

TEXTRON INC

FORM 11-K (Annual Report of Employee Stock Plans)

Filed 06/26/98 for the Period Ending 12/31/97

Address	40 WESTMINSTER ST PROVIDENCE, RI 02903
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CIK	0000217346
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TEXTRON INC

FORM 11-K

(Annual Report of Employee Stock Plans)

Filed 6/26/1998 For Period Ending 12/31/1997

Address	40 WESTMINSTER ST PROVIDENCE, Rhode Island 02903
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Industry	Conglomerates
Sector	Conglomerates
Fiscal Year	12/31

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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 11-K

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-5480

A. Full title of the plan and the address of the plan, if different for that the issuer named below:

**ELCO THERMOPLASTICS INC.
PROFIT SHARING PLAN**
1111 Samuelson Road
P.O. Box 7009
Rockford, Illinois 61125

B. Name of issuer of securities held pursuant to the plan and address of Its principal executive office:

TEXTRON INC.
40 Westminster Street
Providence, Rhode Island 02903

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**ELCO THERMOPLASTICS INC. PROFIT
SHARING PLAN**

ELCO TEXTRON INC., Plan

Administrator

DATE: June 25, 1998

*By: /s/ August F. DeLuca
Vice President - Finance/CFO/Treasurer*

Financial Statements and Supplemental Schedules

Elco Thermoplastics, Inc. Profit Sharing Plan

Years ended December 31, 1997 and 1996

Elco Thermoplastics, Inc. Profit Sharing Plan

Financial Statements and

Supplemental Schedules

Years ended December 31, 1997 and 1996

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Report of Independent Auditors

Elco Thermoplastics, Inc. Profit Sharing Plan
Administration Committee

We have audited the accompanying statements of net assets available for benefits of the Elco Thermoplastics, Inc. Profit Sharing Plan (the Plan) as of December 31, 1997 and 1996, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 1997 and 1996, and the changes in its net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment purposes as of December 31, 1997, and reportable transactions for the year then ended, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the financial statements. The Fund Information in the statements of net assets available for benefits and statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

April 17, 1998

Elco Thermoplastics, Inc. Profit Sharing Plan

Statements of Net Assets Available for Benefits with Fund Information

December 31, 1997

	Fund Information					Loan Fund	Total Funds
	Money Market Fund	Balanced Fund	Equity Fund	Textron Stock Fund			
Assets							
Investments, at fair value (Note 4):							
Parkstone Equity Income Fund	\$ -	\$357,844	\$107,420	\$ -	\$ -	\$ -	\$465,264
Parkstone Bond Fund	-	576,174	-	-	-	-	576,174
Parkstone Small Capitalization Value Fund	-	55,725	-	-	-	-	55,725
Parkstone Mid Capitalization Value Fund	-	123,698	1,089,902	-	-	-	1,213,600
Parkstone Balanced Allocation Fund	-	107,044	-	-	-	-	107,044
Parkstone International Discovery Fund	-	119,803	-	-	-	-	119,803
Parkstone Government Money Market Fund	551,375		231	95	-	22	551,723
Parkstone Prime Obligations Money Market Fund	-	-	-	30,937	-	-	30,937
Textron Inc. common stock	-	-	-	1,057,500	-	-	1,057,500
Participant notes receivable	-	-	-	-	-	9,762	9,762
Total investments	551,375	1,340,519	1,197,417	1,088,437	9,784	9,784	4,187,532
Receivables:							
Employer's contributions	44,807	73,425	85,389	83,475	-	-	287,096
Participant contributions	3,966	6,856	9,521	10,092	-	-	30,435
Accrued income	2,318	1	1	4,363	57	57	6,740
Other	390	16,297	4,289	32	-	-	21,008
Total receivables	51,481	96,579	99,200	97,962	57	57	345,279
Total assets	602,856	1,437,098	1,296,617	1,186,399	9,841	9,841	4,532,811
Liabilities							
Other	113	277	239	6,842	-	-	7,471
Net assets available for benefits	\$602,743	\$1,436,821	\$1,296,378	\$1,179,557	\$9,841	\$9,841	\$4,525,340

See accompanying notes.

