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FIFTEENTH ANNUAL REPORT
of the
BOARD OF TRUSTEES
of the
TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF ILLINOIS
Successor to the
ILLINOIS STATE TEACHERS' PENSION
AND RETIREMENT FUND



THE LIBRARY OF THE
OCT 18 1954
UNIVERSITY OF ILLINOIS

to the
SUPERINTENDENT OF PUBLIC INSTRUCTION

for the
YEAR ENDING JUNE 30, 1954

AUBREY J. HOLMES, Secretary
Pension Document Number Thirty-Nine

**TEACHERS' RETIREMENT SYSTEM
OF THE
STATE OF ILLINOIS**

SPRINGFIELD, ILLINOIS, SEPTEMBER 1, 1954

HON. VERNON L. NICKELL,
*Superintendent of Public Instruction,
State of Illinois:*

Dear Sir:

In compliance with Section 25-29 of the Teachers' Retirement System Act, we have the honor to submit to you the Fifteenth Annual Report of the Board of Trustees, Teachers' Retirement System of Illinois, successor to the Board of Trustees, Teachers' Pension and Retirement Fund, State of Illinois, for the year ending June 30, 1954.

Very respectfully,

AUBREY J. HOLMES,

Secretary, Board of Trustees,
Teachers' Retirement System
of the State of Illinois.



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BOARD OF TRUSTEES

VERNON L. NICKELL, *President*
Superintendent of Public Instruction

FRED L. BIESTER,
Principal, Glenbard Township High School
Glen Ellyn, Illinois.

JOHN W. GRAHAM,
Member, Faculty, LaSalle-Peru Township
High School,
LaSalle, Illinois.

WALTER KING,
Banker
Murphysboro, Ill.

PAUL A. WILSON,
Insurance
Springfield, Illinois.

ELMER J. HOFFMAN, *Treasurer*,
State Treasurer.

LATHAM CASTLE, *Attorney General*,
Attorney.

AUBREY J. HOLMES, *Secretary*,
Board of Trustees.

A. S. HANSEN, *Actuary*.

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PART ONE

TEACHERS' RETIREMENT SYSTEM

STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 1954

ASSETS

CURRENT ASSETS:

Cash on Deposit with State Treasurer.....	\$	4,685,673.94
Petty Cash Fund.....		25.00
Accounts Receivable—		
Members—Applicable to actuarial dollar		
(\$) Credits as of June 30, 1954—based		
on computation	\$	1,548,524.04
Contributions (1953-54 fiscal year)—Es-		
timated	4,717,723.35	
State of Illinois—Pursuant to the Act...	1,410,000.00	
Returned Checks	3,942.06	
		7,680,189.45
Accrued Interest:		
Bonds	\$	238,206.73
F.H.A. Mortgage Loans.....	51,554.99	
Contracts	3.11	
		289,764.83
	\$	12,655,653.22

INVESTMENTS AT COST, LESS ACCRUED AMORTIZA-
TION (MARKET VALUE, \$52,890,309.00)

Bonds—		
U. S. Government.....	\$	23,787,976.92
Public Utilities	15,316,950.29	
Railroad	636,406.42	
Industrial	425,337.65	
	\$	40,166,671.28
Savings and Loan Shares insured by Fed-		
eral Savings and Loan Insurance Com-		
pany	175,000.00	
F.H.A. Mortgage Loans.....	12,973,141.84	
	\$	53,314,813.12
REAL ESTATE SOLD ON CONTRACT.....		1,594.19
FURNITURE AND FIXTURES—AT COST—(Note 1).....		76,814.91
	\$	66,048,875.44

LIABILITIES

CURRENT LIABILITIES:

Annuities Payable—Accrued.....	\$	56,836.89
Refunds Payable—Estimated.....	150,000.00	
Rentals in Trust.....	22.17	
	\$	206,859.06

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UNIVERSITY OF ILLINOIS AT
URBANA-CHAMPAIGN

PENSION PAYMENT FUND:

Balance as of June 30, 1953.....	\$ 56,157,934.64	
Add:		
Excess of income over expenses for the year ended June 30, 1954.....	8,594,524.19	
Death Benefits donated to Fund.....	61.05	
Increase in Members Accounts receivable for year	80,808.92	
Salary deductions for the year 1952-53 over estimate as of June 30, 1953.....	1,008,209.28	
Annuities paid for 1950-51 year returned during current year.....	518.30	
	<u>\$ 65,842,056.38</u>	
Deduct:		
Accrued interest adjustment applicable to prior years	40.00	
Balance as of June 30, 1954 (Note 2).....		65,842,016.38
		<u>\$ 66,048,875.44</u>

NOTE—(1) No provision has been made for depreciation.
 (2) The above statement of assets and liabilities does not Reflect Actuarial Reserves.

