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1937-42

REPORT
OF THE
STATE
TEACHERS RETIREMENT SYSTEM
OF OHIO



September 1, 1937, to August 31, 1942



COLUMBUS, OHIO
THE F. J. HEER PRINTING CO.
1943

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Columbus, Ohio,
November 23, 1943.

To the Retirement Board, State Teachers Retirement System:

I have the honor to submit the financial report of the State Teachers Retirement System for the five years beginning September 1, 1937, and ending August 31, 1942.

Very truly yours,

GEO. M. POGUE,
Secretary.

Columbus, Ohio,
November 23, 1943.

Hon. Joseph T. Ferguson,
Auditor of State,
Columbus, Ohio.

Dear Sir:

I have made an examination of the State Teachers Retirement System and hereby certify the following reports to be true and correct statements of the financial condition of the respective funds thereof, according to the books and accounts of said Retirement System, for the five years ending August 31, 1942.

R. E. KIRK,
State Examiner.

RETIREMENT BOARD

August 31, 1942

O. H. Bennett, President..... Superintendent of Schools,
Hamilton County, Cincinnati, O.
Edith C. Peters, Vice President..... Principal, Hazeldell School, Cleveland, O.
Thomas J. Herbert..... Attorney General of Ohio
Joseph T. Ferguson..... Auditor of State
Kenneth C. Ray..... Superintendent of Public Instruction

MEMBERS OF THE RETIREMENT BOARD 1919-1942

Teacher Members

H. Emma Brookes..... 1919-1938
H. V. Hotchkiss..... 1919-1920
W. W. McIntire..... 1919-1922
Pliny A. Johnston..... 1922-1923
Geo. M. Pogue..... 1923-1933
O. H. Bennett..... 1933-
Edith C. Peters..... 1939-

Superintendents of Public Instruction

F. B. Pearson..... 1919-1920
Vernon M. Riegel..... 1920-1927
J. L. Clifton..... 1927-1931
B. O. Skinner..... 1931-1935
E. L. Bowsher..... 1935-1937
E. N. Dietrich..... 1937-1941
Kenneth C. Ray..... 1941-

Auditors of State

A. V. Donahey..... 1919-1920
Joseph T. Tracy..... 1921-1936
Joseph T. Ferguson..... 1937-

Attorneys General

John G. Price..... 1919-1922
C. C. Crabbe..... 1923-1926
Edward C. Turner..... 1927-1928
Gilbert Bettman..... 1929-1932
John W. Bricker..... 1933-1936
Herbert S. Duffy..... 1937-1938
Thomas J. Herbert..... 1939-

ASSETS AS OF AUGUST 31, 1938-1942

	1938	1939	1940	1941	1942
CASH AND DEPOSITS IN BANK	\$ 1,176,456.18	\$ 2,488,413.36	\$ 2,405,434.33	\$ 8,041,970.72	\$ 1,286,114.49
INVESTMENTS (PAR VALUE)					
Bonds	81,897,356.95	85,550,903.76	90,681,551.91	\$88,710,009.79	\$ 99,502,271.67
Notes	563,000.00	459,000.00	231,800.00	505,475.00	39,650.00
F. H. A. Insured Mortgages				483,962.19	1,009,925.22
Total Investments	\$82,460,356.95	\$86,009,903.76	\$90,913,351.91	\$89,699,446.98	\$100,551,846.89
ACCOUNTS RECEIVABLE					
From Members (Estimated)					
Teachers Savings Fund	30,500.00	21,365.00	32,000.00	25,830.00	25,850.00
Expense Fund			286.00	108.00	120.00
From Employers (Estimated)					
Normal Contribution	120,375.00	31,750.00	26,925.00	35,245.00	51,230.00
Deficiency Contribution	127,700.00	53,710.00	38,400.00	57,172.00	30,080.00
From Investments (Interest actually due and unpaid)					
Bonds and Notes	273,298.14	366,435.16	257,367.89	122,283.92	99,395.17
F. H. A. Insured Mortgages				126.03	143.97
Total Accounts Receivable	\$ 551,873.14	\$ 473,260.16	\$ 354,978.89	\$ 240,764.95	\$ 206,819.14
TOTAL INVESTMENTS, CASH, BANK DEPOSITS AND ACCOUNTS RECEIVABLE	\$84,188,686.27	\$88,971,577.28	\$93,673,765.13	\$97,982,182.65	\$102,044,780.52
FIXED ASSETS—Office Furniture and Equipment	16,234.00	15,556.00	14,956.00	14,737.00	14,449.00
TOTAL ASSETS AUGUST 31	\$84,204,920.27	\$88,987,133.28	\$93,688,721.13	\$97,996,919.65	\$102,059,229.52

