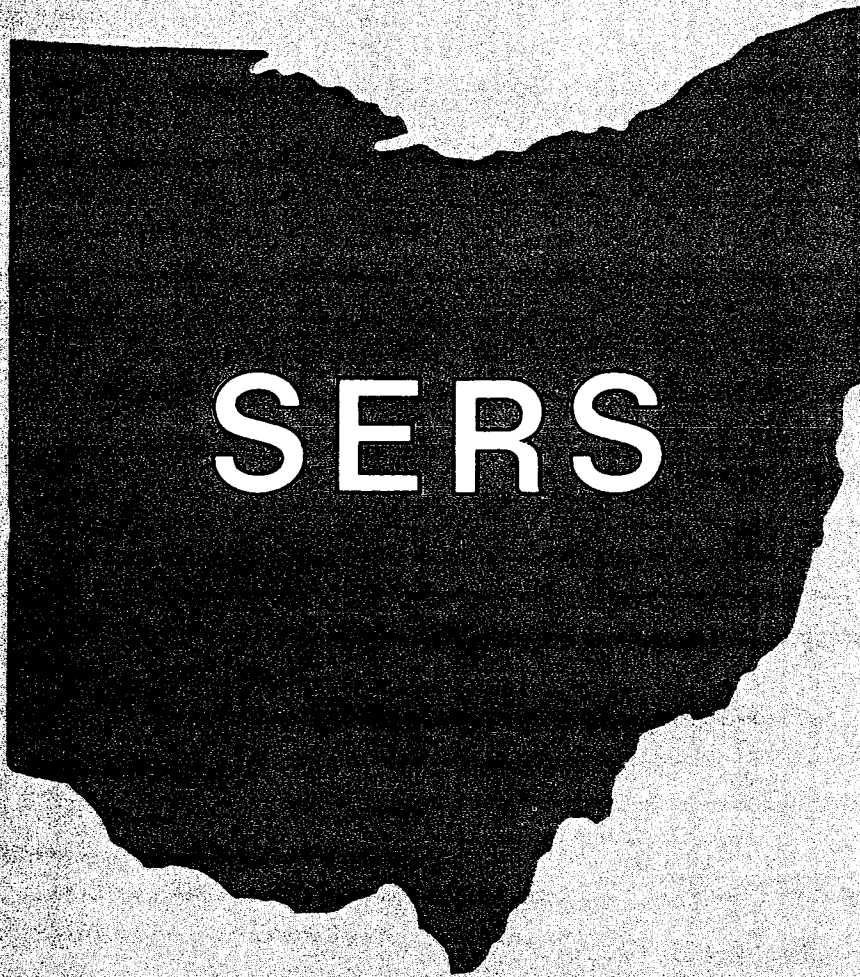


Financial Statement

As of
June 30, 1978



School Employees Retirement System

The School Employees Retirement System provides retirement and disability allowances as well as survivor benefits for its members. The office is located at 88 East Broad Street, Room 600, Columbus, Ohio 43215, Telephone (614)-221-5853.

RETIREMENT BOARD

The School Employees Retirement System was established by the legislature in 1937 for all employees in Ohio public schools who fill positions not requiring a teaching certificate. The governing body of the Retirement System is the five-member Board which meets monthly. Three of the five are elected by the membership. The two remaining are ex-officio members, the Ohio Attorney General and State Auditor, who serve by virtue of their office.

Members of the board receive no compensation for their services, other than reimbursement of personal expenses. Terms are for six years, starting with the July 1 fiscal year. One member stands election every odd-numbered year. Any other vacancy is filled by a vote of the board members.

Present members of the Retirement Board and the Executive Director are:

CHARLES T. LEWIS, President

BERTHE E. WEIST, Vice-President

GEORGE J. MAZZARO, SR.

WILLIAM J. BROWN, Attorney General

THOMAS E. FERGUSON, Auditor of State

JAMES O. BRENNAN, Executive Director

STATEMENT OF

AS OF JUNE

ASSETS

CASH		\$	416,094.76
ACCOUNTS RECEIVABLE: Employer	\$ 27,918,072.00		
Miscellaneous	41,595.80		27,959,667.80
INVESTMENT: Par	757,747,922.06		
Premiums Less Discount	(158,902.96)		757,589,019.10*
FURNITURE & EQUIPMENT			1,222,741.47
			<u>\$787,187,523.13</u>

LIABILITIES

EMPLOYEES' SAVINGS FUND \$228,743,247.57

(Herein are the accumulated contributions of the 174,103 accounts of the members who have not retired. At retirement the contributions plus interest at the rate provided by law and compounded annually are transferred to the Annuity and Pension Reserve Fund.)

