

Financial Statement

SERS

AS OF JUNE 30, 1979



School Employees Retirement System

SCHOOL EMPLOYEES RETIREMENT SYSTEM
 88 East Broad Street, Room 600, Columbus, Ohio 43215
 (614) 221-5853

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. Its purpose is to provide retirement and disability allowances as well as survivor benefits for its members.

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.

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.

RETIREMENT BOARD

CHARLES T. LEWIS, President (Term expired June 30, 1979)

BERTHE E. WEIST, Vice-President

GEORGE J. MAZZARO, SR.

MARY E. KASUNIC (Term began July 1, 1979)

WILLIAM J. BROWN, Attorney General

THOMAS E. FERGUSON, Auditor of State

JAMES O. BRENNAN, Executive Director (Retired May 31, 1979)

THOMAS R. ANDERSON, Executive Director

BALANCE SHEET
 As of June 30, 1979
 with comparative figures for 1978

ASSETS

	1979	1978
CASH	\$ 40,451.57	\$ 416,094.76
ACCOUNTS RECEIVABLE		
Employer	\$ 30,268,812.00	\$ 27,918,072.00
Miscellaneous	20,211.28	41,595.80
Total	\$ 30,289,023.28	\$ 27,959,667.80
INVESTMENTS		
Par Value	\$833,413,726.56	\$757,747,922.06
Premiums Less Discounts	(1,506,017.38)	(158,902.96)
Book Value (market value of all investments: 1979—\$768,473,078.50; 1978—\$682,035,857.59)	\$831,907,709.18	\$757,589,019.10
FIXED ASSETS		
Furniture and Equipment		
Acquired Prior to July 1, 1968	\$ 112,735.62	\$ 113,794.39
Acquired July 1, 1968 and After	1,432,351.22	1,108,947.08
Total Furniture and Equipment	\$ 1,545,086.84	\$ 1,222,741.47
Real Estate—Home Office	1,092,288.70	-0-
Total Fixed Assets	\$ 2,637,375.54	\$ 1,222,741.47
TOTAL ASSETS	<u>\$864,874,559.57</u>	<u>\$787,187,523.13</u>

LIABILITIES

	1979	1978
FUNDS		
Employees' Savings Fund	\$244,571,775.56	\$228,743,247.57
Employers' Trust Fund	161,567,471.60	172,479,534.06
Annuity and Pension Reserve Fund	401,882,902.59	333,734,441.74
Survivors' Benefit Fund	55,656,332.20	51,250,950.37
Total Funds	\$863,678,481.95	\$786,208,173.74
DEFERRED CHARGES		
Purchase Contracts	\$ 1,083,342.00	\$ 865,555.00
INVESTMENT IN FIXED ASSETS	\$ 112,735.62	\$ 113,794.39
TOTAL LIABILITIES	<u>\$864,874,559.57</u>	<u>\$787,187,523.13</u>

See Page 4 for accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
June 30, 1979

EMPLOYEES' SAVINGS FUND **\$244,571,775.56**

In this fund are the accumulated contributions of the 181,029 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 **\$161,567,471.60**

In this fund 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 **\$401,882,902.59**

This is the trust fund from which the retired member receives the annuity provided by their 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.

SURVIVORS' BENEFIT FUND **\$ 55,656,332.20**

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

DEFERRED PAYMENTS **\$ 1,083,342.00**

This is the amount due vendors for the acquisition of our data processing equipment. This acquisition cost is being paid off at the rate of \$175,128.00 per year plus 5% interest. The obligation will be fully discharged in November of 1986.