TEACHERS' RETIREMENT SYSTEM
STATEMENT OF INCOME AND EXPENSES

For the Year Ending June 30, 1954

INCOME:

Teachers' Contributions—		
Salary Deductions	\$ 9,084,871.51	
Current Service	113,458.99	
Military Service	27,643.50	
Prior Service	214,499.01	
Added Assessments	26,700.00	
Refunds Repaid	75,140.46	
Reciprocity Collections	410.49	
	<u>\$ 9,542,723.96</u>	
STATE OF ILLINOIS—		
Common School Fund.....	\$ 5,640,000.00	
Appropriation	7,500.00	
		5,647,500.00
OTHER INCOME—		
Interest:		
Bonds (less amortization of bond premium).....	\$ 1,076,547.61	
F.H.A. Mortgage Loans...	495,059.45	
Real Estate Contracts....	48.06	
Added Assessments	5,196.25	
Refunds Repaid	18,744.33	
	<u>\$ 1,595,595.70</u>	
Dividends on Savings and Loan Shares.....	5,162.50	
Royalties on Gas and Oil Rights.....	3,855.34	
Net Gain on Sale of Investments.....	181,706.35	
		<u>1,786,319.89</u>
Total Income	<u>\$ 16,976,543.85</u>	

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URBANA-CHAMPAIGN

EXPENSES—**Benefits:**

Age Retirement	\$ 5,044,949.46
Old Law	1,440,344.46
Disability	325,515.61
Death Benefits — Senate Bill 623	161,464.27

\$ 6,972,273.80

Less—Benefits Returned.. 23,562.84

\$ 6,948,710.96

REFUNDS—**Members, Including Death**

Benefits	\$ 1,273,350.48
Reciprocity Payments	7,982.92

1,281,333.40

GENERAL AND ADMINISTRATIVE:

Payroll	\$ 100,045.76
Professional Services	21,521.65
Printing and Paper.....	7,856.65
Office Expense	3,015.41
Postage and Expenses.....	2,376.52
Travel	4,887.44
Repair and Rental of Machines	1,597.39
Telephone and Telegraph...	1,282.30
Investment Expense	3,000.93
Miscellaneous	18.00

145,602.05

CAPITAL LOSSES:

Sale or Exchange of Equipment and

Securities

6,373.25

Total Expenses..... \$ 8,382,019.66

Excess of Income over Expenses..... \$ 8,594,524.19

NOTE—The foregoing amounts have been certified to by F. M. Mersinger and Company, Certified Public Accountants.

STATEMENT OF BONDS AND STOCK OWNED

JUNE 30, 1954

GOVERNMENT BONDS

U. S. Defense Bonds, Series G	2½%	9/1/54	\$ 50,000.00
U. S. Defense Bonds, Series G	2½	3/1/55	100,000.00
U. S. Savings Bonds, Series G	2½	2/1/56	100,000.00
U. S. Savings Bonds, Series G	2½	3/1/57	100,000.00
U. S. Savings Bonds, Series G	2½	1/1/58	100,000.00
U. S. Savings Bonds, Series G	2½	1/1/59	100,000.00
U. S. Savings Bonds, Series G	2½	1/1/60	100,000.00
U. S. Savings Bonds, Series G	2½	7/1/60	900,000.00

U. S. Savings Bonds, Series G	2½	2/1/61	100,000.00	
U. S. Savings Bonds, Series G	2½	1/1/62	100,000.00	
U. S. Savings Bonds, Series G	2½	11/1/62	660,000.00	
U. S. Treasury	2½	3/15/56/58	110,000.00	
U. S. Treasury	3¼	6/15/78/83	10,592,000.00	
U. S. Treasury, Investment Series A	2½	10/1/65	600,000.00	
U. S. Treasury, Investment Series B	2¾	4/1/75/80	9,315,000.00	
				<u>\$ 23,027,000.00</u>