EMPLOYERS' TRUST FUND \$172,479,534.06

(Herein are the employers' contributions to match those of the members who retire, to provide funds for the prior service pension, the basic annual pension, the minimum retirement allowance, and the health-care insurance. At retirement, sufficient funds to provide a reserve for the member's matching annuity, the prior service pension, the basic annual pension, and the minimum allowance are transferred to the Annuity and Pension Reserve Fund.)

ANNUITY AND PENSION RESERVE FUND \$333,734,441.74

(Herein is the trust fund from which the retired member receives the annuity provided by his contributions and interest, the employer's matching annuity, the prior service pension, the basic annual pension, the minimum allowance, and any additional annuities provided by the member.)

CONDITION

30, 1978

SURVIVORS' BENEFIT FUND

\$ 51,250,950.37

(Herein are the reserves from which the monthly benefit payments are made to qualified designated beneficiaries of members who died prior to retirement.)

EXPENSE FUND

\$ —0—

(The income to this fund derives from the Guarantee Fund. Operating expenses are paid from this fund. By resolution of the Retirement Board, member contributions to this fund were waived subsequent to June 30, 1959.)

DEFERRED PAYMENTS — PURCHASE CONTRACTS

\$ 865,555.00

INVESTMENT IN GENERAL FIXED ASSETS

\$ 113,794.39

\$787,187,523.13

**Current market value of all investments as of June 30, 1978 is \$682,035,857.59.*

INVESTMENT PORTFOLIO AND DISTRIBUTION As Of June 30, 1978

	Par Value	Book Value	%
Corporate Bonds	\$301,770,000.00	\$304,214,864.56	39.8
Canadian Bonds	54,800,000.00	55,630,347.82	7.2
Federally Guaranteed or Insured Mortgage Securities	118,078,401.74	116,238,601.71	15.6
Common Stocks	171,664,442.32	171,664,442.32	22.7
Productive Real Estate	13,290,078.00	13,290,078.00	1.7
Short-Term Investments	98,145,000.00	96,550,684.69	13.0
TOTALS	<u>\$757,747,922.06</u>	<u>\$757,589,019.10</u>	100.0%

1977-78 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

CASH BALANCE — JULY 1 \$ 204,627.85

RECEIPTS:

Members	\$	38,912,883.39	
Employers		58,371,529.47	
State		1,322,102.19	
Investments * (1)		1,280,832,092.17	
Other Ohio Systems		870,137.84	
Miscellaneous		<u>41,896.74</u>	
TOTAL (3)			<u>\$1,380,350,641.80</u>

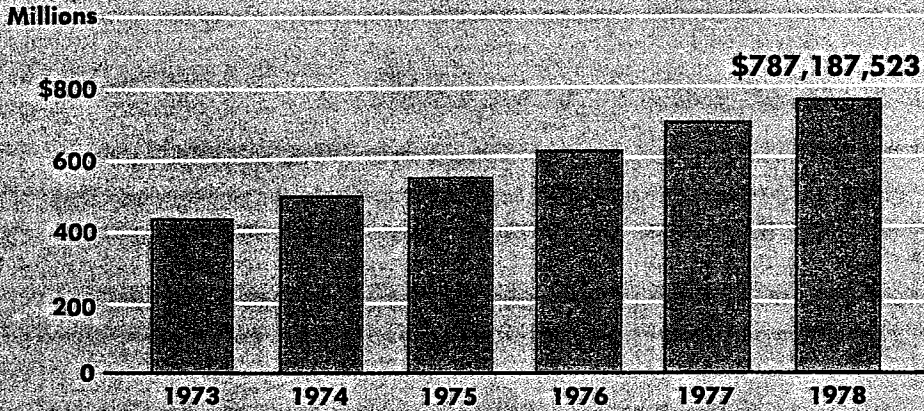
DISBURSEMENTS:

Member Refunds	\$	7,231,286.59	
Employer Refunds		12,879.15	
Survivors		5,198,734.19	
Disability Retirements		3,958,026.40	
Service Retirements		39,821,998.60	
Health Care Premiums		6,772,411.69	
Investments * (2)		1,314,449,411.46	
Operating Expense		1,934,824.85	
Other Ohio Systems		743,654.88	
Miscellaneous		<u>15,947.08</u>	
TOTAL (3)			<u>\$1,380,139,174.89</u>