INVESTMENT IN GENERAL FIXED ASSETS **\$ 112,735.62**

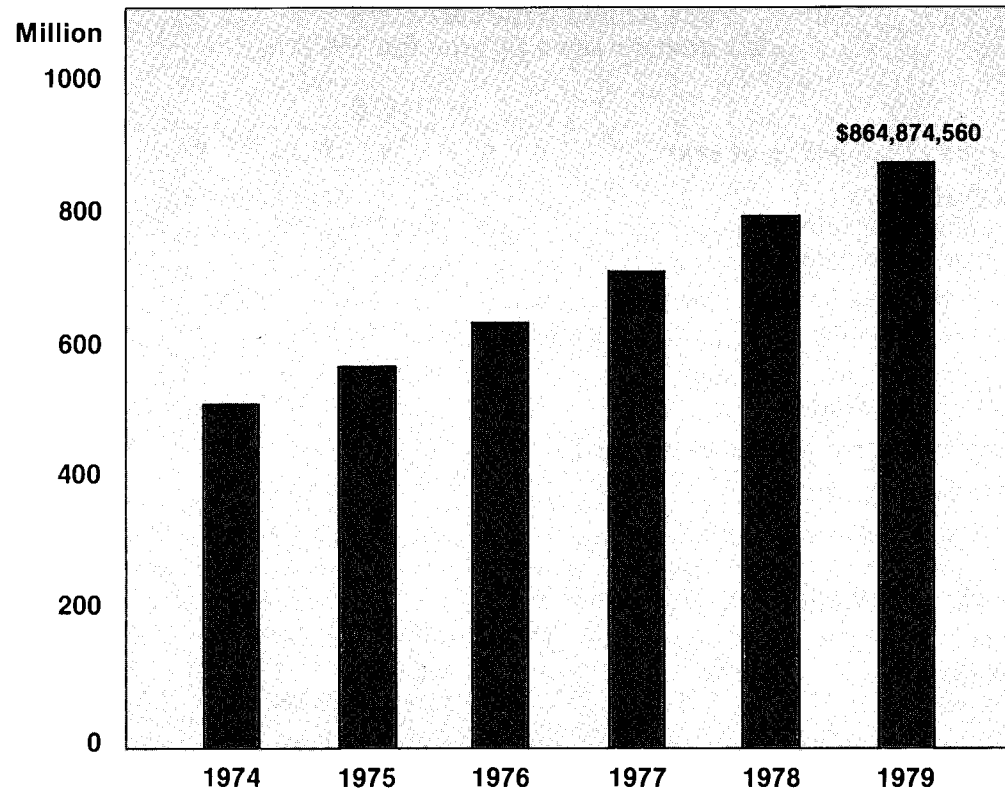
Effective July 1, 1968, a separate accounting of all physical assets was required. Shown here is the cost of physical assets acquired prior to July 1, 1968.

STATEMENT OF RECEIPTS AND DISBURSEMENTS
Year Ended June 30, 1979
with comparative figures for 1978

	1979	1978
Cash balance at beginning of year	\$ 416,094.76	\$ 204,627.85
Add cash receipts:		
Member contributions	\$ 41,971,917.88	\$ 38,912,883.39
Employer payments	62,970,795.78	58,371,529.47
Cost of living adjustment appropriated by General Assembly	1,213,158.24	1,322,102.19
Investments sold and matured	1,100,499,926.08	1,232,799,966.09
Interest and dividends	52,566,296.56	48,032,126.08
Transfers from Ohio Retirement Systems	1,153,810.94	870,137.84
Miscellaneous sources	30,845.55	41,896.74
Total cash receipts	\$1,260,406,751.03	\$1,380,350,641.80
Deduct cash disbursements:		
Refunds:		
Members	\$ 9,943,847.13	\$ 7,231,286.59
Employers	2,151.06	12,879.15
	\$ 9,945,998.19	\$ 7,244,165.74
Benefits:		
Age and Service	44,834,588.19	39,821,998.60
Disability	4,743,471.77	3,958,026.40
Survivors	5,565,985.08	5,198,734.19
Health Care	11,290,893.62	6,772,411.69
	\$ 66,434,938.66	\$ 55,751,170.88
Investments purchased	\$1,180,151,804.47	\$1,314,449,411.46
Operating expense	2,232,179.69	1,934,824.85
Transfers to Ohio Retirement Systems	912,030.50	743,654.88
Real Estate—Home Office*	1,093,131.24	-0-
Miscellaneous	12,311.47	15,947.08
Total cash disbursements	\$1,260,782,394.22	\$1,380,139,174.89
Cash balance at end of year	\$ 40,451.57	\$ 416,094.76

*Represents cost associated with purchase of property as a site for construction of a self-contained home office building for S.E.R.S.