Elco Thermoplastics, Inc. Profit Sharing Plan

Statements of Net Assets Available for Benefits with Fund Information

December 31, 1996

	Fund Information					
	Money Market Fund	Balanced Fund	Equity Fund	Textron Stock Fund	Loan Fund	Total Funds
Assets						
Investments, at fair value (Note 4)						
Parkstone Equity Income Fund	\$ -	\$273,059	\$ -	\$ -	\$ -	\$273,059
Parkstone Bond Fund	-	497,421	-	-	-	497,421
Parkstone Small Capitalization Value Fund	-	54,504	-	-	-	54,504
Parkstone Mid Capitalization Value Fund (formerly the Parkstone Equity Fund)	-	104,175	1,036,984	-	-	1,141,159
Parkstone International Discovery Fund	-	111,247	-	-	-	111,247
Parkstone Government Money Market Fund	523,856	100,504	9,281	-	-	633,641
Parkstone Prime Obligations Money Market Fund	-	-	-	7,407	-	7,407
Textron Inc. common stock	-	-	-	-	563,898	-
Participant notes receivable	-	-	-	-	4,001	4,001
Total investments	523,856	1,140,910	1,046,265	571,305	4,001	3,286,337
Receivables:						
Employer's contributions	56,522	92,375	107,327	79,476	-	335,700
Participant contributions	3,020	6,189	9,069	6,399	-	24,677
Accrued income	1,755	280	11	2,673	494	5,213
Other	307	84	84	42	-	517
Total receivables	61,604	98,928	116,491	88,590	494	366,107
Total assets	585,460	1,239,838	1,162,756	659,895	4,495	3,652,444
Liabilities						
Overdraft	-	-	-	-	36,060	36,060
Other	8,197	4,164	2,889	5,320	-	20,570
Total liabilities	8,197	4,164	2,889	5,320	36,060	56,630
Net assets available for benefits	\$577,263	\$1,235,674	\$1,159,867	\$654,575	\$(31,565)	\$3,595,814

See accompanying notes.

Elco Thermoplastics, Inc. Profit Sharing Plan

Statements of Changes in Net Assets Available for Benefits with Fund Information

Year ended December 31, 1997

	Fund Information					
	Money Market Fund	Balanced Fund	Equity Fund	Textron Stock Fund	Loan Fund	Total Funds
Additions to net assets attributed to:						
Investment income:						
Interest and dividends	\$ 27,253	\$ 130,897	\$ 214,259	\$ 17,021	\$ 303	\$389,733
Net appreciation (depreciation) in fair value of investments (Note 4)	-	16,515	(87,698)	214,014	-	142,831
	27,253	147,412	126,561	231,035	303	532,564
Contributions:						
Employer	56,387	95,025	112,006	106,657	-	370,075
Participants	35,381	72,113	103,591	93,362	-	304,447
	91,768	167,138	215,597	200,019	-	674,522
Other	(467)	(835)	5,856	(2,151)	36,751	39,154
Total additions	118,554	313,715	348,014	428,903	37,054	1,246,240
Deductions from net assets attributed to:						
Benefits paid to participants	55,585	103,235	105,377	52,517	-	316,714
Net increase before transfers	62,969	210,480	242,637	376,386	37,054	929,526
Interfund transfers, net	(37,489)	(9,333)	(106,126)	148,596	4,352	-
Net increase	25,480	201,147	136,511	524,982	41,406	929,526
Net assets available for benefits at beginning of year	577,263	1,235,674	1,159,867	654,575	(31,565)	3,595,814
Net assets available for benefits at end of year	\$602,743	\$1,436,821	\$1,296,378	\$1,179,557	\$ 9,841	\$4,525,340

See accompanying notes.