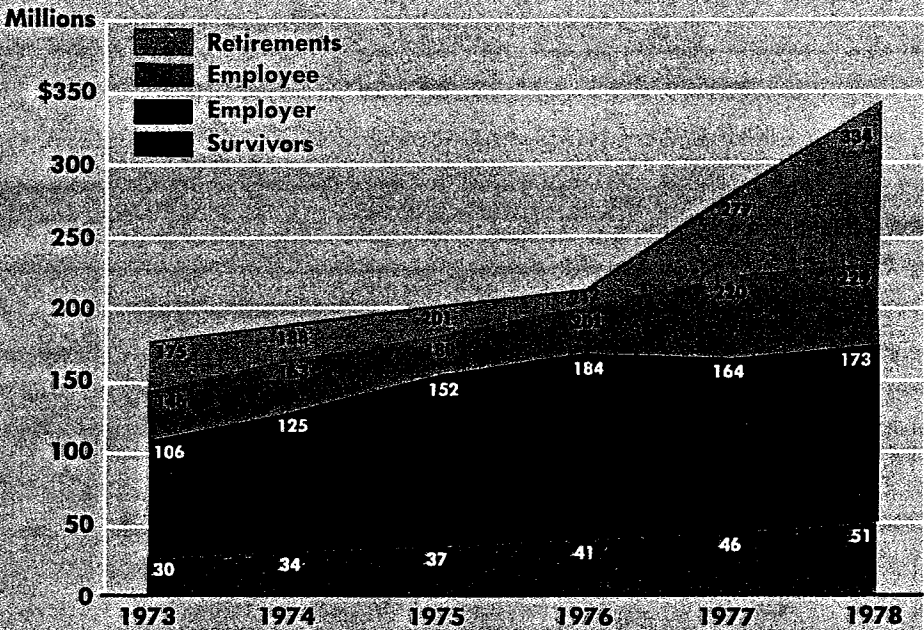
CASH BALANCE, JUNE 30 \$ 416,094.76

**These amounts represent the total investment activity, including sales (1) and purchases (2), for the period July 1, 1977 through June 30, 1978. These totals (3) represent the cash flow and do NOT represent the total assets of the System.*

ASSETS
As Of June 30, 1978



LIABILITIES
As Of June 30, 1978



TOTAL OF NET BENEFITS PAID
From September 1, 1937 Through June 30, 1978

	Service	Disability	Survivor	TOTAL
1937-42	\$ 974,080.48	\$ 12,809.02	\$	\$ 986,889.50
1942-47	1,987,657.59	69,506.52		2,057,164.11
1947-52	5,182,626.89	207,485.74	6,153.73	5,396,266.36
1952-57	8,981,666.63	239,341.20	472,946.22	9,693,954.05
1957-62	22,318,997.74	756,704.47	2,207,912.40	25,283,614.61
1962-67	41,513,185.40	2,166,552.26	5,014,370.18	48,694,107.84
1967-68	11,122,759.74	623,334.08	1,376,217.18	13,122,311.00
1968-69	12,753,802.99	722,836.33	1,597,659.11	15,074,298.43
1969-70	14,094,594.07	836,517.03	1,827,911.76	16,759,022.86
1970-71	16,007,296.96	1,060,583.38	2,139,311.69	19,207,192.03
1971-72	18,992,075.80	1,227,837.10	2,446,919.92	22,666,832.82
1972-73	22,322,111.98	1,575,418.21	2,784,053.89	26,681,584.08
1973-74	25,938,114.37	1,881,966.34	3,214,805.68	31,034,886.39
*1974-75	35,911,375.24	2,449,689.87	3,855,977.95	42,217,043.06
*1975-76	37,867,522.38	3,702,779.83	4,717,202.36	46,287,504.57
*1976-77	40,186,412.26	4,047,496.97	4,772,814.85	49,006,724.08
*1977-78	46,137,691.68	4,828,716.26	5,244,479.21	56,210,887.15
TOTALS	<u>\$362,291,972.20</u>	<u>\$ 26,409,574.61</u>	<u>\$ 41,678,736.13</u>	<u>\$430,380,282.94</u>

*These amounts include the System's share of the Hospital-Medical insurance premiums paid to and for retirants.

STATEMENT OF OPERATING EXPENSES
For the Fiscal Year Ending June 30, 1978

Salaries & Wages	\$ 892,594
Employee Associated Costs	10,062
Office Rent and Insurance	85,467
Travel, (Staff, Director & Board)	26,002
Subscription and Membership	7,483
Insurance & Workman's Compensation	55,162
Employer's Contribution (PERS)	114,988
Equipment (Includes Rent, Repair, Replacement)	300,143
Postage	96,398
Telephone	21,186
Printing, Stationery & Supplies	77,495
Medical Examination	74,239
Actuarial & Technical Service	157,847
Audit Service (Bureau of Inspection)	5,397
Retirement Study Commission	7,968
Miscellaneous	2,234
TOTAL	<u>\$1,934,665</u>

RETIREMENT STATISTICS

The number of members who retired and actually were issued a service retirement benefit and a disability retirement benefit during the period July 1 - June 30 is shown below. The statistics include member accounts and monies received FROM other retirement systems but do NOT include member accounts and monies transferred TO other retirement systems. The Average Monthly Allowance is the gross monthly payment, including the Med B insurance reimbursement, paid during the year divided by the number of members who retired during the year.

