periodically updated.

The investment information contained in this report is presented to the greatest degree possible in conformance with the Presentation Standards of the Association for Investment Management and Research (AIMR).

This report prepared by:

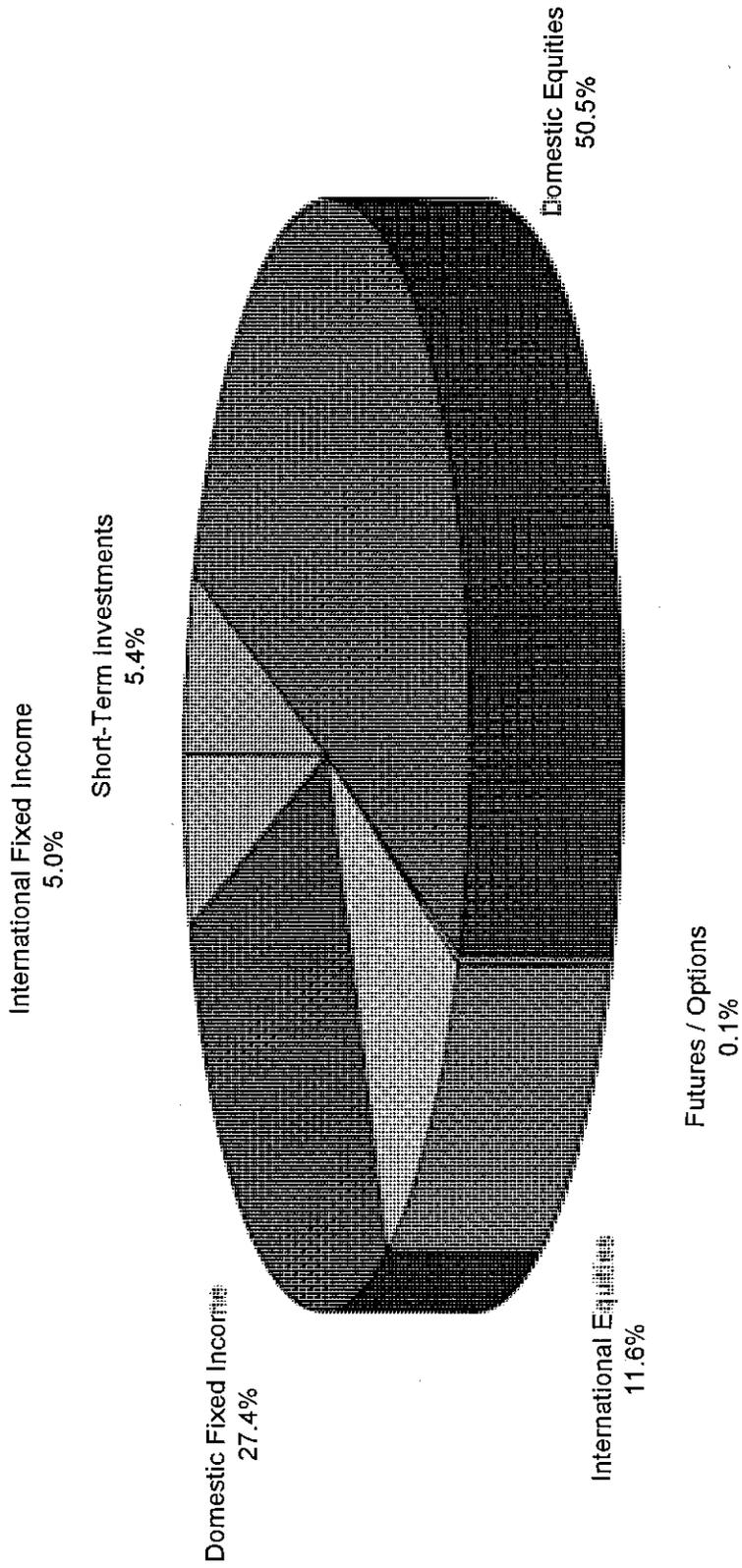
Bill Puckett  
Chief Investment Officer

SUMMARY OF INVESTMENTS  
June 30, 2000

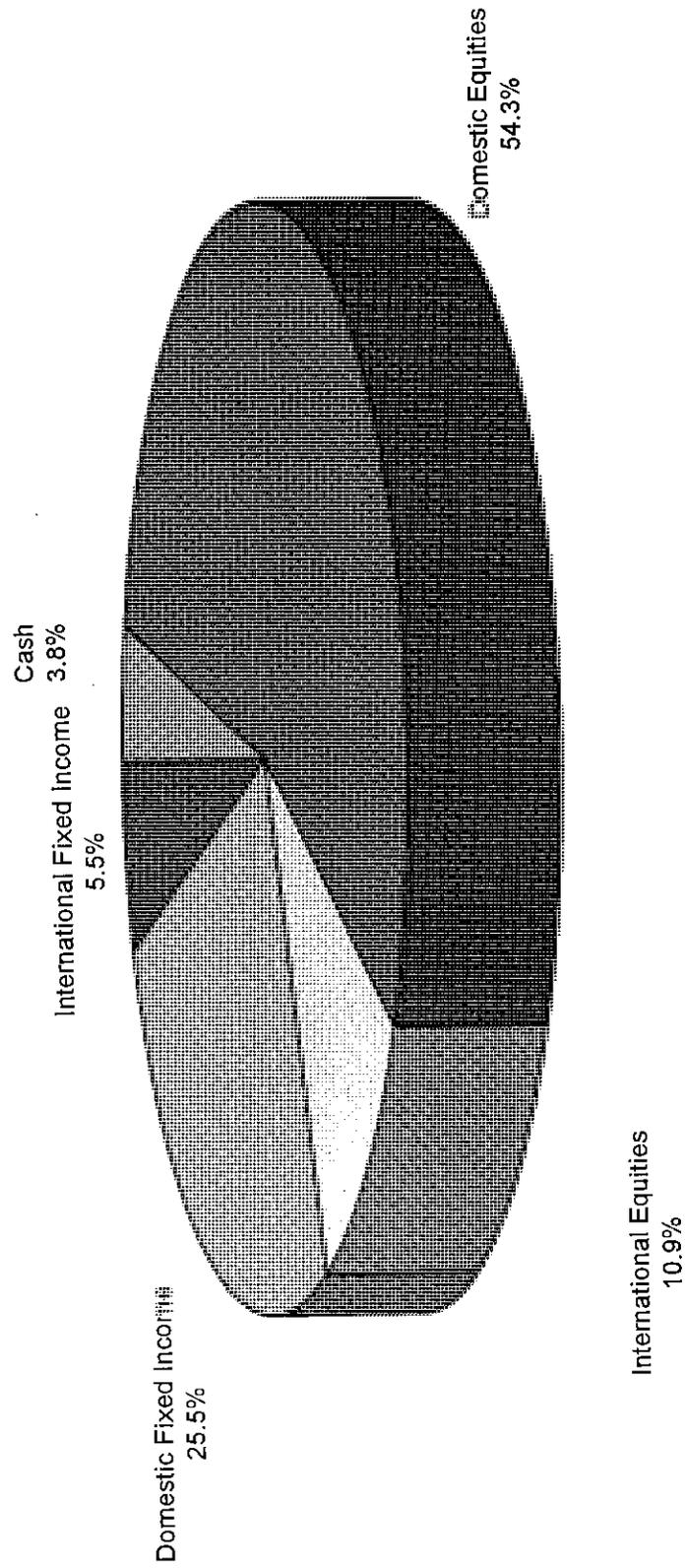
<u>Type of Investment</u>	<u>Fair Value</u>	<u>Percentage of Total Fair Value</u>
<u>Fixed Income:</u>		
U S Government	\$383,564,014	6.1%
U S Government Agency	737,758,716	11.6%
Domestic Corporate	607,998,748	9.6%
International	312,023,596	5.0%
Preferred Stock	<u>8,607,473</u>	<u>0.1%</u>
Total Fixed Income	2,049,952,547	32.4%
<u>Common Stock:</u>		
Domestic	3,171,284,124	50.5%
International	<u>730,327,202</u>	<u>11.6%</u>
Total Common Stock	3,901,611,326	62.1%
Futures / Options	4,949,581	0.1%
<u>Short-term Investments</u>		
Commercial Paper	174,353,513	2.8%
U S Government	5,082,768	0.1%
Domestic Money Market	46,925,596	0.7%
International Money Market	<u>112,381,324</u>	<u>1.8%</u>
Total Short-Term Investments	338,743,201	5.4%
Total	<u>\$6,295,256,655</u>	<u>100.0%</u>

The Charts on the following pages demonstrate the changes in asset allocation the past three years.

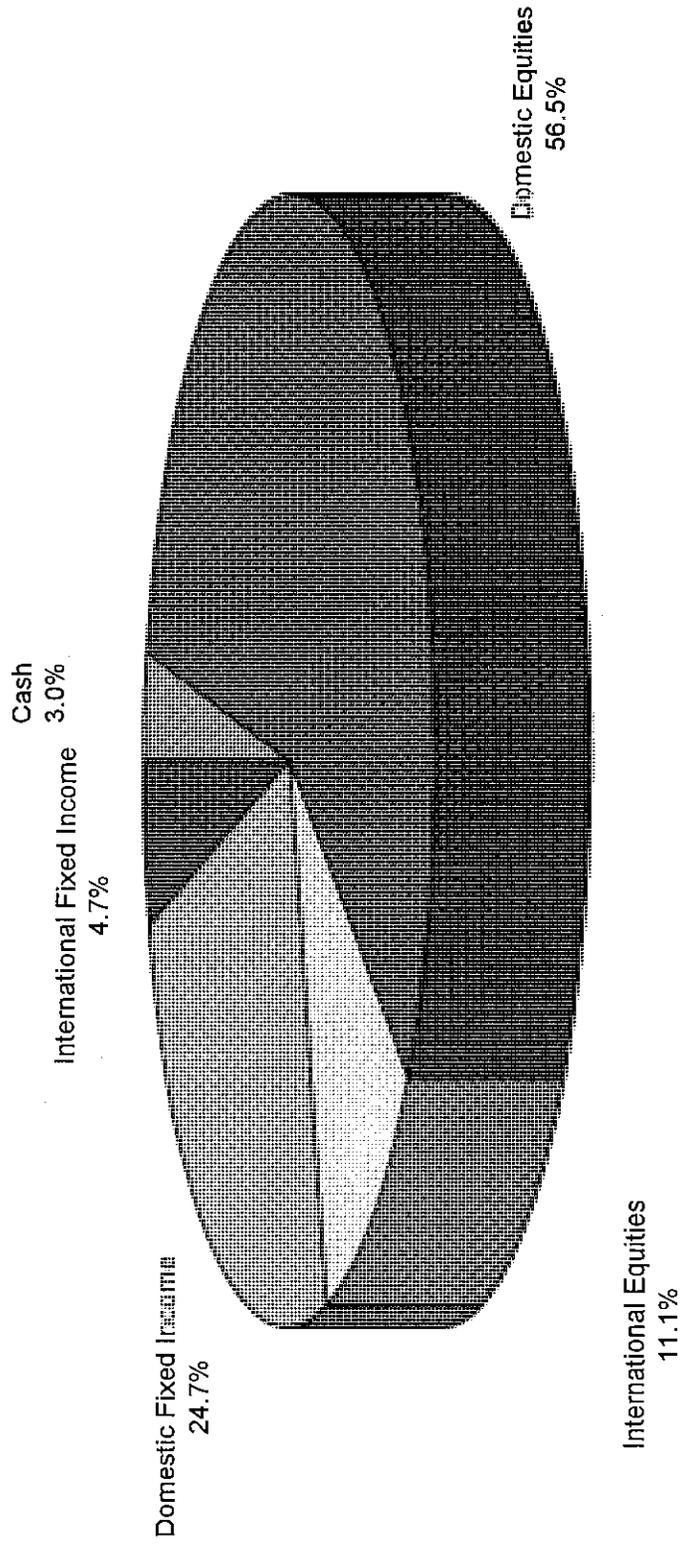
**Asset Allocation at Fair Value  
June 30, 2000**



**Asset Allocation at Fair Value  
June 30, 1999**



**Asset Allocation at Fair Value  
June 30, 1998**



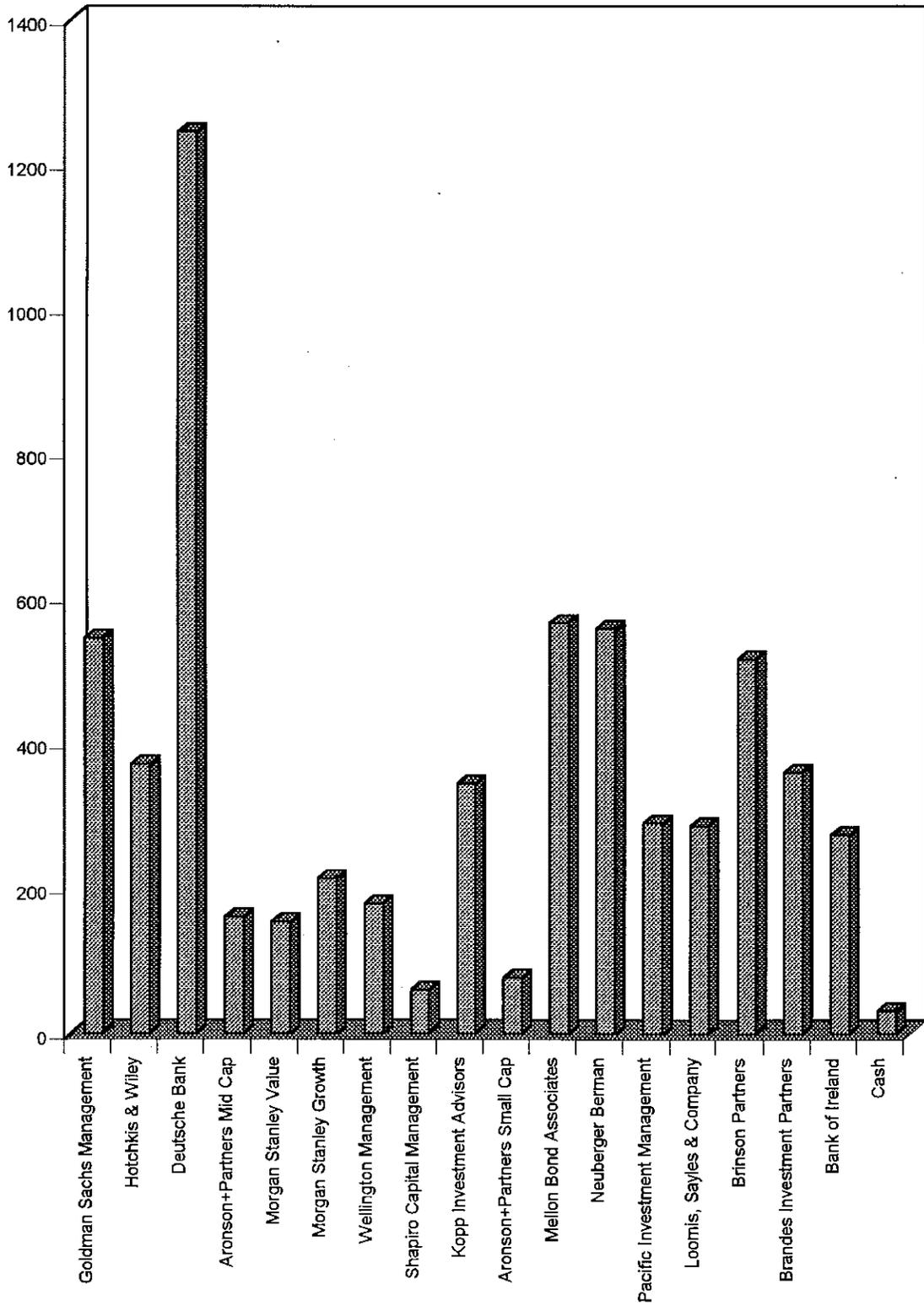
### Investment Managers

The Board of Trustees has hired the following investment management firms to manage the assets of the System. The investment managers have full discretion in the management of assets in their portfolios, subject to individual investment styles and the overall guidelines of the System's Investment Policy. Firms employed by the Board on June 30, 2000 are listed below.

<u>Manager and Style</u>	<u>Funds under Management (in millions)</u>
Goldman Sachs Management	\$545
Large Capitalization Growth	
Hotchkis & Wiley	371
Large Capitalization Value	
Deutsche Bank	1,245
Large Capitalization Index	
Aronson+Partners	161
Middle Capitalization Core	
Morgan Stanley	154
Middle Capitalization Value	
Morgan Stanley	214
Middle Capitalization Growth	
Wellington Management	179
Middle Capitalization Growth	
Shapiro Capital Management	61
Small Capitalization Value	
Kopp Investment Advisors	345
Small Capitalization Value	
Aronson+Partners	78
Small Capitalization Index	
Mellon Bond Associates	566
Fixed Income Index	
Neuberger Berman	558
Active Core	
Pacific Investment Management	290
Core Plus Fixed Income	
Loomis, Sayles & Company	286
Core Plus Fixed Income	
Brinson Partners	516
International Balanced	
Brandes Investment Partners	360
International Equity	
Bank of Ireland	274
International Equity	
Cash	32

Chart on following page.

Assets Managed (In millions)



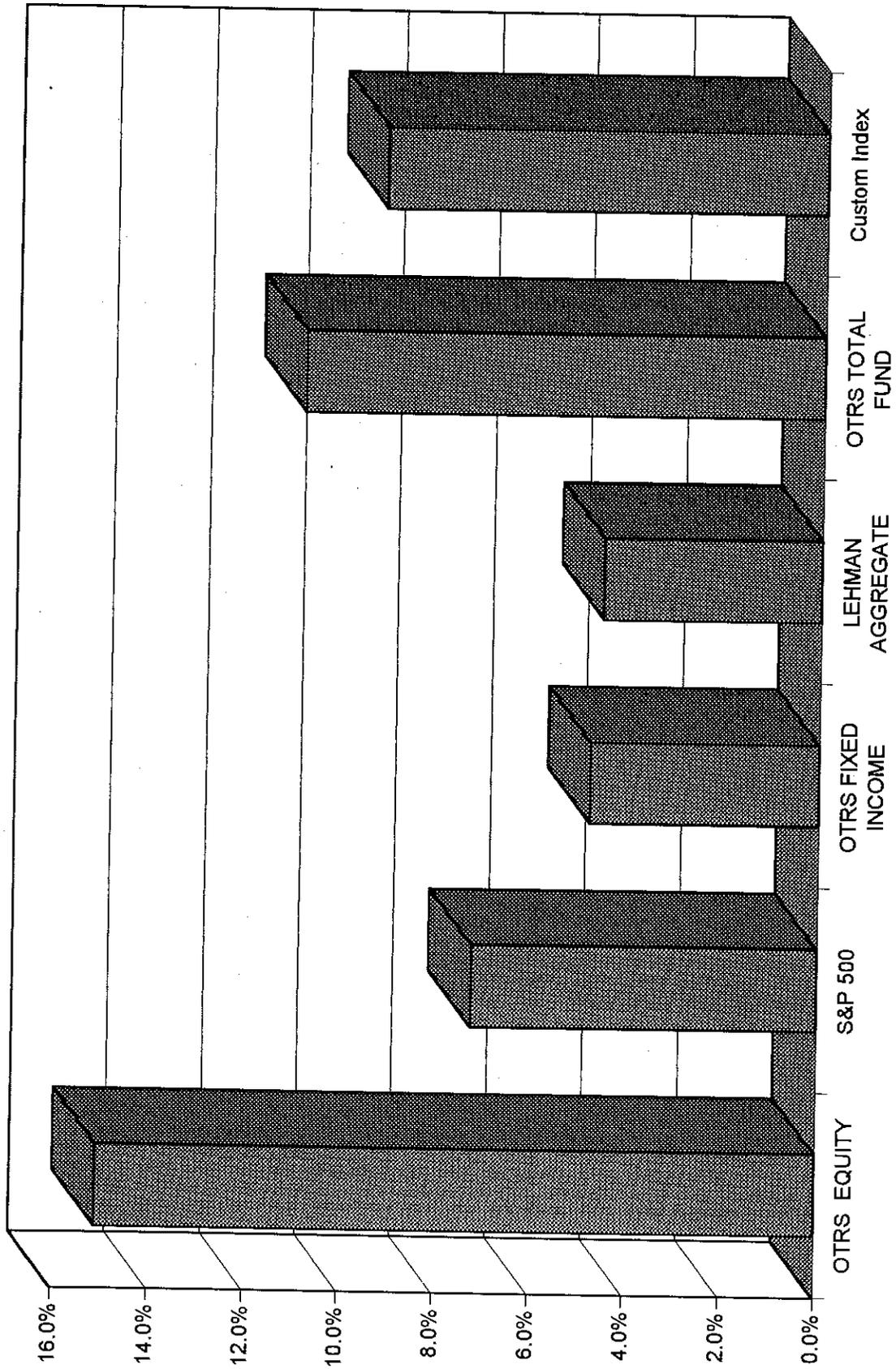
## **Investment Performance**

The Oklahoma Teachers' Retirement System compares total return on equity investments to the S & P 500 Index. The benchmark for fixed income investments was changed from Lehman Brothers Government / Corporate Index to the Lehman Brothers Aggregate Index in Fiscal Year 1999. Individual benchmarks for the separately managed domestic equity funds include the Russell 1000 Value, the Russell 1000 Growth, the S & P 500, the Russell Midcap, the S & P Midcap 400 and the Russell 2000. The international managers are compared to the MSCI EAFE and the Salomon Non-U. S.

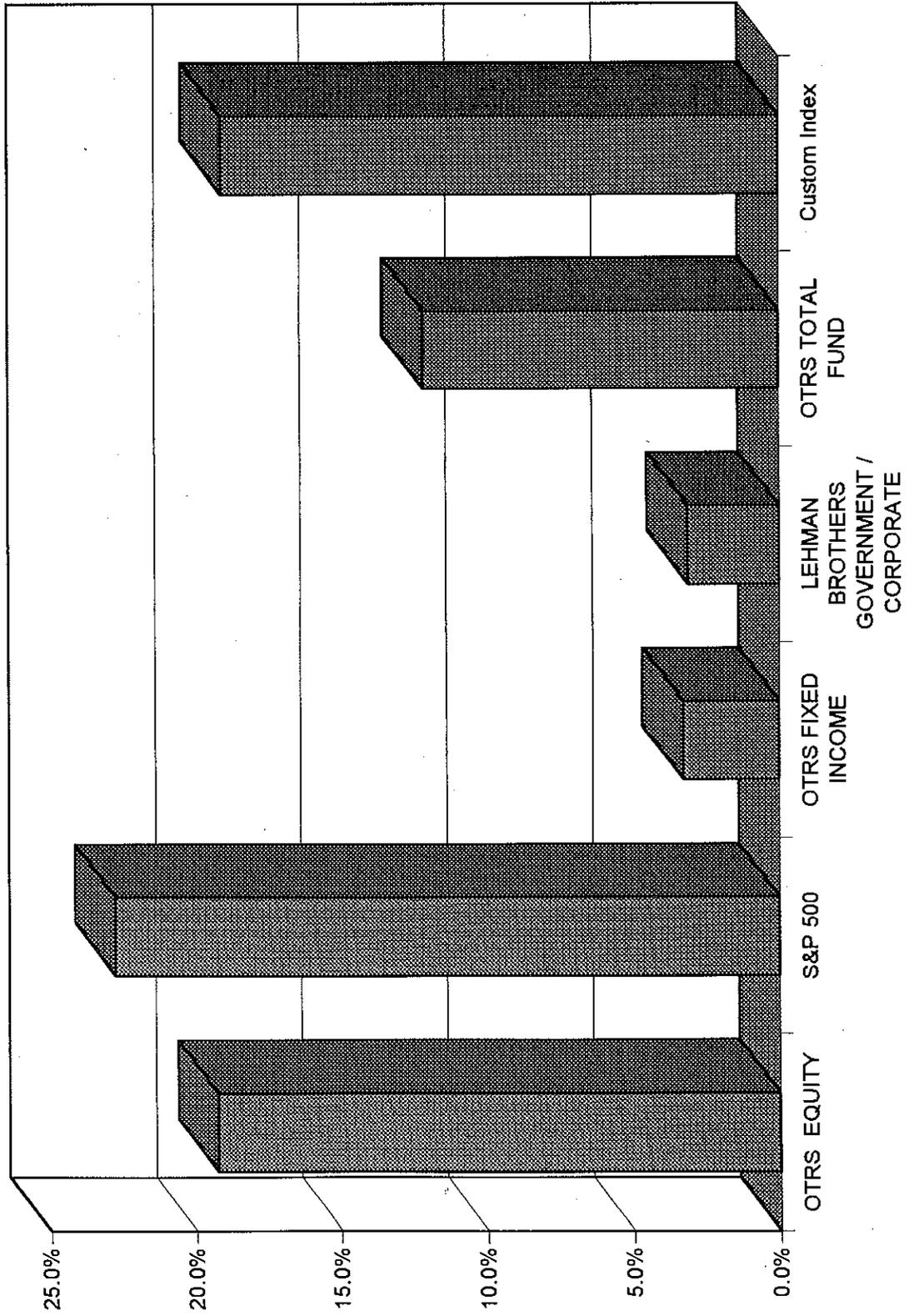
Investment return calculations are prepared using a time-weighted rate of return based on Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

The charts on the following pages show comparative returns for the major asset classes.

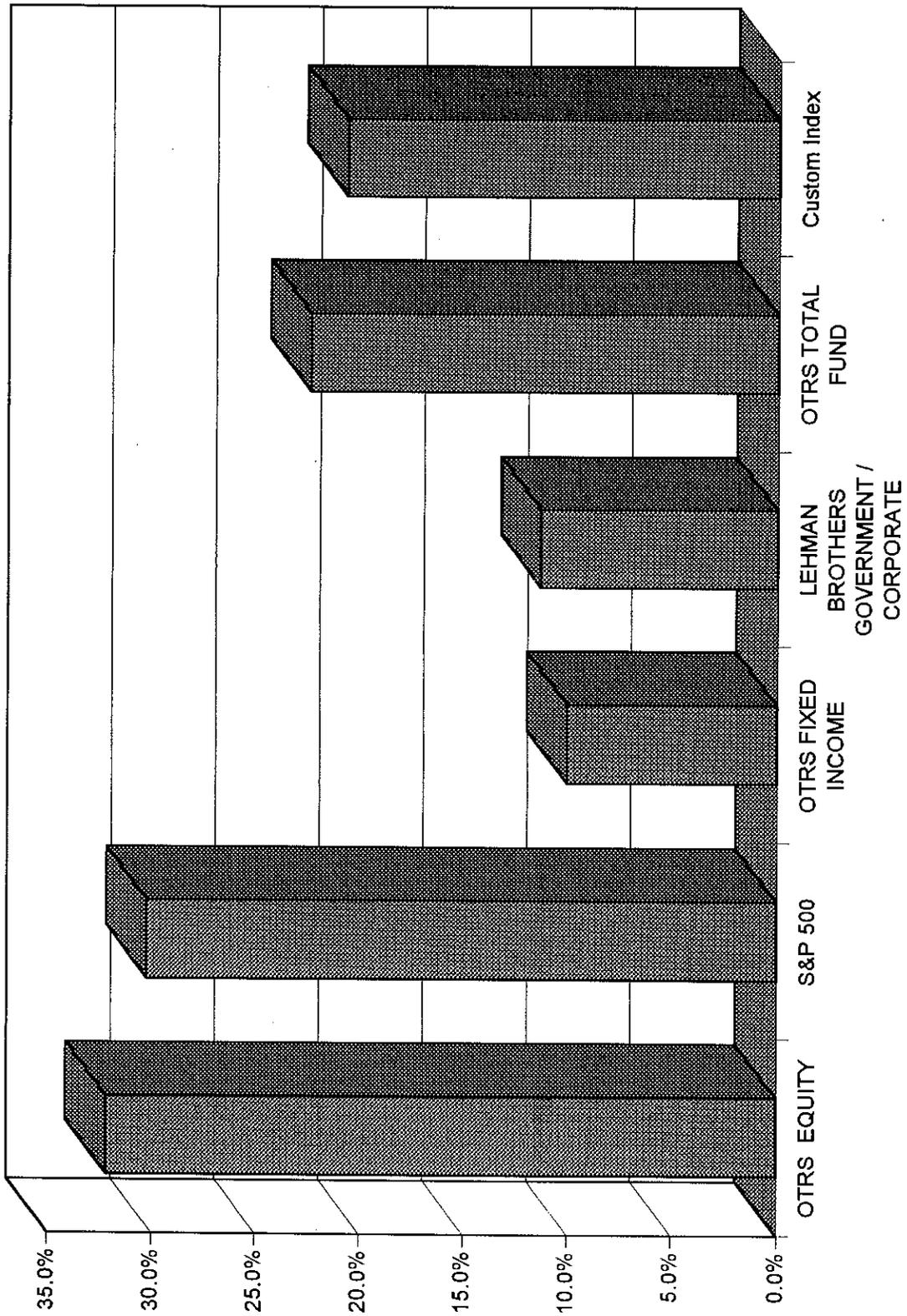
Comparative Rates of Return Fiscal Year 2000



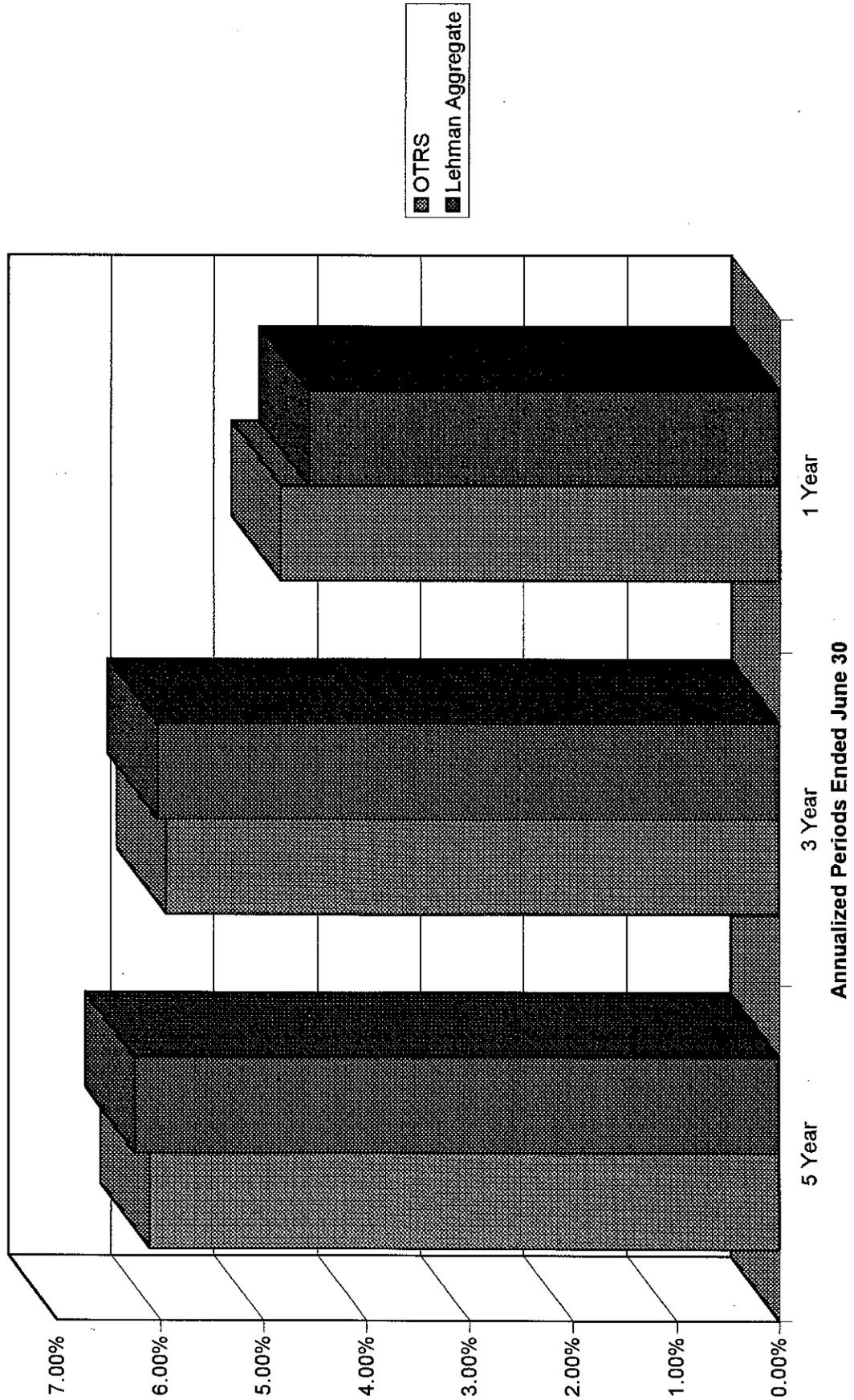
Comparative Rates of Return Fiscal Year 1999