RAILROAD BONDS

Chicago Union Station, Series G	2⅞ %	7/1/63	\$ 50,000.00	
Cincinnati Union Terminal Co., Series G	2¾	8/1/74	129,000.00	
Columbus & Toledo R. R.	4	8/1/55	45,000.00	
Elgin, Joliet and Eastern Ry., Series A	3¼	3/1/70	116,000.00	
Great Northern Ry. Co., Series R	2¼	1/1/61	140,000.00	
Kansas City Terminal Ry., Co.	2¾	10/1/74	150,000.00	
				<u>\$ 630,000.00</u>

INDUSTRIAL BONDS

B. F. Goodrich Co.	2¾ %	5/1/65	\$179,000.00	
Koppers Co.	3	10/1/64	243,000.00	
				<u>\$ 422,000.00</u>

PUBLIC UTILITIES

Appalachian Electric Power Co.	3¼ %	12/1/70	\$ 200,000.00	
Bell Telephone Company of Pennsylvania	5	10/1/60	315,000.00	
Blackstone Valley Gas and Electric Co.	3	11/1/73	156,000.00	
Boston Edison Co.	2¾	12/1/70	50,000.00	
Buffalo Niagara Electric Corp.	2¾	11/1/75	400,000.00	
Central Illinois Light Co.	3¼	4/1/63	300,000.00	
Central Illinois Public Service Co.	3⅞	10/1/71	200,000.00	
Central Illinois Public Service Co.	3½	1/1/79	50,000.00	
Cleveland Electric Illuminating Co.	3	7/1/70	25,000.00	
Columbus and Southern Ohio Electric Co.	3¼	9/1/70	95,000.00	
Commonwealth Edison Co.	3	2/1/77	400,000.00	
Consumers Power Co.	2⅞	9/1/75	400,000.00	
Connecticut Light and Power Co.	3	10/1/80	400,000.00	
Dayton Power and Light Co.	2¾	10/1/75	400,000.00	
Delaware Power and Light Co.	3	10/1/73	245,000.00	
Detroit Edison Co.	3	12/1/70	340,000.00	
Duke Power Co.	3¼	4/1/81	436,000.00	
Duquesne Light Co.	2¾	8/1/77	400,000.00	
Hackensack Water Co.	2⅞	3/1/76	400,000.00	
Houston Lighting and Power Co.	2⅞	11/1/74	250,000.00	
Illinois Bell Telephone Co.	2¾	1/15/81	400,000.00	
Illinois Power Co.	2⅞	3/1/76	235,000.00	
Illinois Power Co.	3½	2/1/78	150,000.00	
Indiana and Michigan Electric Co.	3¼	6/1/69	400,000.00	

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Iowa Power and Light Co....	3¼	8/1/73	100,000.00
Kansas City Power and Light Co.	2¾	12/1/76	400,000.00
Louisiana Power and Light Co.	3	4/1/74	191,000.00
Michigan Consolidated Gas Co.	3½	3/1/69	94,000.00
Narragansett Electric Co.....	3	9/1/74	220,000.00
New England Telephone and Telegraph	4½	5/1/61	50,000.00
New Jersey Power and Light Co.	3	3/1/74	250,000.00
New York Power and Light Co.	2¾	3/1/75	250,000.00
New York Steam Corp.....	3½	7/1/63	400,000.00
New York Telephone Co.....	2¾	7/15/82	400,000.00
Northern States Power Co....	2¾	10/1/75	400,000.00
Ohio Edison Co.....	3	9/1/74	25,000.00
Ohio Power Co.....	3¼	10/1/68	250,000.00
Ohio Power Co.....	3	4/1/78	150,000.00
Oklahoma Gas and Electric Co.	2¾	2/1/75	210,000.00
Pacific Gas and Electric Co..	3	12/1/79	400,000.00
Pennsylvania Electric Co.....	3½	9/1/73	100,000.00
Peoples Gas, Light and Coke Co.	3	8/1/56	200,000.00
Peoples Gas, Light and Coke Co.	3	6/15/61	200,000.00
Philadelphia Electric Co.....	2¾	11/1/67	400,000.00
Public Service Co. of Okla- homa	2¾	7/1/75	250,000.00
Rochester Gas and Electric Co.	3¼	3/1/69	278,000.00
Rochester Telephone Corp....	2½	4/1/81	250,000.00
Southern California Edison Co.	3	9/1/65	400,000.00
Tampa Electric Co.....	2⅝	8/1/76	250,000.00
Tennessee Gas and Transmis- sion Co.....	2¾	4/1/66	185,000.00
Tennessee Gas and Transmis- sion Co.	3	10/1/67	48,000.00
Texas Electric Service Co....	2¾	3/1/75	400,000.00
Texas Power and Light Co....	2¾	5/1/75	400,000.00
Union Electric Co. of Missouri	3⅝	5/1/71	400,000.00
Virginia Electric and Power Co.	2¾	3/1/75	400,000.00
West Penn Power Co.....	3	5/1/74	250,000.00
Wisconsin Electric Power Co..	2⅝	6/1/76	190,000.00
Wisconsin Power and Light Co.	3¼	8/1/71	100,000.00
			<hr/> \$ 15,138,000.00

