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SIXTEENTH 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
MAY 10 1956
UNIVERSITY OF ILLINOIS

to the

SUPERINTENDENT OF PUBLIC INSTRUCTION

for the

YEAR ENDING JUNE 30, 1955

AUBREY J. HOLMES, Secretary
Pension Document Number Forty

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

SPRINGFIELD, ILLINOIS, January 1, 1956

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 Sixteenth 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 year ending June 30, 1955.

Very respectfully,

AUBREY J. HOLMES,

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

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BOARD OF TRUSTEES

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Superintendent of Public Instruction

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ARTHUR STEDRY HANSEN, *Consulting Actuaries*, Actuary.

10 May 56
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PART ONE
TEACHERS' RETIREMENT SYSTEM
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1956

ASSETS

CURRENT ASSETS:	
Cash on deposit with State Treasurer.....	\$ 1,058,995.83
Petty cash fund	25.00
Accounts Receivable—	
Members—Applicable to actuarial dollar (\$)	
credits as of June 30, 1956 based on	
computation	\$ 1,945,652.30
Contributions (1955-56 fiscal year)—estimated	518,796.34
State of Illinois—pursuant to the Act.....	1,800,000.00
Returned checks	618.95
	4,265,067.59
Accrued Interest—	
Bonds	\$ 541,491.71
F.H.A. mortgage loans	87,801.00
Real estate mortgage loans.....	2,304.69
	631,597.40
Total current assets	\$ 5,955,685.82
INVESTMENTS AT COST, LESS ACCRUED AMORTIZA-	
TION: (MARKET VALUE, \$78,931,873.00)	
Bonds—	
U. S. Government	\$37,598,654.78
State and municipal	1,000,000.00
Public utilities	19,162,195.74
Railroad	935,859.94
Industrial	424,697.41
	\$59,121,407.87
Savings and loan shares issued by Federal	
Savings Loan Insurance Company.....	35,000.00
F.H.A. mortgage loans less accrued	
amortization	21,116,687.48
Real estate mortgage loan.....	737,500.00
	81,010,595.35
Total investments	80,651.79
Furniture and fixtures—At Cost (Note 1).....	
OTHER ASSETS:	
Reserve for Replacement Fund—	
Cash on deposit with State Treasurer.....	\$ 8,058.39
Bonds, at cost	54,261.25
	62,319.64
Total other assets	\$87,109,252.60

LIABILITIES

CURRENT LIABILITIES:	
Annuities payable	\$ 61,822.86
Refunds—estimated	150,000.00
	Total current liabilities
Reserve for Replacement Fund.....	\$ 211,822.86
	62,319.64

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URBANA-CHAMPAIGN

PENSION PAYMENT FUND:

Balance, July 1, 1955	\$75,192,738.34
Add—	
Excess of income over expense for the year ended June 30, 1956.....	10,857,456.87
Increase in members' accounts receivable...	251,979.48
Annuities donated to fund.....	33.65
Contribution credits for 1953-54 temporary disability annuitants	24,171.57
Salary deductions for the year 1954-55 over estimate as of June 30, 1955.....	508,780.70
	<u>\$86,835,160.61</u>
Deduct—	
Overpayment of 1953-54 contributions to current service	50.51
Balance, June 30, 1956 (Note 2).....	\$86,835,110.10
	<u>\$87,109,252.60</u>

Note (1) No provision has been made for depreciation.

Note (2) The above statement of assets and liabilities does not present actuarial valuations.

TEACHERS' RETIREMENT SYSTEM**STATEMENT OF INCOME AND EXPENSES**

Year Ended June 30, 1956

INCOME:

Teachers' Contributions—	
Salary deductions	\$11,528,412.59
Current service	139,630.67
Military service	22,220.96
Prior service	182,931.25
Added assessments	18,195.00
Refunds repaid	85,069.98
	<u>\$11,976,460.45</u>

STATE OF ILLINOIS—

Common School Fund	\$ 7,200,000.00
Appropriation	7,500.00
	<u>7,207,500.00</u>

OTHER INCOME—

Interest:	
Bonds (less amortization of premium).....	\$ 1,552,115.03
F.H.A. mortgage loans (less amortization of premium)	737,017.68
Real estate 1st. mortgage loan.....	2,304.69
Real estate contracts	4.69
Added assessments	4,582.75
Refunds repaid	22,810.10
	<u>2,318,834.94</u>
Dividends on savings and loan shares.....	3,225.00
Royalties on gas and oil rights.....	7,314.75
	<u>\$21,513,335.14</u>