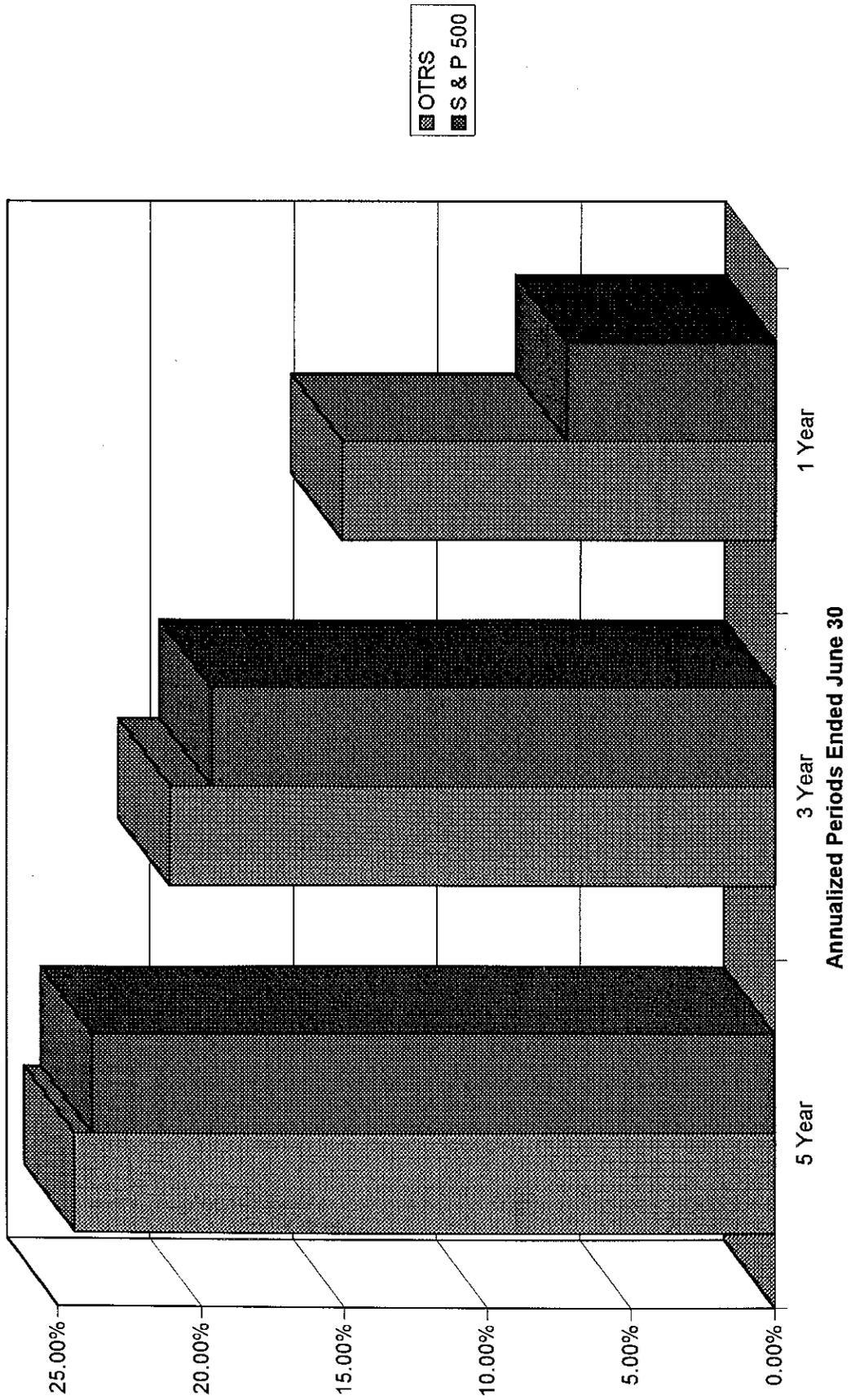
Comparative Rates of Return Fiscal Year 1998



**ANNUALIZED FIXED INCOME RETURN COMPARISON**  
**Lehman Aggregate vs OTRS Fixed Income Portfolio**



**ANNUALIZED EQUITY RETURN COMPARISON  
S&P 500 vs OTRS Equity Portfolio**



## Investment Expenses

Investment fees paid to investment management firms employed by the System were as follows in Fiscal Year 2000.

<u>Investment Manager</u>	<u>Fees Paid</u>
Goldman, Sachs Management	\$995,823
Hotchkis & Wiley	1,292,833
Deutsche Bank	120,913
Investment Advisors	100,076
Aronson+Partners	1,084,582
Morgan Stanley Value	804,399
Morgan Stanley Growth	513,895
Wellington Management	696,019
Denver Investment Advisors	312,665
Kopp Investment Advisors	1,516,186
Shapiro Capital	532,021
Mellon Bond Associates	103,019
Neuberger Berman	712,700
Loomis Sayles and Company	575,183
Pacific Investment Management	576,147
Brandes Investment Partners	1,400,232
Bank of Ireland Asset Management	724,846
Brinson Partners	<u>1,787,605</u>
Total	<u>\$13,849,144</u>

Domestic Stock Brokerage Commissions  
Fiscal Year 2000

<u>Brokerage Firm</u>	<u>Shares Traded</u>	<u>Commission</u>	<u>Per Share</u>
STANDARD & POOR	379,200	\$19,033	0.050
GOLDMAN SACHS & COMPANY	612,600	34,723	0.057
SMITH BARNEY HARRIS UPHAM & COMPANY INC	72,600	3,658	0.050
KEEFE BRUYETTE AND WOODS INC.	6,200	372	0.060
BROWN BROTHERS HARRIMAN & CO.	61,000	3,387	0.056
ESI SECURITIES CO	4,300	215	0.050
BERNSTEIN	8,400	504	0.060
ITG / POSIT	1,458,318	31,585	0.022
SIMMONS	283,300	16,855	0.059
GENESIS	12,600	756	0.060
JEFFERIES & COMPANY INC	2,400,400	105,047	0.044
CLEARY GULL REILAND & MCDERITT	4,800	278	0.058
DAIN RAUSCCHER INC	3,900	234	0.060
SANDERS MORRIS MUNDY	27,900	1,574	0.056
SECURITY INV. CO. OF KANSAS CITY	20,500	1,025	0.050
A B WATLEY	600	30	0.050
PRUDENTIAL SECURITIES INC	924,850	52,505	0.057
ROSENBLATT	657,600	13,152	0.020
CAPITAL INSTITUTIONAL SERVICES INC	1,088,400	43,066	0.040
STEPHENS, INC.	55,000	3,009	0.055
TORONTO DOMINION SECURITIES	9,200	552	0.060
MIDWEST RESEARCH	18,600	1,116	0.060
DEUTSCHE / DB CLEARING SERVICES	975,833	54,860	0.056
MORGAN STANLEY DEAN WITTER	4,561,538	104,289	0.023
OFF THE RECORD RESEARCH/NOTA	73,830	4,179	0.057
SANDLER O'NEILL	3,700	222	0.060
BALDWIN ANTHONY MCINTYRE	9,200	460	0.050
JONES & ASSOC	468,000	20,494	0.044
J P MORGAN	790,489	44,806	0.057
SHEARSON LEHMAN	323,200	17,321	0.054
PUTNAM LOVELL	14,900	783	0.053
SCOTIA MCLEOD INC	101,200	5,161	0.051
ABEL NOSER	20,500	410	0.020
J C BRADFORD & COMPANY	9,700	582	0.060
DRESDNER KLEINWORT BENSON	250,378	14,262	0.057
BAUM, GEORGE K., & COMPANY	105,100	6,306	0.060
WHEAT FIRST UNION	145,750	8,542	0.059
NEUBERGER & BERMAN	20,200	1,212	0.060
MERRILL LYNCH PIERCE FENNER & SMITH INC	1,493,847	89,172	0.060
EDWARDS A G INC	34,600	2,015	0.058
ADAMS, HARKNESS & HILL, INC	53,500	3,210	0.060
PAINE WEBBER INC	1,259,850	69,922	0.056
DIAN BOSWORTH INC	30,900	1,784	0.058
WEEDEN & COMPANY	108,915	\$6,413	0.059

Domestic Stock Brokerage Commissions  
Fiscal Year 2000

<u>Brokerage Firm</u>	<u>Shares Traded</u>	<u>Commission</u>	<u>Per Share</u>
SALOMON SMITH BARNEY	1,713,330	\$100,200	0.058
HAMBRECHT & QUIST	186,000	10,622	0.057
SG COWEN SECURITIES CORPORATION	101,550	5,514	0.054
DUNLEVY & CO., INC.	3,000	150	0.050
U.S. BANCORP PIPER JAFFRAY	299,950	17,221	0.057
TUCKER ANTHONY	105,500	5,994	0.057
HANIFEN IMHOFF INC	63,300	3,798	0.060
FIRST BOSTON CORPORATION	46,300	2,778	0.060
INTERSTATE / JOHNSON LANE CORPORATION	39,900	2,394	0.060
FRIEND	113,400	6,095	0.054
BEAR STEARNS & COMPANY	1,135,700	60,294	0.053
CREDIT SUISSE FIRST BOSTON CORPORATION	1,575,577	91,125	0.058
D.A. DAVIDSON & COMPANY, INC.	130,200	7,812	0.060
JANNEY MONTGOMERY SCOTT	1,500	75	0.050
TUCKER ANTHONY	2,000	100	0.050
EWING CAPITAL	6,500	325	0.050
BOENNING & SCATTERGOOD	4,400	176	0.040
INSTINET	6,256,852	148,667	0.024
DONALDSON & CO	3,381,512	168,047	0.050
KALB, VOORHIS & CO., LLC	44,000	880	0.020
CIBC OPPENHEIMER CORP/WORLD MARKETS CO	287,600	16,772	0.058
LANGEN MCALENNY	38,200	1,965	0.051
PETRIE PARKMAN	65,300	3,871	0.059
ROBERT W BAIRD	88,800	5,204	0.059
DOMINION SECURITIES	9,100	546	0.060
DB ALEX BROWN INCORPORATED	145,408	8,324	0.057
CROWELL WEEDON	12,300	615	0.050
SUTRO & COMPANY INC	6,900	345	0.050
PREFERRED TECHNOLOGY	28,100	1,686	0.060
SBC WARBURG DILLON READ INC. - SWISS BAN	734,225	38,459	0.052
SPEAR, LEEDS & KELLOGG CAPITAL MARKETS	338,462	16,923	0.050
SHIELDS CAPITOL CORP	131,850	6,593	0.050
CANTOR FITZGERALD & COMPANY INC	693,900	32,984	0.048
SCOTT & STRINGFELLOW	41,500	2,075	0.050
RAYMOND JAMES & ASSOC	68,300	3,799	0.056
RAGEN MACKENZIE	8,900	534	0.060
ROBERTSON, STEPHENS & CO.	129,400	7,764	0.060
HOWARD WEIL LABOUISSIE FRIEDRICHS INC	38,400	1,875	0.049
BLAIR, WILLIAM AND COMPANY	49,400	2,470	0.050
MONTGOMERY SECURITIES	617,492	36,989	0.060
MORGAN KEEGAN & COMPANY, INC	44,600	2,676	0.060
CONNING & CO	48,700	2,654	0.054
CHICAGO CORP	280,400	16,541	0.059
MCDONALD & COMPANY	62,100	\$3,466	0.056

Domestic Stock Brokerage Commissions  
Fiscal Year 2000

<u>Brokerage Firm</u>	<u>Shares Traded</u>	<u>Commission</u>	<u>Per Share</u>
SCHRODER & CO. INC.	400,164	\$22,083	0.055
BLOOMBERG TRADEBOOK	585,000	11,700	0.020
STIFEL NICOLAUS & CO INC	29,700	1,782	0.060
SUNTRUST	108,500	6,359	0.059
FURMAN SELZ MAGER DIETZ	63,200	3,619	0.057
FIDELITY CAPITAL MGMT	78,300	3,915	0.050
FAHNESTOCK	6,100	305	0.050
WERTHEIM & COMPANY INC	43,600	2,616	0.060
LYNCH JONES RYAN	7,856,951	419,977	0.053
PENNSYLVANIA GROUP INC	40,900	2,454	0.060
GORDON HASKETT	23,800	1,428	0.060
GERARD KLAVER MATTSON	44,500	2,670	0.060
INVESTMENT TECHNOLOGY GROUP	691,887	12,173	0.018
ROBINSON HUMPHREY	13,900	834	0.060
BANKERS TRUST	13,300	333	0.025
BANCAMERICA	38,800	1,940	0.050
LAZARD FRERES & CO	16,000	960	0.060
WESTMINISTER	6,600	396	0.060
PACIFIC BROKERAGE	10,700	321	0.030
LEGG MASON WOOD WALKER, INC.	32,600	1,956	0.060
BOSTON INSTITUTIONAL SERVICES	26,200	1,310	0.050
BNY CAPITAL	11,100	633	0.057
ALLEN	133,600	7,980	0.060
AUTRANET INC	294,100	12,328	0.042
VOLPE BROWN WHELAN AND CO	18,900	1,134	0.060
SANFORD C. BERSTEIN & CO., INC.	1,004,975	55,769	0.055
BNY ESI & CO ALPHA DIVISION	863,109	30,750	0.036
PERSHING	203,700	10,465	0.051
FIRST UNION	40,000	2,262	0.057
ROBERT BRANDT	53,700	2,181	0.041
GABELLI & COMPANY, INC.	72,000	3,600	0.050
SOUNDVIEW FINANCIAL GROUP	238,500	14,310	0.060
LADENBURG THALMAN	84,600	4,906	0.058
COMMERZ BANK	15,200	912	0.060
GREEN STREET ADVISORS INCORPORATED	5,700	342	0.060
BUCKINGHAM RESEARCH	15,370	922	0.060
STATE STREET BROKERAGE SVCS INC.	9,600	192	0.020
BRIDGE TRADING	227,500	10,834	0.048
FOX PITT KELTON	212,800	10,882	0.051
HEFLIN & CO., LLC	14,500	586	0.040
DONALDSON LUFKIN & JENRETTE	1,369,916	80,220	0.059
KNIGHT SECURITIES	473,489	23,674	0.050
THE SHEMANO GROUP	50,700	2,038	0.040
MAXUS CORP	22,100	\$1,105	0.050

Domestic Stock Brokerage Commissions  
Fiscal Year 2000

<u>Brokerage Firm</u>	<u>Shares Traded</u>	<u>Commission</u>	<u>Per Share</u>
JOHNSON RICE	3,600	\$180	0.050
LEHMAN BROTHERS	5,575,851	139,135	0.025
PCS SECURITIES	139,600	6,284	0.045
FRIEDMAN BILLINGS	23,700	1,422	0.060
COWEN, SG SECURITIES CORPORATION	408,975	24,539	0.060
ABN-AMRO	370,662	19,018	0.051
THOMAS WEISEL PARTNERS, LLC	144,000	8,628	0.060
CHARLES SCHWAB	37,200	1,860	0.050
ROCHDALE SECURITIES	1,003,900	60,234	0.060
WASSERSTEIN	23,100	1,386	0.060
WACHOVIA BANK	1,500	90	0.060
BLACK & COMPANY	9,100	546	0.060
O'NEIL, WILLIAM & CO. INC.	39,200	1,568	0.040
B-TRADE SERVICES LLC	<u>39,900</u>	<u>798</u>	0.020
GROSS COMMISSIONS	<u>61,531,355</u>	2,679,319	0.044
LESS COMMISSION REBATES RECEIVED		<u>609,683</u>	
NET COMMISSIONS		<u>\$2,069,636</u>	0.034

Transactions whose commissions cost are zero not included.

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

**SHORT-TERM INVESTMENTS**

<u>Commercial Paper</u>	<u>Maturity Date</u>	<u>Market Value</u>
AML LEASING TRUST	07/05/00	\$5,442,741
ANC RENTAL FUNDING CORP	07/05/00	9,090,963
ASSET SECURITIZATION	07/07/00	10,998,898
BOC GROUP INC	07/05/00	1,048,801
BARTON CAPITAL CORP	07/07/00	1,036,230
BUDGET FUNDING	07/05/00	1,757,639
CAMPBELL SOUP CO	07/06/00	299,648
CAPITAL USA FUNDING II	07/06/00	400,470
DOVER CORP	07/05/00	499,334
DUN & BRADSTREET CORP	07/05/00	4,993,340
EAGLEFUNDING CAPITAL CORP	07/06/00	5,623,364
EAGLEFUNDING CAPITAL CORP	09/13/00	4,220,404
FCAR OWNER TRUST	07/06/00	164,749
FAIRWAY FINANCE	09/05/00	2,470,516
FAIRWAY FINANCE	09/25/00	2,587,688
FORD MOTOR CREDIT P. RICO	07/03/00	1,598,478
FRIGATE FUNDING CORP	07/05/00	7,768,440
GOLDEN FUNDING CORP	07/06/00	7,430,163
HERTZ CORP	07/05/00	4,993,370
HONEYWELL INTERNATIONAL	07/05/00	499,425
JEFFERSON SMURFIT FIN	07/05/00	9,690,076
MARSH USA INC	07/06/00	798,942
METROPOLITAN EDISON CO	07/06/00	2,795,756
PREMIUM FINANCE LOAN OWNER	07/05/00	10,987,533
SBC COMMUNICATIONS INC	10/04/00	9,009,221
SANTANDER FINANCE DE INC	10/16/00	8,991,119
SEVEN HILLS FUNDING	07/06/00	11,000,429
SHARP ELECTRONICS CORP	07/06/00	499,334
SIGMA FINANCE INC	10/13/00	8,994,055
SYDNEY CAPITAL CORP	10/03/00	1,131,781
SYDNEY CAPITAL CORP	10/11/00	1,984,304
SYDNEY CAPITAL CORP	10/13/00	4,665,162
THUNDER BAY FUNDING INC	07/05/00	5,208,030
TRANSAMERICA ASSET FUNDING	07/05/00	10,046,433
TRANSAMERICA FINANCIAL	10/03/00	4,620,174
TRIPLE A1 FUNDING	07/05/00	11,006,503
<b>Total Commercial Paper</b>		<b>174,353,513</b>
<b>U S Treasury Bills</b>		
U S TREASURY BILL	11/09/00	4,846,228
U S TREASURY BILL	09/07/00	202,046
U S TREASURY BILL	09/21/00	34,494
<b>Total U S Treasury Bills</b>		<b>5,082,768</b>
<b>DOMESTIC MONEY MARKET FUNDS</b>		<b>46,925,596</b>
<b>INTERNATIONAL MONEY MARKET FUNDS</b>		<b>112,381,324</b>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>\$338,743,201</b>

**FIXED INCOME INVESTMENTS**

<u>Domestic Fixed Income:</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>
AMR CO	9.880	06/15/20	\$370,367
AT & T CORP	6.000	03/15/09	5,330,280
AT & T CORP	6.500	03/15/29	836,400
AAMES MTG TRUST	5.594	08/05/29	6,523,990
ADELPHIA COMM	10.500	07/15/04	3,000,000
ADELPHIA COMM	7.875	05/01/09	169,000
ALESTRA	12.125	05/15/06	2,760,000
ALLEGIANCE TELECOM INC	11.750	02/15/08	554,625
ALLIED WASTE	7.875	01/01/09	2,408,000
ALLSTATE FINANCE	7.830	12/01/45	173,590
ALCOA INC	6.570	09/14/00	1,578,086
AMERICAN AIRLINES	7.024	10/15/09	379,600
AT&T CORP	6.630	09/01/00	988,582
ANHEUSER-BUSCH COMPANY	5.125	10/01/08	2,404,584
ARCHER DANIELS MIDLAND	8.875	04/15/11	433,112
ARCHER DANIELS MIDLAND	6.625	05/01/29	2,357,990
ASIAN DEVELOPMENT BANK	5.500	04/23/04	1,229,462
ASSOCIATED CORP	5.500	02/15/04	2,323,900
ASSOCIATES CORP	6.530	08/18/00	6,443,353
ATLANTIC RICHFIELD CO	9.875	03/01/16	245,526
LEHMAN BROS HOLDING	5.823	06/03/02	1,795,410
BCH CAYMAN ISLANDS	7.700	07/15/06	397,568
BHP FINANCE (USA) LTD	6.750	11/01/13	685,072
BANESTO FINANCE LTD	7.500	03/25/07	972,800
BANC ONE	6.000	02/17/09	434,890
BANK ONE CORP	6.875	08/01/06	10,360,014
BANKAMERICA CAP	8.000	12/15/26	454,675
BANK OF BOSTON CORP	6.125	03/15/02	294,090
BANKBOSTON HOME EQUITY	6.420	01/25/21	5,974,260
BAUSCH & LOMB INC	6.750	12/15/04	382,860
BAYERISCHE LANDES	7.375	12/14/02	1,995,180
BSCMS	7.080	06/15/09	1,557,824
BSCMS	6.730	05/20/03	2,173,057
BSCMS	7.000	09/20/12	2,693,735
BSCMS	7.000	08/20/18	2,644,962
BEAR STEARNS CO.	6.500	07/05/00	400,000
BEAR STEARNS CO.	5.686	08/01/02	5,330,210
BELLSOUTH TELECOMM	7.500	06/15/33	452,750
BELLSOUTH TELECOMM	7.000	10/01/25	452,755
A.H. BELO CORP	7.750	06/01/27	446,380
FINOVA CAP	6.250	04/08/03	1,300,000
BOEING CORP	8.625	11/15/31	334,171
BRUNSWICK CORPORATION	7.125	08/01/27	329,628
BUILDING MATERIALS CORP	7.750	07/15/05	411,250
CIT GROUP INC	5.500	02/15/04	4,618,200
CIT GROUP INC	7.125	10/15/04	7,281,450
CIT GROUP INC	7.375	03/15/03	3,064,815
CMC3	6.750	11/25/23	3,651,065
CSC HOLDINGS	7.250	07/15/08	1,016,895
CSC HOLDINGS	8.125	07/15/09	2,123,000
CSX CORP	7.450	05/01/07	\$962,340

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Fixed Income:</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Domestic Fixed Income:</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>
RESIDENTIAL ASSET SEC	7.500	09/25/27	\$471,635	FHLMC #G00693	7.500	04/01/27	\$3,259,768
RESIDENTIAL ASSET SEC	6.750	04/25/28	476,897	FHLMC #G00726	8.000	06/01/27	687,245
CAMPBELL SOUP COMPANY	8.875	05/01/21	604,549	FHLMC #D65109	7.000	10/01/25	197,443
CAMPBELL SOUP CO	6.540	09/01/00	1,779,707	FHLMC #D66964	7.000	01/01/26	306,546
CAPITAL AUTO REC	6.300	05/15/04	2,998,869	FHLMC #D67619	7.500	02/01/26	598,146
CAPITAL ONE BANK	6.700	05/15/08	1,060,272	FHLMC #D68850	6.500	03/01/26	311,097
CATERPILLAR TRACTOR	8.000	02/15/23	298,551	FHLMC #D86692	6.500	02/01/28	790,791
CENDANT MORTGAGE	7.250	01/27/29	2,285,531	FHLMC #D86881	6.500	03/01/28	3,123,137
CHASE MANHATTAN	5.200	04/15/02	48,454	FHLMC #D86891	6.500	03/01/28	1,617,864
CHASE MORTGAGE	6.750	02/25/25	2,132,194	FHLMC #E70605	7.000	06/01/13	1,130,046
CHASE MTG	7.750	04/25/30	3,457,725	FHLMC #E71283	6.500	07/01/13	381,475
CHEMICAL BANK NY	6.700	08/15/08	465,115	FHLMC #E75927	6.000	03/01/14	163,819
CHASE MANHATTAN	6.250	11/01/29	9,992,730	FHLMC #E77981	7.000	07/01/14	472,515
CITICORP	8.000	02/01/03	1,319,773	FHLMC #E78045	7.500	09/01/14	466,134
CITIBANK	6.550	02/15/04	1,976,600	FHLMC #E77461	6.000	06/01/14	977,226
CITIGROUP CAPITAL II	7.750	12/01/36	178,224	FHLMC #552314	9.000	08/01/20	40,767
COASTAL CORP	6.500	06/02/08	1,241,865	FHLMC #554845	8.500	05/01/21	35,340
COCA COLA BOTTLING CO	6.375	05/01/09	917,440	FHLMC #554866	8.500	06/01/21	8,800
COCA COLA ENTERP	7.875	02/01/02	252,040	FHLMC #C00835	6.500	07/01/29	683,758
COCA COLA ENTERP	8.500	02/01/12	1,056,770	FHLMC #C00844	7.000	08/01/29	937,522
COMCAST CABLE COMM	6.200	11/15/08	657,956	FHLMC #C00896	7.500	12/01/29	2,622,448
COMDISCO	6.130	08/01/01	2,912,220	FHLMC #C00078	9.000	11/01/21	23,870
COMMERCIAL CR GROUP	5.900	09/01/03	1,436,070	FHLMC #C00109	8.000	04/01/22	371,583
CONSECO INC	6.400	06/15/01	2,280,000	FHLMC #C00206	7.500	01/01/23	160,299
CORP ANDINA DE	7.250	03/01/07	955,370	FHLMC #C00249	7.000	07/01/23	582,859
COUNTRYWIDE FUNDING	6.280	01/15/03	1,151,016	FHLMC #C00262	7.000	10/01/23	791,235
COX COMMUNICATION INC	6.875	06/15/05	338,478	FHLMC #C00294	6.500	02/01/24	555,690
CREDIT LYONNAIS	6.150	08/29/49	5,784,100	FHLMC #C00431	8.000	11/01/25	521,747
DLJ COMMERCIAL MORT	6.240	11/12/31	1,384,620	FHLMC #C00449	7.000	03/01/26	304,996
DAIMLERCHRYSLER	6.160	01/18/02	2,999,490	FHLMC #C00495	7.000	01/01/27	278,882
DANA CORPORATION	7.000	03/15/28	422,995	FHLMC #C00571	8.000	12/01/27	493,904
DAYTON HUDSON	6.750	01/01/28	520,332	FHLMC #C00596	6.500	03/01/28	1,188,900
DISCOVER CARD MASTER	6.850	07/17/07	1,273,792	FHLMC #C00609	7.000	05/01/28	3,870,652
DISCOVER CARD MASTER	6.253	09/16/05	8,500,000	FHLMC #C00689	6.500	12/01/28	852,361
WALT DISNEY	6.750	03/30/06	979,000	FHLMC #C00716	6.000	02/01/29	1,467,182
DONALDSON LUFKIN	6.500	04/01/08	450,350	FHLMC #C00742	6.500	04/01/29	987,084
DOW CHEM CO	7.375	11/01/29	9,718,200	FHLMC #C00748	6.000	04/01/29	700,864
DU PONT E I DE NEMO	8.250	09/15/06	209,988	FHLMC #C00760	6.500	05/01/29	762,704
DUKE POWER CO	7.000	07/01/33	213,635	FHLMC #C01005	8.000	06/01/30	1,709,554
HOME EQUITY LOAN TRUST	7.067	01/25/25	9,553,100	FHLMC #C102246	6.000	05/01/28	791,505
EAST COAST POWER	6.737	03/31/08	3,519,439	FHLMC #C12744	6.500	07/01/28	1,068,578
EASTMAN CHEMICAL	6.375	01/15/04	1,904,960	FHLMC #C13829	7.000	08/01/28	546,534
EMERSON ELECTRIC	5.850	03/15/09	630,049	FHLMC #C14210	6.000	08/01/28	1,526,981
EMPRESA NATIONAL ELEC	8.500	04/01/09	2,889,990	FHLMC #C14242	6.500	09/01/28	3,989,988
ENERSIS	6.900	12/01/06	359,093	FHLMC #C14254	7.000	08/01/28	930,466
FFCA SECURED LENDING	7.130	08/18/08	4,242,377	FHLMC #C19963	7.000	12/01/28	675,295
FFCA SECURED LENDING	7.850	05/18/17	887,670	FHLMC #C20415	6.000	01/01/29	442,287
FHLMC #M80596	7.000	10/01/06	408,122	FHLMC #C20716	6.000	01/01/29	878,225
FHLMC #G00880	7.000	02/01/28	1,276,251	FHLMC #C22344	6.000	02/01/29	1,044,954
FHLMC #G00365	8.000	06/01/25	400,092	FHLMC #C26666	6.000	05/01/29	887,983
FHLMC #G00544	8.500	10/01/26	\$432,844	FHLMC #C32914	8.000	11/01/29	\$498,244