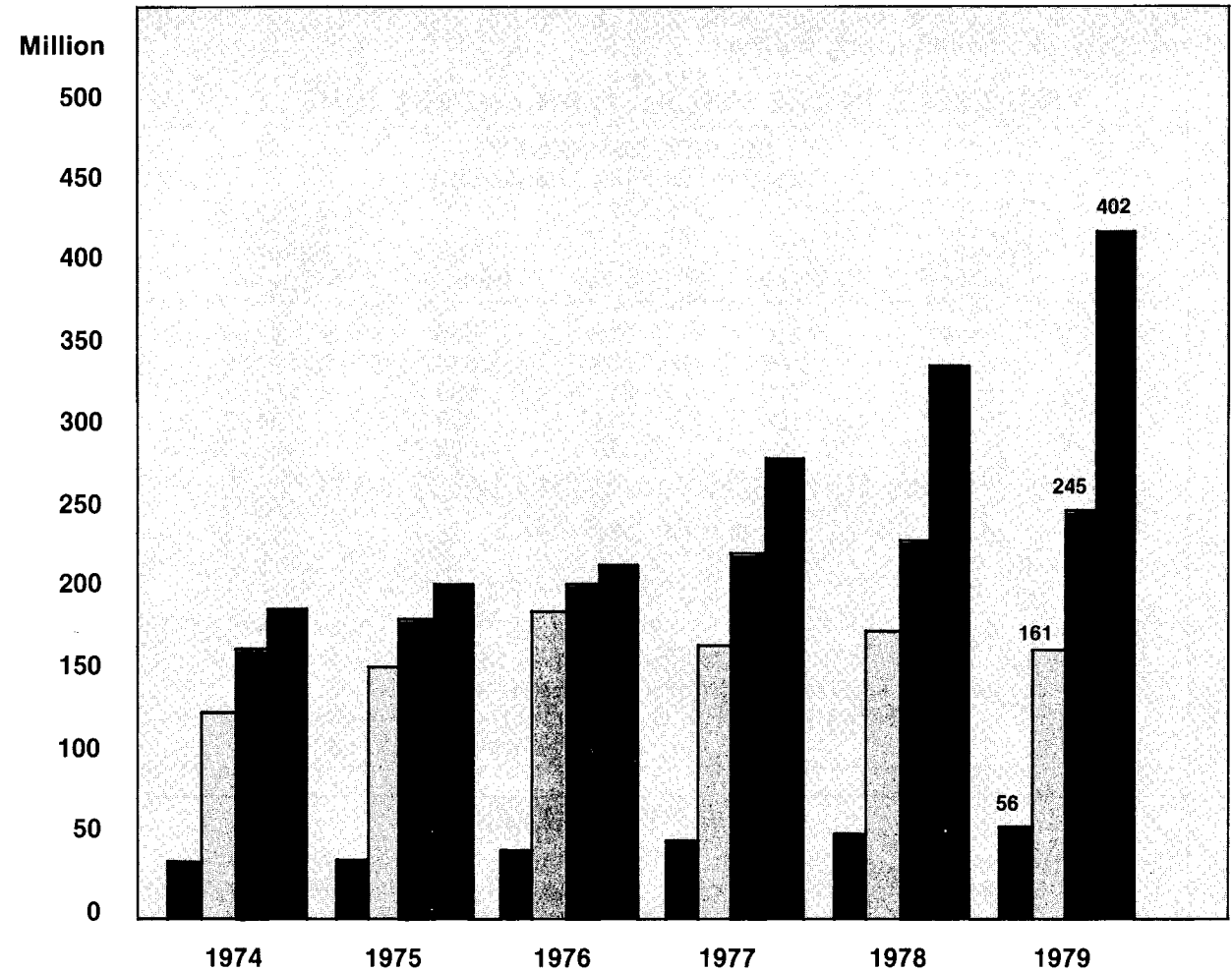
As of June 30



INVESTMENT PORTFOLIO AND DISTRIBUTION
As of June 30, 1979

INVESTMENT CATEGORY	% of Total Portfolio At Par Value	Par Value	Book Value	Est. Market Value 6/30/79
Corporate Bonds	39.3	\$327,420,000.00	\$329,273,160.20	\$306,851,519.00
Canadian Bonds	7.5	62,800,000.00	63,086,933.50	58,452,210.00
Federally Guaranteed and Insured Mortgage Securities	21.7	180,850,628.70	178,085,420.82	167,679,142.00
Common Stocks	20.5	170,608,527.27	170,608,527.27	136,835,967.95
Productive Real Estate	1.5	12,904,570.59	12,904,570.59	20,346,509.16
Short-Term Investments	9.5	78,830,000.00	77,949,096.80	78,307,730.39
TOTAL	100.0	\$833,413,726.56	\$831,907,709.18	\$768,473,078.50

FUND LIABILITIES
As of June 30



Annuity and Pension Reserve Fund

Employees' Savings Fund

Employers' Trust Fund

Survivors' Benefit Fund

RETIREMENT STATISTICS

The number of members who retired and actually were issued a service retirement benefit or 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, 1979

SERVICE RETIREMENT Based on Straight Life Annuity				
Years of Service	Male	Female	Total Retired	Average Monthly Payment
5 - 9	230	319	549	\$ 66.94
10 - 14	205	409	614	118.39
15 - 19	172	312	484	176.83
20 - 24	124	214	338	258.00
25 - 29	99	126	225	340.79
30 - 34	102	49	151	603.66
