

# TEXTRON INC

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

Filed 06/28/96 for the Period Ending 12/31/95

Address	40 WESTMINSTER ST PROVIDENCE, RI 02903
Telephone	4014212800
CIK	0000217346
Symbol	TXT
SIC Code	6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year	01/02

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Industry	Conglomerates
Sector	Conglomerates
Fiscal Year	12/31

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# SECURITIES AND EXCHANGE COMMISSION

## Washington, D.C. 20549 **FORM 11-K**

(Mark one)

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]**

For the fiscal year ended December 31, 1995

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission file number 001-05480*

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

**EMPLOYEES' RETIREMENT SAVINGS PLAN  
FOR PRECISION STAMPING DIVISION OF  
ELCO TEXTRON INC.**

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

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### REQUIRED INFORMATION

The following Financial Statements for the Employees' Retirement Savings Plan for Precision Stamping Division of Elco Textron Inc.(formerly known as Employees' Retirement Savings Plan for the Precision Stamping Division Of Elco Industries, Inc.) are furnished herein:

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### REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Industries, Inc.

We have audited the accompanying statements of net assets available for plan benefits of the Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Industries, Inc. (the Plan) as of December 31, 1995 and 1994, and the related statements of changes in net assets available for benefits for the year ended December 31, 1995. 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, 1995 and 1994, and the changes in net assets available for benefits for the year ended December 31, 1995, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment as of December 31, 1995, 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 basic financial statements. The Fund Information in the statement of net assets available for benefits and the 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 of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst & Young LLP Milwaukee, Wisconsin  
May 31, 1996

Employees' Retirement Savings Plan  
for the Precision Stamping Division of

Elco Industries, Inc.

Statements of Net Assets Available for Plan Benefits

December 31, 1995

	Main Fund	Money Market Fund	High Equity Income Fund	Small Capitalization Fund	Balanced Fund	Loan Fund	Total
Investments, at fair value:							
Parkstone Prime Obligation Money							
Market Fund .....	\$ 31,247	\$ 97,021	\$ 45,541	\$ 62,356	\$ 12,703	\$ -	\$ 248,868
Parkstone High Income Equity Fund .	-	-	346,673	-	-	-	346,673
Parkstone Small Capitalization Fund	-	-	-	574,846	-	-	574,846
Parkstone Balanced Fund .....	-	-	-	-	201,300	-	201,300
Loans to participants .....	-	-	-	-	-	28,302	28,302
Total investments .....	31,247	97,021	392,214	637,202	214,003	28,302	1,399,989
Receivables:							
Participant contributions .....	-	1,661	6,011	8,416	3,320	-	19,408
Company contributions .....	-	375	1,084	967	667	-	3,093
Accrued income .....	165	420	183	237	80	-	1,085
Total receivables .....	165	2,456	7,278	9,620	4,067	-	23,586
Due (to) from other funds .....	(31,412)	4,584	649	(24,770)	50,949	-	-
Net assets available for plan benefits .....	\$ -	\$ 104,061	\$ 400,141	\$ 622,052	\$ 269,019	\$ 28,302	\$ 1,423,575
Cash .....	\$ -	\$ 815	\$ 1,731	\$ 2,317	\$ 1,153	\$ -	\$ 6,016
Investments, at fair value:							
Parkstone Prime Obligation Money							
Market Fund .....	10,480	75,078	2,281	2,929	1,431	-	92,199
Parkstone High Income Equity Fund .	-	-	218,821	-	-	-	218,821
Parkstone Small Capitalization Fund	-	-	-	340,611	-	-	340,611
Parkstone Balanced Fund .....	-	-	-	-	185,367	-	185,367
Loans to participants .....	-	-	-	-	-	26,791	26,791
Total investments .....	10,480	75,078	221,102	343,540	186,798	26,791	863,789
Receivables:							
Participant contributions .....	-	391	1,256	1,631	809	-	4,087
Company contributions .....	-	235	653	738	463	-	2,089

Total receivables .....	-	626	1,909	2,369	1,272	-	6,176
Cash overdraft .....	(5,658)	-	-	-	-	-	(5,658)
Due (to) from other funds .....	(4,822)	7,474	3,794	4,087	(10,533)	-	-
Accrued fees .....	-	(22)	(22)	(22)	(22)	-	(88)
Net assets available for plan benefit	\$ -	\$ 83,971	\$ 228,514	\$ 352,291	\$ 178,668	\$ 26,791	\$ 870,235

Employees' Retirement Savings Plan  
for the Precision Stamping Division of  
Elco Industries, Inc.