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Fixed Income:</u>			<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Domestic Fixed Income:</u>			<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>
FHLMC	#E00031		8.000	04/01/06	\$397,706	FHLMC	#C28631		7.000	07/01/29	\$500,226
FHLMC	#E00067		8.500	01/01/07	12,098	FHLMC	#C28734		6.500	07/01/29	919,219
FHLMC	#E00071		7.500	01/01/07	49,848	FHLMC	#503923		8.500	05/01/06	26,647
FHLMC	#E00185		7.000	01/01/08	166,065	FHLMC	#540090		9.000	10/01/19	17,124
FHLMC	#E00268		6.000	12/01/08	281,991	FHLMC			6.800	03/19/07	10,404,378
FHLMC	#E00292		6.500	04/01/09	401,040	FHLMC			7.100	04/10/07	998,290
FHLMC	#E00573		6.000	10/01/13	1,616,156	FHLMC			5.000	02/15/01	118,650
FHLMC	#E00548		6.500	05/01/13	3,144,790	FHLMC			5.750	04/15/08	1,561,297
FHLMC	#E00598		5.500	12/01/13	823,357	FHLMC			5.750	07/15/03	7,730,640
FHLMC	#E00617		5.500	01/01/14	414,779	FHLMC			6.020	09/30/13	3,264,825
FHLMC	#E00659		6.000	04/01/14	604,976	FHLMC			6.450	04/29/09	6,996,525
FHLMC	#B00096		8.500	05/01/06	21,760	FHLMC	#542546		11.000	10/01/19	5,447
FHLMC	#C80091		6.500	01/01/24	781,057	FHLMC	#544194		8.500	05/01/19	101,216
FHLMC	#C80174		7.500	07/01/24	338,373	FHLMC	#548780		9.500	04/01/20	46,768
FHLMC	#C80334		7.500	08/01/25	293,069	FHLMC	#D52991		7.500	05/01/24	225,308
FHLMC	#E20015		7.000	03/01/08	129,403	FHLMC	#E36304		7.500	04/01/07	67,195
FHLMC	#E20037		7.000	07/01/08	295,150	FHLMC	#E39298		7.000	09/01/07	111,215
FHLMC	#E20237		6.000	05/01/11	1,601,240	FHLMC	#E45787		7.500	04/01/08	181,707
FHLB			5.580	08/17/01	6,213,690	FHLMC	#E50093		6.500	08/01/08	479,533
FHLB			5.875	08/15/01	2,966,670	FNR 93 -			6.500	07/25/23	3,374,913
FHLMC			7.500	09/15/29	1,994,377	FNMA			5.750	02/15/08	22,501,824
FHLMC	#360122		9.500	10/01/20	14,706	FNMA			6.000	05/15/08	1,865,840
FHLMC	#360021		10.000	02/01/18	17,230	FNMA			5.750	06/15/05	1,990,044
FHLMC	#170037		13.500	10/01/10	57,950	FNMA			4.625	10/15/01	6,284,288
FHLMC	#170043		12.500	12/01/11	47,285	FNMA			5.250	01/15/09	16,726,270
FHLMC	#380040		10.000	02/01/04	10,588	FNMA			5.125	02/13/04	3,542,481
FHLMC	#170102		13.500	10/01/14	208,493	FNMA			6.500	04/29/09	2,340,075
FHLMC	#360098		9.500	03/01/20	39,627	FNMA			5.625	05/14/04	4,763,050
FHLMC	#170195		9.000	10/01/16	7,905	FNMA			6.250	05/15/29	1,035,529
FHLMC	#180782		13.000	09/01/11	45,402	FNMA			6.375	06/15/09	1,019,211
FHLMC	#180146		10.000	10/01/10	27,700	FNMA			6.625	01/15/02	61,713,466
FHLMC	#187466		13.000	11/01/13	28,716	FNMA			7.125	01/15/30	1,353,134
FHLMC	#187809		13.000	02/01/14	14,385	FNR			6.000	11/25/28	2,262,720
FHLMC	#261046		9.500	11/01/19	53,463	FNMA	#21002		12.500	04/25/12	44,643
FHLMC	#251796		13.000	01/01/15	14,622	FNMA	#009152		12.500	12/25/13	30,625
FHLMC	#251477		12.500	02/01/14	133,830	FNMA	#050308		9.500	06/25/20	10,855
FHLMC	#256807		13.000	02/01/15	1,081	FNMA	#050353		9.500	10/25/20	15,231
FHLMC	#217089		7.500	05/01/02	19,384	FNMA	#050150		9.500	12/25/18	25,551
FHLMC	#216642		8.500	04/01/02	2,319	FNMA	#050219		10.000	08/25/04	12,581
FHLMC	#216897		8.000	05/01/02	12,755	FNMA	#050265		9.500	01/25/05	9,225
FHLMC	#271900		13.000	09/01/15	95,903	FNMA	#050252		9.000	11/25/04	13,557
FHLMC	#294662		8.500	06/01/17	11,530	FNMA	#050437		8.000	06/25/06	65,084
FHLMC	#280491		9.000	11/01/16	49,869	FNMA	#050505		8.000	11/25/06	10,936
FHLMC	#303927		9.000	05/01/18	26,576	FNMA	#050542		7.500	02/25/07	63,109
FHLMC	#304659		9.000	06/01/18	29,959	FNMA	#050589		7.500	06/25/07	83,842
FHLMC	#306397		10.000	08/01/18	13,532	FNMA	#050576		7.500	05/25/07	76,511
FHLMC	#308326		9.500	07/01/18	6,423	FNMA	#050577		8.000	03/25/07	43,125
FHLMC	#308327		8.500	06/01/18	47,836	FNMA	#050656		7.500	11/25/22	555,579
FHLMC	#308457		10.000	11/01/18	20,178	FNMA	#050682		7.000	01/25/08	123,316
FHLMC	#501688		8.500	06/01/03	11,340	FNMA	#050688		8.000	02/01/23	509,698
FHLMC	#502265		10.500	05/01/04	\$1,022	FNMA	#050659		7.000	11/25/07	\$180,030

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Fixed Income:</u>		<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Domestic Fixed Income:</u>		<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>
FNMA	#052576	9.500	07/25/02	\$4,663	FNMA	#050920	7.500	08/25/08	\$121,489
FNMA	#031946	9.000	08/25/01	1,318	FNMA	#050929	6.500	11/25/23	533,876
FNMA	#033611	9.000	09/25/01	1,296	FNMA	#050951	6.000	12/25/08	373,552
FNMA	#038794	9.500	12/25/16	14,538	FNMA	#050952	6.500	12/25/08	341,222
FNMA	#041028	9.500	10/25/01	2,730	FNMA	#320013	7.500	08/01/25	214,943
FNMA	#080469	9.500	04/25/18	21,266	FNMA	#323041	7.000	01/01/13	1,557,870
FNMA	#062424	9.500	11/25/17	50,408	FNMA	#323447	6.000	11/01/13	400,252
FNMA	#070425	9.000	01/25/02	5,058	FNMA	#323665	5.500	04/01/06	259,123
FNMA	#107878	9.000	11/25/05	10,932	FNMA	#323919	6.315	09/01/06	4,497,220
FNMA	#083790	8.000	01/25/03	10,219	FNMA	#330358	6.000	05/01/24	549,609
FNMA	#097679	9.500	07/25/20	8,543	FNMA	#337790	6.500	02/01/26	437,069
FNMA - CMO		6.920	03/19/07	2,073,099	FNMA	#341729	8.500	09/01/25	710,472
FNMA		5.490	08/18/00	6,992,370	FNMA	#364470	7.500	12/01/26	153,133
FNMA	#112137	9.500	12/25/20	8,815	FNMA	#363939	7.000	03/01/04	311,486
FNMA	#116855	9.500	02/25/21	30,159	FNMA	#370159	7.500	03/01/27	217,461
FNMA	#151099	8.000	02/25/07	29,553	FNMA	#377354	7.500	05/01/27	324,246
FNMA	#164977	8.000	08/25/07	35,109	FNMA	#395447	7.000	01/01/28	558,022
FNMA	#180152	6.500	09/25/07	130,412	FNMA	#397073	7.000	09/01/27	552,204
FNMA	#220521	6.500	06/25/08	316,343	FNMA	#400030	6.500	03/01/13	2,147,999
FNMA	#245598	7.000	12/01/23	1,463,692	FNMA	#404746	7.500	10/01/12	575,933
FNMA	#250188	8.000	01/01/25	454,576	FNMA	#411402	6.000	05/01/28	407,229
FNMA	#250284	8.000	06/01/25	440,386	FNMA	#415850	6.000	09/01/25	1,098,634
FNMA	#250005	7.000	04/01/24	490,644	FNMA	#415664	6.500	03/01/28	2,196,689
FNMA	#250059	7.000	06/01/24	488,721	FNMA	#416128	6.500	03/01/28	1,790,163
FNMA	#250460	7.000	02/01/26	519,851	FNMA	#418164	6.000	03/01/13	1,673,393
FNMA	#250576	7.000	06/01/26	415,880	FNMA	#418165	6.500	03/01/13	344,274
FNMA	#250972	8.000	06/01/27	295,828	FNMA	#420169	6.500	04/01/28	2,309,005
FNMA	#250953	7.000	06/01/12	231,612	FNMA	#420676	6.000	04/01/13	581,857
FNMA	#251971	0.000	08/01/28	734,620	FNMA	#423025	6.500	04/01/28	1,491,038
FNMA	#251982	6.500	08/01/13	12,862,060	FNMA	#429894	6.500	05/01/13	410,291
FNMA	#251985	6.500	09/01/28	416,478	FNMA	#431526	6.500	08/01/13	1,167,068
FNMA	#252093	6.500	12/01/28	652,496	FNMA	#434095	7.000	08/01/28	869,040
FNMA	#251898	6.500	07/01/28	817,325	FNMA	#439501	7.000	08/01/28	410,361
FNMA	#251909	6.000	06/01/05	907,824	FNMA	#440441	6.500	08/01/28	748,063
FNMA	#252646	7.000	08/01/29	1,014,671	FNMA	#440444	6.500	09/01/28	903,778
FNMA	#252695	6.500	06/01/06	448,663	FNMA	#440657	6.500	10/01/28	1,005,107
FNMA	#252806	7.500	09/01/29	1,457,661	FNMA	#440738	6.000	12/01/28	1,842,785
FNMA	#253184	8.000	03/01/30	11,423,925	FNMA	#440868	6.000	11/01/13	419,835
FNMA	#253355	7.500	12/01/27	985,521	FNMA	#446636	6.500	10/01/28	824,456
FNMA	#263199	6.000	01/01/09	304,219	FNMA	#451118	6.500	11/01/28	2,084,736
FNMA	#267733	6.500	01/01/24	514,757	FNMA	#452372	6.000	12/01/28	1,745,760
FNMA	#287411	7.500	07/01/24	280,750	FNMA	#455837	6.000	12/01/28	1,099,932
FNMA	#291648	7.500	08/01/24	201,335	FNMA	#459280	6.000	02/01/14	851,203
FNMA	#303273	8.000	05/01/25	882,686	FNMA	#459790	5.500	05/01/14	4,444,698
FNMA	#303683	6.500	08/01/25	2,316,248	FNMA	#482286	7.000	01/01/29	1,124,585
FNMA	#303786	0.000	02/01/11	217,495	FNMA	#488806	5.500	02/01/14	1,499,858
FNMA	#303933	6.500	06/01/26	322,959	FNMA	#489431	6.000	03/01/29	2,766,482
FNMA	#313275	7.500	04/01/26	4,314,919	FNMA	#491031	6.000	07/01/14	443,228
FNMA	#313302	7.000	02/01/12	9,800,084	FNMA	#494927	6.500	06/01/29	916,004
FNMA	#313324	9.000	06/01/17	779,778	FNMA	#498551	5.500	05/01/29	216,319
FNMA	#313589	6.500	09/01/11	275,104	FNMA	#499283	7.000	08/01/29	1,403,093
FNMA	#313644	7.000	08/01/27	\$7,636,231	FNMA	#499292	6.500	08/01/29	\$908,832

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<u>Domestic Fixed Income:</u>				<u>Domestic Fixed Income:</u>			
	<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>		<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>
FNMA #499803	5.500	06/01/14	\$431,487	GNMA #368924	7.000	05/15/24	\$491,529
FNMA #504304	7.000	08/01/29	9,504,933	GNMA #377469	8.000	01/15/27	429,533
FNMA #504732	6.500	07/01/29	917,118	GNMA #381226	8.000	12/15/27	328,735
FNMA #505508	6.500	07/01/29	9,082,982	GNMA #023421	9.000	09/15/08	39,701
FNMA #505592	6.500	07/01/29	1,007,185	GNMA #023423	8.500	08/15/08	77,672
FNMA #515934	7.000	09/01/29	715,857	GNMA #024439	8.500	07/15/08	48,190
FNMA #517232	7.500	11/01/29	459,499	GNMA #025062	8.000	03/15/08	87,898
FNMA #524872	7.000	02/01/30	863,354	GNMA #025306	8.000	04/15/08	143,420
FNMA #529171	7.000	02/01/30	675,288	GNMA # 027078	9.000	11/15/08	68,754
FNMA #535335	7.500	05/01/30	2,946,079	GNMA #386583	7.000	12/15/27	3,708,368
FNMA #535332	8.500	04/01/30	446,744	GNMA #389618	8.000	10/15/24	477,102
FNMA #535377	8.000	05/01/15	1,124,074	GNMA #394525	8.000	11/15/26	546,898
FNMA #536262	8.000	04/01/30	702,169	GNMA #397005	7.000	01/15/28	751,705
FNMA 3536902	7.500	04/01/15	490,412	GNMA #399601	8.500	12/15/24	108,477
FNMA #537237	7.500	05/01/30	590,937	GNMA #398844	8.000	08/15/26	174,642
FNMA #537867	8.000	05/01/30	577,140	GNMA #031007	9.000	04/15/09	12,788
FHLMC #D05867	9.000	06/01/21	28,176	GNMA #410250	7.500	12/15/25	290,162
FHLMC #D09716	9.000	10/01/21	13,006	GNMA #411815	8.000	07/15/27	547,639
FHLMC #D18415	9.000	05/01/22	46,926	GNMA #412351	8.000	10/15/27	107,035
FHA #073-11023	8.000	02/01/27	3,743,290	GNMA #412582	7.000	04/15/26	1,109,225
FEDERATED DEPT. STORE	7.000	02/15/28	841,540	GNMA #414737	8.000	11/01/25	503,266
FICO - FINANCING CORP BD	10.700	10/06/17	1,180,573	GNMA #416181	7.000	03/15/26	2,948,787
FICO - FINANCING CORP BD	10.350	08/03/18	2,586,380	GNMA #416895	8.000	04/15/26	146,127
FIRST BOSTON MORTGAGE	6.750	09/25/06	3,717,906	GNMA #418320	8.000	06/15/26	263,704
FIRST UN CORP	6.300	04/15/08	440,065	GNMA #419161	6.000	02/15/29	907,854
FIRSTPLUS	6.860	10/10/13	4,979,650	GNMA #419634	8.000	08/15/26	144,508
FLEET FINANCIAL GROUP	6.375	05/15/08	910,260	GNMA #422649	7.000	04/15/26	161,849
FLORIDA PWR & LT CO	6.625	02/01/03	883,116	GNMA #423903	8.000	07/15/26	181,112
FONDA GROUP INC	9.500	03/01/07	795,000	GNMA #423588	8.000	07/15/26	146,696
FORD CREDIT AUTO	5.650	10/15/01	516,946	GNMA #424026	8.000	09/15/26	124,161
FORD MTR CO DEL	6.625	02/15/28	337,332	GNMA #424222	7.000	07/01/11	279,308
FORD MTR CR CO	7.500	01/15/03	3,095,009	GNMA #042932	9.000	10/15/10	14,317
FORD MTR CR CO	7.110	06/02/03	5,996,880	GNMA #429349	7.000	03/15/26	2,941,332
FORT JAMES CORP	6.625	09/15/04	482,555	GNMA #431334	8.000	09/15/26	157,875
FOX FAMILY WORLD	10.250	11/01/07	1,575,000	GNMA #433893	7.500	07/15/28	556,663
GE CAPITAL CORP		09/13/00	9,864,550	GNMA #433383	8.000	01/15/27	331,317
GE CAPITAL MTG	6.500	03/25/24	4,304,650	GNMA #433519	8.000	12/15/27	102,140
GE CAP. MTG SERVICES INC.	6.380	05/25/14	3,804,192	GNMA #434476	6.000	08/15/14	462,338
GMACC	6.945	09/15/33	5,767,320	GNMA #434504	7.000	08/15/29	9,620,013
GMAC MORTGAGE CORP	5.763	06/18/27	3,983,752	GNMA #436525	8.000	11/15/26	423,911
GMACM MORTGAGE LOAN	7.000	08/01/29	952,500	GNMA #436565	8.000	12/15/26	467,535
GNMA #343613	7.500	05/15/23	315,333	GNMA #436112	8.000	12/15/27	422,445
GNMA #344243	7.500	03/15/08	755,117	GNMA #438699	8.000	05/15/27	365,681
GNMA #345885	7.000	09/15/23	525,482	GNMA #439664	8.500	10/15/26	325,085
GNMA #345965	7.000	11/15/23	933,130	GNMA #441032	8.000	12/15/26	446,834
GNMA #346374	7.500	01/15/23	183,051	GNMA #441108	8.000	02/15/27	266,571
GNMA #351408	6.500	01/15/24	572,787	GNMA #442009	8.000	03/15/27	613,954
GNMA #354566	7.500	04/15/23	5,894,186	GNMA #442208	8.000	09/15/26	41,885
GNMA #354832	7.000	06/15/24	2,850,206	GNMA #443769	8.000	12/15/27	515,727
GNMA #355688	7.500	06/15/23	304,022	GNMA #443285	7.000	06/15/28	1,662,405
GNMA #361382	6.500	11/01/23	576,513	GNMA #443840	8.000	01/15/28	219,744
GNMA #015861	7.500	03/15/07	187,861	GNMA #447454	8.500	03/15/27	\$251,232
GNMA #367967	7.500	10/15/23	\$452,809				

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<u>Domestic Fixed Income:</u>				<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Domestic Fixed Income:</u>				
GNMA	#447740	8.000	06/15/27			\$168,651	GNMA	#155969	9.000	07/15/16	\$54,557
GNMA	#449188	8.000	10/15/27			570,204	GNMA	#140507	11.000	10/15/15	1,901
GNMA	#453857	8.000	10/15/27			674,455	GNMA	#185865	9.500	07/15/17	18,925
GNMA	#454136	6.500	05/01/13			756,389	GNMA	#159478	9.000	06/15/16	7,571
GNMA	#454465	7.000	08/01/28			1,557,999	GNMA	#161371	9.000	06/15/16	13,303
GNMA	#455433	8.000	08/15/27			38,775	GNMA	#161692	9.500	01/15/20	39,874
GNMA	#457119	6.000	01/15/29			431,249	GNMA	#162698	9.000	10/15/19	33,658
GNMA	#457595	8.500	08/01/27			63,022	GNMA	#166004	9.500	10/15/16	30,679
GNMA	#457694	6.500	08/15/28			874,734	GNMA	#169342	9.500	08/15/16	34,018
GNMA	#460827	6.500	06/15/28			1,445,779	GNMA	#172920	9.500	04/15/19	421,581
GNMA	#460402	8.000	06/15/28			44,869	GNMA	#173875	10.000	10/15/16	6,017
GNMA	#460718	7.000	01/15/28			1,010,949	GNMA	#208182	8.000	03/15/17	188,303
GNMA	#0462622	6.500	03/15/28			8,842,206	GNMA	#309804	7.500	03/15/17	171,333
GNMA	#462642	6.500	07/15/28			25,968,594	GNMA	#210811	10.000	08/15/18	15,850
GNMA	#462643	7.000	07/01/28			46,824,903	GNMA	#189629	10.000	08/15/17	40,896
GNMA	#462440	7.500	12/01/27			4,451,153	GNMA	#201689	9.000	01/15/17	13,333
GNMA	#462801	6.500	06/15/28			2,629,284	GNMA	#202187	8.000	03/15/17	87,731
GNMA	#466193	7.500	10/15/29			692,843	GNMA	#203186	8.500	01/15/17	17,248
GNMA	#465747	6.500	06/01/28			890,756	GNMA	#224571	9.500	07/15/17	46,099
GNMA	#466461	6.500	04/15/29			5,668,741	GNMA	#229860	8.500	08/01/17	73,033
GNMA	#466810	7.000	05/15/28			915,987	GNMA	#231202	8.500	03/15/17	83,497
GNMA	#470212	5.500	04/15/29			310,129	GNMA	#233089	10.500	12/15/17	32,837
GNMA	#470613	6.500	07/15/29			465,833	GNMA	#267848	10.500	07/15/19	16,509
GNMA	#472065	8.000	03/15/28			505,548	GNMA	#245457	7.000	11/01/27	383,387
GNMA	#477007	7.000	09/15/29			600,048	GNMA	#251806	9.500	06/15/20	18,161
GNMA	#479093	8.000	01/15/30			1,420,467	GNMA	#260331	10.000	11/15/18	37,159
GNMA	#480628	6.000	11/15/28			868,250	GNMA	#295474	10.000	12/15/20	35,333
GNMA	#481584	7.000	07/15/29			1,113,303	GNMA	#297500	10.000	11/15/20	39,844
GNMA	#481615	7.000	09/01/29			675,378	GNMA	#299710	9.000	03/01/21	21,278
GNMA	#482621	6.720	07/30/39			925,605	GNMA	#276788	9.500	08/15/19	23,092
GNMA	#483007	6.000	02/15/29			453,765	GNMA	#277809	10.000	07/15/19	37,447
GNMA	#483853	7.500	11/15/28			382,315	GNMA	#279072	10.500	12/15/13	41,910
GNMA	#486958	6.500	02/15/29			895,766	GNMA	#282824	8.500	01/15/20	15,180
GNMA	#486630	6.500	10/15/28			36,517,449	GNMA	#284663	9.000	02/15/20	27,981
GNMA	#486793	6.500	12/01/28			882,263	GNMA	#286697	9.500	07/15/20	31,697
GNMA	#486845	6.500	01/15/29			7,596,560	GNMA	#289097	9.000	05/15/20	16,747
GNMA	#487034	6.500	03/15/29			4,403,889	GNMA	#290324	10.000	05/15/20	26,446
GNMA	#487056	6.500	03/15/29			4,210,721	GNMA	#291199	9.500	07/15/20	25,403
GNMA	#490023	7.500	07/15/29			301,813	GNMA	#301699	8.000	12/15/21	179,714
GNMA	#490675	6.000	10/15/28			435,386	GNMA	#304488	9.000	03/15/21	20,180
GNMA	#498582	7.500	11/15/29			990,773	GNMA	#310324	9.000	08/15/21	48,425
GNMA	#500148	8.000	10/15/29			1,501,880	GNMA	#313005	8.500	10/15/21	61,064
GNMA	#500917	6.000	04/15/29			177,447	GNMA	#317684	7.500	02/15/07	26,728
GNMA	#503969	7.500	08/15/29			301,400	GNMA	#328950	7.000	12/15/22	266,659
GNMA	#503264	6.500	07/15/29			442,630	GNMA	#335642	7.000	03/01/08	147,273
GNMA	#503443	6.500	04/15/29			461,452	GNMA	#780799	8.000	05/15/28	8,857,061
GNMA	#513726	8.000	07/15/29			193,823	GNMA	#780047	9.000	12/01/17	1,034,482
GNMA	#523637	7.500	11/15/29			4,856,369	GNMA	#780250	7.500	09/01/25	272,594
GNMA	#528232	8.000	06/15/30			5,528,091	GNMA	#780339	8.000	12/01/23	2,083,887
GNMA	#127322	11.000	08/15/15			1,757	GNMA	#780359	7.500	12/01/23	828,261
GNMA	#104302	13.000	09/15/13			136,173	GNMA	#780411	6.500	10/15/24	738,853
GNMA	#116273	13.000	06/15/04			10,349	GNMA	#780413	6.500	07/15/26	959,434
GNMA	#120665	12.500	09/15/14			243,337	GNMA	#780452	7.000	10/01/26	5,621,388
GNMA	#155986	9.000	05/15/16			\$60,308	GNMA	#780481	7.000	12/15/26	\$5,082,406

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GNMA #781029	6.500	05/15/29	\$21,299,116	LOOMIS FARGO & CO	10.000	01/15/04	\$965,000
GNMA #781035	6.500	05/15/29	23,274,184	LUCENT TECHNOLOGIES	6.500	01/15/28	443,920
GNMA #781043	6.000	05/15/29	3,685,003	LUCENT TECHNOLOGIES	6.450	03/15/29	2,530,629
GNMA #781163	8.500	04/15/30	7,872,010	M C I COMMUNICATIONS	6.125	04/15/02	4,293,124
GNMA #080060M	6.375	04/20/27	1,092,222	MALAYSIA	8.750	06/01/09	255,963
GTE CORP	6.940	04/15/28	1,065,396	MANITOBA PROVINCE	9.625	12/01/18	392,750
GTE FLORIDA INC.	6.860	02/01/28	2,637,720	MAY DEPT STORES CO	9.875	12/01/02	536,393
GENERAL ELEC CR COR	5.500	11/01/01	406,069	MCLEODUSA INCORPORATED	8.125	02/15/09	450,000
GENERAL MTRS ACCEP	6.625	10/01/02	6,188,742	MELLON FINANCIAL CO	6.000	03/01/04	3,787,160
GMAC	6.580	09/12/00	4,637,199	MERRILL LYNCH MORTGAGE	7.560	09/15/09	2,985,781
GMAC	6.270	11/12/02	5,546,255	MERITA BANK LTD	6.500	01/15/06	1,408,635
GENERAL MTRS CORP	9.125	07/15/01	478,831	MERRILL LYNCH	7.000	04/27/08	947,670
GENERAL MTRS CORP	6.750	05/01/28	1,034,016	MOBIL CORP	7.625	02/23/33	962,710
GOLDEN WEST FINL DEL	6.700	07/01/02	785,272	MORGAN JP & CO	6.000	01/15/09	4,410,100
B F GOODRICH	7.000	04/15/38	619,988	MORGAN STANLY GROUP	6.875	03/01/07	951,120
GNMA REMIC	7.000	01/16/29	3,533,723	MORGAN STANLY GROUP	7.750	06/15/05	4,524,255
GRAND MET	8.000	09/15/22	493,005	MORGAN STANLEY CAPITAL I	6.250	07/15/07	2,936,936
GREEN TREE ACCEPTANCE	6.290	10/15/13	3,032,273	MOTOROLA INC	6.560	09/21/00	4,137,202
HANSON OVERSEAS BVF	6.750	09/15/05	1,045,165	MOUNTAIN STS TEL&TE	6.000	08/01/07	812,432
HARTFORD LIFE	7.650	06/15/27	280,776	NATIONSBANK CAPITAL	8.250	04/15/27	185,902
HAYES LEMMERZ INTL INC	8.250	12/15/08	84,000	NATL CITY BANK	7.250	10/21/11	2,330,650
HELLER FINAL	6.847	05/15/31	1,341,214	NATL CITY CORP	6.625	03/01/04	963,850
HELLER FINAL	7.715	09/15/08	995,391	NATIONSBANK	6.450	04/15/03	1,099,406
HERSHEY FOODS	6.950	08/15/12	4,764,950	NEVADA PWR CO COM	6.968	10/06/00	4,994,400
HONDA AUTO LEASE	6.450	09/16/02	5,710,785	NEW ENGLAND TEL & T	6.300	12/16/02	728,400
HOUSEHOLD FINANCE	5.875	09/25/04	932,080	NEW YORK TEL CO	6.000	09/01/07	802,349
HÓUSEHOLD FINANCE	7.200	07/15/06	9,612,900	NEW YORK TEL CO	6.000	04/15/08	1,789,580
HUGHES ELEC CORP	7.451	10/23/00	1,202,628	NEW ZEALAND	10.625	11/15/05	796,866
HYDRO QUEBEC	9.750	01/15/18	906,157	NEWPORT NEWS	8.625	12/01/06	490,000
HYDRO QUEBEC	9.500	11/15/30	331,059	NEWS AMER HOLDINGS	7.750	01/20/24	910,480
IMC GLOBAL INC	7.625	11/01/05	3,262,677	NEXTLINK COMM	10.000	12/01/09	2,695,000
IMPAC GROUP INC	10.125	03/15/08	651,000	NIAGARA MOHAWK	8.000	06/01/04	606,228
ICELAND REP	6.125	02/01/04	961,690	NORDBANKEN	7.250	11/06/09	4,247,239
IBRD - GLOBAL BOND	8.625	10/15/16	1,112,110	NORFOLK & SOUTHERN	7.350	05/15/07	1,454,595
INTERNATIONAL BUS MACH	8.375	11/01/19	574,518	NORSK HYDRO A/S	7.250	09/23/27	521,519
INTERNATIONAL BUS MACH	5.375	02/01/09	3,527,280	NORTHERN TELECOM LTD	8.750	06/12/01	506,460
REPUBLIC OF IRELAND	7.875	12/01/01	3,036,480	NORWEST ASSET SEC	6.750	08/25/29	5,865,906
ISRAEL ELECTRIC CORP LTD	7.750	12/15/27	1,661,934	OCCIDENTAL PETROLEUM	7.375	11/15/08	770,872
K & F INDUSTRIES	9.250	10/15/07	826,875	PROV OF ONTARIO	7.750	06/04/02	3,127,404
KN ENERGY INC	6.650	03/01/05	5,734,620	PNC FUNDING	7.000	09/01/04	973,290
KEYCORP INSTIT CAPITAL	7.826	12/01/26	342,460	PP&L TRASITION	6.800	03/25/03	2,727,403
KOREA DEVELOPMENT BANK	7.375	09/17/04	1,356,502	PACIFIC TEL & TEL	7.125	03/15/26	274,071
REPUBLIC OF KOREA	8.750	04/15/03	1,019,730	PIONEER NATL RES	8.875	04/15/05	2,682,653
KROGER CO	7.000	05/01/18	87,199	PECO ENERGY TRANS	6.130	03/01/09	524,645
LANDESBABK BADEN-WUR	7.875	04/15/04	1,013,360	PHARMACIA CORP	6.560	07/11/00	299,453
LASMO INC	7.500	06/30/06	980,250	PHILADELPHIA ELECTRIC	5.625	11/01/01	487,865
LEHMAN BROS HLDGS	8.500	05/01/07	1,209,276	PHILLIP MORRIS	8.250	10/15/03	497,725
LEHMAN BROS HLDGS	7.375	05/15/04	1,222,838	PHILLIP MORRIS	7.250	09/15/01	2,773,008
LEHMAN BROS HLDGS	6.625	02/05/06	9,295,200	PHILLIP MORRIS	7.500	04/01/04	388,016
LEHMAN BROTHERS	6.073	05/07/02	1,007,810	PHILLIPS PETE CO	6.650	07/15/18	1,123,304
LEVEL 3 COMMUNICATIONS	9.125	05/01/08	1,077,000	PORTUGAL REP	5.750	10/08/03	959,180
ELI LILLY CO	7.125	06/01/25	969,350	POTOMAC ELEC PWR CO	6.875	09/01/23	873,970
LOCKHEED MARTIN CORP	7.250	05/15/06	\$484,320	PROCTER & GAMBLE CO	8.500	08/10/09	469,922
				PROCTER & GAMBLE CO	8.700	08/01/01	\$406,564