STOCK CERTIFICATES

Guaranty Savings and Loan Association, Birmingham, Alabama..	\$ 5,000.00
United Building and Loan Association, Fort Smith, Arkansas....	5,000.00
First Federal Savings and Loan Association, Atlanta, Georgia....	5,000.00
Aurora Savings and Loan Association, Aurora, Illinois.....	5,000.00
Olympic Savings and Loan Association, Berwyn, Illinois.....	5,000.00
Bloomington Federal Savings and Loan Association, Bloomington Illinois	5,000.00
Chicago Federal Savings and Loan Association, Chicago, Illinois...	5,000.00
Lawn Savings and Loan Association, Chicago, Illinois.....	5,000.00
Peoples Federal Savings and Loan Association, Chicago, Illinois..	5,000.00

Citizens Federal Savings and Loan Association of Chicago Heights, Chicago Heights, Illinois.....	5,000.00
Oak Park Federal Savings and Loan Association, Oak Park, Illinois.....	5,000.00
First Federal Savings and Loan Association, Gary, Indiana.....	5,000.00
Central Savings and Loan Association, Chariton, Iowa.....	5,000.00
Insurance Plan Savings and Loan Association, Des Moines, Iowa..	5,000.00
Polk County Federal Savings and Loan Association, Des Moines, Iowa	5,000.00
United Federal Savings and Loan Association, Des Moines, Iowa..	5,000.00
Wichita Federal Savings and Loan Association, Wichita, Kansas..	5,000.00
First Federal Savings and Loan Association, Covington, Kentucky	5,000.00
Twin City Federal Savings and Loan Association, Minneapolis, Minnesota	5,000.00
St. Paul Federal Savings and Loan Association, St. Paul, Minnesota	5,000.00
Farm and Home Savings and Loan Association, Nevada, Missouri	5,000.00
Community Federal Savings and Loan Association, Overland, Mis- souri	5,000.00
Cass Federal Savings and Loan Association, St. Louis, Missouri...	5,000.00
Piedmont Federal Savings and Loan Association, Winston Salem, North Carolina.....	5,000.00
State Federal Savings and Loan Association, Tulsa, Oklahoma....	5,000.00
Colonial Federal Savings and Loan Association, Philadelphia, Penn- sylvania	5,000.00
East Girard Savings and Loan Association, Philadelphia, Pennsyl- vania	5,000.00
North Philadelphia Federal Savings and Loan Association, Phila- delphia, Pennsylvania.....	5,000.00
Pennsylvania Federal Savings and Loan Association of Phila- delphia, Philadelphia, Pennsylvania.....	5,000.00
Philadelphia-Suburban Federal Savings and Loan Association, Philadelphia, Pennsylvania.....	5,000.00
Fort Pitt Federal Savings and Loan Association, Pittsburgh, Penn- sylvania	5,000.00
First Federal Savings and Loan Association, Sharon, Pennsylvania	5,000.00
Abilene Savings and Loan Association, Abilene, Texas.....	5,000.00
Beacon Federal Savings and Loan Association, Milwaukee, Wis- consin	5,000.00
Empire Federal Savings and Loan Association, Milwaukee, Wis- consin	5,000.00
	<u>\$ 175,000.00</u>