PROCESSED IN THE FISCAL YEAR ENDING JUNE 30, 1978:

SERVICE RETIREMENT				
Based on Straight Life Annuity				
Years of Service	Male	Female	Total Retired	Average Monthly Payment
5-9	217	345	562	\$ 64.78
10-14	168	333	501	112.98
15-19	162	270	432	179.01
20-24	127	166	293	244.79
25-29	81	78	159	323.15
30-34	88	27	115	554.54
35-39	26	7	33	723.37
40-45	5	1	6	632.88
45 & Over	0	3	3	756.41
	874	1,230	2,104	

Service Credit — 15.969 Years
Monthly Payment — \$184.01
Age at Retirement — 63.40 Years
Salary at Retirement — \$6,265.35

AVERAGE RETIREMENT

DISABILITY RETIREMENT				
Years of Service	Male	Female	Total Retired	Average Monthly Payment
5-9	56	61	117	\$209.80
10-14	25	64	89	199.39
15-19	15	19	34	297.86
20-24	24	12	36	412.95
	120	156	276	

Service Credit — 12.239 Years
Monthly Payment — \$243.79
Age at Retirement — 52.63 Years
Salary at Retirement — \$6,373.75

AVERAGE DISABILITY

RETIREMENT AVERAGES BY YEARS

DISABILITY RETIREMENT

<u>Year</u>	<u>Service Credit</u>	<u>Monthly Amount</u>	<u>Age</u>	<u>Salary</u>
1958	12.905	\$ 69.02	54.38	N.A.
1963	12.277	102.60	52.98	N.A.
1968	11.576	97.89	54.1	N.A.
1973	11.443	147.85	56.23	\$4,297.13
1974	11.587	163.24	55.63	4,483.20
1975	11.774	189.73	55.05	5,077.91
1976	12.252	222.72	52.01	5,742.16
1977	12.026	210.87	52.99	5,559.93
1978	12.239	243.79	52.63	6,373.75

SERVICE RETIREMENT

<u>Year</u>	<u>Service Credit</u>	<u>Monthly Amount</u>	<u>Age</u>	<u>Salary</u>
1958	15.576	\$ 75.01	66.72	N.A.
1963	14.082	95.26	66.0	N.A.
1968	14.087	106.40	64.9	N.A.
1973	14.861	130.60	64.31	\$4,445.87
1974	14.556	127.92	64.38	4,385.90
1975	15.150	146.16	63.72	5,085.90
1976	15.486	158.40	63.87	5,577.98
1977	15.672	174.21	63.64	5,974.37
1978	15.969	184.01	63.40	6,265.35

SURVIVOR BENEFITS

Monthly Benefits Being Paid to Qualified Designated Beneficiaries of Members Who Died Prior to Retirement as of June 30, 1978

	No.	Average Monthly Payment
Joint Survivor Annuity	448	\$199.30
Spouse — Age 65	91	117.89
Spouse — Age 62	624	137.51
Spouse — Age 50	493	161.95
Spouse with Children	379	246.91
Unmarried Children	75	171.48
Dependent Parents	7	144.46
Other	28	136.17
	<u>2,145</u>	

**TOTAL MEMBERSHIP, SEPARATION AND
NET MEMBERSHIP BY YEARS**

Year	Membership	Separation	Net Membership
1937-1938	10,444	176	10,268
1942-1943	14,335	1,794	12,541
1947-1948	21,774	2,316	19,458
1952-1953	34,002	3,962	30,040
1957-1958	47,674	4,667	43,007
1958-1959	49,451	4,745	44,706
1959-1960	52,181	4,694	47,487
1960-1961	55,042	4,457	50,585
1961-1962	58,320	4,589	53,731
1962-1963	61,937	4,847	57,090
1963-1964	65,695	5,025	60,670
1964-1965	71,122	5,252	65,870
1965-1966	85,860	7,508	78,352
1966-1967	98,911	8,771	90,140
1967-1968	108,946	8,486	100,460
1968-1969	121,445	9,893	111,552
1969-1970	134,929	11,144	123,785
1970-1971	137,386	11,394	125,992
1971-1972	145,005	9,507	135,498
1972-1973	154,769	7,841	146,928
1973-1974	162,072	9,167	152,905
1974-1975	168,685	9,717	158,968
1975-1976	178,060	10,643	167,417
1976-1977	180,264	9,970	170,294
1977-1978	186,864	12,761	174,103

SCHOOL EMPLOYEES



RETIREMENT SYSTEM

88 EAST BROAD STREET, COLUMBUS, OHIO 43215 • TELEPHONE 614/221-5853