Elco Thermoplastics, Inc. Profit Sharing Plan

Statements of Changes in Net Assets Available for Benefits with Fund Information

Year ended December 31, 1996

	Fund Information					
	Money Market Fund	Balanced Fund	Equity Fund	Textron Stock Fund	Loan Fund	Total Funds
Additions to net assets attributed to:						
Investment income:						
Interest and dividends	\$ 15,553	\$ 91,421	\$ 296,781	\$ 4,765	\$ 7,678	\$ 416,198
Net appreciation (depreciation) in fair value of investments (Note 4)	-	26,810	(200,012)	47,721	-	(125,481)
	15,553	118,231	96,769	52,486	7,678	290,717
Contributions:						
Employer	70,828	117,683	132,492	88,805	-	409,808
Participant	43,290	82,418	98,742	38,752	-	263,202
	114,118	200,101	231,234	127,557	-	673,010
Total additions	129,671	318,332	328,003	180,043	7,678	963,727
Deductions from net assets attributed to:						
Benefits paid to participants	50,036	72,347	38,004	534	-	160,921
Other	391	(1,892)	(4,943)	(273)	48,771	42,054
Total deductions	50,427	70,455	33,061	261	48,771	202,975
Net increase (decrease) before transfers	79,244	247,877	294,942	179,782	(41,093)	760,752
Transfer from Elco Textron Inc. Employee Stock Ownership Plan (Note 1)	175,898	313,534	305,501	182,622	-	977,555
Interfund transfers, net	(190,678)	(90,649)	(13,125)	292,171	2,281	-
Net increase (decrease)	64,464	470,762	587,318	654,575	(38,812)	1,738,307
Net assets available for benefits at beginning of year	512,799	764,912	572,549	-	7,247	1,857,507
Net assets available for benefits at end of year	\$577,263	\$1,235,674	\$1,159,867	\$654,575	\$(31,565)	\$3,595,814

See accompanying notes.

1. Description of the Plan

The following brief description of the Elco Thermoplastics, Inc. Profit Sharing Plan (the Plan) is provided for general information only. Participants should refer to the Summary Plan Description for more complete information.

General

The Plan is a defined contribution plan formed to provide profit-sharing benefits to employees of Elco Thermoplastics Inc. (the Company), a subsidiary of Elco Textron Inc., and to provide for participant tax-deferred savings under Section 401(k) of the Internal Revenue Code (IRC). All full-time employees of the Company with one year of service are eligible to participate in the Plan. Participants have a 100% vested interest in their account balances.

Effective June 30, 1996, the Elco Employee Stock Ownership Plan (ESOP) was terminated. Accordingly, the assets of the ESOP were transferred into the participants' new or existing accounts in the Elco Textron Inc. Profit Sharing and Savings Plan, the Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Textron, Inc., the Anchor Wire Inc. Retirement Plan, or the Plan, as applicable. Assets distributed to the Plan were distributed to the participants' investment funds as directed by each participant.

Contributions

Active participants may make contributions as defined in the Plan. Such contributions may be in the form of Employee Deferral Contributions (as a percentage of the participant's compensation) or Nondeductible Employee Contributions. The Company will contribute an amount equal to 50% of the Employee Deferral Contributions related to the first 3% of earnings. Additional Company contributions may be made at the sole discretion of the Board of Directors. The Company made a discretionary contribution of \$130,000 in the years ended December 31, 1997 and 1996.

Elco Thermoplastics, Inc. Profit Sharing Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Participant Notes Receivable

Participants may borrow an amount that does not exceed the lesser of \$50,000 or one-half the nonforfeitable value of their account balance. Loans must be repaid within five years and bear interest at the current prime rate.

Investment Options

Effective July 1, 1996, participants were granted the option of investing in the Textron Stock Fund, which is invested exclusively in Textron Inc. common stock.

Participants are allowed to direct employer and employee contributions in 10% increments in any of the following investment funds:

Money Market Fund - Funds are invested in the Parkstone Government Obligations Fund, a mutual fund, which invests in short-term U.S. Treasury bills or notes as well as other short-term obligations issued by or guaranteed by the U.S. Government and other short-term obligations.

Equity Fund - Funds are invested primarily in the Parkstone Mid Capitalization Value Fund, a mutual fund, which invests in common and preferred stocks.