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Fixed Income:</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Domestic Fixed Income:</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>
PROCTER & GAMBLE CO	5.250	09/15/03	\$3,792,360	UNOCAL	7.500	02/15/29	\$466,960
PRUDENTIAL HOME MORT	7.000	01/25/08	5,879,223	UNION PAC CORP	9.625	12/15/02	375,268
PRUDENTIAL HOME MORT	7.250	10/25/23	1,899,531	UNITED MEX STS	9.875	02/01/10	1,145,419
PUBLIC SERVICE CO C	7.125	06/01/06	682,283	UNITED PARCEL SERVICE	8.375	04/01/20	429,281
PROVINCE OF QUEBEC	8.800	04/15/03	932,841	UNITED PARCEL SERVICE	8.000	04/01/30	1,200,947
PROVINCE OF QUEBEC	7.500	07/15/23	731,910	U.S. TREASURY STRIPS	0.000	02/15/26	2,816,840
RBF FINANCE COMPANY	11.375	03/15/09	4,340,000	UNITED STATES TR BD	10.375	11/15/09	8,173,301
RCN CORP	11.125	10/15/07	2,446,875	UNITED STATES TR BD	11.750	02/15/10	2,594,362
RCN CORP	10.125	01/15/10	1,260,000	UNITED STATES TR BD	12.750	11/15/10	9,599,400
RAYTHEON CO	6.750	08/15/07	1,124,712	UNITED STATES TR BD	10.375	11/15/12	3,689,580
RELIANCE ELECTRIC CO	6.800	04/15/03	1,277,640	UNITED STATES TR BD	10.750	02/15/03	5,312,749
RESIDENTIAL ACCREDIT LOAN	7.250	09/25/27	4,776,550	UNITED STATES TR BD	10.750	05/15/03	4,723,705
RESOL FUNDING CORP	8.125	10/15/19	4,041,634	UNITED STATES TR BD	11.125	08/15/03	11,884,110
RESOL FUNDING CORP	9.375	10/15/20	784,194	UNITED STATES TR BD	12.375	05/15/04	6,017,150
ROGERS CABLESYSTEMS	10.000	03/15/05	4,090,000	UNITED STATES TR BD	10.750	08/15/05	1,192,270
ROHM & HAAS CO	7.400	07/15/09	497,150	UNITED STATES TR BD	9.250	02/15/16	3,369,262
ROYAL BANK OF SCOTLAND	9.118	03/31/10	2,889,516	UNITED STATES TR BD	7.500	11/15/16	5,017,642
SC INTL SERVICES INC	9.250	09/01/07	855,000	UNITED STATES TR BD	8.750	05/15/17	4,528,728
SLM STUDENT LOAN TRUST	5.625	04/25/11	7,812,000	UNITED STATES TR BD	8.875	08/15/17	4,838,350
SAFeway INC	6.050	11/15/03	1,901,440	UNITED STATES TR BD	8.125	08/15/19	7,732,180
SALOMON SMITH BARNEY	7.375	05/15/07	727,125	UNITED STATES TR BD	8.125	08/15/21	10,609,824
SALOMON SMITH BARNEY	6.250	06/15/05	9,236,304	UNITED STATES TR BD	7.125	02/15/23	776,902
SEA CONTAINERS	7.875	02/15/08	1,197,000	UNITED STATES TR BD	6.250	08/15/23	8,028,439
SEARS	7.000	10/15/04	594,427	UNITED STATES TR BD	6.000	02/15/26	4,109,112
SEARS	6.200	07/15/07	1,960,240	UNITED STATES TR BD	6.750	08/15/26	14,770,637
SEQUA CORP CLA	9.000	08/01/09	816,000	UNITED STATES TR BD	6.500	11/15/26	1,617,782
SHERWIN-WILLIAMS CO	6.850	02/01/07	960,270	UNITED STATES TR BD	6.625	02/15/27	5,826,843
SIMON DEBARTOLO	6.875	11/15/06	641,179	UNITED STATES TR BD	6.375	08/15/27	4,527,028
SMALL BUSINESS ADMIN	7.200	10/01/19	10,510,349	UNITED STATES TR BD	5.500	08/15/28	1,605,083
SMALL BUSINESS INVEST	7.540	08/01/09	7,735,301	UNITED STATES TR BD	5.250	11/15/28	708,376
SONAT INC	6.750	10/01/07	759,552	UNITED STATES TR BD	5.250	02/15/29	5,556,752
SOUTHERN CALIF GAS	6.875	11/01/25	634,403	UNITED STATES TR NT	3.375	01/15/07	2,866,337
SOUTHERN NE TEL MIN	6.125	12/15/03	1,058,552	UNITED STATES TR NT	6.625	04/30/02	5,015,500
SOUTHLAND	4.500	06/15/04	3,733,125	UNITED STATES TR NT	6.625	05/15/07	255,213
SOUTHWESTERN BELL T	6.875	02/01/11	1,108,152	UNITED STATES TR NT	5.625	07/15/02	3,928,512
SPIEKER PROPERTIES	7.125	07/01/09	761,285	UNITED STATES TR NT	6.125	08/15/07	12,021,350
GCB SPRINT COAPITAL	6.875	11/15/28	8,640,200	UNITED STATES TR NT	5.625	05/15/08	1,639,922
STANDARD CREDIT CARD	8.250	11/07/03	2,021,900	UNITED STATES TR NT	0.000	08/31/00	728,971
STARWOOD HOTEL & RESORTS	8.109	02/23/03	6,025,860	UNITED STATES TR NT	3.875	01/15/09	20,892,776
SUMITOMO BANK INTL FIN NV	8.500	06/15/09	1,212,828	UNITED STATES TR NT	4.750	02/15/04	855,675
SUN MICROSYSTEMS	7.350	08/15/04	248,168	UNITED STATES TR NT	5.500	05/15/09	49,428,670
SUNAMERICA INC	6.750	10/01/07	965,520	UNITED STATES TR NT	7.875	08/15/01	4,058,680
SUNTRUST BANKS INC	7.375	07/01/02	5,007,300	UNITED STATES TR NT	5.750	08/15/03	1,770,624
KINGDOM OF SWEDEN	12.000	02/01/10	666,710	UNITED STATES TR NT	6.875	05/15/06	5,144,900
T C I COMMUNICATIONS INC	8.750	08/01/15	449,629	UNITED STATES TR NT	7.000	07/15/06	7,719,616
TENNESSEE VALLEY AUTH	6.375	06/15/05	3,888,720	UNITED STATES TR NT	6.625	07/31/01	1,502,085
TENNESSEE VALLEY AUTH	5.280	09/14/01	2,455,025	UNITED STATES TR NT	6.500	08/31/01	8,999,730
TEXACO CAPITAL	5.500	01/15/09	2,665,200	UNITED STATES TR NT	6.500	10/15/06	3,847,738
TEXAS INSTRUMENTS	6.125	02/01/06	753,296	UNITED STATES TR NT	6.250	10/31/01	23,920,320
TIME WARNER ENTERTAIN	10.150	05/01/12	11,600,300	U S TREASURY STRIP	0.000	05/15/13	858,021
TIME WARNER ENTERTAIN	8.375	03/15/23	1,440,739	UTILICORP	6.875	10/01/04	1,351,670
TOSCO CORP	7.625	05/15/06	990,570	VIACOM INC CLASS B	7.750	06/01/05	1,506,810
TRANSAMERICA	7.625	11/15/37	6,173,160	VINTAGE PETE INC	9.000	12/15/05	\$980,000
TRAVELORS PPTY CAS CORP	6.750	11/15/06	\$937,780				

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Fixed Income:</u>				<u>International Fixed Income</u>			
	<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>		<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>
VIRGINIA ELECTRIC POWER	8.750	04/01/21	\$389,432	JAPAN(GOVT OF)	3.100	03/20/06	\$5,153,251
VIRGINIA ELECTRIC POWER	8.250	03/01/25	2,411,700	JAPAN(GOVT OF)	3.300	\$38,615	7,355,607
VODAFONE AIRTOUCH PLC	7.750	02/15/10	7,941,680	JAPAN(GOVT OF)	4.600	\$38,432	13,303,653
WACHOVIA CORP	5.625	12/15/08	688,032	KFW INTL FINANCE	7.750	\$38,266	2,651,440
WASHINGTON MUTUAL	8.375	06/01/27	561,708	SPAIN(GOVT OF)	6.000	\$39,478	8,305,552
WASTE MANAGEMENT INC.	6.000	05/15/01	6,828,640	SPAIN(KINGDOM OF)	3.250	\$38,383	12,773,187
WELLS FARGO & CO	6.250	04/15/08	640,220	SWEDEN(KINGDOM OF)	6.000	\$38,392	6,458,985
WESTVACO CORP	9.650	03/01/02	410,524	SWEDEN(KINGDOM OF)	6.500	\$39,015	5,497,765
WILLIAMS HOLDINGS	6.250	02/01/06	601,731	SWEDEN(KINGDOM OF)	6.750	\$41,764	843,940
WILLIAMS COMMUNICATIONS	10.875	10/01/09	3,920,000	GBP TREASURY	7.250	\$39,423	4,892,084
WISCONSIN PUB SVC C	6.800	02/01/03	2,943,870	GBP TREASURY	8.500	\$38,693	2,570,280
WORLDCOM INC	6.400	08/15/05	2,753,695	<b>Total International Fixed Income</b>			<b>299,197,606</b>
XEROX CORP	7.150	08/01/04	3,828,840	<b>TOTAL FIXED INCOME INVESTMENTS</b>			<b>1,955,875,020</b>
<b>Total Domestic Fixed Income</b>			<b>1,656,677,414</b>				

**EQUITY INVESTMENTS**

<u>Domestic Equity</u>				<u>International Fixed Income</u>		
	<u>Rate</u>	<u>Maturity Date</u>	<u>Market Value</u>	<u>Rate</u>	<u>Market Value</u>	
AUSTRALIA(CMNWLTH)	6.750	11/15/06	4,718,264	DG FUNDING	320	3,212,448
AUSTRALIA(CMNWLTH)	8.750	08/15/08	370,185	HERCULES	25,000	1,979,250
BUONI POLIENNALI	3.250	04/15/04	7,143,898	NEWS CORP LTD	19,300	2,499,025
CAN GOVT	6.000	06/01/08	5,020,733	BCH CAPITAL LTD B PERFERED	78,000	916,750
CAN GOVT	4.250	12/01/21	17,708,146	<b>Total Preferred Stock</b>		<b>8,607,473</b>
CAN GOVT	5.000	09/01/04	878,771	<b>Common Stock</b>		
CDA GOVT EURO BD	7.000	12/01/06	6,300,172	ADC TELECOM	377,500	31,662,813
CSE D'AMORT DETTE	6.250	03/05/08	11,039,944	AFLAC INC	26,600	1,221,938
DENMARK(KINGDOM)	7.000	11/10/24	1,995,753	AES CORP	382,970	17,473,006
DENMARK(KINGDOM)	7.000	11/15/07	3,332,083	AK STEEL	50,600	404,800
DENMARK(KINGDOM)	7.000	12/15/04	3,091,039	AFM, INC	34,000	2,346,000
DENMARK(KINGDOM)	8.000	03/15/06	4,637,156	AMR CORP	72,200	1,908,788
DENMARK(KINGDOM)	8.000	05/15/03	5,809,008	AT & T CORP	599,626	18,963,172
DEPFA DT PFANDBRF	4.750	03/20/03	3,108,855	AT & T CORP	746,972	18,114,071
DEPFA DT PFANDBRF	5.750	03/04/09	8,093,872	A T M I INC.	43,100	2,004,150
DUTCH GOVT	3.750	07/15/09	1,222,152	AVT CORP	200,000	1,475,000
DUTCH GOVT	5.500	01/15/28	1,329,895	AVX CORPORATION	18,800	431,225
DUTCH GOVT	5.750	01/15/04	5,771,395	ABBOTT LABS	154,400	6,880,450
DUTCH GOVT	5.750	02/15/07	3,338,925	A C NEILSON CORP	87,700	1,929,400
EURO INV BANK	6.250	12/07/08	6,378,261	ACXIOM CORP	136,500	3,719,625
EURO INV BANK	6.000	07/15/05	5,986,275	ADAPTEC INC	10,300	234,325
FRANCE(GOVT OF)	4.000	04/25/09	5,161,564	ALDEPHIA BUSINESS SOLUTIONS INC	48,800	1,131,550
FRANCE(GOVT OF)	5.500	04/25/07	11,897,483	ADEPT TECHNOLOGY INC	220,000	10,285,000
FRANCE(GOVT OF)	5.500	04/25/29	2,765,902	ADOBE SYSTEMS INC.	13,300	1,729,000
FRANCE(GOVT OF)	5.750	03/12/01	3,568,987	ADVANCED MICRO DEVICES I	27,900	2,155,275
FRANCE(GOVT OF)	6.000	10/25/25	2,277,441	AETNA INC	155,700	9,993,994
FRANCE(GOVT OF)	6.750	10/25/03	5,048,072	AFFILIATED COMPUTER SVCS	114,100	3,772,431
FRANCE(GOVT OF)	6.750	10/25/04	14,489,706	AGILENT TECHNOLOGY	45,078	3,324,503
GERMANY(FED REP)	6.000	01/04/07	2,799,356	AIR PRODUCTS & CHEMICALS	23,700	730,256
GERMANY(FED REP)	6.000	07/04/07	2,655,233	ALBANY INTL CORP	180,044	2,610,638
GERMANY(FED REP)	6.000	01/05/06	7,557,609	ALBEMARLE CORP	86,500	1,708,375
GERMANY(FED REP)	6.250	04/26/06	8,100,412	ALBERTSONS INC	43,679	1,452,327
ITALY(REP OF)	3.250	02/01/04	5,826,224	ALCAN ALUMINUM	55,200	1,711,200
ITALY(REP OF)	5.000	02/15/03	5,627,181	ALCOA INC	469,340	13,610,860
ITALY(REP OF)	7.750	11/01/06	6,280,434	ALLEGHENY ENERGY INC	13,800	377,775
ITALY(REP OF)	9.000	11/01/23	6,734,727	ALLEGHENY TECHNOLOGIES INC.	10,350	\$186,300
JAPAN(GOVT OF)	3.000	09/20/05	\$31,326,748			

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Equity</u>	<u>Shares</u>	<u>Market Value</u>	<u>Domestic Equity</u>	<u>Shares</u>	<u>Market Value</u>
ALLERGAN INC	14,500	\$1,080,250	BB & T CORP	31,800	\$759,225
ALLIED WASTE INDS INC	17,800	178,000	BISYS GROUP INC	18,000	1,107,000
ALLMERICA FINANCIAL CORP	22,400	1,173,200	BJ SERVICES COMPANY	33,200	2,075,000
ALLSTATE	388,500	8,644,125	BMC SOFTWARE INC	39,100	1,426,540
ALLTEL CORP	130,101	8,058,131	BAKER HUGHES INC.	33,550	1,073,600
ALPHA INDS INC	30,500	1,343,906	BALL CORP COM	2,800	90,125
ALPHARMA INC	26,300	1,637,175	BALLY TOTAL FITNESS HLDG CORP	58,000	1,471,750
ALTERA CORPORATION	20,000	2,038,760	BANK AMERICA CORP	164,316	7,065,588
ALZA CORP DEL	86,200	5,096,575	BANK NEW YORK	74,300	3,454,950
AMBAC INC	198,468	10,878,527	BANK ONE CORP	324,949	8,631,458
AMERADA HESS CORP	28,400	1,753,700	BARD C R INC	5,500	264,688
AMEREN CORP	13,200	445,500	BARRICK GOLD CORPORATION	38,100	692,944
AMERICA ONLINE INC	228,300	12,042,825	BARRETT RESOURCES CORPORATION (	18,400	560,050
AMERICAN ELECTRIC POWER INC	239,629	7,099,009	BAUSCH & LOMB INC	43,300	3,350,338
AMERICAN EXPRESS CO	132,530	6,908,126	BAXTER INTERNATIONAL	29,556	2,078,156
AMERICAN GENERAL CORP	133,198	8,125,078	BEAR STEARNS CO.	52,134	2,170,078
AMERICAN GREETINGS CLASS A	6,500	123,500	BECTON DICKINSON & CO	72,800	2,088,450
AMERICAN HOME PRODS CP	209,894	12,331,273	BED BATH & BEYOND	49,800	1,805,250
AMERICAN INTERNATIONAL GROUP	215,273	25,294,578	BELL ATLANTIC CORP	256,912	13,054,341
AMERICAN MGMT SYS INC	93,600	3,072,710	BELLSOUTH CORP	186,600	7,953,825
AMERICAN NATL CAN GROUP	75,400	1,272,375	A.H. BELO CORP	145,463	2,409,231
AMERICAN POWER CONVERSION	16,700	681,569	BEMIS COMPANY INC	75,900	2,552,138
AMERICAN TOWER CORP	50,400	2,101,050	BERINGER WINE ESTATES	88,000	3,107,500
AMGEN INC	102,200	7,179,550	BEST BUY INC COM	20,700	1,309,275
AMSOUTH BANCORPORATION	36,700	578,025	BEST FOODS	28,100	1,945,925
ANADARKO PETE CORP	13,900	685,444	BETHLEHEM STEEL CORP	13,200	47,025
ANADIGICS, INC.	180,000	6,131,250	BIOGEN	15,100	973,950
ANALOG DEVICES INC	35,000	2,660,000	BIOMET INC	114,400	4,397,250
ANDREW CORP	84,500	2,836,031	BIOVAIL CORP	30,700	1,701,931
ANHEUSER-BUSCH COMPANY	109,342	8,166,481	BLACK & DECKER	8,700	342,019
ANN TAYLOR STORES CORP	30,700	1,016,938	BLACK BOX CORP	29,000	2,295,985
ANSYS INC	120,000	1,365,000	H R BLOCK	19,569	633,546
A O N CORP	26,114	811,166	BOEING CORP	87,100	3,641,869
APACHE CORP	19,100	1,123,319	BOISE CASCADE	5,800	150,075
APOLLO GROUP INC	33,800	946,400	BOOKHAM TECHNOLOGY	30,200	1,789,350
APPLE COMPUTER	31,400	1,644,575	BOSTON SCIENTIFIC CORP	40,300	884,081
APPLIED MATERIALS	79,000	7,159,375	BRAUN CONSULTING, INC	19,000	401,375
APPLIED MICRO CIRCUITS CORPORATION	21,900	2,162,625	BRIGGS & STRATTON CORPORATION W	2,400	82,200
APTAR GROUP INC	30,000	810,000	BRINKER INTL INC	64,700	1,892,475
ARCHER DANIELS MIDLAND	61,858	606,982	BRIO TECHNOLOGY INC	25,900	548,756
ARMSTRONG HOLDINGS INC. COM ISIN	5,300	81,156	BRISTOL MYERS SQUIBB	441,018	25,689,299
ARROW ELECTRONICS	44,800	1,388,800	BROOKS AUTOMATION INC	120,000	7,672,500
ART TECHNOLOGY GROUP INC	26,500	2,674,857	BROWN FORMAN INC	3,800	204,250
ARTESYN TECHNOLOGIES	100,000	2,781,250	BRUNSWICK CORPORATION	68,900	1,141,156
ASHLAND INC	5,800	203,363	BULL RUN CORP GEORGIA	177,000	365,063
ASSOCIATES FIRST CAPITAL	80,412	1,794,193	BURLINGTON NORTHERN SANTA FE CO	42,500	974,844
ATLAS AIR, INC.	24,100	864,588	BURLINGTON RESOURCES	24,170	924,503
ATMEL CORPORATION	38,600	1,423,375	BURNS INTRNATIONAL SERVICES CORP	53,800	672,500
AUTODESK INC.	24,612	853,729	BURR BROWN CORP COM	41,800	3,623,538
AUTOMATIC DATA PROCESSING	63,300	3,390,506	CDW COMPUTER CENTERS	24,200	1,512,500
AUTONATION INC.	125,200	884,162	CIGNA CORP	16,100	1,505,350
AUTOZONE	40,800	897,600	CMS ENERGY CORP	182,192	4,030,998
AVERY DENNISON CORP	11,500	771,938	CNA SURETY CORP	230,200	2,748,013
AVNET INC	23,300	1,380,525	CNF TRANSPORTATION INC	11,700	266,175
AVON PRODUCTS INC	134,872	\$6,001,804	C P & L ENERGY INC	11,800	\$376,863

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Equity</u>		<u>Shares</u>	<u>Market Value</u>	<u>Domestic Equity</u>		<u>Shares</u>	<u>Market Value</u>
CSG SYSTEMS INTL., INC		21,300	\$1,194,131	COMPUWARE CORP		37,000	\$383,875
CSX CORP		87,214	1,847,847	COMVERSE TECHNOLOGY		15,100	1,404,300
CTS CORP COM		25,800	1,161,000	CONAGRA		49,900	951,219
CVS CORP		205,700	8,228,000	CONCORD COMMUNICATIONS		100,000	3,987,500
CABLEVISION SYSTEMS CORP		32,100	2,178,788	CONCORD EFS INC		156,400	4,066,400
CABLETRON SYSTEMS		18,600	469,650	CONECTIV INC		37,500	583,594
CALLAWAY GOLF CO		31,600	515,475	CONEXANT SYSTEMS INC		112,300	5,460,588
CALPINE CORP		95,400	6,272,550	CONOCO CL B		17,300	380,600
CAMPBELL SOUP COMPANY		43,020	1,252,958	CONOCO CL B		136,668	3,356,908
CANADIAN PACIFIC LIMITED COMMON		60,800	1,592,200	CONSECO INC.		70,955	691,811
CANADIAN NATIONAL RAILWAY CO		21,800	636,288	CONSOLIDATED EDISON		22,200	657,675
CAPITAL ONE FINANCIAL		20,000	892,500	CONSOLIDATED PAPERS INC		10,200	372,938
CARDINAL HEALTH INC		27,900	2,064,600	CONSOLIDATED STORES		12,600	151,200
CARLISLE COS		15,900	715,500	CONSTELLATION ENERGY GROUP INC		13,000	423,313
CARNIVAL CORP		63,300	1,234,350	CONVERGYS CORPORATION		17,300	897,438
CATALINA MARKETING		38,000	3,876,000	COOPER CAMERON CORP		4,300	283,800
CATERPILLAR TRACTOR		34,600	1,172,075	COOPER INDUSTRIES		9,400	306,088
CELGENE CORPORATION		51,400	3,026,175	COORS ADOLPH CO		3,700	223,850
CELL PATHWAYS INC NEW		9,600	225,600	COPPER MOUNTAIN NETWORK		13,600	1,198,500
CENDANT CORP		243,283	3,405,962	CORNING INC		51,087	13,787,104
CENTIGRAM COMM		30,000	766,875	COSTCO WHOLESALE CORP (NEW)		93,600	3,088,800
CENTURY TEL INC		14,100	405,375	COUNTRYWIDE CREDIT		11,500	348,594
CEPHALON INC COM		18,000	1,077,750	COVANCE INC		44,460	391,804
CERIDIAN CORPORATION		13,600	327,250	CRANE CO		48,900	1,188,881
CHARTER ONE FINANCIAL INCORPORATE		43,975	1,011,425	CREDENCE SYSTEMS CORP		49,200	2,715,225
CHASE MANHATTAN		122,650	5,649,566	CROWN CASTE INTL		151,000	5,511,500
CHECKFREE HOLDINGS CORP		44,960	2,318,250	CROWN CORK & SEAL		13,400	201,000
CHEVRON CORPORATION		64,697	5,487,114	CUMMINS ENGINE INC		33,700	918,325
CHIRON CORP		3,000	142,500	CYBER OPTICS		140,000	6,475,000
CHOLESTECH CORP		130,000	991,250	CYLINK CORP		450,000	7,537,500
CHUBB CORP		16,600	1,020,900	CYPRESS SEMICONDUCTOR		57,100	2,412,475
CIENA CORP		16,900	2,817,027	CYTEC INDUSTRIES INCORPORATED		5,400	133,313
CINCINATTI FINANCIAL		16,800	528,150	DST SYSTEMS, INC.		48,300	3,676,838
CINERGY CORP		15,200	386,650	DTE ENERGY CO		189,421	5,789,179
CIRCUIT CITY STORES		23,100	766,631	DALLAS SEMICONDUCTOR		100,200	4,083,150
CISCO SYSTEMS		1,064,952	67,691,012	DANA CORPORATION		226,200	4,792,613
CITADEL COMMUNICATIONS		57,500	2,008,906	DANAHER CORP COM		13,700	677,294
CITIGROUP INC		519,117	31,276,799	DARDEN RESTAURANTS INC		71,100	1,155,375
CITRIX SYSTEMS INC		18,200	344,663	DAVOX CORP		220,000	2,846,250
CLEAR CHANNEL COMMUN INC		35,000	2,625,000	DEERE & CO		24,400	902,800
CLOROX CO		23,800	1,066,538	DELL COMPUTER CORP		256,500	12,648,656
COASTAL CORP		32,898	2,002,666	DELPHI AUTOMOTIVE SYS		232,956	3,392,422
COCA COLA CO		374,302	21,498,971	DELTA AIR LINES		25,100	1,269,119
COCA COLA ENTERP		43,100	703,069	DELUXE CORP		51,400	1,211,113
COGNOS INC		290,600	12,023,575	DEVRY INC		82,000	2,167,875
COLGATE PALMOLIVE CO		225,200	13,483,850	DIGITAL MICROWAVE		636,200	24,255,125
COLUMBIA GAS SYSTEM INC		28,300	1,857,188	DILLARDS INC		11,000	134,750
COMCAST CORP		150,620	6,100,110	DIME BANCORP INC NEW		80,200	1,263,150
COMERICA		32,918	1,477,195	WALT DISNEY		281,140	10,911,746
COMMERCE ONE INC DEL		9,200	417,594	DOBSON COMMUNICATIONS CO		17,700	340,725
COMMSCOPE INC		64,600	2,648,600	DOCUMENTUM INC		3,200	286,000
COMPAQ COMPUTER CORP		169,992	4,345,421	DOLLAR GENERAL CORP (TENNESSEE)		28,195	549,803
COMPUTER ASSOCIATES		89,650	4,588,959	DOMINION RES		23,943	1,026,556
COMPUTER NETWORK TECH CORP		150,000	2,606,250	DONALDSON INC COM		30,500	602,375
COMPUTER SCIENCES		16,200	\$1,209,938	DONALDSON LUFKIN		12,300	\$521,981

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Equity</u>			<u>Domestic Equity</u>		
	<u>Shares</u>	<u>Market Value</u>		<u>Shares</u>	<u>Market Value</u>
R R DONNELLEY & SONS	39,500	\$891,219	FIRSTAR CORP	96,238	\$2,027,013
DOUBLECLICK INC	20,000	762,500	FISERV INCORPORATED WISCONSIN	127,300	5,505,725
DOVER CORP	105,400	4,275,288	FIRST ENERGY CORP	23,500	549,313
DOW CHEM CO	221,907	6,698,818	FLEETBOSTON FINL CORP	89,342	3,037,628
DOW JONES	29,500	2,160,875	FLORIDA PROGRESS CORP	21,100	989,063
DU PONT E I DE NEMO	139,225	6,091,094	FLOWERS INDUSTRIES INC	38,400	765,600
DUKE POWER CO	37,000	2,085,875	FLUOR CORP.	7,800	246,675
DUN & BRADSTREET CORP	39,064	1,118,207	FORD MTR CO DEL	332,922	14,844,193
DYCOM INDS INC	50,200	2,309,200	FOREST LABS INC	48,100	4,858,100
DYNEGY INC NEW	154,227	10,535,632	FORT JAMES CORP	22,600	522,625
EGL INC	32,700	1,005,525	FORTUNE BRANDS	153,180	3,532,714
E M C CORP MASS	328,674	25,287,356	FOUNDATION HEALTH SYSTEMS INC.	70,500	916,500
EOG RESOURCES	50,300	1,685,050	FRANKLIN RESOURCES INC.	24,900	756,338
E TRADE GROUP INC	7,700	127,050	FREEPORT - MCMORAN	33,300	308,025
EARTHGRAINS CO	31,900	620,056	FURNITURE BRANDS INTL INC	31,400	474,925
EASTERN ENTERPRISES	2,700	170,100	G & K SERVICES INC.	130,000	3,258,125
EASTMAN CHEMICAL	101,018	4,823,610	GPU INC	36,700	993,194
EASTMAN KODAK CO	199,674	11,880,603	GTE CORP	213,500	13,290,375
EATON	7,300	489,100	GT GROUP TELECOM INC. CL	28,300	447,494
EATON VANCE CORP	16,500	763,125	GANNETT COMPANY	85,863	5,135,681
ECHOSTAR COMMUNICATIONS	133,500	4,420,105	GAP INC	85,437	2,669,906
ECOLAB INC	10,300	402,344	GARTNER GROUP INC NEW	128,500	1,268,938
EDISON INTERNATIONAL	229,816	4,711,228	GATEWAY INC	32,000	1,816,000
EDWARDS, A.G. INC.	39,100	1,524,900	GAYLORD CONTAINER CORP	60,600	162,863
EL PASO ENERGY	41,000	2,088,438	GENE LOGIC, INC	100,000	3,568,750
ELECTRONIC DATA SYSTEMS CORP	53,600	2,211,000	GENERAL DYNAMICS CORP	76,000	3,971,000
ELECTRONICS FOR IMAGING INC	25,900	655,594	GENERAL ELECTRIC CO	1,394,511	73,909,083
ELOYALTY CORP	130,000	1,657,500	GENERAL MILLS	30,400	1,162,800
EMERSON ELECTRIC	43,100	2,602,163	GENERAL MTRS CORP	177,433	10,302,204
ENERGY EAST CORP	55,800	1,063,688	GENERAL MTRS CORP	58,107	5,098,889
ENERGIZER HOLDINGS INC	210,584	3,843,158	GENUINE PARTS	18,500	370,000
ENGELHARD CORP	12,800	218,400	GENZYME CORP	73,000	4,338,938
ENRON CORP	70,400	4,540,800	GEORGIA PACIFIC CORP	222,026	5,828,183
ENTERGY CORP	81,300	2,210,344	GEORGIA PACIFIC CORP	195,152	4,220,162
EPICOR SOFTWARE CORP	90,000	225,000	GILEAD SCIENCES INC COM	12,300	874,838
EQUIFAX INC	14,700	385,875	GILLETTE CO	149,536	5,224,414
EQUITABLE RES INC COM	19,300	931,225	GLOBAL MARINE INC (NEW)	185,400	5,225,963
EXODUS COMMUNICATIONS IN	114,000	5,251,125	GLOBESPAN INC	18,900	2,307,274
EXTREME NETWORKS INC	13,600	1,434,800	GOLDEN STATE BANCORP INC	26,900	484,200
EXXON MOBIL CORPORATION	390,045	30,618,533	GOLDEN WEST FINL DEL	16,800	685,650
FMC CORP	3,100	179,800	B F GOODRICH	7,700	262,281
FPL GROUP INC	18,500	915,750	GOODYEAR TIRE & RUBR	15,800	316,000
FACTSET RESEARCH SYSTEM	11,400	322,050	W R GRACE	66,700	808,738
FAIRCHILD SEMICONDUCTOR	26,900	1,089,450	GRAINGER W.W., INC.	9,300	286,556
FAMILY DOLLAR STORES INC	219,400	4,292,013	GRANT PRIDECO INC	13,300	332,500
FEDERAL HOME LN MTG	271,637	11,001,299	GRAY COMMUNICATIONS SYSTEM INC	69,500	677,625
FNMA	347,604	18,140,584	GREAT LAKES CHEM	6,100	192,150
FEDERATED DEPT. STORE	39,900	1,346,625	GUIDANT CORPORATION	30,800	1,524,600
FEDEX CORP	30,260	1,149,880	HCA-HEALTHCARE CO	109,600	3,329,100
FIFTH THIRD BANCORP	27,850	1,761,513	HNC SOFTWARE INC.	50,000	3,087,500
FINISAR	15,400	403,288	HAEMONETICS CORP MASS	42,100	884,100
FIRST DATA CORP.	239,385	11,879,481	HALLIBURTON CO	44,680	2,108,338
FIRST HEALTH GROUP	53,200	1,745,625	HANOVER COMPRESSOR CO	27,800	1,056,400
FIRST SEC CORP DEL	147,000	1,993,688	HARCOURT GENERAL	4,400	239,250
FIRST UN CORP	247,489	\$6,140,821	HARLEY DAVIDSON INC	80,300	\$3,091,550