LIABILITIES AS OF AUGUST 31, 1938-1942

RESERVES:	1938	1939	1940	1941	1942
For Members					
Savings in Teachers Savings Fund	\$39,633,427.60	\$42,321,853.15	\$44,897,725.24	\$46,889,262.03	\$ 48,720,336.97
For Employers					
To equal member's savings at retirement. This amount must at all times be adequate to equal that portion of the Teachers Savings Fund belonging to teachers who will ultimately retire, either on superannuation or disability	17,722,982.81	18,100,049.67	18,154,377.19	19,506,440.85	21,774,236.32
For Retired Teachers					
Reserve for annuities and pensions granted superannuates and disabled teachers for future service	7,952,671.80	9,165,559.80	10,651,171.37	11,700,329.84	12,220,250.03
Reserve for pensions for prior service					
Superannuates	16,267,997.22	16,874,984.86	17,443,045.14	17,447,057.25	16,996,822.36
Disabled teachers	1,961,554.70	1,997,082.81	2,048,586.22	2,073,466.30	2,030,697.48
Reserve for local system pensions continued by S. T. R. S.	524,343.83	467,075.63	422,200.81	365,626.38	302,437.36
Reserve for advance payment of interest	40,708.31	44,971.36	56,659.16		
Reserve for operating expenses	85,000.00				
TOTAL RESERVE LIABILITIES	\$84,188,686.27	\$88,971,577.28	\$93,673,765.13	\$97,982,182.65	\$102,044,780.52
SURPLUS—Office Furniture and Equipment	16,234.00	15,556.00	14,956.00	14,737.00	14,449.00
TOTAL LIABILITIES AND SURPLUS, AUGUST 31	\$84,204,920.27	\$88,987,133.28	\$93,688,721.13	\$97,996,919.65	\$102,059,229.52

RECEIPTS AND DISBURSEMENTS—ALL FUNDS
For the Year Beginning September 1 and Ending August 31.

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
CASH BALANCE SEPTEMBER 1	\$ 1,822,718.17	\$ 1,176,456.18	\$ 2,488,413.36	\$ 2,405,434.33	\$ 8,041,970.72
RECEIPTS:					
From Members					
Deposits or salary deductions	2,702,980.77	2,732,261.27	2,727,712.19	2,736,880.30	2,751,914.09
Expense fees			44,892.84	45,419.45	45,474.00
Credit purchased for service outside Ohio	43,861.88	28,298.54	41,549.36	29,768.57	17,518.39
Deposited for additional annuities purchased at retirement	73,300.00	79,200.00	140,500.00	187,200.00	81,300.00
Bequests		20.55	46.93	33.83	16.67
Reinstatement of credit lost by withdrawal				126.97	11,117.79
From Employers					
Paid directly to Retirement System	182,255.95	172,504.00	207,186.71	152,413.52	173,970.52
Paid from State Public School Fund	2,091,982.26	2,628,094.18	2,896,016.56	2,882,293.36	2,971,922.84
From Investments					
Bonds and Notes					
Matured and Sold—principal amounts plus premiums	8,912,989.03	7,800,439.78	9,987,498.86	9,135,300.40	11,069,789.81
Interest	3,778,071.74	3,780,176.45	3,920,195.59	3,824,521.18	3,766,594.61
Discounts on bonds purchased	59,164.26	27,811.00	31,668.46	5,472.78	495.10
Premiums refunded		1,087.14			
F.H.A. Insured Mortgages					
Principal payments				6,416.95	40,037.80
Interest				7,353.38	32,943.12
Transfer fees				5.00	
Interest on bank deposits	331.94		403.75	3,478.55	6,601.09
From miscellaneous sources including refunds	521.55	625.01	1,597.01	284.59	1,360.28
Total Receipts	\$17,845,459.38	\$17,250,517.92	\$19,999,268.26	\$19,016,968.83	\$20,971,056.11
TOTAL CASH BALANCE AND RECEIPTS	\$19,668,177.55	\$18,426,974.10	\$22,487,681.62	\$21,422,403.16	\$29,013,026.83