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EXPENSES:		
Benefits—		
Age retirement	\$ 6,948,055.37	
Old law	1,239,961.76	
Disability	492,711.77	
Death benefits	157,046.83	
	<hr/>	
Total benefits	\$ 8,837,775.73	
Less benefits returned	28,423.02	
	<hr/>	\$ 8,809,352.71
REFUNDS:		
Members, including death benefits.....	\$ 1,664,230.48	
Reciprocity payments	850.17	
	<hr/>	1,665,080.65
GENERAL AND ADMINISTRATIVE EXPENSES:		
Payroll	\$ 136,379.83	
Professional Services—Legal fees and account- ing services	2,200.00	
Printing and paper	8,174.21	
Office expense	5,265.15	
Postage and express	4,220.41	
Travel	6,010.67	
Repair and rental of machines.....	1,813.12	
Telephone and telegraph	1,710.46	
Investment expense—Trust Dept., Springfield Marine Bank	14,548.24	
Investment expense—Miscellaneous	495.19	
	<hr/>	180,817.28
Capital loss on sale or exchange of equipment.....		627.63
		<hr/>
Total Expenses		\$10,655,878.27
		<hr/>
Excess of Income over Expenses		\$10,857,456.87
		<hr/> <hr/>
(The foregoing amounts have been certified to by F. M. Mersinger & Company, Certified Public Accountants)		

**STATEMENT OF SECURITIES OWNED
JUNE 30, 1956**

U. S. GOVERNMENT:	Interest	Maturity	Par
Treasury notes	2 %	Aug. 15, 1957	\$ 1,000,000.00
Savings bonds, Series G	2½	Mar. 1, 1957	100,000.00
Savings bonds, Series G	2½	Jan. 1, 1958	100,000.00
Savings bonds, Series G	2½	Jan. 1, 1959	100,000.00
Savings bonds, Series G	2½	Jan. 1, 1960	100,000.00
Savings bonds, Series G	2½	July 1, 1960	900,000.00
Savings bonds, Series G	2½	Feb. 1, 1961	100,000.00
Savings bonds, Series G	2½	Jan. 1, 1962	100,000.00
Savings bonds, Series G	2½	Nov. 1, 1962	660,000.00
Treasury bonds	2½	Mar. 15, 1956/58	110,000.00
Treasury bonds	3	Feb. 15, 1995	20,325,500.00
Treasury bonds, Investment Series A. ..	2½	Oct. 1, 1965	600,000.00
Treasury bonds, Investment Series B. ..	2¾	Apr. 1, 1975/80	9,315,000.00
F.H.A. War Housing Insurance Fund Debentures, Series H.....	2½	July 1, 1964	2,000.00
Federal Land Bank Consolidated Federal Farm Loan Bonds.....	3½	May 1, 1971	4,000,000.00
			<hr/>
Total			\$ 37,512,500.00
			<hr/> <hr/>

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STATE AND MUNICIPAL:

Northern Illinois Toll Highway Revenue

Bonds, Series of 1955.....	3¾ %	Jan.	1, 1995	\$	1,000,000.00
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RAILROAD:

Chicago Union Station	2⅞ %	July	1, 1963	\$	50,000.00
Cincinnati Union Terminal Co.....	2¾	Aug.	1, 1974		129,000.00
Columbus and Toledo R.R. Co.....	4	Aug.	1, 1955		45,000.00
Elgin, Joliet and Eastern R.R.....	3¼	Mar.	1, 1970		116,000.00
Great Northern R.R. Co.....	2¼	Jan.	1, 1961		140,000.00
Kansas City Terminal Ry. Co.....	2¾	Oct.	1, 1974		150,000.00

Total				\$	630,000.00
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INDUSTRIAL:

B. F. Goodrich Co.....	2¾ %	May	1, 1965	\$	179,000.00
Koppers Co.	3	Oct.	1, 1964		243,000.00

Total				\$	422,000.00
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UTILITIES:

Appalachian Electric Power Co.....	3¼ %	Dec.	1, 1970	\$	200,000.00
Bell Telephone Company of Penn.....	5	Oct.	1, 1960		315,000.00
Blackstone Valley Gas & Electric Co....	3	Nov.	1, 1973		156,000.00
Boston Edison Co.....	2¾	Dec.	1, 1970		250,000.00
Buffalo Niagara Electric Corp.....	2¾	Nov.	1, 1975		400,000.00
Central Illinois Light Co.....	3¼	Apr.	1, 1963		300,000.00
Central Illinois Public Service Co....	3⅝	Oct.	1, 1971		200,000.00
Central Illinois Public Service Co....	3⅝	Sept.	1, 1977		250,000.00
Central Illinois Public Service Co....	3⅝	Jan.	1, 1979		50,000.00
Cincinnati Gas and Electric Co.....	2¾	Oct.	1, 1975		75,000.00
Cleveland Electric Illuminating Co....	3	July	1, 1970		400,000.00
Columbus & Southern Ohio Electric Co.	3¼	Sept.	1, 1970		237,000.00
Commonwealth Edison Co.	3	Feb.	1, 1977		500,000.00
Connecticut Light and Power Co.....	3	Oct.	1, 1980		500,000.00
Consumers Power Co.	2⅞	Sept.	1, 1975		500,000.00
Dayton Power and Light Co.....	2¾	Oct.	1, 1975		450,000.00
Delaware Power and Light Co.....	3	Oct.	1, 1973		245,000.00
Detroit Edison Co.	3	Dec.	1, 1970		340,000.00
Duke Power Co.	3¼	Apr.	1, 1981		500,000.00
Duquesne Light Co.	2¾	Aug.	1, 1977		400,000.00
Duquesne Light Co.	2⅝	Oct.	1, 1979		100,000.00
Hackensack Water Co.	2⅝	Mar.	1, 1976		500,000.00
Houston Lighting and Power Co.....	2⅞	Nov.	1, 1974		250,000.00
Illinois Bell Telephone Co.....	2¾	Jan.	15, 1981		500,000.00
Illinois Power Co.	2⅞	Mar.	1, 1976		330,000.00
Illinois Power Co.	3⅝	Feb.	1, 1978		150,000.00
Indiana & Michigan Electric Co....	3¼	June	1, 1969		400,000.00
Iowa Power and Light Co.....	3¼	Aug.	1, 1973		99,000.00
Kansas City Power and Light Co.....	2¾	Dec.	1, 1976		400,000.00
Kansas City Power and Light Co....	2¾	June	1, 1980		100,000.00
Louisiana Power and Light Co.....	3	Apr.	1, 1974		191,000.00
Michigan Consolidated Gas Co.....	3½	Mar.	1, 1969		91,000.00
Michigan Consolidated Gas Co.....	3⅝	Mar.	1, 1969		401,000.00
Narragansett Electric Co.	3	Sept.	1, 1974		220,000.00
New England Telephone and Telegraph	4½	May	1, 1961		50,000.00
New Jersey Power and Light Co.....	3	Mar.	1, 1974		250,000.00
New York Power and Light Corp.....	2¾	Mar.	1, 1975		250,000.00
New York Telephone Co.....	2¾	July	15, 1982		500,000.00
Northern States Power Co.....	2¾	Oct.	1, 1975		500,000.00
Ohio Edison Co.	3	Sept.	1, 1974		25,000.00
Ohio Power Co.	3¼	Oct.	1, 1968		350,000.00

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Ohio Power Co.	3	Apr. 1, 1978	150,000.00
Oklahoma Gas and Electric Co.....	2 $\frac{3}{4}$	Feb. 1, 1975	500,000.00
Pacific Gas and Electric Co.....	3	Dec. 1, 1979	500,000.00
Pennsylvania Electric Co.....	3 $\frac{1}{8}$	Sept. 1, 1973	100,000.00
Peoples Gas, Light and Coke Co.....	3	June 16, 1961	200,000.00
Philadelphia Electric Company	2 $\frac{3}{4}$	Nov. 1, 1967	400,000.00
Philadelphia Electric Company	2 $\frac{3}{4}$	Dec. 1, 1981	100,000.00
Public Service Co. of Oklahoma.....	2 $\frac{3}{4}$	July 1, 1975	500,000.00
Rochester Gas and Electric Corp.....	3 $\frac{1}{4}$	Mar. 1, 1969	278,000.00
Rochester Telephone Corp.	2 $\frac{1}{2}$	Apr. 1, 1981	250,000.00
Southern California Edison Co.....	3	Sept. 1, 1965	500,000.00
Southern California Gas Co.	3 $\frac{1}{4}$	May 1, 1978	500,000.00
Tampa Electric Co.	2 $\frac{5}{8}$	Aug. 1, 1976	250,000.00
Tennessee Gas and Transmission Co..	2 $\frac{3}{4}$	Apr. 1, 1966	185,000.00
Tennessee Gas and Transmission Co..	3	Oct. 1, 1967	48,000.00
Tennessee Gas and Transmission Co..	3	June 1, 1969	300,000.00
Texas Electric Service Co.....	2 $\frac{3}{4}$	Mar. 1, 1975	400,000.00
Texas Power and Light Co.....	2 $\frac{3}{4}$	May 1, 1975	400,000.00
Union Electric Co. of Missouri.....	3 $\frac{3}{8}$	May 1, 1971	500,000.00
Virginia Electric and Power Co.....	2 $\frac{3}{4}$	Mar. 1, 1975	500,000.00
West Penn. Power Co.	3	May 1, 1974	250,000.00
Wisconsin Electric Power Co.....	2 $\frac{5}{8}$	June 1, 1976	290,000.00
Wisconsin Power and Light Co.....	3 $\frac{1}{4}$	Aug. 1, 1971	100,000.00
Total			<u>\$ 19,126,000.00</u>