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Equity</u>	<u>Shares</u>	<u>Market Value</u>	<u>Domestic Equity</u>	<u>Shares</u>	<u>Market Value</u>
HARMONIC INC.	33,100	\$819,225	INVESTMENT TECHNOLOGY GROUP IN	76,300	\$3,247,519
HARRAHS ENTERTAINMENT	180,360	3,776,288	IONICS INC COM	90,600	2,774,625
HARRIS CORP	43,300	1,418,075	IPALCO ENTERPRISES INC	10,500	211,313
HARSCO	127,604	3,253,902	ITRON INC	150,000	1,237,500
HARTFORD FINL SVCS GROUP	40,328	2,255,848	IVAX CORPORATION	44,000	1,826,000
HASBRO	18,338	276,216	JDS UNIPHASE CORP	17,000	2,037,875
HEALTHSOUTH REHABILITATION	166,000	1,193,125	JABIL CIRCIUT INC.	71,800	3,563,075
HEALTH MGMT ASSOC INC NEW	251,300	3,282,606	JEFFERSON PILOT CORP	10,800	609,525
HEINZ H J CO	35,820	1,567,125	JOHNS MANVILLE CORP	190,100	2,506,944
HELLER FINANCIAL	24,200	496,100	JOHNSON & JOHNSON	198,001	20,171,352
HERCULES INC.	10,300	144,844	JOHNSON CONTROLS	6,200	318,138
HERSHEY FOODS	12,300	598,856	JONES APPAREL GROUP	48,400	1,137,400
HERTZ CORP	28,700	805,394	JONES PHARMA INC	32,800	1,309,950
HEWLETT PACKARD CO	99,200	12,387,600	KLA - TENCOR CORPORATION	29,400	1,721,738
HIBERNIA CORP	18,900	205,538	K MART	49,509	337,280
HILTON HOTELS	40,000	375,000	KANSAS CITY SOUTHN INDS INC	11,100	984,431
HISPANIC BROADCASTING CORP	75,400	2,497,625	KAUFMAN & BROAD HOME CORP COM	5,000	99,063
HOLLINGER INTERNATIONAL INC "A"	55,500	756,188	KELLOGG CO	40,936	1,217,846
HOME DEPOT INC	349,435	17,449,910	KEMET CORPORATION	33,700	844,606
HOMESTAKE MINING CO	26,100	179,438	KERR MCGEE CORP	8,767	516,705
HOMESTORE.COM, INC	32,900	960,269	KEYCORP	220,400	3,884,550
HONEYWELL	79,387	2,674,350	KIMBERLY CLARK CORP	55,100	3,161,363
HOUSEHOLD INTERNATIONAL	166,409	6,916,374	KIRBY CORP COM	66,100	1,404,625
ADR HUANENG POWER INTL	107,900	1,436,419	KNIGHT RIDDER NEWS	8,200	436,138
HUMANA	16,700	81,413	KOHL'S CORP (WISCONSIN)	32,400	1,802,250
HUMAN GENOME SCIENCES IN	13,000	1,733,875	KROGER CO	117,300	2,587,931
HUNTINGTON BANCSHARES INC.	23,672	374,314	KULICKE & SOFFA INDS INC	7,500	445,313
IDT CORPORATION	63,400	2,151,638	LSI LOGIC CORP	79,600	4,308,350
I B P INC	99,000	1,528,313	LAFARGE CORP	46,800	982,800
IDEC PHARMACEUTICALS	15,500	1,818,352	LAM RESEARCH	130,300	4,886,250
IMC GLOBAL INC	89,800	1,167,400	LAMAR ADVERSITING CO	37,000	1,602,563
IMS HEALTH INC	178,438	3,211,884	LANDS END INC COM	9,300	310,388
ISS GROUP, INC.	30,500	3,011,399	LATTICE SEMICONDUCTOR	79,400	5,488,525
ITT INDS	102,249	3,105,813	ESTEE LAUDER CO	51,200	2,531,200
ILLINOIS TOOL WORKS	27,100	1,544,700	LAYNE CHRISTENSEN COMPANY	127,500	573,750
IMCLONE SYSTEMS INC	40,000	3,057,500	LEAR CORPORATION	77,400	1,548,000
IMPERIAL OIL LTD	58,900	1,435,688	LECROY CORP	110,000	1,086,250
INCO LTD	18,600	285,975	LEGATO SYS INC	27,100	409,888
INCYTE GENOMICS INC	2,900	238,344	LEGGET & PLATT INC	19,600	323,400
INFINITY BROADCASTING	147,500	5,374,531	LEHMAN BROS HLDGS	40,900	3,867,606
INFORMIX CORP	245,200	1,823,675	LEUCADIA NATIONAL CORP	58,200	1,327,688
INGERSOLL RAND CO	17,550	706,388	LEXMARK INTL GROUP INC	30,900	2,078,025
INKTOMI CORP	23,200	2,743,400	LIBERTY DIGITAL INC	44,500	1,335,000
INTEGRATED DEVICE TECHNOLOGY INC	20,200	1,209,475	LIGHTBRIDGE INC	170,000	4,058,750
INTEL	474,070	63,377,470	ELI LILLY CO	149,100	14,891,363
INTER-TEL INC.	100,000	1,606,250	THE LIMITED INC	43,394	938,395
INTERIM SVCS INC	23,100	410,025	LINCARE HOLDINGS INC	136,700	3,366,238
INTERNATIONAL BUS MACH	238,768	26,160,138	LINCOLN NATL CORP	201,136	7,266,038
INTERNATIONAL FLAV.& FRAG.	10,700	323,006	LINEAR TECHNOLOGY CORP	32,300	2,065,181
INTERNATIONAL PAPER CO	311,945	9,299,860	LITTLEFUSE INC	93,200	4,566,800
INTERNATIONAL RECTIFIER CORP COM	15,200	851,200	LITTON INDUSTRIES INC	55,600	2,335,200
INTERPUBLIC GROUP	27,100	1,165,300	LIZ CLAIBORNE	20,900	736,725
INTERSTATE BAKERIES	220,800	3,091,200	LOCKHEED MARTIN CORPORATION	378,636	9,394,906
INTUIT INC	46,100	\$1,907,388	LOEWS CORP	37,400	2,244,000
			LOUISIANA PAC	68,200	\$741,675

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Equity</u>	<u>Shares</u>	<u>Market Value</u>	<u>Domestic Equity</u>	<u>Shares</u>	<u>Market Value</u>
LOWES COMPANIES INC.	38,000	\$1,560,375	MILLENNIUM CHEMICALS	123,829	\$2,105,093
LUBRIZOL CORP	12,800	268,800	MILLER HERMAN INC	118,800	3,073,950
LUCENT TECHNOLOGIES	386,095	22,876,129	MILLIPORE	5,700	429,638
MBIA INC	10,100	486,694	MINERALS TECHNOLOGIES INC	62,100	2,856,600
MBNA CORP	313,432	8,501,843	MINNESOTA MNG & MFG CO	69,200	5,709,000
MCN ENERGY GROUP INC	4,100	87,638	MINNESOTA PWR & LT CO COM	93,900	1,625,644
MGIC INVESTMENT CORP	11,200	509,600	MOLECULAR DEVICES CORP	100,000	6,918,750
MGM GRAND INC	62,200	1,998,175	MOLEX INC.	20,700	996,188
MMC NETWORKS INC	150,000	8,015,625	MONTANA POWER CO	92,900	3,280,531
MAC DERMID INC	32,000	752,000	J P MORGAN	28,400	3,127,550
MACROVISION CORP	375,000	23,970,713	MORGAN STANLY GROUP	112,200	9,340,650
MACROMEDIA, INC	47,500	4,592,656	MOTOROLA INC	211,986	6,160,843
MALLINCKRODT INC	46,859	2,035,438	MURPHY OIL CORP	43,400	2,579,588
MANDALAY RESORT GROUP	50,900	1,018,000	MYLAN LABORATORIES INC.	14,500	264,625
MANOR CARE INC (NEW)	10,300	72,100	MYPOINTS.COM, INC	42,200	799,821
MANPOWER INC.	27,700	886,400	NCR CORP	11,700	455,569
MAPINFO CORP	70,000	2,843,750	NABISCO GROUP HLDG CORP	141,110	3,660,041
MARCHFIRST INC	92,064	1,680,168	NABORS INDS INC	137,100	5,698,219
MARSH MCLENNAN	26,250	2,741,498	NATL CITY CORP	62,900	1,073,231
MARSHALL & ILSLEY CORP	9,400	390,100	NATIONAL COMPUTER SYS INC COM	160,000	7,880,000
MARRIOTT INTL	97,930	3,531,601	NATIONAL SEMICONDUCTOR	63,700	3,614,975
MARTIN MARIETTA MATLS	21,000	849,188	NATIONAL SVC INDS INC	126,700	2,470,650
MASCO CORP.	71,000	1,282,438	NAVISTAR INTERNATIONAL CORP NEW	18,600	577,763
MASTEC INC	66,800	2,550,925	NEIMAN MARCUS GROUP INC	41,900	1,264,856
MATTEL	42,000	553,875	NEOSE TECHNOLOGIES, INC.	100,000	4,206,250
MAXIM INTERGRATED PRODUCTS INC	29,400	1,997,363	NETWORK ASSOCIATES INC	69,000	1,405,875
MAY DEPT STORES CO	211,448	5,074,752	NETWORK APPLIANCE INC	30,600	2,463,300
MAYTAG CO	8,400	309,750	NEW CENTURY ENERGIES INC	11,700	351,000
MCCORMICK & CO INC	1,200	39,000	NEW YORK TIMES CO	155,072	6,125,344
MCDERMOTT INTL. INC.	6,100	53,756	NEWELL RUBBERMAID INC	28,446	732,485
MCDONALDS CORP	251,518	8,284,374	NEWMONT MINING	18,900	408,713
MCGRAW HILL	20,118	1,086,372	NEXTEL COMMUNICATIONS INC	73,900	4,521,756
MCKESSON HBOC INC	28,296	592,448	NEXTLINK COMMUNICATIONS	66,000	2,503,875
MCLEODUSA INCORPORATED	212,600	4,398,163	NIAGARA MOHAWK HOLDINGS INC	15,800	220,213
MEAD CORP	14,300	361,075	NIKE INC	28,300	1,126,694
MEDIAONE GROUP INC	165,470	10,941,704	NOBLE AFFILIATES INC	90,500	3,371,125
MEDICIS PHARMACEUTICAL CORP (NEW)	70,000	3,990,000	NOBLE DRILLING CORP	46,500	1,915,219
MEDIMMUNE INC	59,100	4,373,400	NORDSON CORP COM	34,000	1,721,250
MEDTRONIC INC	119,800	5,967,538	NORDSTROM INC	14,100	340,163
MELLON FINL CORP	109,000	3,971,688	NORFOLK & SOUTHERN CORP	383,623	5,706,392
MERCANTILE BANKSHARES CORP	72,300	2,155,444	NORSTAN INC.	100,000	400,000
MERCK & COMPANY INC	259,066	19,850,932	NORTEL NETWORKS CORP NEW	450,560	30,750,720
MERCURY INTERACTIVE CORPORATION	32,000	3,096,000	NORTHN STS PWR MINN	7,800	157,463
MERITOR AUTOMOTIVE	110,300	1,213,300	NORTHERN TRUST INC	22,600	1,470,413
MERRILL LYNCH	37,100	4,266,500	NORTHROP GRUMMAN CORP	151,934	10,065,628
MESABA HOLDINGS INC.	78,900	754,481	NOVA CORPORATION	168,300	4,701,881
METHODE ELECTRON INC A INCORPORAT	48,300	1,865,588	NOVELL INC	33,400	308,950
METLIFE INC	387,820	8,168,459	NOVELLUS SYSTEMS	109,300	6,182,281
METRIS	25,500	640,688	NUCOR CORP	23,100	766,631
MICROSOFT	756,766	60,541,280	OGE ENERGY	134,600	2,490,100
MICROCHIP TECHNOLOGY	14,300	833,198	OCCIDENTAL PETROLEUM	467,431	9,845,265
MICROCELL TELECOMMUNICATION	47,800	1,726,775	OCEAN ENERGY INC TEX	36,800	522,100
MICRON TECHNOLOGY	54,100	4,764,181	OFFICE DEPOT INC	111,000	693,750
MILLENNIUM PHARMACEUTICA	35,300	\$3,949,188	OHIO CAS CORP	106,702	1,133,709
			OLD KENT FINANCIAL	12,915	\$345,476

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Equity</u>			<u>Domestic Equity</u>		
	<u>Shares</u>	<u>Market Value</u>		<u>Shares</u>	<u>Market Value</u>
OLD REP INTL CORP CO	92,200	\$1,521,300	PROTOCOL SYSTEMS INC	65,000	\$1,035,938
OMNICOM GROUP	17,200	1,531,875	PROVIDIAN FINL CORP	14,200	1,278,000
ORACLE CORP	406,550	34,175,609	PROXIM INC	100,000	9,896,880
OWENS ILL INC	15,700	183,494	PSINET INC	23,900	600,488
PECO ENERGY	28,097	1,132,660	PUBLIC SERVICE ENTR GROUP	145,387	5,034,025
PG&E CORP	130,900	3,223,413	QLT PHOTOTHERAPEUTICS INC	29,500	2,280,719
PE CORP	21,400	1,409,725	QLOGIC CORP	70,400	4,650,800
PMC - SIERRA INC	8,000	1,421,504	QUAKER OATS CO	22,900	1,720,363
THE PMI GROUP INC.	33,350	1,584,125	QUALCOMM INC	121,600	7,296,000
PNC FINANCIAL	28,800	1,350,000	QUANTA SVCS INC	28,100	1,545,500
PITTSBURG PLATE GLASS INDUSTRIES	17,800	788,763	QUANTUM CORP	44,100	427,219
PPL CORP	57,225	1,255,373	QUINTILES TRANSNATIONAL	11,700	165,263
PACCAR	25,900	1,027,906	R & B FALCON CORP	11,200	263,900
PACIFIC CENTURY FINANCIAL	63,600	930,150	RF MICRO-DEVICES INC	20,200	1,770,025
PACIFICARE HEALTH SYSTEMS INC	26,200	1,576,913	RADIOSHACK CORP	87,596	4,149,861
PACTIV CORP	487,372	3,838,055	RALCORP HOLDINGS INC	246,100	3,014,725
PAINE WEBBER INC	47,700	2,170,350	RALSTON PURINA CO	30,400	606,100
PALL CORPORATION	12,800	236,800	RATIONAL SOFTWARE CORP	261,400	24,293,863
PARAMETRIC TECHNOLOGY	27,200	299,200	RAYTHEON CO	34,500	664,125
PARKER HANNIFIN CORP	31,800	1,089,150	READERS DIGEST ASSN INC	97,000	3,855,750
PAYCHEX INC	38,325	1,609,650	REEBOK	5,400	86,063
PAYLESS SHOE SOURCE	28,100	1,466,469	REGIONS FINANCIAL CORP	22,700	451,163
PENNEY J C INC	215,498	3,973,244	REINSURANCE GROUP AMER	135,490	4,081,636
PENNZOIL - QUAKER STATE CO	92,200	1,112,163	RELIANT ENERGY INC	29,200	863,225
PEOPLES ENERGY CORP	83,954	2,718,011	RELIASTAR FINANCIAL CORPORATION	127,320	6,676,343
PEOPLE SOFT INC.	77,900	1,304,825	REMEDY CORPORATION	14,900	830,675
PEPSI BOTTLING GROUP	81,700	2,384,619	REPUBLIC SVCS INC	73,900	1,182,400
PEPSIAMERICAS INC	74,000	222,000	REYNOLDS & REYNOLDS	54,400	992,800
PEPSICO INC	262,170	11,650,179	RITE AID CORP	26,474	173,736
PERKIN ELMER	50,500	3,339,313	ROBERT HALF INTL	53,400	1,521,900
P.T. TELEKOMUNIKASIADR	91,500	634,781	ROCKWELL INTL	76,722	2,416,743
PETRO-CANADA	109,200	2,081,625	ROHM & HAAS CO	65,722	2,267,409
PFIZER INC	1,094,445	52,533,360	ROSS STORES INC.	69,600	1,187,550
PHARMACIA CORP	125,661	6,495,103	ROWEN COS INC	34,800	1,057,050
PHELPS DODGE	56,537	2,102,470	ROYAL DUTCH PETROLEUM	213,596	13,149,504
PHILLIP MORRIS	753,965	20,027,195	RUSSELL CORP	171,883	3,437,660
PHILLIPS PETE CO	108,582	5,503,750	RYDER SYSTEM	81,012	1,534,165
PINNACLE WEST CAPITAL CORP	18,200	616,525	SBC COMMUNICATIONS	587,178	25,395,449
PIONEER NATURAL RESOURCES COMPAN	270,500	3,448,875	SCI SYSTEMS INC	92,400	3,620,925
PITNEY BOWES INC	26,980	1,079,200	SDL INC	145,800	41,580,410
PLACER DOME INC	32,400	309,825	SEI INVESTMENTS COMPANY	35,100	1,397,419
PLANTRONICS INC	13,400	1,547,700	SLM HOLDING CORP	61,800	2,313,638
PLAYTEX PRODUCTS, INC.	300,700	3,401,669	SPX CORP COM	900	108,844
POLAROID CORP	4,400	79,475	S ONE CORP	24,000	559,500
POTOMAC ELEC PWR CO	55,300	1,382,500	S3 INC	120,000	1,770,000
POWER INTEGRATIONS INC	50,000	1,178,125	SABRE HOLDGS CORP	11,345	323,333
POWERWAVE TECHNOLOGIES	52,400	2,305,600	SAFECO CORPORATION	187,352	3,723,621
PRAXAIR	16,400	613,975	SAFEWAY INC	49,200	2,220,150
PRECISION DRILLING CORP	37,000	1,429,125	ST JUDE MED INC	44,246	2,029,785
PREMIER PKS INC	82,400	1,874,600	ST PAUL COMPANIES	209,271	7,141,373
T ROWE PRICE ASSOCIATES INC	14,900	633,250	SANDISK INC	38,500	2,355,719
PRIMEDIA INC	87,400	1,988,350	SANMINA CORP	12,800	1,094,400
PROCTER & GAMBLE CO	189,410	10,843,723	SAPIENT CORP	5,900	630,934
PROGRESSIVE CORP OHIO	7,400	547,600	SARA LEE CORP	86,258	1,665,858
PROJECT SOFTWARE & DEVEL	190,000	\$3,420,000	SCANA CORP	118,871	\$2,867,763

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>Domestic Equity</u>	<u>Shares</u>	<u>Market Value</u>	<u>Domestic Equity</u>	<u>Shares</u>	<u>Market Value</u>
SCHERING PLOUGH	262,672	\$13,264,936	TECHNOLOGY SOLUTIONS	130,000	\$804,375
SCHLUMBERGER LIMITED	151,524	11,307,479	TECUMSEH PRODUCTS CO	15,700	599,544
THE CHARLES SCHWAB CORPORATION	214,725	7,220,128	TEKELEC	180,000	8,673,750
SCIENTIFIC ATLANTA INC	61,500	4,581,750	TEKTRONIX INC	6,100	451,400
SCOTTS CO	59,000	2,153,500	TELE DANMARK - ADR	29,700	1,009,800
SEAGATE TECHNOLOGY	21,100	1,160,500	TELECOM ARGENTIANA STET FRANCE	24,900	684,750
SEAGRAM CO	41,500	2,407,000	TELECOM NEW ZEALAND - ADR	46,100	1,296,563
SEALED AIR CORPORATION	51,144	2,678,667	TELEDYNE TECHNOLOGIES INC	1	17
SEARS ROEBUCK & CO	237,881	7,760,868	TELEFONICA DE ARGENT	32,900	1,044,575
SEMTECH CORP	100,000	7,648,440	TELEPHONE DATA SYSTEMS	8,400	842,100
SEMPRA ENERGY	21,292	361,964	TELLABS	39,700	2,716,969
SENSORMATIC ELECTRS	39,400	623,013	TEMPLE INLAND INC	5,700	239,400
SHARED MEDICAL SYSTEMS	41,300	3,012,319	TELETECH HOLDINGS	20,600	639,888
SHERWIN-WILLIAMS CO	17,200	364,425	TENET HEALTH CARE	88,800	2,397,600
SIEBEL	19,700	3,222,191	TENNECO AUTOMOTIVE INC	90,880	477,120
SIGMA-ALDRICH CORP	10,300	301,275	TERADYNE INC.	17,300	1,271,550
SMITH INTL INC.	27,300	1,987,781	TEVA PHARMACEUTICAL INDUSTRIES	19,500	1,081,031
SNYDER COMMUNICATIONS	59,800	1,420,250	TETRA TECH INC NEW C	95,656	2,188,131
SNYDER COMMUNICATIONS	22,275	82,139	TEXACO INC	88,300	4,701,975
SOLETRON CORP	57,800	2,420,375	TEXAS INSTRUMENTS	230,000	15,798,125
SOUTHDOWN INC COM	25,200	1,455,300	TEXTRON INC	15,460	839,671
SOUTHERN CO	64,300	1,498,994	THERMO ELECTRON	16,300	343,319
SOUTHTRUST CORPORATION	32,800	742,100	THOMAS & BETTS CORP	5,500	105,188
SOUTHWEST AIRLS CO	188,272	3,565,401	3 COM CORPORATION	34,400	1,982,300
SPECTRIAN CORP	130,000	2,161,250	TICKETMASTER ONLINE-CITY	65,900	1,050,281
SPEEDWAY MOTORSPORTS INC	115,700	2,661,100	TIFFANY & CO	34,600	2,335,500
SPRINT CORP.	149,300	7,614,300	TIME WARNER	285,598	21,705,448
SPRINT CORP.	154,400	9,186,800	TIME WARNER TELECOM INC	23,000	1,480,625
STANLEY WORKS	8,000	190,000	TIMES MIRROR CO NEW	5,900	560,500
STAPLES INC.	47,150	724,931	THE TITAN CORP	132,500	5,929,375
STARBUCKS CORPORATION	79,300	3,028,269	TORCHMARK	13,200	325,875
STARWOOD HOTELS & RESORTS	126,760	4,095,933	TOSCO CORP	54,500	1,543,031
STATE STREET CORP	127,040	13,474,244	TOWER AUTOMOTIVE INC	129,900	1,623,750
STEELCASE, INC	44,400	754,800	TOYS R US	25,300	368,431
STERIS CORP	66,500	590,188	TRANSCANADA PIPELINE	27,900	212,738
SUIZA FOODS CORP	18,000	879,750	TREDEGAR INDUSTRIES INC	123,100	2,338,900
SUMMIT BANCORPORATION	17,700	435,863	TRICON GLOBAL RESTAURANTS INC	15,132	427,479
SUN MICROSYSTEMS	254,700	23,161,781	TRIBUNE CO	70,934	2,482,690
SUNGARD DATA SYSTEMS INC	101,400	3,143,400	TRIGON HEALTHCARE INC	46,100	2,377,031
SUNGLASS HUT INTL	171,000	1,405,415	TRITEL INC	71,500	2,122,656
SUNOCO INC	57,600	1,695,600	TUPPERWARE CORPORATION	6,197	136,334
SUNTRUST BANKS INC	30,000	1,370,625	24/7 MEDIA INC	18,900	295,313
SUPER VALU INC.	12,300	234,469	TYCO INTERNATIONAL LTD	168,432	7,979,466
SYBRON INTERNATIONAL CORP WISCO	84,800	1,680,100	UAL CORP	29,000	1,687,438
SYMBOL TECHNOLOGIES INC	44,775	2,417,850	USX CORP - MARATHON	309,294	7,731,681
SYNOVUS FINANCIAL CORP	25,350	446,794	U S T CORP	17,100	251,156
SYSCO CORP	33,300	1,402,763	US BANCORP DEL	74,506	1,434,241
SYSTEMS & COMPUTER TECH	91,700	1,834,000	USG CORPORATION	28,600	868,725
TJX COS	31,800	596,250	USX CORP - STEEL	307,789	5,713,333
TRW INC	155,200	6,731,800	ULTRAMAR DIAMOND SHAMROCK	218,082	5,411,160
TMP WORLDWIDE INC	67,700	4,997,106	UNILEVER	57,346	2,465,878
TV GUIDE INC	75,500	2,585,875	UNICOM CORP	22,200	858,863
TXU CORP	177,314	5,230,763	UNION CARBIDE CORP	13,600	673,200
TARGET CORP	43,900	2,546,200	UNION PAC CORP	24,900	925,969
TECHNE CORP	90,000	\$11,700,000	UNION PACIFIC RESOURCES	56,300	\$1,238,600

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

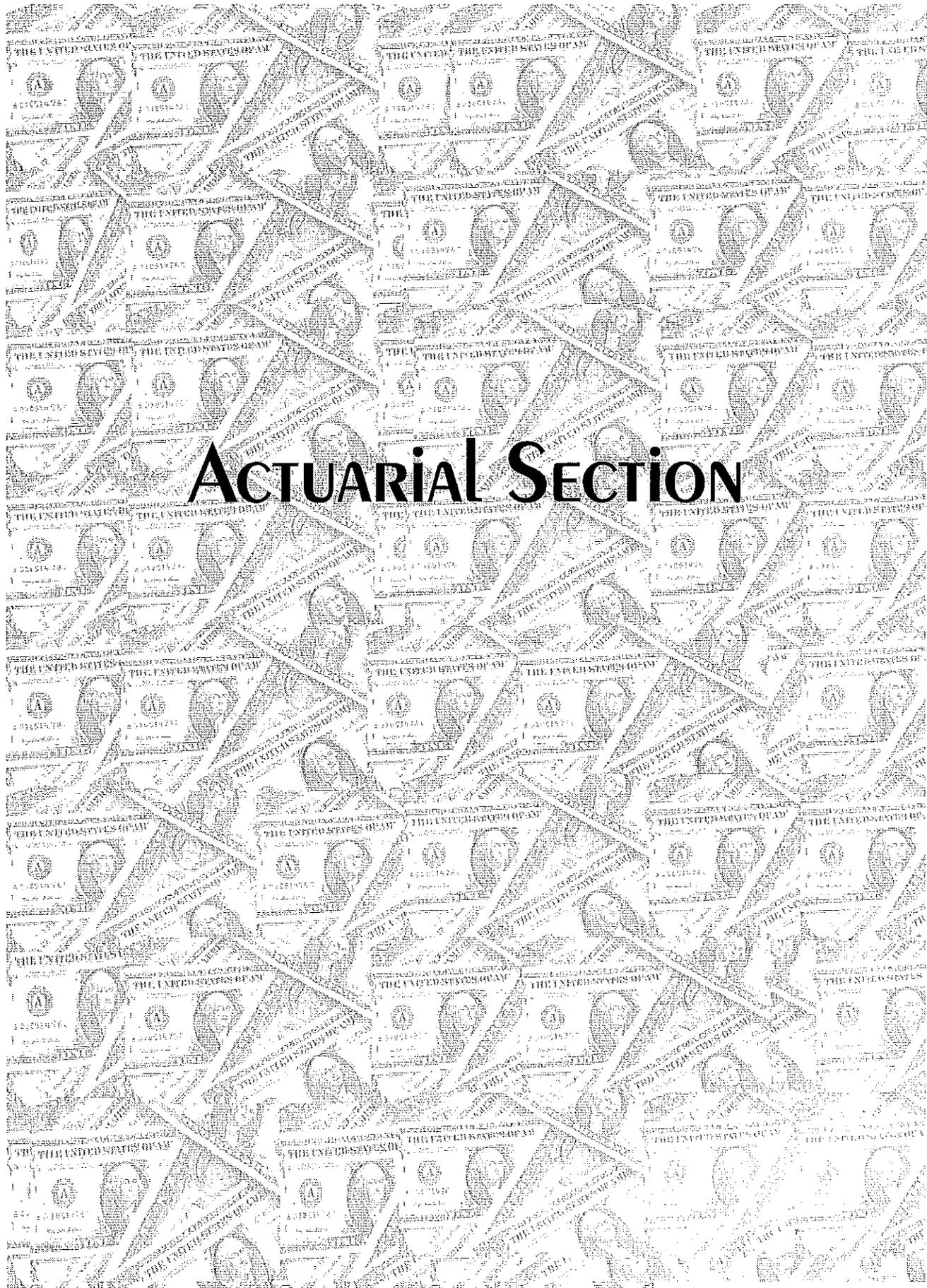
<u>Domestic Equity</u>			<u>Domestic Equity</u>		
	<u>Shares</u>	<u>Market Value</u>		<u>Shares</u>	<u>Market Value</u>
UNION PLANTERS CORP	14,100	\$393,919	WILLAMETTE IND INC	27,700	\$754,825
UNIONBANCAL CORP	116,700	2,166,244	THE WILLIAMS COMPANIES	43,600	1,817,575
UNISYS CORPORATION	27,000	393,188	WILMINGTON TRUST CORP NEW	69,800	2,983,950
UNITED RENTALS INC	231,736	3,968,479	WINN-DIXIE	13,900	198,944
US AIR GROUP	7,100	276,900	WORLD.COM INC GA NEW	408,488	18,739,387
US INDUSTRIES INC	46,200	560,175	WRIGLEY WM JR	84,046	6,739,439
U S WEST INC NEW	50,695	4,347,096	XILINX INC	32,400	2,675,025
UNITED TECHNOLOGIES	46,700	2,749,463	XEROX CORP	344,100	7,140,075
UNITEDHEALTH GROUP INC	27,400	2,349,550	YAHOO!	75,500	9,352,563
UNIVERSAL HEALTH SERVICE INC.	21,300	1,405,800	YOUNG & RUBICAM INC	58,000	3,316,875
UNIVISION COMMUNICATIONS INC	31,000	3,208,500	ZALE CORP	35,900	1,310,350
UNOCAL CORP	24,700	818,188	ZYGO CORP	182,500	16,573,281
UNUMPROVIDENT CORP	31,007	622,078	ZOLL MEDICAL CORP	60,000	2,940,000
UTILICORP	64,700	1,285,913	ACE LIMITED	25,100	702,800
V F CORPORATION	12,000	285,750	AMDOCS LIMITED	7,700	590,975
VALASSIS	270,256	10,303,510	EVEREST RE GROUP LTD	45,900	1,508,963
VALERO ENERGY CORP	45,100	1,431,925	FLAG TELECOM HOLDINGS	87,800	1,306,025
VALMONT INDUSTRIES INC	147,100	2,923,613	FRESH DELMONTE PRODUCE	86,400	594,000
VALUEVISION INTL. CLASS A	23,700	568,800	GLOBAL CROSSING LTD	82,575	2,172,755
VARCO INTL INC DEL COM	79,789	1,855,094	TRANSOCEAN SEDCO FOREX INC	41,944	2,241,383
VEECO INSTRS INC DEL	1,200	87,900	TRITON ENERGY LTD	10,400	408,850
VENTANA MEDICAL SYSTEMS	100,000	2,350,000	GILAT SATELLITE NETWORKS	20,600	1,429,125
VERITAS SOFTWARE	53,300	6,023,753	CNH GLOBAL N V	522,964	4,837,417
VERITY INC.	72,000	2,736,000	ROYAL CARIBBEAN CRUSIES	26,900	497,650
VERISIGN INC	45,612	8,050,518	CREATIVE TECHNOLOGY	26,100	623,138
VIACOM INC CLASS B COMMON	332,647	22,682,367	FLEXTRONICS INTL	63,400	4,354,788
VIASAT INC	44,300	2,403,275	<b>Total Domestic Equity</b>		<b>3,201,419,130</b>
VISHAY INTERTECHNOLOGY INC	60,550	2,297,116			
VITESSE SEMI CONDUCTOR CORP	38,900	2,861,581	<u>International Equity</u>		
VODAFONE AIRTOUCH PLC	43,000	1,781,813	3I GROUP	50,350	1,035,858
VOICESTREAM WIRELESS CORP	27,400	3,186,538	ABB LTD	4,484	538,405
VULCAN MATERIALS CO	10,500	448,219	ABN-AMRO HLDGS	160,339	3,943,770
WABTEC	159,100	1,650,663	ACOM CO	20,200	1,702,982
WACHOVIA CORP	20,700	1,122,975	ADR ENI	3,300	192,019
WAL MART STORES INC	631,744	36,404,248	AEGON	20,974	749,301
WALGREEN CO	406,998	13,100,248	AHOLD(KON)	102,080	3,016,685
WALTER INDS INC	333,600	3,815,550	ATR LIQUIDE (L')	6,416	839,183
WASHINGTON MUTUAL INC	323,804	9,349,841	ALCATEL	197,275	12,991,059
WASTE MANAGEMENT INC.	264,195	5,019,705	ALLIANZ AG	4,425	1,611,806
WATERS CORPORATION	29,300	3,657,021	ALLIED IRISH BANKS	334,000	2,999,866
WATSON PHARMACEUTICALS	9,900	532,125	ALLIED ZURICH	1,344,450	15,905,773
WEATHERFORD INTL INC	13,300	529,506	ALTADIS SA	76,969	1,187,101
WELLPOINT HEALTH NETWORKS INC CL-	6,400	463,600	ALUSUISSE GROUP	1,749	1,143,341
WELLS FARGO & CO NEW	206,800	8,013,500	AMCOR LTD	445,000	1,560,583
WENDYS INTL INC	50,000	890,625	AMP LTD	25,100	256,190
WERNER ENTERPRISES INC COM	85,600	989,750	ASAHI BANK	58,000	244,488
WESTAMERICA BANCORPORATION COM	34,300	896,088	ASSICUR GENERALI	18,328	630,704
WESTERN RESOURCES	66,700	1,033,850	ASTRAZENECA	83,948	3,920,547
WESTERN WIRELESS CORP	54,300	2,959,350	AUCKLAND INTL	37,100	44,011
WESTPOINT STEVENS INC COMMON	346,600	3,855,925	AUSTAR UNITED COMM	5,800	19,654
WESTVACO CORP	64,500	1,600,406	AUSTRIA TABAK	3,400	126,452
WESTWOOD ONE INC	2,400	81,900	AVENTIS SA	83,902	6,148,449
WEYERHAEUSER COMPANY	173,851	7,475,593	AXA	45,900	7,259,595
WHIRLPOOL CORP	89,972	4,194,945	BAE SYSTEMS	1,105,700	\$6,896,293
WHOLE FOOD MARKET INC	42,900	\$1,772,306			