35 - 39	23	7	30	670.05
40 - 44	6	4	10	981.88
45 - & Over	1	1	2	1,058.60
	<u>962</u>	<u>1,441</u>	<u>2,403</u>	

Service Credit — 16.495 Years
AVERAGE RETIREMENT *Monthly Payment — \$200.63*
Age at Retirement — 63.28 Years
Salary at Retirement — \$6,821.83

DISABILITY RETIREMENT				
Years of Service	Male	Female	Total Retired	Average Monthly Payment
5 - 9	47	75	122	\$193.89
10 - 14	26	54	80	247.77
15 - 19	22	25	47	290.66
20 - 24	33	15	48	555.32
	<u>128</u>	<u>169</u>	<u>297</u>	

Service Credit — 12.963 Years
AVERAGE DISABILITY *Monthly Payment — \$282.13*
Age at Retirement — 52.79 Years
Salary at Retirement — \$7,185.03

BENEFIT PAYMENT BY TYPE Last Ten Years

Fiscal Year Ended June 30	SERVICE		DISABILITY		SURVIVOR	
	Amount	Number	Amount	Number	Amount	Number
1970	\$14,094,594	11,439	\$ 836,517	652	\$1,827,912	1,224
1971	16,007,297	12,185	1,060,583	694	2,139,312	1,417
1972	18,992,076	13,171	1,227,837	764	2,446,920	1,498
1973	22,322,112	14,326	1,575,418	867	2,784,054	1,614
1974	25,938,114	15,602	1,881,966	981	3,214,806	1,720
1975	35,911,375	16,998	2,449,690	1,143	3,855,978	1,858
1976	37,867,522	18,296	3,702,780	1,334	4,717,202	1,961
1977	40,186,412	19,774	4,047,497	1,510	4,772,815	2,056
1978	46,137,692	21,233	4,828,716	1,716	5,244,479	2,144
1979	55,110,023	22,869	6,120,665	1,867	5,841,810	2,259