RECEIPTS AND DISBURSEMENTS—ALL FUNDS

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
DISBURSEMENTS:					
To Members					
Withdrawn from membership	\$ 788,032.16	\$ 719,765.36	\$ 833,384.02	\$ 1,388,936.16	\$ 1,338,722.19
Refunds of overpayments to Teachers Savings Fund and Expense Fund	1,625.73	1,163.78	790.05	522.47	759.49
To Employers					
Refunds of overpayments to Employers Accumulation Fund		404.34	426.86	341.06	.92
To Beneficiaries or Estates of Deceased members	134,940.27	148,564.15	179,209.49	186,595.65	219,167.17
To Retired Teachers					
Superannuation Allowances	2,525,576.61	2,752,589.94	2,968,090.55	3,213,814.27	3,353,657.02
Disability Allowances	266,782.32	283,596.32	299,999.22	323,272.04	330,957.50
Local system pensions continued by S. T. R. S.	85,243.99	77,484.51	71,276.32	64,988.26	56,467.80
For Investments					
Bonds and Notes					
Principal amounts purchased plus premiums	14,497,592.02	11,787,163.37	15,559,301.80	7,594,091.18	21,702,839.29
Accrued interest	109,225.38	84,713.49	90,043.27	30,665.06	64,678.44
Collection charges	75.32	133.37	92.82	107.83	102.21
F. H. A. Insured Mortgages					
Principal amounts purchased plus premiums				504,608.90	582,963.00
Accrued interest				9.94	51.81
For Operating expenses	82,587.21	82,982.11	79,632.89	72,478.62	76,269.34
For Refund—Guarantee Fund	40.36			1.00	276.16
Total Disbursements	\$18,491,721.37	\$15,938,560.74	\$20,082,247.29	\$13,380,432.44	\$27,726,912.34
CASH BALANCE FORWARDED AUGUST 31	\$ 1,176,456.18	\$ 2,488,413.36	\$ 2,405,434.33	\$ 8,041,970.72	\$ 1,286,114.49

TEACHERS SAVINGS FUND

The Fund in which all members deposits are credited and accumulated, together with interest thereon.

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
BALANCE SEPTEMBER 1 -----	\$36,892,323.61	\$39,633,427.60	\$42,321,853.15	\$44,897,725.24	\$46,889,262.03
RECEIPTS:					
From Members					
Deposits of 4% salary deductions -----	2,702,979.77	2,732,260.27	2,727,712.19	2,736,880.30	2,751,914.09
Reinstatement of credit lost by withdrawal -----				75.44	7,509.46
Transferred from Other Funds					
Annuity and Pension Reserve Fund on account of disabled teachers who returned to active service, or died -----	26,903.62	31,389.67	29,999.30	42,017.45	44,846.34
Guarantee Fund for interest credit -----	1,493,125.20	1,596,400.56	1,700,135.68	1,790,638.71	1,359,168.02
From miscellaneous sources including refunds -----	5.00	2.36			
Total Receipts -----	\$ 4,223,013.59	\$ 4,360,052.86	\$ 4,457,847.17	\$ 4,569,611.90	\$ 4,163,437.91
TOTAL BALANCE AND RECEIPTS ..	\$41,115,337.20	\$43,993,480.46	\$46,779,700.32	\$49,467,337.14	\$51,052,699.94
DISBURSEMENTS:					
To Members					
Withdrawn from membership -----	\$ 787,554.55	\$ 716,787.70	\$ 826,631.93	\$ 1,386,309.60	\$ 1,338,054.00
Refund of overpayments -----	1,615.73	1,163.78	583.54	385.69	611.99
To Beneficiaries or Estates of Deceased Members -----	134,940.27	148,564.15	179,209.49	186,595.65	219,167.17
Transferred to Other Funds					
Annuity and Pension Reserve Fund for payment of allowances to retired teachers -----	557,799.05	805,111.68	866,316.12	988,244.66	767,258.80
Guarantee Fund -----				7,498.49	
Expense Fund -----			9,234.00	9,041.02	7,271.01
Total Disbursements -----	\$ 1,481,909.60	\$ 1,671,627.31	\$ 1,881,975.08	\$ 2,578,075.11	\$ 2,332,362.97
BALANCE FORWARDED AUGUST 31	\$39,633,427.60	\$42,321,853.15	\$44,897,725.24	\$46,889,262.03	\$48,720,336.97

EXPENSE FUND

The fund from which the expenses of administration are paid. From 1927 to 1938, inclusive, excess interest earnings were adequate to pay operating expenses and the annual fees of \$1.00 were not collected from members.