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>International Equity</u>	<u>Shares</u>	<u>Market Value</u>	<u>International Equity</u>	<u>Shares</u>	<u>Market Value</u>
BARCLAYS PLC	174,785	\$4,347,333	FUJI PHOTO FILM CO	79,000	\$3,240,490
BASF AG	134,700	5,468,104	FUJITSU Y50	53,000	1,838,382
BAYER AG	31,750	1,241,709	GIVAUDAN AG	480	146,559
BAYER HYPO-VEREINS	46,435	3,031,156	GLAXO WELLCOME	262,175	7,648,110
BAYER MOTOREN WERK	488,111	14,785,004	GRANADA GROUP	385,363	3,791,967
BBVA(BILB-VIZ-ARG)	333,333	5,000,442	HEINEKEN NV	54,100	3,305,927
BCO POPULAR	13,363	415,016	HENDERSON LAND DEV	108,000	475,209
BCO SANT CENT HISP	338,217	3,582,395	HILTON GRP	362,900	1,274,548
BENESSE CORP	4,000	277,870	HITACHI	1,125,000	16,268,135
BHP LTD	28,440	337,238	HONDA MOTOR CO	66,000	2,251,878
BK OF IRELAND	886,330	5,569,086	HONG KONG ELECTRIC	118,500	381,557
BK OF TOKYO-MITSUB	155,000	1,876,613	HOUSE OF FRASER	146,000	104,985
BNP PARIBAS	21,326	2,060,562	HOYA CORP	31,000	2,783,422
BOC GROUP	355,000	5,105,439	HSBC HLDGS	924,100	10,551,434
BORAL LIMITED	35,200	44,381	IMPERIAL CHEM INDS	472,100	3,748,527
BP AMOCO ORD	222,458	2,135,101	ING GROEP NV	342,013	23,210,882
BRAMBLES INDS LTD	51,895	1,599,511	INTL POWER	1,480,000	9,432,460
BRIDGESTONE CORP	19,000	403,147	INVENSYS	1,956,939	7,347,001
BRISA(AUTO-ESTRADA	52,100	450,464	INVESTOR AB	39,310	540,059
BRIT AMER TOBACCO	1,804,075	12,044,099	ITO-YOKADO CO	6,000	361,798
BRITISH AIRWAYS	87,000	500,477	JARDINE MATHESON	1,338,092	5,860,843
BRITISH TELECOM	226,000	2,921,780	KAMIGUMI CO	62,000	327,565
CABLE & WIRELESS	288,450	4,886,319	KAO CORP	83,300	2,550,844
CADBURY SCHWEPPE	294,820	1,936,992	KELDA GROUP	109,700	536,402
CANON INC	169,000	8,433,628	KIRIN BREWERY CO	26,000	325,599
CARTER HOLT HARVEY	60,000	52,253	KOMATSU	1,348,000	9,504,352
CHARTER	130,883	755,891	KON KPN NV	109,610	4,922,385
CHEUNG KONG(HLDGS)	161,000	1,781,362	KURARAY CO	46,000	528,671
CHINA MOBILE (HK)	257,000	2,266,590	KYOCERA CORP	900	153,027
CIE DE ST-GOBAIN	7,764	1,053,815	L'OREAL	570	495,562
CONTINENTAL AG	22,300	374,075	LEND LEASE CORP	21,126	270,271
CORUS GROUP	4,313,000	6,300,687	LINDE AG	10,200	407,711
CSF(THOMSON)	11,520	455,614	LION NATHAN LTD	43,200	96,598
CSR LIMITED	20,800	57,946	LLOYDS TSB GROUP	497,054	4,695,365
DAI NIPPON PRINTNG	21,000	370,956	LONZA GROUP AG	1,749	914,243
DAI-ICHI KANGYO BK	35,000	266,292	MARCONI	341,850	4,450,565
DAIICHI PHARM CO	344,000	8,745,900	MARKS & SPENCER	2,263,200	7,957,192
DAIKIN INDUSTRIES	13,000	302,868	MATSUSHITA ELC IND	327,000	8,499,126
DAIWA HOUSE IND CO	442,000	3,233,382	METSO OYJ	16,500	199,283
DANONE	5,250	699,503	MICHELIN CGDE	230,090	7,412,796
DANSKE BANK AS	62,600	7,443,563	MITSUBISHI CORP Y50	31,000	280,979
DBS GROUP HLDGS	1,093,583	14,041,378	MITSUBISHI EST CO Y50	72,000	849,260
DE VERE GROUP PLC	24,095	112,346	MITSUBISHI HEAVY IND LTD	3,458,000	15,360,900
DENSO CORP	17,000	414,536	MITSUBISHI TR&BKG	24,000	186,683
DEUT TELEK REGD	70,237	4,012,620	MURATA MFG CO	29,000	4,171,637
DIAGEO	1,409,487	12,653,099	NATIONAL AUST BANK	1,870,031	3,132,755
E.ON AG	202,729	9,988,363	NEC CORP	219,000	6,892,585
EAST JAPAN RAILWAY	109	634,601	NESTLE SA	7,329	14,715,691
EIRCOM ORD	231,600	620,660	NEWS CORPORATION	345,933	4,735,643
ELEC DE PORTUGAL	66,820	1,218,240	NGK INSULATORS	39,000	484,344
ELECTRABEL	2,450	608,014	NINTENDO CO	6,900	1,207,769
ELECTROLUX AB	41,430	644,761	NIPPON MITSUB OIL	1,765,000	8,107,273
ELSEVIER	221,906	2,699,271	NIPPON STEEL CORP	261,000	550,097
EMI GROUP	127,606	1,159,054	NIPPON TEL&TEL CP	367	4,890,790
ENDESA SA	22,124	430,290	NISSIN FOOD PROD	14,000	357,261
ENI	2,228,405	12,923,057	NOKIA (AB) OY	25,600	1,311,606
ERICSSON(LM)TEL	240,210	4,779,004	NOMURA SECURITIES	58,000	1,422,523
ERIDANIA BEGHIN	55,600	5,468,119	NORDIC BALTIC HLDG	158,280	1,200,048
FANUC	6,600	673,068	NOVARTIS AG	3,769	5,989,236
FKI PLC	97,875	348,194	NTT DOCOMO INC	100	2,712,537
FORTIS B	28,435	830,776	NYCOMED AMERSHAM	96,000	953,358
FORTIS NL	41,518	1,213,416	O/SEAS CHINESE BK	105,250	724,393
FUJI BANK	56,000	\$426,596	OLD MUTUAL	105,000	\$230,880

**PORTFOLIO OF ASSETS, JUNE 30, 2000**

<u>International Equity</u>			<u>International Equity</u>		
	<u>Shares</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>	
OMRON CORP	9,000	\$244,979	TATE & LYLE ORD	342,000	\$1,708,524
ORIGIN ENERGY	35,200	34,026	TDK CORP	7,000	1,008,270
ORIX CORP	5,200	769,151	TELE DANMARK A/S	35,270	2,381,849
P & O DFD	130,105	1,114,786	TELECOM CORP OF NEW ZEAL	1,422,858	4,990,087
PAPERLINX NPV	141,700	269,692	TELECOM ITALIA SPA	861,495	11,891,346
PEARSON	63,440	2,016,804	TELEFONICA SA	170,497	3,677,181
PHILIPS ELEC(KON)	79,910	3,783,937	TELSTRA CORP	522,050	2,125,110
PORTUGAL TELECOM	557,100	6,279,951	TESCO	241,800	752,228
POWERGEN	76,000	650,045	THAMES WATER	38,066	492,702
PRUDENTIAL PLC	364,360	5,339,335	TI GROUP	125,400	683,410
QANTAS AIRWAYS	27,427	55,659	TNT POST GROEP	75,112	2,033,965
QBE INS GROUP LTD	41,840	205,286	TOKIO MARINE & FIRE	1,069,000	12,366,675
RAILTRACK GROUP	41,480	644,583	TOKYO ELEC POWER	15,300	373,806
RECKITT BENCKISER	561,500	6,290,174	TOKYO GAS CO	152,000	428,108
REED INTERNATIONAL	96,500	839,994	TOTAL FINA ELF	95,281	14,667,889
REUTERS GROUP	126,800	2,163,338	TOYODA AUTO LOOM	1,000	21,691
RINASCENTE(LA)	57,750	328,817	TOYOTA MOTOR CORP	29,000	1,323,850
RIO TINTO LIMITED	12,013	199,205	TRANSCANADA PIPELN COM	8	61
RJB MINING ORD GBP0.01	169,100	143,355	TRINITY MIRROR	56,490	504,551
RMC GROUP	29,050	378,204	UBS AG	28,383	4,171,660
ROCHE HLDG AG GENUSSSCHEINE	480	4,687,535	UNILEVER	1,626,100	9,846,648
ROHM CO	11,000	3,222,910	UNION ELEC FENOSA	142,300	2,584,817
ROYAL BK SCOT GRP	70,000	1,172,018	UNITED NEWS & MEDI	77,800	1,118,882
ROYAL DUTCH PETROL	47,870	2,987,172	UPM-KYMMENE OYJ	22,100	550,784
ROYAL&SUN ALLIANCE	847,586	5,504,555	UTD O/S BANK	75,192	491,423
SAFEWAY PLC ORD GBP0.25	1,405,328	5,467,540	VIVENDI	82,656	7,324,822
SAMPO SER'A'	23,600	961,428	VNU NV	18,600	964,553
SAN PAOLO-IMI	48,385	862,196	VODAFONE GROUP PLC	3,710,038	14,995,839
SANKYO CO	27,000	611,171	WESTPAC BKG CORP	246,091	1,780,420
SANTEN PHARM CO	16,000	387,127	WMC LTD	22,100	99,158
SANTOS LIMITED	34,600	105,739	WOLTERS KLUWER CVA	46,164	1,234,592
SAP AG	2,700	405,036	WOOLWORTHS LTD	50,300	186,183
SCHNEIDER ELECTRIC	6,580	460,431	YAMANOUCHI PHARM	6,000	328,340
SCOT & NEWCASTLE	65,000	530,867	YAMATO TRANSPORT	15,000	373,563
SCOT & SOUTHERN EN	95,800	878,859	<b>Total International Equity</b>	<b>27,107,280</b>	<b>730,327,202</b>
SECOM	10,000	732,480	<b>TOTAL EQUITY INVESTMENTS</b>		<b>3,940,353,804</b>
SHELL TRNSPT&TRDG	818,503	6,833,559	<b>NET PENDING TRADES</b>		<b>55,335,048</b>
SHIN-ETSU CHEM CO	8,000	406,786	<b>FUTURES/OPTIONS</b>		<b>4,949,581</b>
SHISEIDO CO	69,000	1,069,515	<b>TOTAL LONG TERM INVESTMENTS</b>		<b>5,956,513,454</b>
SIA ENGINEERING CO	43,000	48,248	<b>TOTAL PORTFOLIO</b>		<b>\$6,295,256,655</b>
SIEMENS AG	5,950	898,283			
SINGAPORE AIRPORT	16,000	19,433			
SINGAPORE PRESS	65,577	1,016,462			
SMITH(HOWARD)LTD	17,500	85,737			
SMITHKLINE BEECHAM	35,000	458,316			
SOC AIR FRANCE	22,190	384,992			
SOC GENERALE	16,292	983,854			
SOFTBANK CORP	2,400	326,639			
SONY CORP	42,500	3,976,655			
SUEZ LYONN EAUX	2,040	358,824			
SUMITOMO BANK	57,000	700,345			
SUMITOMO CHEMICAL	99,000	596,966			
SUMITOMO ELECT IND	20,000	343,651			
SUN HUNG KAI PROP	144,000	1,034,469			
SUN LIFE FINANCIAL	168,254	2,839,286			
SWEDISH MATCH	160,820	498,724			
SWIRE PACIFIC 'A'	1,273,000	7,446,641			
SWISS REINSURANCE	2,362	4,829,746			
SWISSCOM AG	15,764	5,477,314			
T.I.M.SPA	107,000	1,097,446			
TAKEDA CHEMICAL IN Y50	92,000	6,051,888			
TAKEFUJI CORP JPY50	13,000	\$1,573,933			



# ACTUARIAL SECTION



Board of Trustees  
Teachers' Retirement System of Oklahoma  
OSSBA Building  
2801 N. Lincoln Boulevard  
Oklahoma City, Oklahoma 73105

Dear Members of the Board:

**Subject: Actuarial Valuation as of June 30, 2000**

We certify that the information contained in this report is accurate and fairly presents the actuarial position of the Teachers' Retirement System of Oklahoma (the System) as of June 30, 2000.

All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, the results presented comply with the requirements of the Oklahoma statutes and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries. Both are Enrolled Actuaries and Members of the American Academy of Actuaries, and both are experienced in performing valuations for large public retirement systems.

#### ***Actuarial Valuation***

The primary purposes of the valuation report are to determine the adequacy of the current employer contribution rate, to describe the current financial condition of the System, and to analyze changes in the System's condition. In addition, the report provides information required by the System in connection with Governmental Accounting Standards Board Statement No. 25 (GASB 25), and it provides various summaries of the data.

Valuations are prepared annually, as of June 30 of each year, the last day of the System's plan and fiscal year.

#### ***Financing Objectives***

The member, state and local employer contribution rates are established by law. The state contributes 3.54% percent of its revenues from sales taxes, use taxes, corporate income taxes and individual income taxes. Local employers contribute a percentage of covered compensation according to the following schedule:



<u>Year</u>	<u>Employer Rate</u>
2000/2001	5.80%
2001/2002	6.80%
Thereafter	7.05%

The state's contribution is equivalent to a contribution of 4.9% of covered payroll. Therefore the total combined state and local contribution for 2000-01 will be equivalent to a contribution of about 10.7% of payroll. If the schedule above is adhered to, the combined rate will be about 12.0% in the 2002/2003 fiscal year.

The state and employer contributions, when combined with the contributions made by members, are intended to pay for the normal cost and to amortize the unfunded actuarial accrued liability (UAAL).

#### ***Progress Toward Realization of Financing Objectives***

The UAAL at June 30, 1999 was \$4,751 million, and it decreased to \$4,636 million this year. This \$115 million decrease compares with an expected \$178 million increase. Investment performance was the main reason for the decrease. Actuarial investment gains decreased the UAAL by \$349 million. The funded ratio -- actuarial value of assets divided by actuarial accrued liability -- improved from 49.8% to 53.7%.

Last year, the period required to completely amortize the UAAL (the funding period) based on the contribution schedule in effect at that time was 34.2 years, measured from June 30, 1999. This year, the funding period is 31.0 years, less than would have been expected. The decrease was primarily due to the strong investment performance.

Based on the current statutes for determining the state and local employer contribution rates, the UAAL is expected to increase slowly, reaching about \$5.6 billion in 2013, before beginning to decline. It is expected to be completely amortized by 2031.

#### ***Benefit Provisions***

The actuarial valuation reflects the benefit provisions as set forth in current statutes, including those adopted in the 2000 legislative session. There were two changes that affected the current valuation. First, the payment for supplemental medical insurance was increased by \$30 per month. This lengthened the funding period and increased the UAAL. Second, as of July 1, 2000 an ad hoc benefit increase was granted to retirees and beneficiaries who had been receiving benefits for at least one year. This increase was determined by adding \$500 to the Final Average Compensation for a classified member and \$250 for a non-classified member and redetermining the benefit due. Special retirees received a 1.8% increase. This new legislation lengthened the funding period, and increased the UAAL.



***Assumptions and Methods***

The actuarial assumptions and methods used in this report are unchanged from last year. Assumptions are set by the Board of Trustees, taking into account the recommendations of the plan's actuaries. The sales and income tax revenues that determine the state's contributions are expected to increase at 4.0% per year. Assumptions were last changed in 1995, following an analysis of plan experience for the preceding five years. The assumptions are internally consistent and are reasonably based on the actual experience of the System.

Watson Wyatt presented a revised set of actuarial assumptions to the Board of Trustees on completion of an experience study earlier this year which analyzed plan experience for the last five years. This set of assumptions was not accepted by the Board. The recommended assumptions would not have materially changed either the UAAL or the funded ratio. However, the recommended new assumption would have extended the funding period by about 20 years; principally due to a lower payroll growth assumption.

***Data***

Member data for retired, active, and inactive participants was supplied as of June 30, 2000 by the System's staff. We have not subjected this data to any auditing procedures, but have examined the data for reasonableness and consistency with the prior year's data. Asset information was supplied by the auditors and by the System's staff.

***Attached Schedules***

We prepared all of the schedules and exhibits in this section except for the Schedule of Increases and Decreases of Benefit Recipients which was prepared by the System's staff. We have also prepared the Schedule of Funding Progress and the Schedule of Employer Contributions in the Financial Section. Our firm has prepared the annual actuarial valuations each year, beginning with the one prepared as of June 30, 1989. Information related to earlier actuarial valuations was prepared by the previous actuary for the System.

Sincerely,

Handwritten signature of J. Christian Conradi in black ink.

J. Christian Conradi, ASA, MAAA, EA  
Actuary

Handwritten signature of W. Michael Carter in black ink.

W. Michael Carter, FSA, MAAA, EA  
Vice President

nlb

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Item	2000	1999
Membership <ul style="list-style-type: none"> <li>• Number of                             <ul style="list-style-type: none"> <li>- Active members</li> <li>- Retirees and beneficiaries</li> <li>- Inactive, vested</li> <li>- Inactive, nonvested</li> <li>- Total</li> </ul> </li> <li>• Payroll</li> </ul>	83,024 34,117 3,273 <u>8,199</u> 128,613 \$2,738 million	81,851 33,033 3,117 <u>7,515</u> 125,516 \$2,648 million
Statutory contribution rates <ul style="list-style-type: none"> <li>• State (% of tax revenues)</li> <li>• Local district (% of pay)</li> <li>• Member (% of pay)</li> </ul>	3.54% 5.80% 7.00%	3.54% 4.80% 7.00%
Assets <ul style="list-style-type: none"> <li>• Market value</li> <li>• Actuarial value</li> <li>• Return on market value</li> <li>• Return on actuarial value</li> <li>• State/local employer contribution</li> <li>• External cash flow %</li> </ul>	\$5,890 million 5,373 million 10.5% 15.5% \$263 million (1.0%)	\$5,387 million 4,708 million 11.9% 17.1% \$233 million (1.3%)
Actuarial Information <ul style="list-style-type: none"> <li>• Normal cost %</li> <li>• Unfunded actuarial accrued liability (UAAL)</li> <li>• Funded ratio</li> <li>• Funding period</li> </ul>	9.72% \$4,636 million 53.7% 31.0 years	9.62% \$4,751 million 49.8% 34.2 years
GASB 25 ARC (40-year funding cost) <ul style="list-style-type: none"> <li>• Dollar amount</li> <li>• Percent of pay</li> </ul>	\$451,463,258 16.10%	\$455,265,033 16.85%
Gains/(losses) <ul style="list-style-type: none"> <li>• Asset experience</li> <li>• Liability experience</li> <li>• Benefit changes</li> <li>• Assumption/method changes</li> <li>• Total</li> </ul>	\$349 million \$172 million (246) million <u>N/A</u> \$275 million	\$368 million (\$152) million \$31 million <u>N/A</u> \$247 million

## FUNDED STATUS

Because the employer contribution rates are set by statute, this report determines the funding period required to amortize the Unfunded Actuarial Accrued Liability (UAAL).

This was another good year for the System, with higher than expected investment returns decreasing the UAAL and increasing the funded ratio. The funding period calculated in this valuation is 31.0 years, a decrease from 34.2 years last year. This decrease was mainly due to the investment performance and a liability experience gain, which offset the increase in the funding period due to new legislation that provided for an ad hoc benefit increase for retirees and an increase in the payment for supplemental medical insurance. The UAAL decreased from \$4,750.5 million to \$4,635.7 million, \$293.3 million less than expected. A discussion of the reasons for these changes appears in the next section.

Despite the strong investment results over the last four years, the System remains very poorly funded. It remains among the five or six most poorly funded of all statewide plans in the nation. The funded ratio improved from 49.8% to 53.7%. The actuarial value of assets is large enough to cover all of the liabilities for currently retired members.

The current combined employer/state contribution rate of about 10.9% for FY 2001 is not large enough to pay the normal cost and pay the interest on the UAAL. Therefore, negative amortization results. I.e., for several years the UAAL will be expected to increase. See the schedule of projected UAAL's in Table 13. As may be seen, the UAAL is expected to continue increasing until around 2013, at which point positive amortization will begin to occur. It will take until about 2022 before the UAAL is again as low as it is now, in the absence of future gains or losses.

This report also determines the 40-year funding requirement under Section 17-106. This is the contribution required to fund the normal cost and to amortize the UAAL in level installments (not as a level percent of pay) over 40 years. This amount is reported as the Annual Required Contribution (ARC) under GASB 25, and is shown in Table 1.

## ANALYSIS OF CHANGES

### *UAAL*

Table 12a shows an analysis of the change in the UAAL. The UAAL, which was \$4,750.5 million last year, has decreased to \$4,635.7 million this year. However, an increase of \$178.5 million was expected, since the current statutory employer/state contribution rate is not large enough to pay for the normal cost and for interest on the UAAL. Therefore, negative amortization is expected to occur.

The major reason for the decrease in the UAAL was the better than expected return on actuarial assets. The return on the actuarial value of assets was 15.5%, compared with the assumed rate of 8.0% and the actual market return of 10.5%. This caused a \$349.1 million decrease in the UAAL.

There was a liability gain of \$171.7 million. Other minor factors affecting the UAAL were (i) an \$18.8 million gain due to differences between actual and expected contributions, and (ii) a \$246.3 million increase due to both an ad hoc benefit increase for retirees and beneficiaries and an increase in the payment for supplemental medical insurance.

### *Funding Period*

The funding period (the period required to amortize the UAAL) decreased more than expected. An analysis is shown on Table 12b.

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### ACTUARIAL ASSUMPTIONS AND METHODS

Table 18 summarizes the actuarial assumptions used to determine the plan's liabilities and the actuarial methods used to determine the normal cost, UAAL and funding period.

The most significant assumptions are the investment return rate (8%), the salary increase rate (averages about 5.2%), the payroll growth rate (4%), and the state revenue growth rate (4%). There were no changes in actuarial assumptions or methods since last year. Actuarial assumptions were last changed in 1995, when the Board adopted changes recommended by the actuary, based on a review of System experience for the preceding five years.

Watson Wyatt presented a new set of assumptions to the Board of Trustees earlier this year on completion of an experience study which analyzed plan experience for the last five years. This set of assumptions was not accepted by the Board. The recommended assumptions would not have materially changed either the UAAL or the funded ratio. However, the recommended new assumptions would have extended the funding period by about 20 years; principally due to the lower payroll growth assumption.

When the System's experience does not match the actuarial assumptions, gains or losses arise. These gains and losses result in changes to the UAAL for the System, and in turn they change the funding period.

The method used to determine the normal cost, UAAL, and funding period is the Entry Age actuarial cost method. We continue to believe the Entry Age method is appropriate for the System.

Development of Employer Cost

	June 30, 2000 (1)	June 30, 1999 (2)
1. Payroll		
a. Supplied by system	\$ 2,738,297,350	\$ 2,648,385,170
b. Adjusted for one year's pay increase	2,880,301,000	2,785,662,000
c. Adjusted for one year's pay increase with pay caps	2,804,358,000	2,701,733,000
2. Present value of future pay (paid monthly, with pay caps)	\$ 21,447,486,000	\$ 20,771,143,000
3. Normal cost rate (payable monthly)		
a. Total normal cost rate	9.72%	9.62%
b. Less: member rate	(7.00%)	(7.00%)
c. Employer normal cost rate	2.72%	2.62%
4. Actuarial accrued liability for active members		
a. Present value of future benefits for active members	\$ 7,138,994,000	\$ 6,905,353,000
b. Less: present value of future employer normal costs (Item 3c * Item 2)	(583,371,619)	(544,203,947)
c. Less: present value of future member contributions	(1,501,324,000)	(1,453,980,000)
d. Actuarial accrued liability	\$ 5,054,298,381	\$ 4,907,169,053
5. Total actuarial accrued liability for:		
a. Retirees and beneficiaries	\$ 4,803,795,000	\$ 4,414,982,400
b. Inactive members	151,080,330	136,425,076
c. Active members (Item 4d)	5,054,298,381	4,907,169,053
d. Total	\$ 10,009,173,711	\$ 9,458,576,529
6. Actuarial value of assets	\$ 5,373,476,089	\$ 4,708,033,127
7. Unfunded actuarial accrued liability (UAAL) (item 5d - Item 6)	\$ 4,635,697,622	\$ 4,750,543,402
8. Funding period (4% payroll & revenue growth)	31.0 years	34.2 years
9. 40-year amortization cost		
a. Employer normal cost (Item 1c * 3c)	\$ 76,278,538	\$ 70,785,405
b. Level 40-year amortization of UAAL (payable monthly)	375,184,720	384,479,628
c. Total	\$ 451,463,258	\$ 455,265,033
d. Contribution as percentage of payroll (9c/1c)	16.10%	16.85%

Actuarial Present Value of Future Benefits

	June 30, 2000 (1)	June 30, 1999 (2)
1. Active members		
a. Service retirement benefits	\$ 5,890,090,000	\$ 5,802,282,000
b. Deferred termination benefits	286,416,000	283,821,000
c. Refunds	440,317,000	406,525,000
d. Death benefits	39,014,000	39,669,000
e. Disability retirement benefits	105,665,000	102,809,000
f. Supplemental medical insurance	351,677,000	245,104,000
g. \$5,000 post-retirement death benefit	25,815,000	25,143,000
h. Total	<u>\$ 7,138,994,000</u>	<u>\$ 6,905,353,000</u>
2. Retired members		
a. Service retirements	\$ 4,212,715,400	\$ 3,947,964,400
b. Disability retirements	83,739,800	78,361,200
c. Beneficiaries	112,326,900	102,426,000
d. Supplemental medical insurance	337,290,200	230,210,200
e. \$5,000 post-retirement death benefit	57,722,700	56,020,600
f. Total	<u>\$ 4,803,795,000</u>	<u>\$ 4,414,982,400</u>
3. Inactive members		
a. Vested terminations	\$ 103,216,819	\$ 91,829,136
b. Nonvested terminations	32,006,344	29,362,871
c. Suspense fund	15,857,167	15,233,069
d. Total	<u>\$ 151,080,330</u>	<u>\$ 136,425,076</u>
4. Total actuarial present value of future benefits	<u>\$ 12,093,869,330</u>	<u>\$ 11,456,760,476</u>

Analysis of Normal Cost

	<u>June 30, 2000</u>	<u>June 30, 1999</u>
	(1)	(2)
1. Gross normal cost rate (payable monthly)		
a. Retirement benefits	6.38%	6.38%
b. Deferred termination benefits	0.57%	0.58%
c. Refunds	2.17%	2.16%
d. Supplemental medical insurance	0.36%	0.26%
e. \$5,000 Post-retirement death benefits	0.04%	0.04%
f. Disability retirement benefits	<u>0.20%</u>	<u>0.20%</u>
g. Total	9.72%	9.62%
2. Less: member rate	<u>7.00%</u>	<u>7.00%</u>
3. Employer normal cost rate	2.72%	2.62%
4. Effectiveness of member contributions		
a. Member rate	7.00%	7.00%
b. Less: cost of refunds	<u>(2.17%)</u>	<u>(2.16%)</u>
c. Net member rate available for benefits	4.83%	4.84%
d. Effectiveness rate (4c/4a)	69.00%	69.14%

**TABLE 4a**

**Teachers' Retirement System of Oklahoma  
Actuarial Valuation - June 30, 2000**

**Schedule of Funding Progress  
(As required by GASB #25)**

Valuation Date (1)	Actuarial Value of Assets (AVA) (2)	Actuarial Accrued Liability (AAL) (3)	Unfunded Actuarial		Funded Ratio (2)/(3) (5)	Annual Covered Payroll (6)	UAAL as % of Payroll (4)/(6) (7)
			Accrued Liability (UAAL) (3) - (2) (4)	Accrued Liability			
June 30, 1995	\$2,869.9	\$7,480.4	\$4,610.5	\$4,610.5	38.4%	\$2,336.1	197.4%
June 30, 1996	\$3,103.0	\$7,843.2	\$4,740.2	\$4,740.2	39.6%	\$2,375.5	199.5%
June 30, 1997	\$3,544.9	\$8,257.2	\$4,712.3	\$4,712.3	42.9%	\$2,428.7	194.0%
June 30, 1998	\$4,085.0	\$8,891.3	\$4,806.3	\$4,806.3	45.9%	\$2,537.7	189.4%
June 30, 1999	\$4,708.0	\$9,458.6	\$4,750.5	\$4,750.5	49.8%	\$2,648.4	179.4%
June 30, 2000	\$5,373.5	\$10,009.2	\$4,635.7	\$4,635.7	53.7%	\$2,738.3	169.3%

Note: Dollar amounts in millions

**Schedule of Employer Contributions**  
**(As required by GASB #25)**

<u>Year Ending June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
1995	\$385,986,674	41.8%
1996	\$434,728,781	40.8%
1997	\$446,459,961	62.0%
1998	\$446,219,296	59.1%
1999	\$456,864,002	53.5%
2000	\$455,265,033	60.6%

**Notes to Required Supplementary Information**  
**(as required by GASB #25)**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2000
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, open
Remaining amortization period	40 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return *	8.00%
Projected salary increase *	4.50% to 7.75%
* Includes inflation at:	4.00%
Cost of living adjustment	None

Membership Data

	June 30, 2000 (1)	June 30, 1999 (2)
1. Active members		
a. Number	83,024	81,851
b. Total payroll supplied by System	\$ 2,738,297,350	\$ 2,648,385,170
c. Average salary	32,982	32,356
d. Average age	44.5	44.4
e. Average service	11.0	11.2
2. Vested inactive members		
a. Number	3,273	3,117
b. Total annual deferred benefits	\$ 17,400,052	\$ 16,521,383
c. Average annual deferred benefit	5,316	5,300
3. Nonvested inactive members		
a. Number	8,199	7,515
b. Member contributions with interest due	\$ 32,006,344	\$ 29,362,871
c. Average refund due	3,904	3,907
4. Service retirees		
a. Number	31,335	30,266
b. Total annual benefits <sup>1</sup>	\$ 466,393,530	\$ 438,988,843
c. Average annual benefit	14,884	14,504
5. Special service retirees		
a. Number	492	607
b. Total annual benefits <sup>1</sup>	\$ 1,031,028	\$ 1,249,488
c. Average annual benefit	2,096	2,058
6. Disabled retirees		
a. Number	1,091	1,031
b. Total annual benefits <sup>1</sup>	\$ 10,805,920	\$ 10,095,532
c. Average annual benefit	9,905	9,792
7. Beneficiaries and spouses		
a. Number	1,199	1,129
b. Total annual benefits <sup>1</sup>	\$ 13,915,745	\$ 12,607,291
c. Average annual benefit	11,606	11,167

<sup>1</sup> Benefit amounts exclude the supplemental medical insurance payment.