Statement of Changes in Net Assets Available for Plan Benefits

Year Ended December 31, 1995

	Main Fund	Money Market Fund	High Equity Income Fund	Small Capitalization Fund	Balanced Fund	Loan Fund	Total
Investment income:							
Net realized and unrealized appreciation in fair value of investments .....	\$ -	\$ -	\$ 54,850	\$ 73,513	\$ 27,504	\$ -	\$ 155,867
Interest and dividend income	-	4,844	17,519	70,219	14,855	2,525	109,962
Investment income .....	-	4,844	72,369	143,732	42,359	2,525	265,829
Contributions:							
Participants .....	-	26,968	92,664	124,085	51,453	-	295,170
Company .....	-	4,296	14,250	18,547	8,500	-	45,593
Total contributions .....	-	31,264	106,914	142,632	59,953	-	340,763
Total additions .....	-	36,108	179,283	286,364	102,312	2,525	606,592
Benefit and withdrawal payments	-	54	2,925	5,960	41,068	-	50,007
Administrative expenses .....	-	467	858	1,195	725	-	3,245
Transfers between funds .....	-	15,497	3,873	9,448	(29,832)	1,014	-
Net deductions .....	-	16,018	7,656	16,603	11,961	1,014	53,252
Net increase in net assets available for plan benefits .....	-	20,090	171,627	269,761	90,351	1,511	553,340
Net assets available for plan benefits, beginning of year .....	-	83,971	228,514	352,291	178,668	26,791	870,235
Net assets available for plan benefits, end of year .....	\$ -	\$ 104,061	\$ 400,141	\$ 622,052	\$ 269,019	\$ 28,302	\$ 1,423,575

Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Industries, Inc

**Notes to Financial Statements**

December 31, 1995

**1. Description of the Plan**

The following brief description of the Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Industries, Inc. (the Plan) is provided for general information purposes only. Participants should refer to the Summary Plan Description for more complete information.

**General**

The Plan is a defined contribution plan formed to provide a retirement savings plan to employees of the Precision Stamping Division of Elco Textron Inc. (Elco). Elco was purchased in October 1995 and changed its name from Elco Industries, Inc. to Elco Textron Inc. The Plan was continued in its pre-acquisition form. The Plan provides for participant tax-deferred savings under Section 401(k) of the Internal Revenue (IRC) and is subject to the provisions of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an administrative committee consisting of not fewer than three members selected by the Board of Directors of Elco.

**Eligibility**

All employees of the Precision Stamping Division of Elco are eligible to participate in the Plan after completing one year of service, as defined in the Plan.

## **Vesting and Forfeitures**

Participants are always fully vested in the value of their contributions and related allocation of trust income or loss.

Participants become fully vested in the value of contributions made by Elco and related allocations of trust income or loss after five years of credited service.

Any forfeitures are allocated to remaining Plan participants.

Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Industries, Inc.

### **Notes to Financial Statements (continued)**

#### 1. Description of the Plan (continued)

##### **Contributions**

Active participants can make pre-tax contributions based on a percentage of their compensation, subject to various percentage and dollar limitations (\$9,240 for 1995).

Effective January 1, 1994, Elco's Board of Directors amended the Plan to provide an employer matching contribution on the portion of the participant's pre-tax contribution, as defined in the plan documents (currently between 15% and 25% on the participant's first 4% deferral). The Plan also provides for discretionary company contributions, none of which were made in 1995.

All contributions are funded currently with the trustee.

##### **Investment Options**

Participants are allowed to direct contributions to one or a combination of the following investment funds:

Money Market Fund High Equity Income Fund Small Capitalization Fund Balanced Fund

##### **Allocations**

Semiannually, the allocation of trust income or loss is made in the same ratio that a participant's account bears to the sum of the balances of all participants' accounts, taking into consideration the dates on which additional contributions are made.