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
BALANCE SEPTEMBER 1 -----	\$ -----	\$ 2,403.79	\$ 4,504.82	\$ 8,883.34	\$10,745.86
RECEIPTS:					
From Members					
Fees from members -----	1.00	1.00	44,892.84	45,419.45	45,474.00
Fees transferred from Teachers Saving Fund for non-contributing members -----			9,234.00	9,041.02	7,271.01
Transfers from Other Funds					
Guarantee Fund -----	85,000.00	85,000.00	30,000.00	20,000.00	15,000.00
From Sale of Equipment and Supplies -----			85.00	9.95	63.83
Refunds -----		82.14	6.08	7.50	
Total Receipts -----	\$85,001.00	\$85,083.14	\$84,217.92	\$74,477.92	\$67,808.84
TOTAL BALANCE AND RECEIPTS ..	\$85,001.00	\$87,486.93	\$88,722.74	\$83,361.26	\$78,554.70
DISBURSEMENTS:					
Auditing and Actuarial Service -----	\$ 6,453.33	\$ 9,664.70	\$ 7,042.10	\$ 5,435.50	\$ 5,650.20
Equipment -----	1,612.77	789.41	584.06	1,135.99	666.14
Insurance and Surety Bonds -----	147.35	949.37	54.43	963.30	59.15
Medical Examination of Disabled Teachers -----	1,065.00	1,010.00	910.00	1,183.00	778.10
Postage -----	5,231.81	5,493.90	5,891.00	5,762.43	5,577.57
Printing -----	2,395.84	2,725.43	2,567.14	1,278.01	3,019.24
Public Employes Retirement System -----			2,793.07	925.98	1,708.88
Refunds -----	10.00		206.51	136.78	147.50
Rent of Office and Equipment -----	6,474.00	7,077.34	7,671.00	7,729.98	6,416.05
Salaries and Wages -----	54,318.26	51,503.27	49,086.21	44,694.74	48,680.82
Supplies -----	601.24	617.83	512.11	615.28	423.21
Telephone, Telegraph, Express, Freight, Etc. -----	668.00	835.97	567.43	566.94	587.57
Traveling Expenses of Officials and Board Members -----	2,884.86	1,674.11	1,297.51	1,377.77	1,441.43
Miscellaneous -----	734.75	640.78	656.83	809.70	862.82
Total Disbursements -----	\$82,597.21	\$82,982.11	\$79,839.40	\$72,615.40	\$76,018.68
BALANCE FORWARDED AUGUST 31	\$ 2,403.79	\$ 4,504.82	\$ 8,883.34	\$10,745.86	\$ 2,536.02

EMPLOYERS ACCUMULATION FUND

The Fund in which the Employers Normal and Deficiency Contributions are credited and accumulated, together with interest thereon.

1. NORMAL CONTRIBUTIONS

The employer's contributions for matching the members' account at retirement; for paying the pension portion of the disability retirement allowance; and for meeting any deficiency in interest earnings.

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
BALANCE SEPTEMBER 1 -----	\$22,107,400.44	\$23,384,468.63	\$24,624,107.52	\$25,833,901.20	\$26,965,679.70
RECEIPTS:					
From Members					
Reinstatement of credit lost by withdrawal -----				51.53	3,608.33
From Employers					
Paid direct to Retirement System -----	79,384.08	86,386.06	80,692.71	64,435.58	85,842.71
Paid from State Public School Fund -----	1,013,724.60	1,161,081.25	1,160,575.85	1,155,533.53	1,843,059.02
Transfers from Other Funds					
Annuity and Pension Reserve Fund on account of disabled teachers who returned to active service, or died -----	26,182.42	30,374.46	29,211.65	41,167.27	44,546.87
Guarantee Fund for interest credited -----	878,316.45	922,726.63	965,784.02	1,012,444.80	1,079,642.57
Refunds -----	47.60	114.85	15.24	10.72	137.11
Total Receipts -----	\$ 1,997,655.15	\$ 2,200,683.25	\$ 2,236,279.47	\$ 2,273,643.43	\$ 3,056,836.61
TOTAL BALANCE AND RECEIPTS --	\$24,105,055.59	\$25,585,151.88	\$26,860,386.99	\$28,107,544.63	\$30,022,516.31
DISBURSEMENTS:					
To Disabled Teachers -----	\$ 183,399.56	\$ 190,372.55	\$ 195,545.28	\$ 202,486.72	\$ 202,171.64
Transferred to Annuity and Pension Reserve Fund for payment of allowances to retired teachers -----	537,187.40	770,481.28	830,767.46	939,239.94	736,983.32
Transferred to Guarantee Fund -----					481,589.58
Refunds -----		190.53	173.05	138.27	
Total Disbursements -----	\$ 720,586.96	\$ 961,044.36	\$ 1,026,485.79	\$ 1,141,864.93	\$ 1,420,744.54
BALANCE FORWARDED AUGUST 31					
—Normal contributions -----	\$23,384,468.63	\$24,624,107.52	\$25,833,901.20	\$26,965,679.70	\$28,601,771.77

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2. DEFICIENCY CONTRIBUTIONS

The employer's contribution for payment of the prior service pension; the pension portion of certain disability allowances; and contributions of certain Boards of Education on account of local system pensions continued by the State Teachers Retirement System.