2000 benefit amounts include COLA effective July 1, 2000

TABLE 5b

Teachers' Retirement System of Oklahoma  
Actuarial Valuation - June 30, 2000

Historical Summary of Active Member Data

Valuation as of June 30, (1)	Active Members		Covered Payroll		Average Salary		Average Age (8)	Average Service Age (9)
	Number (2)	Percent Increase (3)	Amount in \$ Millions (4)	Percent Increase (5)	\$ Amount (6)	Percent Increase (7)		
1990	69,062	2.0%	1,745	8.4%	25,265	5.0%	43.1	10.5
1991	71,936	4.2%	1,921	10.1%	26,709	5.7%	43.1	10.5
1992	73,568	2.3%	2,002	4.2%	27,218	1.9%	43.3	10.6
1993	75,599	2.8%	2,122	6.0%	28,069	3.1%	43.4	10.7
1994	76,280	0.9%	2,190	3.2%	28,704	2.3%	43.6	10.8
1995	79,044	3.6%	2,336	6.7%	29,555	3.0%	43.6	10.7
1996	78,942	(0.1%)	2,375	1.7%	30,091	1.8%	44.0	11.1
1997	79,510	0.7%	2,429	2.3%	30,546	1.5%	44.2	11.2
1998	80,578	1.3%	2,538	4.5%	31,493	3.1%	44.3	11.2
1999	81,851	1.6%	2,648	4.3%	32,356	2.7%	44.4	11.2
2000	83,024	1.4%	2,738	3.4%	32,982	1.9%	44.5	11.0

Plan Net Assets  
 (Assets at Market or Fair Value)

Item	Valuation as of	
	June 30, 2000	June 30, 1999
(1)	(2)	(3)
1. Cash and cash equivalents	\$ 30,777,532	\$ 2,450,674
2. Receivables:		
a. Employer and member contributions	\$ 24,699,745	\$ 25,289,962
b. State contribution	12,831,212	10,323,666
c. Net investment income and other	(67,406,410)	160,336,516
d. Total receivables	\$ (29,875,453)	\$ 195,950,144
3. Investments		
a. Invested cash and other	\$ 338,743,000	\$ 210,377,000
b. Domestic equities	3,184,841,655	3,030,123,836
c. International equities	730,327,000	607,181,000
d. Domestic fixed income	1,729,322,000	1,425,846,700
e. International fixed income	312,023,000	308,263,000
f. Real estate, furniture & equipment	400,195	393,824
g. Total investments	\$ 6,295,656,850	\$ 5,582,185,360
4. Total assets	\$ 6,296,558,929	\$ 5,780,586,178
5. Liabilities		
a. Benefits payable	\$ 40,433,486	\$ 38,615,028
b. Insurance premium payable	1,704,000	1,645,247
c. Expenses	3,871,882	3,321,955
d. Total liabilities	\$ 46,009,368	\$ 43,582,230
6. Total (Item 4 - Item 5)	\$ 6,250,549,561	\$ 5,737,003,948
7. Less : Teachers' Deposit Fund	(360,209,246)	(349,900,749)
8. Total market value of assets available for benefits	\$ 5,890,340,315	\$ 5,387,103,199

**Distribution of Assets at Market Value  
 (Percentage of Total Investments)**

Item (1)	Valuation as of	
	June 30, 2000 (2)	June 30, 1999 (3)
a. Invested cash and other	5.38%	3.77%
b. Domestic equities	50.58%	54.28%
c. International equities	11.60%	10.88%
d. Domestic fixed income	27.47%	25.54%
e. International fixed income	4.96%	5.52%
f. Real estate, furniture & equipment	0.01%	0.01%
g. Total investments	100.00%	100.00%

Reconciliation of Plan Net Assets

	Year Ending	
	June 30, 2000 (1)	June 30, 1999 (2)
1. Market value of assets at beginning of year, net of Teachers' Deposit Fund	\$ 5,387,103,199	\$ 4,884,385,546
2. Revenue for the year		
a. Contributions		
i. Member contributions, including state credit	\$ 195,988,873	\$ 190,718,633
ii. Federal matching funds	12,454,200	10,991,648
iii. State contribution	132,574,886	106,267,672
iv. Employer/district contributions	130,758,712	127,047,763
v. Total	\$ 471,776,671	\$ 435,025,716
b. Net investment earnings		
i. Interest, dividends and other income	\$ 195,698,197	\$ 174,303,200
ii. Net appreciation/(depreciation)	417,582,752	452,159,607
iii. Less: investment expenses	(13,571,552)	(12,090,056)
iv. Less: transfers to Teachers' Deposit Fund	(35,535,514)	(39,821,032)
v. Net investment earnings	\$ 564,173,883	\$ 574,551,719
c. Total revenue	\$ 1,035,950,554	\$ 1,009,577,435
3. Expenditures for the year		
a. Refunds	\$ 29,460,152	\$ 24,523,574
b. Benefit payments, including insurance payments	500,289,049	479,637,193
c. Administrative expenses	2,964,237	2,699,015
d. Total expenditures	\$ 532,713,438	\$ 506,859,782
4. Increase in net assets (Item 2 - Item 3)	\$ 503,237,116	\$ 502,717,653
5. Market value of assets at end of year, net of Teachers' Deposit Fund (Item 1 + Item 4)	\$ 5,890,340,315	\$ 5,387,103,199

Development of Actuarial Value of Assets

	<u>Year Ending June 30, 2000</u>																												
1. Market value of assets at beginning of year	\$ 5,387,103,199																												
2. Net new investments																													
a. Contributions	\$ 471,776,671																												
b. Benefits paid	(500,289,049)																												
c. Refunds	(29,460,152)																												
d. Subtotal	<u>(57,972,530)</u>																												
3. Market value of assets at end of year	\$ 5,890,340,315																												
4. Net earnings (3-1-2)	\$ 561,209,646																												
5. Assumed investment return rate	8.00%																												
6. Expected return	\$ 428,649,355																												
7. Excess return (4-6)	\$ 132,560,291																												
8. Excess return on assets for last four years :																													
	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Period End</u></th> <th style="text-align: center;"><u>Excess Return</u></th> <th style="text-align: center;"><u>Percent Deferred</u></th> <th style="text-align: right;"><u>Deferred Amount</u></th> </tr> <tr> <td></td> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> </tr> </thead> <tbody> <tr> <td>a. June 30, 1997</td> <td style="text-align: right;">426,856,290</td> <td style="text-align: center;">20%</td> <td style="text-align: right;">\$ 85,371,258</td> </tr> <tr> <td>b. June 30, 1998</td> <td style="text-align: right;">537,810,946</td> <td style="text-align: center;">40%</td> <td style="text-align: right;">215,124,378</td> </tr> <tr> <td>c. June 30, 1999</td> <td style="text-align: right;">183,867,262</td> <td style="text-align: center;">60%</td> <td style="text-align: right;">110,320,357</td> </tr> <tr> <td>d. June 30, 2000</td> <td style="text-align: right;">132,560,291</td> <td style="text-align: center;">80%</td> <td style="text-align: right;">106,048,233</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>\$ 516,864,226</u></td> </tr> </tbody> </table>	<u>Period End</u>	<u>Excess Return</u>	<u>Percent Deferred</u>	<u>Deferred Amount</u>		(2)	(3)	(4)	a. June 30, 1997	426,856,290	20%	\$ 85,371,258	b. June 30, 1998	537,810,946	40%	215,124,378	c. June 30, 1999	183,867,262	60%	110,320,357	d. June 30, 2000	132,560,291	80%	106,048,233				<u>\$ 516,864,226</u>
<u>Period End</u>	<u>Excess Return</u>	<u>Percent Deferred</u>	<u>Deferred Amount</u>																										
	(2)	(3)	(4)																										
a. June 30, 1997	426,856,290	20%	\$ 85,371,258																										
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c. June 30, 1999	183,867,262	60%	110,320,357																										
d. June 30, 2000	132,560,291	80%	106,048,233																										
			<u>\$ 516,864,226</u>																										
9. Actuarial value of assets (Item 3 - Item 8)	\$ 5,373,476,089																												

Estimation of Yields

	Year Ending	
	June 30, 2000 (1)	June 30, 1999 (2)
A. Market value yield		
1. Beginning of year market assets	\$ 5,387,103,199	\$ 4,884,385,546
2. Net investment income (including realized and unrealized gains and losses)	\$ 564,173,883	\$ 574,551,719
3. End of year market assets	\$ 5,890,340,315	\$ 5,387,103,199
4. Estimated dollar weighted market value yield	10.5%	11.9%
B. Actuarial value yield		
1. Beginning of year actuarial assets	\$ 4,708,033,127	\$ 4,085,045,092
2. Actuarial return	\$ 723,415,492	692,123,086
3. End of year actuarial assets	\$ 5,373,476,089	\$ 4,708,033,127
4. Estimated actuarial value yield	15.5%	17.1%

TABLE 10

Teachers' Retirement System of Oklahoma  
Actuarial Valuation - June 30, 2000

History of Cash Flow

Year Ending June 30, (1)	Contributions (2)	Benefit Payments (3)	Refunds (4)	Administrative Expenses (5)	Total (6)	External Cash Flow for the Year <sup>1</sup> (7)	Market Value of Assets (8)	External Cash Flow as Percent of Market Value (9)
1991	283.6	(304.8)	(12.6)	(2.0)	(319.4)	(35.8)	2,112	(1.7%)
1992	282.8	(317.5)	(12.9)	(2.1)	(332.5)	(49.7)	2,349	(2.1%)
1993	339.5	(332.1)	(12.8)	(2.2)	(347.1)	(7.6)	2,659	(0.3%)
1994	340.6	(351.1)	(13.3)	(2.5)	(366.9)	(26.3)	2,684	(1.0%)
1995	307.1	(377.5)	(14.2)	(2.2)	(393.9)	(86.8)	2,991	(2.9%)
1996	321.0	(396.1)	(18.1)	(2.2)	(416.4)	(95.4)	3,325	(2.9%)
1997	443.2	(418.0)	(20.1)	(2.4)	(440.5)	2.7	4,041	0.1%
1998	444.8	(439.2)	(23.0)	(3.3)	(465.5)	(20.7)	4,884	(0.4%)
1999	435.0	(479.6)	(24.5)	(2.7)	(506.9)	(71.8)	5,387	(1.3%)
2000	471.8	(500.3)	(29.5)	(3.0)	(532.7)	(60.9)	5,890	(1.0%)

Dollar amounts in millions

<sup>1</sup> Column (7) = Column (2) + Column (6).

Investment Experience Gain or Loss

Item	Year Ending June 30, 2000	Year Ending June 30, 1999
(1)	(2)	(3)
1. Actuarial assets, beginning of year	\$ 4,708,033,127	\$ 4,085,045,092
2. Contributions during year	\$ 471,776,671	\$ 435,025,716
3. Benefits and refunds paid	\$ (529,749,201)	\$ (504,160,767)
4. Assumed net investment income at 8%		
a. Beginning of year assets	\$ 376,642,650	\$ 326,803,607
b. Contributions	18,871,067	17,401,029
c. Benefits and refunds paid	<u>(21,189,968)</u>	<u>(20,166,431)</u>
d. Total	\$ 374,323,749	\$ 324,038,205
5. Expected actuarial assets, end of year (Sum of items 1 through 4)	\$ 5,024,384,346	\$ 4,339,948,246
6. Actual actuarial assets, end of year	\$ 5,373,476,089	\$ 4,708,033,127
7. Asset gain (loss) for year (Item 6 - Item 5)	\$ 349,091,743	\$ 368,084,881

Total Experience Gain or Loss

Item (1)	Year Ending June 30, 2000 (2)	Year Ending June 30, 1999 (3)
A. Calculation of total actuarial gain or loss		
1. Unfunded actuarial accrued liability (UAAL), previous year	\$ 4,750,543,402	\$ 4,806,208,687
2. Normal cost for the year (employer and employee)	\$ 259,906,715	\$ 246,235,730
3. Less: total contributions for the year	\$ (471,776,671)	\$ (435,025,716)
4. Interest at 8 %		
a. On UAAL	\$ 380,043,472	\$ 384,496,695
b. On normal cost	10,396,269	9,969,429
c. On contributions	(18,871,067)	(17,401,029)
d. Total	\$ 371,568,674	\$ 377,065,095
5. Expected UAAL (Sum of Items 1 - 4)	\$ 4,910,242,120	\$ 4,997,483,796
6. Actual UAAL	\$ 4,635,697,622	\$ 4,750,543,402
7. Total gain (loss) for the year (Item 5 - Item 6)	\$ 274,544,498	\$ 246,940,394
B. Source of gains and losses		
8. Asset gain (loss) for the year	\$ 349,091,743	\$ 368,084,881
9. Liability gain (loss) for the year	171,730,614	(152,304,041)
10. Legislation (ad hoc COLA for ret & incr in med supp credit)	(246,277,859)	31,159,554
11. Total	\$ 274,544,498	\$ 246,940,394

Analysis of Change in Unfunded Actuarial Accrued Liability (UAAL)

Basis	June 30, 2000 UAAL (in \$ Millions)	June 30, 1999 UAAL (in \$ Millions)
1. From prior valuation	\$ 4,750.5	\$ 4,806.2
2. Impact of changes, gains and losses		
a. Expected increase based on statutory contributions and passage of time	178.5	146.1
b. Liability (gain)/loss	(171.7)	152.3
c. Asset (gain)/loss	(349.1)	(368.1)
d. Impact of actual ctrb greater than expected under schedule	(18.8)	45.2
e. Legislative change (retiree ad hoc COLA and med supp incr)	246.3	(31.2)
f. Total	(114.8)	(55.7)
3. Current UAAL (1+2f)	\$ 4,635.7	\$ 4,750.5

Analysis of Change in Funding Period

Basis	June 30, 2000 Funding Period (Years)	June 30, 1999 Funding Period (Years)
1. Funding period (years) from prior valuation	34.2	35.7
2. Impact of changes, gains and losses		
a. Expected (decrease)/increase	(1.0)	(1.0)
b. Impact of payroll and revenue growth different than expected	1.0	(0.5)
c. Impact of asset (gain)/loss	(4.1)	(4.7)
d. Impact of more contributions	(0.3)	0.5
e. Impact of liability (gain)/loss	(2.3)	1.9
f. Impact of legislative change (retiree ad hoc COLA)	0.7	(0.2)
g. Impact of legislative change (increase in medical supplement)	2.8	2.5
h. Total	(3.2)	(1.5)
3. Current funding period (years) (1+2g)	31.0	34.2

Projection of UAAL

	Valuation Date (1)	UAAL (Millions) (2)
A. Actual	June 30, 1992	\$3,796.3
	June 30, 1993	3,887.7
	June 30, 1994	4,038.8
	June 30, 1995	4,610.5
	June 30, 1996	4,740.2
	June 30, 1997	4,712.3
	June 30, 1998	4,806.2
	June 30, 1999	4,750.5
	June 30, 2000	4,635.7
	B. Projected	June 30, 2001
June 30, 2002		\$4,883.8
June 30, 2003		\$4,982.9
June 30, 2004		\$5,077.8
June 30, 2005		\$5,167.9
June 30, 2006		\$5,252.2
June 30, 2007		\$5,329.8
June 30, 2008		\$5,398.3
June 30, 2009		\$5,457.8
June 30, 2010		\$5,507.3
June 30, 2011		\$5,545.2
June 30, 2012		\$5,570.0
June 30, 2013		\$5,580.1
June 30, 2014		\$5,573.5
June 30, 2015		\$5,548.3
June 30, 2016		\$5,502.3
June 30, 2017		\$5,433.0
June 30, 2018		\$5,337.7
June 30, 2019		\$5,213.6
June 30, 2020		\$5,057.6

Projection of UAAL

Valuation Date (1)	UAAL (Millions) (2)
June 30, 2021	\$4,866.2
June 30, 2022	\$4,635.6
June 30, 2023	\$4,361.7
June 30, 2024	\$4,040.2
June 30, 2025	\$3,666.1
June 30, 2026	\$3,234.2
June 30, 2027	\$2,738.7
June 30, 2028	\$2,173.5
June 30, 2029	\$1,531.6
June 30, 2030	\$805.7

Teachers' Retirement System of Oklahoma  
Actuarial Valuation - June 30, 2000

## TABLE 14

## Solvency Test

Actuarial Accrued Liability and Percent of Active Member Payroll for:

June 30,	Accumulated Member Contributions Includin Interest		Retirees and Beneficiaries Currently Receiving Benefits		Terminated Employees Not Yet Receiving Benefits		Employer Financed Portion of Vested and Nonvested Benefits		Actuarial Value of Assets		Portion of Accrued Liabilities Covered by Assets	
	(1)	% of Payroll	(2)	% of Payroll	(3)	% of Payroll	(4)	% of Payroll	(1)	(2)	(3)	(4)
1988	\$ 1,151.8	77%	\$ 2,155.9	144%	\$ 18.4	1%	\$ 518.4	35%	\$ 1,693.9	100%	25%	0%
1989	798.6	50%	2,194.0	136%	54.7	3%	914.7	57%	1,795.3	100%	45%	0%
1990	909.7	52%	2,405.8	138%	59.9	3%	1,738.3	100%	1,951.3	100%	43%	0%
1991	1,044.4	54%	2,662.9	139%	68.1	4%	1,669.2	87%	2,089.6	100%	39%	0%
1992	1,186.7	59%	2,778.7	139%	78.5	4%	2,039.5	102%	2,287.1	100%	40%	0%
1993	1,333.1	63%	2,926.1	138%	90.2	4%	2,107.6	99%	2,569.2	100%	42%	0%
1994	1,467.9	67%	3,187.5	146%	102.5	5%	1,978.1	90%	2,697.2	100%	39%	0%
1995	1,628.4	70%	3,409.3	146%	96.7	4%	2,346.0	100%	2,869.9	100%	36%	0%
1996	1,799.1	76%	3,586.3	151%	106.7	4%	2,351.1	99%	3,103.0	100%	36%	0%
1997	1,967.9	81%	3,797.8	156%	114.4	5%	2,377.1	98%	3,544.9	100%	42%	0%
1998	2,143.4	84%	4,195.9	165%	125.7	5%	2,426.3	96%	4,085.0	100%	46%	0%
1999	2,330.6	88%	4,415.0	167%	136.4	5%	2,576.5	97%	4,708.0	100%	54%	0%
2000	2,518.2	92%	4,803.8	175%	151.1	6%	2,536.1	93%	5,373.5	100%	59%	0%

Note: Dollar amounts in millions

Teachers' Retirement System of Oklahoma  
Actuarial Valuation - June 30, 2000

Distribution of Active Members by Age and by Years of Service  
As of June 30, 2000

Attained Age	Years of Credited Service													Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over		
	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	
Under 25	1,048 \$23,107	438 \$23,018	112 \$21,107	24 \$20,117	6 \$18,050	4 \$22,113	0 \$0	1,632 \$22,881							
25-29	1,537 \$24,886	1,544 \$25,809	1,393 \$26,980	978 \$27,946	675 \$28,824	932 \$28,600	3 \$29,280	0 \$0	7,062 \$26,793						
30-34	1,056 \$24,907	1,002 \$26,414	782 \$27,938	664 \$29,270	537 \$29,993	3,513 \$30,450	741 \$31,345	1 \$27,432	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	8,296 \$28,976
35-39	1,119 \$25,032	1,001 \$26,992	828 \$27,124	621 \$28,066	503 \$28,377	2,710 \$31,373	2,619 \$33,352	812 \$34,684	2 \$60,672	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	10,215 \$30,332
40-44	997 \$24,596	886 \$26,262	773 \$27,277	674 \$27,452	562 \$29,589	3,211 \$30,055	2,143 \$34,909	2,653 \$37,080	1,189 \$38,222	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	13,088 \$32,025
45-49	760 \$27,162	739 \$26,897	661 \$28,088	525 \$28,086	498 \$30,379	3,154 \$30,678	2,966 \$33,684	2,068 \$40,176	3,033 \$40,479	1,310 \$41,332	0 \$0	0 \$0	0 \$0	0 \$0	15,714 \$34,722
50-54	505 \$29,235	471 \$28,815	447 \$31,812	397 \$29,521	352 \$31,426	2,350 \$31,890	2,960 \$32,666	2,288 \$39,278	1,945 \$44,207	2,445 \$43,893	512 \$45,066	0 \$0	0 \$0	0 \$0	14,672 \$37,024
55-59	214 \$23,397	215 \$26,999	220 \$26,944	183 \$30,501	177 \$28,087	1,345 \$31,194	1,897 \$30,980	1,529 \$37,095	1,010 \$46,842	715 \$53,232	569 \$51,641	97 \$48,738	0 \$0	0 \$0	8,171 \$37,231
60-64	69 \$22,275	78 \$21,627	86 \$23,929	66 \$23,689	65 \$25,969	594 \$28,605	873 \$29,976	564 \$35,821	333 \$46,128	233 \$55,674	193 \$69,126	98 \$64,394	18 \$55,418	18 \$55,418	3,270 \$36,966
65-69	32 \$18,696	24 \$15,198	19 \$19,547	17 \$22,517	17 \$21,028	164 \$24,484	187 \$27,371	87 \$33,604	45 \$45,162	31 \$61,344	24 \$65,313	19 \$88,854	14 \$71,482	14 \$71,482	680 \$32,827
70 & Over	5 \$17,162	7 \$36,946	9 \$20,585	7 \$15,819	8 \$19,292	56 \$19,976	79 \$20,624	22 \$18,307	4 \$42,483	4 \$72,591	11 \$56,340	1 \$51,216	4 \$84,981	11 \$84,981	224 \$27,276
Total	7,342 \$25,052	6,405 \$26,268	5,330 \$27,517	4,156 \$28,220	3,400 \$29,393	18,033 \$30,556	14,468 \$32,745	10,024 \$37,885	7,561 \$42,216	4,745 \$45,352	1,299 \$51,904	218 \$59,318	218 \$59,318	43 \$68,211	83,024 \$32,982

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## SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

### *I. Valuation Date*

The valuation date is June 30th of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

### *II. Actuarial Cost Method*

Because the employer contribution rate is set by statute, the actuarial valuation is used to determine the funding period--the number of years required to amortize the Unfunded Actuarial Accrued Liability (UAAL). It is also used to calculate the Annual Required Contribution (ARC) as defined by GASB 25.

The actuarial valuation uses the Entry Age actuarial cost method. Under this method, a normal cost rate is first determined. This is the contribution rate (level as a percentage of pay) required to provide the benefits of the average new member. The normal cost rate consists of two pieces: (i) the member's own contribution rate, and (ii) a portion of the employer contribution rate. This second piece is called the employer normal cost rate.

The total normal cost is determined by dividing the present value of future benefits for a hypothetical group of new members (based on actual new entrants during the 1993-94 year) by the present value of their future pay. In calculating the benefits for this group, all changes in provisions or member contribution rates scheduled to occur in the future are assumed to already be in effect.

Next, the UAAL is determined. This is the liability for future benefits which is in excess of (i) the actuarial value of assets, and (ii) the present value of future normal costs. The employer contribution that is not used for the employer normal cost is applied to amortize the UAAL.

The funding period is calculated as the number of years required to fully amortize the UAAL, assuming that the System's payroll increases at the payroll growth rate. Both employer and member contributions are assumed to be made monthly.

The Entry Age actuarial cost method is an "immediate gain" method (i.e., experience gains and losses are separately identified as part of the UAAL). However, they are amortized over the same period applied to all other components of the UAAL.

The actuarial valuation also determines a 40-year funding cost as required by Section 17-106. This is the dollar contribution required to pay the normal cost and amortize the UAAL over 40 years in equal installments. While this amount is not required to be paid under the statutes, it is reported as the Annual Required Contribution (ARC) under GASB 25. The 40-year period applies to all components of the UAAL and is recalculated each year (open amortization method).

III. Actuarial Value of Assets

The actuarial value of assets is equal to the market value, adjusted for a five-year phase in of actual investment return in excess of expected investment return. The actual return is calculated net of investment and administrative expenses, and the expected investment return is equal to the assumed investment return rate multiplied by the prior year's market value of assets, adjusted for contributions, benefits paid, and refunds.

IV. Actuarial Assumptions

A. Economic Assumptions

1. Investment return: 8% per year, compounded annually, composed of an assumed 4.00% inflation rate and a 4.00% net real rate of return.
2. Salary increase rate: A merit/promotional component dependent on service, plus a 4% inflation component, plus a 0.50% productivity increase, as follows:

<u>Years of Service</u>	<u>Merit/ Promotional Component</u>	<u>Total Salary Increase Rate</u>
(1)	(2)	(3)
0	3.25%	7.75%
1	2.50	7.00
2	1.75	6.25
3	1.50	6.00
4	1.25	5.75
5	1.25	5.75
6	1.25	5.50
7	1.00	5.50
8	1.00	5.50
9	1.00	5.50
10	1.00	5.50
11	0.75	5.25
12	0.75	5.25
13	0.75	5.25
14	0.50	5.00
15 or more	0.00	4.50

3. Payroll growth rate: In the amortization of the unfunded actuarial accrued liability, payroll is assumed to increase 4% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.
4. State revenue growth rate: In determining the funding period, the state's sales and income tax revenues are anticipated to grow at 4% per year.

B. Demographic Assumptions

1. Mortality rates - after retirement or termination.

- a. Healthy males - 1983 Group Annuity Mortality Table for males, set back two years.
- b. Healthy females - 1983 Group Annuity Mortality Table for females, set back one year.
- c. Disabled males - PBGC Table Va for disabled males eligible for Social Security disability benefits, multiplied by 70%.
- d. Disabled females - PBGC Table VIa for disabled females eligible for Social Security disability benefits, multiplied by 100%.

Sample rates are shown below:

Age	Expected Deaths per 100 Lives			
	Healthy Males	Healthy Females	Disabled Males	Disabled Females
(1)	(2)	(3)	(4)	(4)
40	0.10	0.06	1.97	2.09
45	0.17	0.09	2.25	2.24
50	0.31	0.15	2.68	2.57
55	0.52	0.23	3.37	2.95
60	0.77	0.38	4.22	3.31
65	1.24	0.64	4.75	3.70
70	2.22	1.09	5.17	4.11
75	3.67	2.11	5.89	4.92
80	6.07	3.85	7.90	7.46

2. Mortality rates - active members - Based on 1990 Experience Study, males and females separate. Sample rates are shown below:

Age	Expected Deaths per 100 Lives	
	Male Members	Female Members
(1)	(2)	(3)
25	.04	.02
30	.06	.04
35	.08	.06
40	.11	.08
45	.16	.11
50	.23	.16
55	.32	.23
60	.43	.32
65	.59	.43

3. Disability rates - Based on 1990 Experience Study, males and females separate. Sample rates are shown below:

Age	Expected Disabilities Occurring per 100 Lives	
	Male Members	Female Members
(1)	(2)	(3)
25	.04	.04
30	.04	.04
35	.04	.05
40	.06	.07
45	.14	.13
50	.21	.25
55	.24	.34
60	.18	.28
65	.05	.08

Disability rates are applied only for members with 10 or more years of service, since rates were developed based on exposure for this group.

4. Termination Rates - Separate male and female rates, based on both age and service, developed from 1995 Experience Study. Rates reflect terminations for causes other than death, disability or retirement. Sample rates are shown below:

Expected Terminations per 100 Lives (Male Members)					
Age	Years of Service				
	0	1	4	7	10 or more
(1)	(2)	(3)	(4)	(5)	(6)
25	32.08	24.86	9.71	7.37	4.31
30	31.36	22.22	9.66	6.57	3.73
35	32.65	22.40	9.16	6.02	3.19
40	37.06	23.76	8.38	5.67	2.70
45	41.23	25.21	7.63	5.59	2.28
50	44.09	26.56	7.40	5.91	1.90
55	45.29	27.97	8.26	6.82	1.51
60	46.65	29.61	10.68	8.45	1.20
65	47.58	31.54	14.84	10.80	1.16

Expected Terminations per 100 Lives (Female Members)					
Age	Years of Service				
	0	1	4	7	10 or more
(1)	(2)	(3)	(4)	(5)	(6)
25	31.54	22.62	12.08	9.37	7.01
30	28.70	20.36	10.41	7.63	5.09
35	31.25	20.59	8.81	6.35	3.66
40	34.85	21.23	7.39	5.52	2.74
45	36.77	21.30	6.35	5.10	2.34
50	37.13	21.51	6.01	5.08	2.08
55	37.69	21.84	6.67	5.49	1.63
60	38.45	22.27	8.55	6.40	1.14
65	39.60	22.94	11.73	7.85	0.82

Termination rates are applied even after the member becomes eligible for a retirement benefit.

5. Retirement rates - Separate male and female rates, based on age, developed from the 1995 Experience Study. Sample rates are shown below:

Age	Expected Retirements per 100 Lives			
	Unreduced Retirement		Reduced Retirement	
	Male	Female	Male	Female
50	40	65	0	0
51	40	45	0	0
52	33	40	0	0
53	27	35	0	0
54	24	35	0	0
55	24	31	1	2
56	24	31	3	3
57	24	31	3	4
58	24	31	4	4
59	24	31	4	5
60	24	31	5	5
61	24	31	5	6
62	35	45		
63	55	55		
64	40	40		
65	55	60		
66	55	55		
67	55	55		
68	55	55		
69	55	55		
70	100	100		

C. Other Assumptions

1. Percent married: 80% of employees are assumed to be married.
2. Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.
3. Percent electing annuity on death (when eligible): All of the spouses of married participants who die after becoming eligible for a retirement benefit are assumed to elect an annuity, in lieu of the \$18,000 lump sum and refund, if this benefit is available.

4. Percent electing deferred termination benefit: vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.
5. Assumed age for commencement of deferred benefits: Members electing to receive a deferred benefit are assumed to commence receipt at the first age at which unreduced benefits are available.
6. Administrative expenses: The assumed investment return rate represents the anticipated net return after payment of all investment and administrative expenses.
7. Supplemental medical insurance: All members, whether currently active, inactive, or retired, are assumed to receive the supplemental insurance benefit.
8. Reemployment, purchase of service, transfers: No recognition is made of (i) future member reimbursements upon reemployment, (ii) future purchase of additional service, or (iii) special transfer provisions.

V. Participant Data

Participant data was supplied on magnetic tape for (i) active members, (ii) inactive vested members, who are entitled to a future deferred benefit, (iii) inactive nonvested members, who are entitled to a refund of their employee contributions, and in some cases a portion of the accumulated interest, and (iv) members and beneficiaries receiving benefits.