Balanced Fund - Funds are invested primarily in various Parkstone mutual funds, which invest in a combination of common stocks (and securities convertible into common stocks), high- and medium-grade corporate bonds, government securities and other fixed income securities.

Textron Stock Fund - Funds are invested exclusively in Textron common stock. Cash dividends, if any, will be reinvested in shares of Textron common stock. Fractional interests in the shares of Textron common stock are allocated to the participant's accounts.

Participants may change their investment options January 1 and July 1.

Elco Thermoplastics, Inc. Profit Sharing Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Participant Accounts

Employee contributions and the Company's matching contribution are allocated to each respective participant account. The additional Company contribution, if any, is allocated to participant accounts based on participant compensation, as defined by the Plan, and their years of service in relation to the total of such amounts for all participants.

Earnings within each fund are allocated semiannually in the proportion that each participant's beginning account balance (restated for transfers), plus one-half of employee contributions made during the six-month period, bears to the total of such amounts for all participants.

Benefit Payments

The benefit to which a participant is entitled is the benefit that can be provided from the participant's account balance. On termination of service, a participant may elect to receive either a lump-sum amount equal to the participant's account balance, or annual installments over a period of time as defined by the Plan.

2. Significant Accounting Policies

Valuation of Investments

The Plan's investments are stated at fair value. The shares of the registered investment companies are valued at quoted market prices which represent the net asset values of the shares held by the Plan at year end. Shares of Textron Inc. common stock are valued at the last reported sale price on the last day of business of the plan year. The Government Money Market Fund and participant loans are valued at cost which approximates fair value.

Elco Thermoplastics, Inc. Profit Sharing Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Administrative Expenses

Certain services are provided to the Plan without charge, and administrative expenses are paid by the Company.

3. Termination Priorities

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act of 1974.

4. Investments

The Plan's investments are held in a bank-administered trust fund. The following table presents the estimated fair values of individual investments that are 5% or more of the Plan's net assets at December 31, 1997 and 1996.

	December 31	
	1997	1996
Parkstone Government Money Market Fund	\$ 551,723	\$ 633,641
Parkstone Equity Income Fund	465,264	273,059
Parkstone Bond Fund	576,174	497,421
Parkstone Mid Capitalization Value Fund	1,213,600	1,141,159
Textron Inc. Common Stock	1,057,500	563,898

Elco Thermoplastics Profit Sharing Plan

Notes to Financial Statements (continued)

4. Investments (continued)

The Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in fair value by \$142,831 and \$(125,481), as follows:

	Year ended December 31	
	1997	1996
Investments at fair value as determined by quoted market prices:		
Parkstone Equity Income Fund	\$ 20,568	\$ (17,215)
Parkstone Bond Fund	13,024	(6,291)
Parkstone Small Capitalization Fund	(13,692)	11,223
Parkstone Balanced Allocation Fund	182	-
Parkstone Mid Capitalization Value Fund	(84,394)	(166,026)
Parkstone International Discovery Fund	(6,871)	5,107
Textron Inc. Common Stock	214,014	47,721
	\$142,831	\$(125,481)

5. Differences Between Financial Statements

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

December 31
1997 1996

Net assets available for benefits per

the financial statements	\$4,525,340	\$3,595,814
Amounts allocated to withdrawn participants	(40,836)	(57,672)
Net assets available per Form 5500	\$4,484,504	\$3,538,142

Elco Thermoplastics, Inc. Profit Sharing Plan

Notes to Financial Statements (continued)

5. Differences Between Financial Statements (continued)

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	Year ended 1997	December 31 1996
Benefits paid to participants per the financial statements	\$316,714	\$160,921
Add: Amounts allocated on Form 5500 to withdrawn participants at the end of the year	40,836	57,672
Less: Amounts allocated on Form 5500 to withdrawn participants at the beginning of the year	(57,672)	-
	\$299,878	\$218,593

Amounts allocated to withdrawn participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to year end but not yet paid.

6. Related-Party Transactions

During the year, the Plan had purchase and sale transactions with mutual funds administered by an affiliate of the Plan's trustee, and the common stock of Textron Inc., the ultimate parent company of the Company.