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
BALANCE SEPTEMBER 1 -----	\$14,485,401.40	\$14,331,881.07	\$14,433,165.00	\$14,529,394.77	\$14,655,894.19
RECEIPTS:					
From Members					
Credit purchased for service outside Ohio -----	43,861.88	28,298.54	41,549.36	29,768.57	17,518.39
From Employers					
Paid direct to Retirement System -----	102,871.87	86,117.94	126,494.00	87,977.94	88,127.81
Paid from State Public School Fund -----	1,078,257.66	1,467,012.93	1,735,440.71	1,726,759.83	1,128,863.82
Transferred from Guarantee Fund for interest credited -----	560,464.43	556,308.32	316,281.50	484,986.12	902,398.89
Refunds -----	230.14	289.56	480.76	185.11	439.61
Total Receipts -----	\$ 1,785,685.98	\$ 2,138,027.29	\$ 2,220,246.33	\$ 2,329,677.57	\$ 2,137,348.52
TOTAL BALANCE AND RECEIPTS --	\$16,271,087.38	\$16,469,908.36	\$16,653,411.33	\$16,859,072.34	\$16,793,242.71
DISBURSEMENTS:					
To Members with purchased credit for service outside Ohio who withdrew from membership -----	\$ 477.61	\$ 2,977.66	\$ 6,752.09	\$ 2,626.56	\$ 668.19
To Retired Teachers					
Superannuation allowances -----	1,851,021.53	1,953,700.23	2,043,293.06	2,132,645.68	2,162,039.60
Disability allowances -----	2,463.18	2,367.15	2,441.28	2,714.86	2,964.98
Local System Pensions continued by S. T. R. S. -----	85,243.99	77,484.51	71,276.32	64,988.26	56,467.80
Refunds -----		213.81	253.81	202.79	.92
Total Disbursements -----	\$ 1,939,206.31	\$ 2,036,743.36	\$ 2,124,016.56	\$ 2,203,178.15	\$ 2,222,141.49
BALANCE FORWARDED AUGUST 31					
—Deficiency contributions -----	\$14,331,881.07	\$14,433,165.00	\$14,529,394.77	\$14,655,894.19	\$14,571,101.22
BALANCE FORWARDED AUGUST 31					
—Employers Accumulation Fund -----	\$37,716,349.70	\$39,057,272.52	\$40,363,295.97	\$41,621,573.89	\$43,172,872.99

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GUARANTEE FUND

The Fund into which is paid all income and interest derived from deposits and investments and from which all earned interest is transferred to other funds.

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
BALANCE SEPTEMBER 1 -----	\$ 179,162.09	\$ 930.34	\$ 3,653.94	\$ 5,485.44	\$ 11,728.49
RECEIPTS:					
From Boards of Education -----		9.97		22.50	2.00
From Investments					
Interest on investments -----	3,778,071.74	3,780,176.45	3,920,195.59	3,831,852.06	3,799,537.73
Discounts on bonds purchased -----	59,164.26	27,811.00	31,668.46	5,472.78	495.10
Premiums on bonds sold -----	12,196.60	202.00	358.43	25,200.00	66,186.69
Mortgage transfer fees -----				5.00	
Transferred from Teachers Savings Fund on account of members out of service ten years or more who could not be located -----				7,498.49	
From Bank Deposits -----	331.94		403.75	3,478.55	6,601.09
From Bequests -----		20.55	46.93	33.83	16.67
From Refunds -----	151.29	1,089.84	808.85		
Transferred from Normal Contribution -----					481,589.58
Total Receipts -----	\$3,849,915.83	\$3,809,309.81	\$3,953,482.01	\$3,873,563.21	\$4,354,428.86
TOTAL BALANCE AND RECEIPTS -----	\$4,029,077.92	\$3,810,240.15	\$3,957,135.95	\$3,879,048.65	\$4,366,157.35

GUARANTEE FUND

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
DISBURSEMENTS:					
Interest Transferred to Other Funds					
Teachers Savings Fund -----	\$1,493,125.20	\$1,596,400.56	\$1,700,135.68	\$1,790,638.71	\$1,359,168.02
Employers Accumulation Fund					
Normal Contribution -----	878,316.45	922,726.63	965,784.02	1,012,444.80	1,079,642.57
Deficiency Contribution -----	560,464.43	556,308.32	316,281.50	484,986.12	902,398.89
Expense Fund -----	85,000.00	85,000.00	30,000.00	20,000.00	15,000.00
Annuity and Pension Reserve Fund -----	237,000.00	123,925.06	180,600.00	332,379.04	553,889.60
For Premiums on Investments Purchased					
Bonds and Notes -----	664,900.44	437,378.78	668,713.22	181,857.90	372,799.29
F. H. A. Insured Mortgages -----				14,229.76	16,962.17
For Accrued Interest on Investments Purchased					
Bonds and Notes -----	109,225.38	84,713.49	90,039.07	30,665.06	64,678.44
F. H. A. Insured Mortgages -----				9.94	51.81
For Collection Charges -----	75.32	133.37	92.82	107.83	102.21
Refunds -----	40.36		4.20	1.00	276.16
Total Disbursements -----	\$4,028,147.58	\$3,806,586.21	\$3,951,650.51	\$3,867,320.16	\$4,364,969.16
BALANCE FORWARDED AUGUST 31 \$	930.34	3,653.94	5,485.44	11,728.49	1,188.19

ANNUITY AND PENSION RESERVE FUND

The Fund from which all annuities are paid, except pensions for Prior Service and certain of the disability retirement allowances.