The data for active and inactive, non-retired members included birthdate, sex, years of service, a classified/non-classified status code, salary, employee contributions and accumulated interest on employee contributions. The data also included a code to indicate whether the employee had elected to make contributions on salary above \$25,000, and a code indicating the type of employer (comprehensive university, other college or university, or other employer). For retired members and beneficiaries, the data included date of birth, sex, spouse's date of birth (where applicable), amount of monthly benefit, date of retirement, and a form of payment code.

Salary supplied for the current year was based on the earnings for the October preceding the valuation date. This salary was adjusted by the salary increase rate for one year, and limited by the maximum pay where appropriate.

Assumptions were made to correct for missing, bad, or inconsistent data. These had no material impact on the results presented.

Some inactive, nonvested employees who are entitled to a refund are not included in the data, but a liability for their refund is included instead in the Suspense Fund, which is included in the liability.

VI. Dates of Adoption of Assumptions and Methods

Generally, actuarial assumptions and methods were adopted by the Board of Trustees in May 1995 and first reflected in the June 30, 1995 actuarial valuation, as recommended by the actuary. Some assumptions were left unchanged from the prior experience study in 1990, including female mortality for retirees, disability, investment return rate, and active member mortality for males and females.

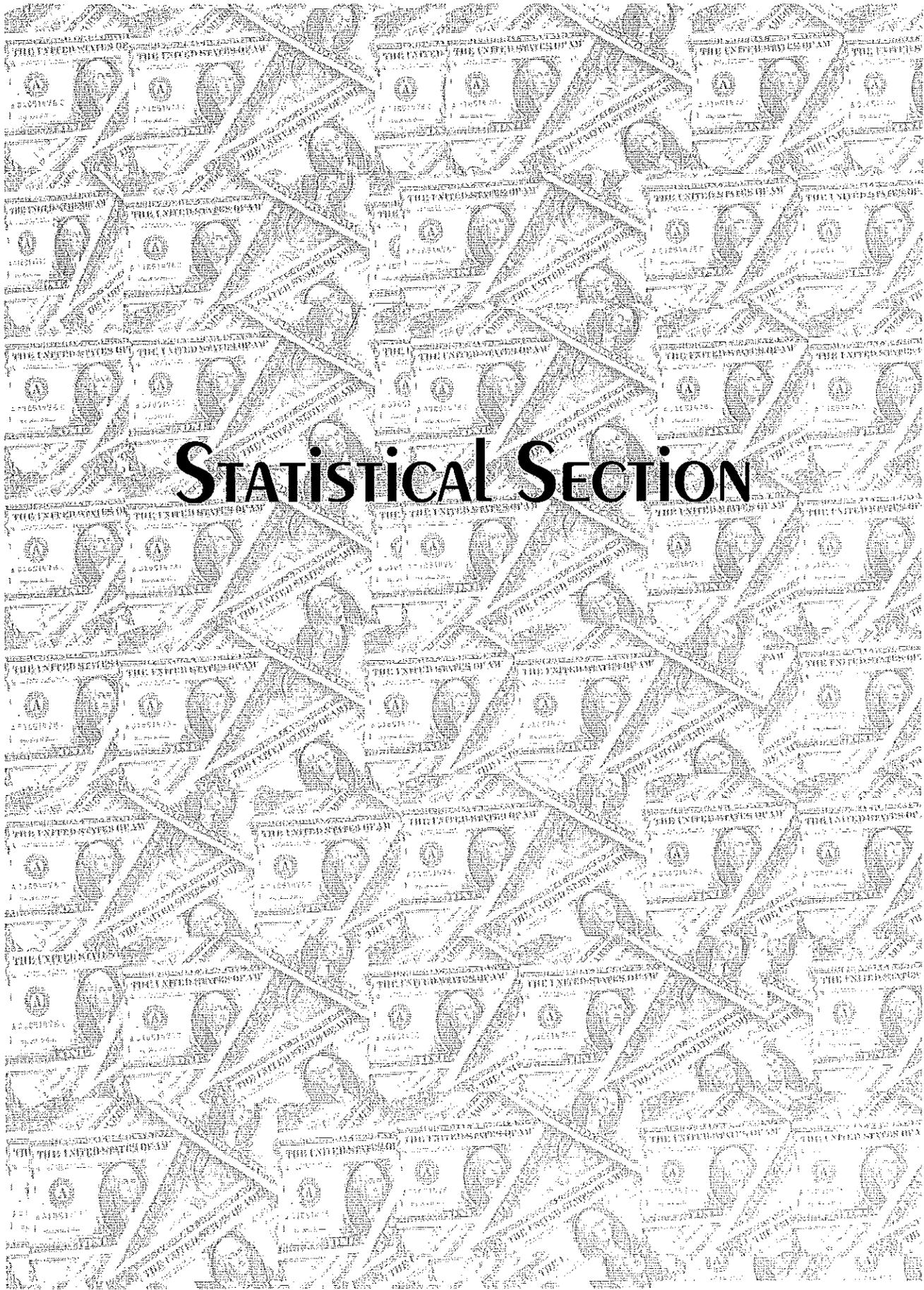
SCHEDULE OF INCREASES AND DECREASES  
OF BENEFIT RECIPIENTS  
Periods Ended June 30

Fiscal Year	Beginning Balance Recipients			Ending Balance Recipients	% Increase/ (Decrease)
		Additions	Subtractions		
1995	28,012	1,973	978	29,007	3.6%
1996	29,007	1,824	847	29,984	3.4%
1997	29,984	2,038	1,120	30,902	3.1%
1998	30,902	2,090	960	32,032	3.7%
1999	32,032	2,048	1,047	33,033	3.1%
2000	33,033	2,107	1,023	34,117	3.3%

Total monthly benefit payments, July 1, 1999	\$38,703,260
Added to rolls and retirement allowance increases	2,806,409
Removed from rolls	(983,466)
Total monthly benefit payments, June 30, 2000	<u>\$40,526,203</u>

Net monthly benefit increase	\$1,822,943
Percentage increase	4.71%
Average monthly allowance	\$1,199

Average monthly payment is \$1,199 excluding special annuitants.



# STATISTICAL SECTION



**SCHEDULE OF AVERAGE PAYMENT AMOUNTS**  
Fiscal Year Ended June 30, 2000

Date	Regular Annuitants
June 30, 1948	\$33
June 30, 1954	75
June 30, 1960	83
June 30, 1966	129
June 30, 1969	148
June 30, 1970	179
June 30, 1971	201
June 30, 1972	209
June 30, 1973	217
June 30, 1974	226
June 30, 1975	248
June 30, 1976	297
June 30, 1977	321
June 30, 1978	345
June 30, 1979	365
June 30, 1980	382
June 30, 1981	432
June 30, 1982	\$480

Date	Regular Annuitants	Special Annuitants
June 30, 1983	\$592	
June 30, 1984	600	
June 30, 1985	683	
June 30, 1986	761	\$150
June 30, 1987	837	159
June 30, 1988	907	159
June 30, 1989	949	159
June 30, 1990	956	159
June 30, 1991	1,013	159
June 30, 1992	1,021	159
June 30, 1993	1,030	159
June 30, 1994	1,044	159
June 30, 1995	1,084	163
June 30, 1996	1,093	163
June 30, 1997	1,105	163
June 30, 1998	1,119	163
June 30, 1999	1,187	172
June 30, 2000	\$1,199	\$172

Note that figures after June 30, 1989 do not include monthly medical premium.

**ACTIVE PERSONNEL**  
Fiscal Year Ended June 30, 2000

Years of Service	All Active Personnel	Classified Personnel	Unclassified Personnel
Under 5 yrs.	24,678	14,044	10,634
5-9	17,424	11,406	6,018
10-14	13,838	8,723	5,115
15-19	10,254	7,607	2,647
20-24	8,654	7,691	963
25-29	5,743	5,420	323
30-34	1,988	1,909	79
35-39	367	350	17
40-44	67	63	4
45-49	8	6	2
50-54	3	2	1
<b>TOTALS</b>	<b>83,024</b>	<b>57,221</b>	<b>25,803</b>

Salary Range	All Active Personnel	Classified Personnel	Unclassified Personnel
0-\$5,000	265	125	140
5001-10,000	3,080	235	2,845
10,001-15,000	6,274	763	5,511
15,001-20,000	5,277	902	4,375
20,001-25,000	5,774	2,028	3,746
25,001-30,000	17,988	14,545	3,443
30,001-35,000	16,843	14,688	2,155
35,001-40,000	10,427	9,162	1,265
40,001-45,000	5,219	4,422	797
45,001-50,000	3,169	2,686	483
50,001-55,000	2,270	1,918	352
55,001-60,000	1,628	1,412	216
60,001-65,000	1,140	1,004	136
65,001-70,000	884	795	89
70,001-75,000	610	549	61
75,001 and Above	2,176	1,987	189
<b>TOTALS</b>	<b>83,024</b>	<b>57,221</b>	<b>25,803</b>

Average Age (years)	44.0	43.4	45.2
Average Salary	\$32,981	\$37,557	\$22,833
Average Service (years)	11.2	12.7	7.7

**SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFITS**  
**Selected Plan Options**  
**Fiscal Year Ended June 30, 2000**

Option	Retired Members			Average Monthly Payment	% of Total
	Male	Female	Total		
Maximum	2,443	9,330	11,773	\$1,133	34.51%
Option 1	3,161	8,451	11,612	1,196	34.04%
Option 2	3,319	1,488	4,807	1,348	14.09%
Option 3	1,613	970	2,583	1,510	7.57%
Option 4	224	337	561	1,203	1.64%
Options 5, 6 & 7	1,071	127	1,198	947	3.51%
Disability	318	773	1,091	811	3.20%
Special Annuitants	64	428	492	172	1.44%
<b>TOTALS</b>	<b>12,213</b>	<b>21,904</b>	<b>34,117</b>	<b>\$1,199</b>	<b>100.00%</b>

Average monthly payment is \$1,199 excluding special annuitants

Maximum - provides for the greatest possible benefit. In the event payments to members are less than member's account balance, the remaining balance is paid to a designated beneficiary or in the event no beneficiary is named to the member's estate.

Option 1 - provides for a decreased rate of reduction of member's account balance. In the event a balance exists at the death of member, the remaining balance of the account is paid to a designated beneficiary or in the event a beneficiary was not named to the member's estate.

Option 2 - provides for a reduced monthly benefit to the member for life. Upon death of the member, the designated surviving spouse will continue to receive the same monthly benefit for life.

Option 3 - provides a similar benefit as Option 2, however, upon death of the member, the monthly benefit to the designated surviving spouse is one-half of the benefit of the member.

Option 4 - provides a reduced monthly benefit. In the event of the member's death within 120 months from the date of retirement, the balance of the payments are continued to the beneficiary designated at the time of retirement.

Options 5, 6 & 7 - represents beneficiaries of options 2, 3 & 4.

Disability - upon meeting requirements, a vested member may receive a monthly benefit.

Special Annuitants - a former teacher, who taught a minimum of ten years in the public schools of Oklahoma prior to July 1, 1943.

**DISTRIBUTION BY YEARS OF SERVICE**  
Fiscal Year Ended June 30, 2000

Years of Creditable Service	Retired Members			Average Monthly Payment
	Male	Female	Total	
	Under 10	14	55	
10-14	1,155	3,097	4,252	358
15-19	1,191	3,140	4,331	594
20-24	1,497	4,619	6,116	971
25-29	2,695	5,010	7,705	1,418
30-34	2,999	3,435	6,434	1,653
35-39	1,722	1,398	3,120	1,774
40-44	773	633	1,406	1,944
45-49	96	83	179	2,099
50 and Over	7	6	13	2,976
<b>TOTALS</b>	<b>12,149</b>	<b>21,476</b>	<b>33,625</b>	<b>\$1,199</b>

Does not include 492 special annuitants.

DISTRIBUTION BY AGE AT RETIREMENT  
Fiscal Year Ended June 30, 2000

Age at Retirement	Retired Members			Average Monthly Payment	Average Length of Service (Years)
	Male	Female	Total		
40 and Under	20	41	61	\$594	13.8
41-45	39	83	122	756	15.9
46-50	261	391	652	1,424	25.3
51-55	3,271	3,815	7,086	1,504	27.4
56-60	3,250	6,268	9,518	1,223	25.6
61-65	4,595	9,531	14,126	1,066	24.8
66-70	615	1,140	1,755	951	22.6
71-75	79	169	248	686	20.6
76-80	15	34	49	658	21.6
Over 80	4	4	8	1,039	23.7
<b>TOTALS</b>	12,149	21,476	33,625	\$1,199	25.4

Does not include 492 special annuitants.

DISTRIBUTION BY RETIREE AGE  
Fiscal Year Ended June 30, 2000

Age	Total Retired Members	Average Length of Service	Average Monthly Payment
Under 50	138	15.8	\$755
50-54	1,488	27.6	1,669
55-59	4,009	26.7	1,521
60-64	5,890	24.6	1,289
65-69	6,571	23.6	1,154
70-74	5,300	24.3	1,093
75-79	4,005	25.3	1,038
80-84	2,927	26.5	997
85-89	2,006	28.2	1,068
Over 90	1,291	30.5	1,106
<b>TOTALS</b>	<b>33,625</b>	<b>25.4</b>	<b>\$1,199</b>

Does not include 492 special annuitants.

Average age of retired members is 69.7 years.

**DISTRIBUTION BY MONTHLY INCOME**  
Fiscal Year Ended June 30, 2000

Monthly Income	Retired Members	Total	Average Payment
Under \$100	50	\$4,111	\$82
\$101-200	915	144,499	158
\$201-\$300	1,574	395,944	252
\$301-\$400	1,723	603,904	350
\$401-\$500	1,722	773,754	449
\$501-\$600	1,524	836,237	549
\$601-\$700	1,525	990,431	649
\$701-\$800	1,357	1,015,679	748
\$801-\$900	1,305	1,110,661	851
\$901-\$1,000	1,302	1,236,958	950
\$1,001-\$1,100	1,452	1,526,276	1,051
\$1,101-\$1,200	1,655	1,905,414	1,151
\$1,201-\$1,300	1,906	2,382,767	1,250
\$1,301-\$1,400	1,905	2,571,154	1,350
\$1,401-\$1,500	2,062	2,988,695	1,449
\$1,501-\$1,600	2,023	3,133,878	1,549
\$1,601-\$1,700	1,920	3,165,789	1,649
\$1,701-\$2,000	4,459	8,192,701	1,837
\$2,001-\$2,500	2,765	6,017,026	2,176
Over \$2,500	481	1,307,282	2,718
<b>TOTALS</b>	<b>33,625</b>	<b>\$40,303,160</b>	<b>\$1,199</b>

Does not include 492 special annuitants.

# TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

## Schedule of Cash Receipts and Disbursements Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Cash balance, beginning of year	\$2,450,674	\$3,657,396
<u>Receipts:</u>		
Members' contributions	196,460,122	189,517,637
Member tax-shelter	7,038,250	7,255,812
Employer statutory requirement from local school districts	130,978,795	126,057,756
Federal matching	12,353,085	10,862,832
Dedicated revenue	130,067,340	105,084,263
Interest income	171,361,271	105,315,668
Dividends	52,528,921	40,694,197
Net gain on investments	408,611,001	379,348,829
Other revenue	2,907,284	2,121,236
* Investments sold	<u>15,593,767,108</u>	<u>10,307,145,872</u>
	<u>16,706,073,177</u>	<u>11,273,404,102</u>
<u>Disbursements:</u>		
Retirement, death, survivor, and health benefits	498,411,837	476,266,129
Refund of member contributions and annuity payments	61,725,419	48,962,376
Administrative expenses	2,774,874	2,532,806
Investment expenses	13,631,307	11,326,534
Equipment purchases	172,800	47,340
* Investment purchases	<u>16,101,030,082</u>	<u>10,735,475,639</u>
Total disbursements	<u>16,677,746,319</u>	<u>11,274,610,824</u>
Balance of cash, June 30	<u>\$30,777,532</u>	<u>\$2,450,674</u>

\* Includes equities, fixed income and short-term investments.

Schedule of Revenue by Source

<u>Year</u>	<u>Member Contributions</u>	<u>Employer Contributions</u>	<u>State of Oklahoma &amp; Various Federal Sources</u>		<u>Net Investment Income</u>	<u>Other Revenue</u>	<u>Total</u>
1995 *	\$152,294,253	\$43,689,553	\$117,606,990		\$419,768,907	\$115,290	\$733,474,993
1996 *	149,884,939	55,111,484	122,083,443		461,422,892	84,740	788,587,498
1997 *	173,003,479	114,626,865	162,115,124		736,198,033	197,238	1,186,140,739
1998 *	189,690,739	120,164,225	143,430,970		931,364,449	1,296,629	1,385,947,012
1999 *	197,974,445	127,047,763	117,259,320		612,764,822	1,607,929	1,056,654,279
2000 *	\$203,027,123	\$130,758,712	\$145,029,086		\$597,428,861	\$2,280,536	\$1,078,524,318

\* - Investment income includes both realized and unrealized gains and losses on investments.

Schedule of Expenses by Type

<u>Year</u>	<u>Benefits</u>	<u>Refunds and Annuity Payments</u>	<u>Administrative Expenses</u>	<u>Total</u>
1995	\$377,520,148	\$29,946,427	\$2,255,992	\$409,722,567
1996	396,147,031	31,814,168	2,214,437	430,175,636
1997	418,015,034	34,633,635	2,401,727	455,050,396
1998	439,213,465	41,332,758	3,267,751	483,813,974
1999	479,637,193	48,962,376	2,699,015	531,298,584
2000	\$500,289,049	\$61,725,419	\$2,964,237	\$564,978,705

Schedule of Benefit Expenses by Type

<u>Year</u>	<u>Retirement Benefits</u>	<u>Insurance</u>	<u>Death Benefits</u>	<u>Withdrawal of Accounts</u>	<u>Tax-Shelter Withdrawals</u>	<u>Total</u>
1995	\$351,664,149	\$19,191,277	\$6,664,722	\$14,179,716	\$15,766,711	\$407,466,575
1996	369,914,654	19,432,419	6,799,958	18,125,338	13,688,830	427,961,199
1997	391,060,617	19,606,895	7,347,522	20,087,694	14,545,941	452,648,669
1998	412,359,174	19,774,024	7,080,267	23,011,228	18,321,530	480,546,223
1999	451,604,774	19,869,158	8,163,261	24,523,574	24,438,802	528,599,569
2000	\$471,175,803	\$20,537,317	\$8,575,929	\$29,460,152	\$32,265,267	\$562,014,468



**RETIRES IN STATE OF OKLAHOMA**

Of the 34,117 pensioners and beneficiaries in the Teachers' Retirement System of Oklahoma 91% or 31,012 remain state of Oklahoma residents. As such, benefit payments of approximately, \$448,000,000 this year alone went into the State's communities and businesses. Since money changes hands several times, the System's payments have a dramatic effect on the State's economy.

<u>County</u>	<u>Recipients</u>	<u>Annual Payment</u>	<u>County</u>	<u>Recipients</u>	<u>Annual Payment</u>
Adair	216	\$3,092,604	LeFlore	480	\$7,106,220
Alfalfa	91	1,183,836	Lincoln	288	3,725,616
Atoka	140	1,967,640	Logan	239	3,114,432
Beaver	83	1,162,392	Love	74	1,048,668
Beckham	178	2,502,192	Major	66	827,676
Blaine	126	1,755,324	Marshall	149	2,061,684
Bryan	559	8,427,984	Mayes	314	4,539,468
Caddo	349	4,550,052	McClain	272	3,566,592
Canadian	627	9,084,708	McCurtain	387	6,074,208
Carter	400	5,513,748	McIntosh	249	3,610,284
Cherokee	573	9,086,364	Murray	129	2,048,220
Choctaw	175	2,301,228	Muskogee	783	12,206,844
Cimarron	30	392,676	Noble	91	1,158,192
Cleveland	1,867	26,774,736	Nowata	73	1,041,792
Coal	54	711,300	Okfuskee	122	1,689,864
Comanche	1,025	15,462,444	Oklahoma	5,254	76,916,100
Cotton	57	827,856	Okmulgee	486	6,640,920
Craig	151	2,169,072	Osage	146	1,931,424
Creek	421	6,124,008	Ottawa	430	5,844,996
Custer	405	6,311,616	Pawnee	136	1,775,880
Delaware	195	2,969,016	Payne	1,441	21,182,388
Dewey	74	981,504	Pittsburg	393	5,618,520
Ellis	44	567,984	Pontotoc	545	8,279,412
Garfield	505	7,087,608	Pottawatomie	517	7,056,576
Garvin	340	4,526,820	Pushmataha	130	1,731,516
Grady	398	5,529,084	Roger Mills	55	710,508
Grant	85	1,004,424	Rogers	422	6,478,164
Greer	84	1,194,276	Seminole	262	3,549,072
Harmon	59	870,948	Sequoyah	387	5,824,248
Harper	60	921,336	Stephens	383	5,473,044
Haskell	143	1,856,184	Texas	171	2,498,100
Hughes	144	2,115,156	Tillman	105	1,537,044
Jackson	245	3,638,352	Tulsa	3,886	57,456,504
Jefferson	70	858,756	Wagoner	206	3,078,444
Johnston	160	2,388,072	Washington	436	5,769,960
Kay	480	6,757,560	Washita	126	1,589,160
Kingfisher	115	1,606,392	Woods	205	2,881,200
Kiowa	133	1,790,484	Woodward	153	2,100,732
Latimer	160	2,394,036			
			<b>Total</b>	<b>31,012</b>	<b>\$448,203,444</b>

## 2000 PARTICIPATING EMPLOYERS

### PUBLIC SCHOOL DISTRICTS

Achille	Boone-Apache	Cheyenne	Duke	Gore
Ada	Boswell	Chickasha	Duncan	Gracemont
Adair	Bowlegs	Chisholm	Durant	Graham
Afton	Bowring	Choctaw-Nicom Park	Dustin	Grandfield
Agra	Boynton	Chouteau Mazie	Eagletown	Grand View (Cherokee)
Albion	Braggs	Cimarron	Eakly	Grandview (Stephens)
Alex	Braman	Claremore	Earlsboro	Granite
Aline-Cleo Springs	Bray Doyle	Clayton	Edmond	Grant
Allen	Bridge Creek	Cleora	El Reno	Greasy
Allen Bowden	Briggs	Cleveland	Eldorado	Greenville
Altus	Bristow	Clinton	Elgin	Grove (Delaware)
Alva	Broken Arrow	Coalgate	Elk City	Grove (Pottawatomie)
Amber Pocasset	Broken Bow	Colbert	Elmore City-Pernell	Gum Springs
Anadarko	Brushy	Colcord	Empire	Guthrie
Anderson	Buffalo	Coleman	Enid	Guymon
Antlers	Buffalo Valley	Collinsville	Erick	Gypsy
Arapaho	Burbank	Comanche	Eufaula	Haileyville
Ardmore	Burlington	Commerce	Fairland	Hammon
Arkoma	Burns Flat-Dill City	Copan	Fairview	Hanna
Arnett	Butler	Cordell	Fanshawe	Hardesty
Asher	Butner	Cottonwood	Fargo	Harmony
Atoka	Byars	Covington-Douglas	Farris	Harrah
Avant	Byng	Coweta	Felt	Hartshorne
Balko	Cache	Coyle	Fletcher	Haskell
Banner	Caddo	Crescent	Flower Mound	Haworth
Barnsdall	Calera	Crooked Oak	Forest Grove	Haywood
Bartlesville	Calumet	Crowder	Forgan	Healdton
Battiest	Calvin	Crutcho	Fort Cobb-Broxton	Heavener
Bearden	Cameron	Cushing	Fort Gibson	Hennessey
Beaver	Canadian	Cyril	Fort Supply	Henryetta
Beggs	Caney	Dahlongegah	Fort Towson	Hilldale
Belfonte	Caney Valley	Dale	Fox	Hinton
Bell	Canton	Darlington	Foyil	Hobart
Bennington	Canute	Davenport	Frederick	Hodgen
Berryhill	Carnegie	Davidson	Freedom	Holdenville
Bethany	Carney	Davis	Friend	Hollis
Bethel	Carter	Deer Creek	Frink Chambers	Holly Creek
Big Pasture	Cashion	Deer Creek-Lamont	Frontier	Hominy
Billings	Catoosa	Delaware	Gage	Hooker
Binger-Oney	Cave Springs	Denison	Gans	Howe
Bishop	Cement	Depew	Garber	Hugo
Bixby	Central High	Dewar	Garrett	Hulbert
Blackwell	Central	Dewey	Geary	Hydro
Blair	Chandler	Dibble	Geronimo	Idabel
Blanchard	Chattanooga	Dickson	Glencoe	Indiahoma
Bluejacket	Checotah	Dover	Glenpool	Indianola
Boise City	Chelsea	Drummond	Glover	Inola
Bokoshe	Cherokee	Drumright	Goodland	Jay
Boley			Goodwell	Jenks

PUBLIC SCHOOL DISTRICTS (continued)

Jennings	Mannsville	North Rock Creek	Pond Creek-Hunter	Skiatook
Jones	Maple	Norwood	Porter	Smithville
Justice	Marble City	Nowata	Consolidated	Snyder
Justus-Tiawah	Marietta	Oak Grove	Porum	Soper
Kansas	Marlow	Oakdale	Poteau	South Coffeyville
Kaw City	Maryetta	Oaks Mission	Prague	South Rock Creek
Kellyville	Mason	Oilton	Preston	Spavinaw
Kenwood	Maud	Okarche	Pretty Water	Sperry
Keota	Maysville	Okay	Prue	Spiro
Ketchum	Mc Alester	Okeene	Pryor	Springer
Keyes	Mc Cord	Okeimah	Purcell	Sterling
Keys	Mc Curtain	Oklahoma City	Putnam City	Stidham
Keystone	Mc Lish	Oklahoma Union	Quapaw	Stigler
Kiefer	Mc Loud	Okmulgee	Quinton	Stillwater
Kildare	Medford	Oktaha	Rattan	Stilwell
Kingfisher	Meeker	Olive	Ravia	Stonewall
Kingston	Merritt	Olney	Red Oak	Straight
Kinta	Miami	Olustee	Reydon	Stratford
Kiowa	Middleberg	Oologah-Talala	Ringling	Stringtown
Konawa	Midway	Optima	Ringwood	Strother
Krebs	Midwest City-	Osage Hills	Ripley	Stroud
Kremlin-Hillsdale	Del City	Osage	Riverside	Stuart
Lane	Milburn	Owasso	Robin Hill	Sulphur
Latta	Milfay	Paden	Rock Creek	Sweetwater
Laverne	Mill Creek	Panama	Rocky Mountain	Swink
Lawton	Millwood	Panola	Roff	Tahlequah
Leach	Minco	Paoli	Roland	Talihina
Leedey	Moffett	Pauls Valley	Rush Springs	Taloga
Le Flore	Monroe	Pawhuska	Ryal	Tannehill
Leonard	Moore	Pawnee	Ryan	Tecumseh
Lexington	Mooreland	Peavine	Salina	Temple
Liberty (Okmulgee)	Morris	Peckham	Sallisaw	Tenkiller
Liberty (Sequoyah)	Morrison	Peggs	Sand Springs	Terral
Liberty (Tulsa)	Moseley	Perkins-Tryon	Sapulpa	Texhoma
Lindsay	Moss	Perry	Sasakwa	Thackerville
Little Axe	Mounds	Picher-Cardin	Savanna	Thomas-Fay-Custer
Locust Grove	Moyers	Pickett Center	Sayre	Timberlake
Lomega	Mt View-Gotebo	Piedmont	Schulter	Tipton
Lone Grove	Muldrow	Pioneer	Seiling	Tishomingo
Lone Star	Mulhall-Orlando	Pioneer Pleasant	Seminole	Tom
Lone Wolf	Muskogee	Vale	Sentinel	Tonkawa
Lookeba Sickles	Mustang	Pittsburg	Sequoyah	Tulsa
Lost City	Nashoba	Plainview (Carter)	Shady Grove	Tupelo
Lowrey	Navajo	Plainview (Cimarron)	Shady Point	Turkey Ford
Lukfata	New Lima	Pleasant Grove	Sharon-Mutual	Turner
Luther	Newcastle	(Pottawatomie)	Shattuck	Turpin
Macomb	Newkirk	Pleasant Grove	Shawnee	Tushka
Madill	Ninnekah	(Seminole)	Shidler	Tuskahoma
Mangum	Noble	Pocola	Silo	Tuttle
Mannford	Norman	Ponca City	Skelly	Twin Hills

**PUBLIC SCHOOL DISTRICTS (continued)**

Tyrone	Wagoner	Waukomis	Wewoka	Woodland
Union City	Wainwright	Waurika	White Oak	Woodward
Union	Wakita	Wayne	White Rock	Wright City
Valiant	Walters	Waynoka	Whitehead	Wyandotte
Vamos	Wanette	Weatherford	Whitefield	Wynnewood
Vannum	Wapanucka	Webbers Falls	Whitesboro	Wynona
Vanna-Alma	Warner	Welch	Wickliffe	Yale
Varden	Washington	Weleetka	Wilburton	Yarbrough
Vardigris	Washita Heights	Wellston	Wilson (Carter)	Yukon
Vian	Watonga	Western Heights	Wilson (Okmulgee)	Zaneis
Vici	Watson	Westville	Wister	Zion
Vinita	Watts	Wetumka	Woodall	

**VOCATIONAL-TECHNICAL SCHOOLS**

Caddo-Kiowa	High Plains	Pioneer
Canadian Valley	Indian Capital	Pontotoc
Central Oklahoma	Kiamichi	Red River
Chisholm Trail	Meridian	S. Oklahoma
E. Oklahoma	Metro Tech	Southwest
County	Mid-America	Tri-County
Francis Tuttle	Moore-Norman	Tulsa County
Gordon Cooper	NE Oklahoma	Wes Watkins
Great Plains	NW Oklahoma	Western
Green Country	O.T. Autry	

**COLLEGES AND UNIVERSITIES**

Cameron University	Panhandle State	University of
East Central Univ.	University	Oklahoma
Langston University	Rogers University	University of
NE Oklahoma	SE Oklahoma	Oklahoma Health
State University	State University	Sciences Center
NW Oklahoma	SW Oklahoma	University of
State University	State University	Science and Arts
Oklahoma State	University of	of Oklahoma
University	Central Oklahoma	

**JUNIOR COLLEGES**

Carl Albert State	Northeastern	Rogers State
College	Oklahoma A&M	College
Commodore State	Northern Oklahoma	Rose State College
College	College	Seminole State
Eastern Oklahoma	Oklahoma City	College
State College	Comm. College	Tulsa Junior College
Murray State	Redlands Community	Western Oklahoma
College	College	State College

**PARTICIPATING ENTITIES**

ABC Coop	Department of
Atoka-Coal	Veterans Affairs
Interlocal	Dept. of Vo-Tech
Board of Private	Education Vo-Tech
Vocational Schools	Skills Centers
Board of Regents of	Oklahoma Education
Oklahoma Colleges	Association
Cherokee County	Oklahoma School of
Interlocal Coop	Science and Math
Cleveland County	Secondary Schools
Interlocal Coop	Activity Assoc.
Garfield County	State Election Board
Interlocal Coop	State House of
Higher Education	Representatives
Alumni Council	State Regents for
McCurtain County	Higher Education
Educational Coop	Oklahoma Student
Mid-Del Association	Loan Authority
of Classroom	Osage County
Teachers	Interlocal Coop
MWCCentral Foods	Teachers' Retirement
Moore Association of	System
Classroom Teachers	Tri-County Interlocal
OCAST	Coop
Oklahoma City	Western Heights Food
Federation of	Service
Teachers	
Department of	
Corrections	
Department of	
Education	
Department of	
Rehabilitation	
Services	