STATEMENT OF F.H.A. MORTGAGE LOANS

JUNE 30, 1954

Park View Homes, Inc.....	3 15/16%	1/1/83	\$ 491,178.96
Stephen Homes, Inc.....	3 15/16	5/1/82	1,294,266.51
Sheldon Manors, Inc.....	3 15/16	5/1/82	1,290,154.90
Iowa-East Corporation	3 7/8	8/1/82	102,971.25
La Paloma Apartments, Inc.....	3 7/8	6/1/83	451,366.45
East Navy Homes, Inc.....	3 7/8	5/1/83	1,340,736.77
Greenlawn Apartments, Inc.....	3 7/8	5/1/83	461,025.46
Navy Road Apartments, Inc.....	3 7/8	1/1/83	131,374.48
Commander Apartments	3 7/8	7/1/83	972,059.89
Gelmarc Towers, Inc.....	3 7/8	7/1/83	1,329,975.46
Rock Creek Plaza, Inc.....	3 7/8	9/1/83	4,930,686.79
			<u>\$ 12,795,616.92</u>

Original from

UNIVERSITY OF ILLINOIS AT
URBANA-CHAMPAIGN

PART TWO

STATEMENT OF STATISTICAL FACTS

There are 40,975 current contributors to the fund covering all public schools outside the city of Chicago.

On June 30, 1954 there were 6,525 drawing a pension, 710 having retired during the current year.

During the year 212 annuitants have died.

Retired under the Old Law.....	0
Retired under the New Law.....	576
Retired under Disability.....	134
Total Retired 1953-54.....	710

SUMMARY OF RETIREMENT—JULY 1, 1915 TO JUNE 30, 1954

Year	Men	Women	Total
1915-1916.....	84	227	311
1916-1917.....	73	139	212
1917-1918.....	48	127	175
1918-1919.....	50	84	134
1919-1920.....	53	95	148
1920-1921.....	31	78	109
1921-1922.....	32	84	116
1922-1923.....	30	78	108
1923-1924.....	39	74	113
1924-1925.....	29	78	107
1925-1926.....	45	84	129
1926-1927.....	31	103	134
1927-1928.....	45	88	133
1928-1929.....	37	112	149
1929-1930.....	49	95	144
1930-1931.....	53	119	172
1931-1932.....	54	131	185
1932-1933.....	61	140	201
1933-1934.....	62	156	218
1934-1935.....	57	128	185
1935-1936.....	74	131	205
1936-1937.....	37	144	181
1937-1938.....	55	228	283
1938-1939.....	50	167	127
1939-1940.....	113	385	498
1940-1941.....	97	272	368
1941-1942.....	121	324	445
1942-1943.....	94	286	380
1943-1944.....	143	298	441
1944-1945.....	141	313	454
1945-1946.....	112	271	383
1946-1947.....	145	474	619
1947-1948.....	134	290	424
1948-1949.....	154	419	573
1949-1950.....	115	441	556
1950-1951.....	102	384	486
1951-1952.....	128	437	565
1952-1953.....	136	475	611
1953-1954.....	169	541	710

ANNUITIES PAID BENEFICIARIES OF THE FUND, 1915-1954

1915-1916.....	\$ 8,528.08
1916-1917.....	130,049.32
1917-1918.....	224,395.18
1918-1919.....	289,650.29
1919-1920.....	342,045.78
1920-1921.....	384,459.97
1921-1922.....	424,528.33
1922-1923.....	466,823.46
1923-1924.....	502,143.22
1924-1925.....	534,874.26
1925-1926.....	566,349.73
1926-1927.....	596,153.67
1927-1928.....	639,622.91
1928-1929.....	671,712.24
1929-1930.....	708,327.03
1930-1931.....	750,217.33
1931-1932.....	790,368.54
1932-1933.....	835,434.55
1933-1934.....	896,525.96
1934-1935.....	949,822.68
1935-1936.....	1,004,371.42
1936-1937.....	1,061,288.48
1937-1938.....	1,260,506.61
1938-1939.....	1,355,549.53
1939-1940.....	1,423,590.90
1940-1941.....	1,566,593.29
1941-1942.....	1,895,248.51
1942-1943.....	1,947,127.37
1943-1944.....	2,091,276.49
1944-1945.....	2,166,132.00
1945-1946.....	2,683,043.97
1946-1947.....	2,684,865.55
1947-1948.....	3,729,060.54
1948-1949.....	4,234,447.77
1949-1950.....	4,559,566.71
1950-1951.....	4,996,393.00
1951-1952.....	5,435,643.70
1952-1953.....	6,039,884.03
1953-1954.....	6,787,246.69