STOCK CERTIFICATES

First Federal Savings and Loan Association, Atlanta, Georgia....	\$ 5,000.00
Olympic Savings and Loan Association, Berwyn, Illinois.....	5,000.00
Lawn Savings and Loan Association, Chicago, Illinois.....	5,000.00
Community Federal Savings and Loan Association, Overland, Missouri	5,000.00
East Girard Savings and Loan Association, Philadelphia, Pennsylvania	5,000.00
Beacon Federal Savings and Loan Association, Milwaukee, Wisconsin	5,000.00
Empire Federal Savings and Loan Association, Milwaukee, Wisconsin	5,000.00
	<u>\$ 35,000.00</u>

STATEMENT OF F.H.A. MORTGAGE LOANS

JUNE 30, 1956

	Interest Rate	Due	Unpaid Balance
Stratford Manor, Inc.			
Cincinnati, Ohio	3 9/10%	June 1, 1985	\$ 4,049,299.10
East Village Homes, Inc.			
Memphis, Tennessee	4 $\frac{1}{8}$	Nov. 1, 1986	3,966,812.45
Iowa—East Corporation			
Memphis, Tennessee	3%	Aug. 1, 1982	98,663.64
LaPaloma Apartments, Inc.			
Memphis, Tennessee	3%	June 1, 1983	434,134.27
East Navy Homes, Inc.			
Millington, Tennessee	3%	May 1, 1983	1,289,301.32
Greenlawn Apartments			
Millington, Tennessee	3%	May 1, 1983	443,338.98
Navy Road Apartments, Inc.			
Millington, Tennessee	3%	Jan. 1, 1983	126,235.13
Commander Apartments, Inc.			
Washington, D. C.	3%	July 1, 1983	935,128.44

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Gelmarc Towers, Inc. Washington, D. C.	3%	July 1, 1983	1,281,591.77
Rock Creek Plaza, Inc. Washington, D. C.	3%	Sept. 1, 1983	4,753,675.58
Arundeland, Inc. New York, N. Y.	3%	Nov. 1, 1984	2,926,838.58
Sedgwick Properties, Inc. New York, N. Y.	3 9/10	Nov. 1, 1983	672,171.53
			<u>\$ 20,977,190.79</u>

STATEMENT OF REAL ESTATE FIRST MORTGAGE LOANS

JUNE 30, 1956

Swig and Weiler Charity Fund.....	3%	Nov. 1, 1972	\$ 737,500.00
Lincoln, Illinois			<u>737,500.00</u>

PART TWO

STATEMENT OF STATISTICAL FACTS

There are 40,966 current contributors to the fund covering all public schools outside the city of Chicago.

On June 30, 1956 there were 7,271 drawing a pension, 781 having retired during the current year.

During the year 107 annuitants have died.

Retired under the Old Law	0
Retired under the New Law	659
Retired under Disability	122
Total Retired 1955-56	781

SUMMARY OF RETIREMENT—JULY 1, 1915 TO JUNE 30, 1956

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
1954-1955	177	585	762
1955-1956	178	603	781

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ANNUITIES PAID BENEFICIARIES OF THE FUND, 1915-1956

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
1954-1955.....	7,659,692.72
1955-1956.....	8,652,305.88