7. Tax Status

The Internal Revenue Service ruled on June 12, 1995, that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC), and, therefore, the related trust is not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Company is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

Supplemental Schedules

Elco Thermoplastics, Inc. Profit Sharing Plan

Employer Identification Number 35-1291803
Plan Number 001

Line 27a--Schedule of Assets Held for Investment Purposes

December 31, 1997

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment, Rate of Interest	Cost	Current Value
Mutual funds:			
Parkstone Government Money Market Fund*	551,723 units	\$ 551,723	\$ 551,723
Parkstone Prime Obligation Money Market Fund*	30,937 shares	30,937	30,937
Parkstone Equity Income Fund*	26,770 shares	462,373	465,264
Parkstone Bond Fund*	57,733 shares	560,479	576,174
Parkstone Small Capitalization Value Fund*	2,138 shares	61,183	55,725
Parkstone Mid Capitalization Value Fund*	86,132 shares	1,439,972	1,213,600
Parkstone Balanced Allocation Fund*	8,215 shares	107,624	107,044
Parkstone International Discovery Fund*	8,223 shares	121,862	119,803
Textron Inc. common stock*	16,920 shares	807,190	1,057,500

Participant loans* 7.9% to 9.5% various maturity dates 9,762 9,762 \$4,153,105 \$4,187,532

*Indicates party-in-interest to the Plan.

Elco Thermoplastics, Inc. Profit Sharing Plan

Employer Identification Number 35-1291803
Plan Number 001

Line 27d--Schedule of Reportable Transactions

Year ended December 31, 1997

Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
Category (i) - Individual security transactions in excess of 5 percent of plan assets						
First of America Investment Corporation	Parkstone Mid Capitalization Value Fund*	\$198,236	\$ -	\$198,236	\$198,236	\$ -
Category (iii) - Series of security transactions in excess of 5 percent of plan assets						
First of America Investment Corporation	Parkstone Government Money Market Fund*	-	704,451	704,451	704,451	-
		622,205	-	622,205	622,205	-
First of America Investment Corporation	Parkstone Prime Obligation Money Market Fund*	-	391,404	391,404	391,404	-
		414,934	-	414,934	414,934	-
First of America Investment Corporation	Parkstone Equity Income Fund*	-	4,680	4,755	4,680	(75)
		176,316	-	176,316	176,316	-
First of America Investment Corporation	Parkstone Bond Fund*	-	11,021	10,959	11,021	62
		76,750	-	76,750	76,750	-

Elco Thermoplastics, Inc. Profit Sharing Plan

Employer Identification Number 35-1291803
Plan Number 001

Line 27d--Schedule of Reportable Transactions (continued)

Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Cost of Asset	of Asset on Transaction Date	Net Gain (Loss)
Category (iii) - Series of security transactions in excess of 5 percent of plan assets (continued)						
First of America Investment Corporation	Parkstone Small Capitalization Value Fund*	- 15,290	377 -	421 15,290	377 15,290	(44) -
First of America Investment Corporation	Parkstone Mid Capitalization Value Fund*	- 373,144	216,309 -	210,437 373,144	216,309 373,144	5,872 -
First of America Investment Corporation	Parkstone International Discovery Fund*	- 13,120	2,693 -	2,398 13,120	2,693 13,120	295 -
Textron Inc.	Textron Inc. Common Stock*	- 335,147	55,559 -	44,387 335,147	55,559 335,147	11,172 -
First of America Investment Corporation	Parkstone Balanced Allocation Fund*	- 192,965	86,100 -	85,338 192,965	86,100 192,965	762 -

* Indicates party-in-interest to the Plan.

There were no category (ii) or (iv) reportable transactions for the year ended December 31, 1997.

Exhibit 23

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-07121) pertaining to the Elco Thermoplastics, Inc. Profit Sharing Plan of Textron Inc. of our report dated April 17, 1998, with respect to the financial statements and schedules of the Elco Thermoplastics, Inc. Profit Sharing Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1997.

ERNST & YOUNG LLP

Providence, Rhode Island
June 23, 1998

End of Filing

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