	1937-1938	1938-1939	1939-1940	1940-1941	1941-1942
BALANCE SEPTEMBER 1 -----	\$5,686,888.43	\$6,283,701.70	\$7,111,032.69	\$ 8,043,396.25	\$ 9,208,107.43
RECEIPTS:					
From Members					
Deposited for additional annuities purchased at retirement -----	73,300.00	79,200.00	140,500.00	187,200.00	81,300.00
Transferred from Other Funds					
Teachers Savings Fund -----	557,799.05	805,111.68	866,316.12	988,244.66	767,258.80
Employers Accumulation Fund					
— Normal Contribution -----	537,187.40	770,481.28	830,767.46	939,239.94	736,983.32
Guarantee Fund -----	237,000.00	123,925.06	180,600.00	332,379.04	553,889.60
From Refunds -----	87.52	123.43	201.08	71.31	319.57
Total Receipts -----	\$1,405,373.97	\$1,778,841.45	\$2,018,384.66	\$ 2,447,134.95	\$ 2,139,751.29
TOTAL BALANCE AND RECEIPTS --	\$7,092,262.40	\$8,062,543.15	\$9,129,417.35	\$10,490,531.20	\$11,347,858.72
DISBURSEMENTS:					
To Retired Teachers					
Superannuates -----	\$ 674,555.08	\$ 798,889.71	\$ 924,797.49	\$ 1,081,168.59	\$ 1,191,617.42
Disabled -----	80,919.58	90,856.62	102,012.66	118,070.46	125,820.88
Transferred to Other Funds on Account of Disabled Teachers Who Returned to Active Service, or Died					
Teachers Savings Fund -----	26,903.62	31,389.67	29,999.30	42,017.45	44,846.34
Employers Accumulation Fund					
— Normal Contribution -----	26,182.42	30,374.46	29,211.65	41,167.27	44,546.87
Total Disbursements -----	\$ 808,560.70	\$ 951,510.46	\$1,086,021.10	\$ 1,282,423.77	\$ 1,406,831.51
BALANCE FORWARDED AUGUST 31	\$6,283,701.70	\$7,111,032.69	\$ 8,043,396.25	\$ 9,208,107.43	\$ 9,941,027.21

RECONCILIATION WITH TREASURER OF STATE

as of August 31, 1938 to 1942, inclusive.

STATEMENT OF TREASURER OF STATE	1938	1939	1940	1941	1942
Cash Balance in State Treasury --	\$ 1,316,209.92	\$ 2,632,508.25	\$ 2,640,746.49	\$ 8,310,978.87	\$ 1,584,364.52
Investments -----	82,460,356.95	86,009,903.76	90,913,351.91	89,699,446.98	100,551,846.89
Total in State Treasury -----	\$83,776,566.87	\$88,642,412.01	\$93,554,098.40	\$98,010,425.85	\$102,136,211.41
Less Outstanding Warrants -----	139,753.74	144,094.89	235,312.16	269,008.15	298,250.03
NET BALANCE IN STATE TREASURY -----	\$83,636,813.13	\$88,498,317.12	\$93,318,786.24	\$97,741,417.70	\$101,837,961.38
STATEMENT OF RETIREMENT SYSTEM BALANCES BY FUNDS					
Teachers Savings Fund -----	\$39,633,427.60	\$42,321,853.15	\$44,897,725.24	\$46,889,262.03	\$48,720,336.97
Employers Accumulation Fund					
Normal Contribution -----	23,384,468.63	24,624,107.52	25,833,901.20	26,965,679.70	28,601,771.77
Deficiency Contribution -----	14,331,881.07	14,433,165.00	14,529,394.77	14,655,894.19	14,571,101.22
Expense -----	2,403.79	4,504.82	8,883.34	10,745.86	2,536.02
Guarantee Fund -----	930.34	3,653.94	5,485.44	11,728.49	1,188.19
Annuity and Pension Reserve Fund -----	6,283,701.70	7,111,032.69	8,043,396.25	9,208,107.43	9,941,027.21
TOTAL ALL FUNDS -----	\$83,636,813.13	\$88,498,317.12	\$93,318,786.24	\$97,741,417.70	\$101,837,961.38

AFFIDAVITS

County of Franklin)
)ss: November 5, 1943.
 State of Ohio)

I do solemnly swear that the foregoing financial statements are true and accurate representations of the receipts, disbursements, and balances in the various funds, as shown on the books of the Ohio State Teachers Retirement System for the five years beginning September 1, 1937, and ending August 31, 1942.