##### **Distribution of Plan Benefits**

Distribution of the vested value of a participant's account is made by the trustee within sixty (60) days after the end of the Plan year in which occurs a participants' normal retirement date, early retirement date, late retirement date, disability retirement date, severance date or death.

The vested value of such distribution includes any pre-tax contributions made to the participant's account during the Plan year and is determined subsequent to the inclusion of his allocable share of trust income or loss.

##### **Custody of Assets**

In accordance with the terms of the trust agreement, the trustee has custody of all trust assets.

##### **Tax Status**

The Plan has received a determination letter, dated April 6, 1995, from the IRS indicating that it meets the requirements of Section 401(a) of the IRC and is, therefore, 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 plan administrator is not aware of any course of action or series of events that have occurred that might adversely affect the Plan's qualified status.

#### 2. Summary of Significant Accounting Policies

Certain services are provided to the Plan by Elco without charge.

Participant loans are stated at their outstanding balances, which approximate fair value.

The fair value of investments in the mutual and money market funds is determined by reference to published market or redemption prices as of the last business day of the Plan year.

The preparation of financial statements in conformity 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.

### 3. Termination Priorities

Although it has not expressed any intent to do so, Elco has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination, participants become 100% vested in their accounts.

### 4. Investments

During 1995, Plan investments (including investments bought, sold, as well as held during the year) appreciated in fair value as follows:

Parkstone High Income Equity Fund	\$	54,850
Parkstone Small Capitalization Fund		73,513
Parkstone Balanced Fund		27,504
		-----
		\$155,867
		=====

The fair values of investments that exceed 5% of the net assets available for plan benefits are as follows:

	December 31	
	1995	1994
	-----	
Parkstone Prime Obligation Money Market Fund	\$248,868	\$ 92,199
Parkstone High Income Equity Fund	346,673	218,821
Parkstone Small Capitalization Fund	574,846	340,611
Parkstone Balanced Fund	201,300	185,367

### 5. Related-Party Transactions

The Plan had the following related-party transactions with funds administered by an affiliate of the Plan's trustee for the year ended December 31, 1995:

	Purchases	Sales
	-----	
Parkstone Prime Obligation Money Market Fund	\$817,601	\$660,932
Parkstone Mutual Funds	304,934	82,781

Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Industries, Inc.

### Assets Held for Investment

December 31, 1995

	Number of Shares or Face Amount	Cost	Current Value
	-----	-----	-----
Parkstone Prime Obligation Money Market Fund	248,868	\$ 248,868	\$ 248,868
Mutual funds:			
Parkstone High Income Equity Fund	21,721	303,509	346,673
Parkstone Small Capitalization Fund	21,346	459,620	574,846
Parkstone Balanced Fund	16,053	177,591	201,300
Participant loans - bearing interest rates of 7.25% to 10.00% per annum, with various maturity dates	28,302	28,302	28,302
		-----	-----

Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Industries, Inc.

**Reportable Transactions**

**Year ended December 31, 1995**

Description	Purchases	Sales	Year	Year	Gain
					(Loss)
	Number of Transactions	Cost of Purchases During the	Proceeds from Sales or Redemptions During the	Realized	
Parkstone Prime Obligation Money Market Fund	272	151	\$817,601	\$660,932	\$ -
Parkstone High Income Equity Fund	26	-	73,002	-	-
Parkstone Small Capitalization Fund	12	-	160,722	-	-
Parkstone Balanced Fund	27	5	71,210	82,781	7,942

Category (iii) - Series of transactions in excess of 5 percent of plan assets

There were no Category (ii) or (iv) reportable transactions. Category (i) reportable transactions are included in Category (iii) reportable transactions above.

**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.

**EMPLOYEES' RETIREMENT SAVINGS PLAN  
 FOR PRECISION STAMPING DIVISION OF  
 ELCO TEXTRON INC.**

**ELCO TEXTRON INC., Plan Administrator**

DATE June 28, 1996  
 -----

By /s/ Kenneth L. Heal  
 -----  
 Name: Kenneth L. Heal  
 Title: Secretary/Treasurer

**End of Filing**