TOTAL BENEFITS AND NUMBER PAID Last Ten Years

Fiscal Year Ended June 30	Amount	Percent of Increase **	Number
1970	\$16,759,023	11.1%	13,315
1971	19,207,192	14.6	14,296
1972	22,666,833	18.0	15,433
1973	26,681,584	17.7	16,807
1974	31,034,886	16.3	18,303
1975*	42,217,043	36.0	19,999
1976	46,287,505	9.6	21,591
1977	49,006,724	5.9	23,340
1978	56,210,887	14.7	25,093
1979	67,072,498	19.3	26,995

* Beginning with the fiscal year which ended June 30, 1975, the benefits paid included the System's share of the Hospital-Medical insurance paid to and for retirants.

** Represents a percent of increase over the previous fiscal year.

SERVICE RETIREMENT

Fiscal Year Ended June 30	Service Credit	Monthly Amount	Age	Salary
1970	15.480	\$126.37	64.6	\$3,638.73
1971	15.361	129.61	64.47	3,933.33
1972	15.641	136.94	64.65	4,322.97
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
1979	16.495	200.63	63.28	6,821.83

DISABILITY RETIREMENT

Fiscal Year Ended June 30	Service Credit	Monthly Amount	Age	Salary
1970	12.034	\$112.98	54.1	\$3,037.05
1971	11.139	122.96	55.04	4,167.94
1972	11.626	140.99	56.54	3,965.21
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
1979	12.963	282.13	52.79	7,185.03

SURVIVOR BENEFITS			
Monthly Benefits Being Paid to Qualified Designated Beneficiaries of Members Who Died Prior to Retirement as of June 30, 1979			
	No.	Average Monthly Payment	
Joint Survivor Annuity	455	\$204.70	
Spouse — Age 65	110	119.28	
Spouse — Age 62	660	139.21	
Spouse — Age 50	558	165.52	
Spouse with Children	374	252.08	
Unmarried Children	68	169.37	
Dependent Parents	6	145.68	
Other	28	136.31	
	<u>2,259</u>		

NUMBER OF PARTICIPATING MEMBERS
Active and Inactive
Last Ten Years

Fiscal Year Ended June 30	ACTIVE		INACTIVE		Total
	Male	Female	Male	Female	
1970	28,031	53,797	15,937	21,901	119,666
1971	29,873	58,488	18,729	27,013	134,103
1972	30,867	61,807	20,383	30,159	143,216
1973	29,949	63,697	20,992	33,150	147,788
1974	29,891	66,360	22,321	34,918	153,490
1975	29,628	68,452	23,538	36,553	158,171
1976	28,339	67,186	24,505	39,252	159,282
1977	27,815	68,325	25,902	42,592	164,634
1978	29,228	71,513	27,230	46,137	174,108
1979	28,789	72,288	29,181	50,771	181,029

STATEMENT OF OPERATING EXPENSES
For the Fiscal Year Ending June 30, 1979

Salaries & Wages	\$1,003,356
Employee Associated Costs	11,790
Office Rent and Insurance	85,341
Fiduciary Liability Insurance	57,086
Travel (Staff & Board)	31,079
Subscription and Membership	8,269
Insurance & Workman's Compensation	59,325
Employer's Contribution (PERS)	134,860
Equipment (Includes Rent, Repair, Replacement)	317,376
Postage	138,358
Telephone	19,993
Educational Training	2,343
Printing, Stationery & Supplies	116,974
Medical Examination	101,834
Actuarial & Technical Service	133,445
Audit Service (Bureau of Inspection)	2,987
Retirement Study Commission	9,139
Miscellaneous	2,868
TOTAL	\$2,236,423