(Signed) GEO. M. POGUE,
 Secretary.

Subscribed in my presence and sworn to before me this fifth day of November, 1943.

(Signed) O. L. BRODRICK,
 Notary Public.

Don H. Ebright, Treasurer of State of Ohio, being first duly sworn deposes and says:

That the balances in the State Teachers Retirement System at the close of business August 31, 1942, are as follows:

Active Account—Ohio National Bank ----- \$ 1,584,364.52
 F. H. A. Mortgages Owned ----- 1,009,925.22
 Investments in Various Issues of Bonds ----- 99,541,921.67
 Total to the Credit of the State Teachers Retirement System ----- \$102,136,211.41

(Signed) DON H. EBRIGHT,
 Treasurer of State.

Sworn to and subscribed before me this 4th day of November, 1943.
 (Signed) MARY JUANITA ARMINTROUT,
 Notary Public.

AMOUNTS PAID TO RETIRED TEACHERS

Years	Superannuation Allowances	Disability Allowances	Local System Pensions Continued By S.T.R.S.*	Totals
1920-21	\$ 160,557.71	\$ 859.56	\$ 89,805.19	\$ 90,664.75
1921-22	249,683.63	9,136.42	192,676.71	362,370.84
1922-23	341,391.13	19,822.91	188,627.12	458,133.66
1923-24	419,998.30	34,471.71	197,650.44	573,513.28
1924-25	525,451.83	44,998.28	197,670.20	662,666.78
1925-26	623,074.14	60,471.87	186,779.89	772,703.59
1926-27	726,301.79	83,464.24	175,439.74	881,978.12
1927-28	841,167.97	103,931.75	168,875.43	999,108.97
1928-29	974,503.95	117,183.68	159,040.19	1,117,391.84
1929-30	1,104,104.32	134,553.79	149,672.72	1,258,730.46
1930-31	1,282,328.83	145,431.13	140,430.69	1,389,966.14
1931-32	1,579,671.89	158,974.50	133,167.26	1,574,470.59
1932-33	1,868,357.78	177,339.29	125,853.72	1,882,864.90
1933-34	2,064,197.77	198,557.67	117,290.26	2,184,205.71
1934-35	2,215,640.34	226,090.04	106,828.52	2,397,116.33
1935-36	2,367,527.53	238,132.50	99,312.48	2,553,085.32
1936-37	2,525,576.61	252,297.42	92,384.62	2,712,209.57
1937-38	2,752,589.94	266,782.32	85,243.99	2,877,602.92
1938-39	2,968,090.55	283,596.32	77,484.51	3,113,670.77
1939-40	3,213,814.27	299,999.22	71,276.32	3,339,366.09
1940-41	3,353,657.02	323,272.04	64,988.26	3,602,074.57
1941-42		330,957.50	56,467.80	3,741,082.32
Totals 1920-1942	\$32,157,687.30	\$3,510,324.16	\$2,876,966.06	\$38,544,977.52

* There were twenty-two Ohio cities with local pension systems in operation prior to the establishment of the State Teachers Retirement System, and which were merged with the State System. Assets of the local systems in an amount sufficient to guarantee the payment of pensions already granted were set aside for that purpose. Some cities with insufficient assets at that time have been required to continue to make annual contributions for this purpose.

AMOUNTS REFUNDED TO MEMBERS

In addition to the amounts transferred annually to the Annuity and Pension Reserve Fund and to the Expense Fund for the membership fees of non-contributing members, refunds are made from the Teachers Savings Fund to members who withdraw from membership and to the beneficiaries or estates of members who die prior to retirement. A tabulation of the amounts refunded by years follows:

Years	Withdrawals	Deaths	Totals
1920-21	\$ 65,228.14	\$ 1,300.20	\$ 66,528.34
1921-22	223,212.10	11,465.60	234,677.70
1922-23	393,215.64	15,149.99	408,365.63
1923-24	547,914.05	27,974.97	575,889.02
1924-25	642,096.81	29,488.18	671,584.99
1925-26	683,397.31	39,248.67	722,645.98
1926-27	759,267.29	58,815.39	818,082.68
1927-28	760,573.45	57,846.95	818,420.40
1928-29	740,880.22	74,616.19	815,496.41
1929-30	731,757.13	91,295.64	823,052.77
1930-31	699,266.98	87,125.18	786,392.16
1931-32	763,910.87	100,993.64	864,904.51
1932-33	1,053,790.64	122,065.29	1,175,855.93
1933-34	980,794.75	110,760.01	1,091,554.76
1934-35	852,097.81	127,988.25	980,086.06
1935-36	739,493.47	141,349.30	880,842.77
1936-37	824,466.30	172,424.91	996,891.21
1937-38	787,554.55	134,940.27	922,494.82
1938-39	716,787.70	148,564.15	865,351.85
1939-40	826,631.93	179,209.49	1,005,841.42
1940-41	1,386,309.60	186,595.65	1,572,905.25
1941-42	1,338,054.00	219,167.17	1,557,221.17
Totals 1920-1942	\$16,516,700.74	\$2,138,385.09	\$18,655,085.83

**TOTAL AMOUNT OF INTEREST CREDITED ANNUALLY
TO THE GUARANTEE FUND FROM ALL SOURCES**

Years	From Investments	From Bank Deposits	Total
1920-21	\$ 18,720.38	\$ 13,472.05	\$ 32,192.43
1921-22	309,445.05	23,558.31	333,003.36
1922-23	506,067.13	30,966.45	537,033.58
1923-24	833,620.47	22,017.29	855,637.76
1924-25	1,018,476.11	39,996.85	1,058,472.96
1925-26	1,331,966.97	44,350.20	1,376,317.17
1926-27	1,562,250.18	33,305.74	1,595,555.92
1927-28	1,740,196.04	28,120.47	1,768,316.51
1928-29	2,013,179.67	17,565.66	2,030,745.33
1929-30	2,327,405.88	19,443.69	2,346,849.57
1930-31	2,481,188.96	32,841.55	2,514,030.51
1931-32	2,586,543.23	20,932.80	2,607,476.03
1932-33	2,710,538.97	40,227.18	2,750,766.15
1933-34	3,235,027.65	15,663.59	3,250,691.24
1934-35	3,482,760.21	11,894.56	3,494,654.77
1935-36	3,617,927.27	5,256.79	3,623,184.06
1936-37	3,653,878.97	3,662.76	3,657,541.73
1937-38	3,778,071.74	331.94	3,778,403.68
1938-39	3,780,176.45		3,780,176.45
1939-40	3,920,549.82	403.75	3,920,953.57
1940-41	3,831,852.06	3,478.55	3,835,330.61
1941-42	3,766,594.61	6,601.09	3,773,195.70
Totals 1920-1942	\$52,506,437.82	\$414,091.27	\$52,920,529.09

**AMOUNT OF INTEREST TRANSFERRED ANNUALLY FROM
GUARANTEE FUND TO OTHER FUNDS**

Year	Teachers Savings Fund	EMPLOYERS ACCUMULATION FUND		Annuity and Pension Reserve Fund
		Normal Contribution	Deficiency Contribution	
1920-21	\$ 35,707.22	\$ 6,953.46	\$ 17,035.69	\$ 2.89
1921-22	114,983.22	50,126.42	87,847.40	1,193.98
1922-23	188,898.08	100,126.90	137,888.36	2,811.97
1923-24	262,490.46	159,451.54	199,481.42	5,879.91
1924-25	346,541.84	215,560.26	252,907.07	8,828.28
1925-26	422,724.92	269,444.30	290,926.90	13,291.99
1926-27	502,222.93	320,731.83	320,895.92	19,153.24
1927-28	585,249.62	372,808.19	348,951.39	27,011.80
1928-29	675,315.55	429,954.49	372,064.47	35,260.94
1929-30	770,415.98	489,696.95	394,066.54	46,327.02
1930-31	872,275.51	550,547.40	425,262.75	65,234.34
1931-32	971,047.79	596,115.53	455,169.86	87,065.25
1932-33	1,048,468.57	629,829.27	464,128.03	116,907.48
1933-34	1,115,663.62	674,359.54	470,335.81	149,868.88
1934-35	1,197,579.39	720,612.03	509,678.55	176,631.22
1935-36	1,289,883.22	766,065.99	530,846.71	199,955.96
1936-37	1,391,196.71	826,487.19	538,925.00	224,435.35
1937-38	1,493,125.20	878,316.45	560,464.43	237,000.00
1938-39	1,596,400.56	922,726.63	556,308.32	123,925.06
1939-40	1,700,135.68	965,784.02	316,281.50	180,600.00
1940-41	1,790,638.71	1,012,444.80	484,986.12	332,379.04
1941-42	1,359,168.02	1,079,642.57	902,398.89	553,889.60
Totals 1920-1942	\$19,730,132.80	\$12,037,785.76	\$8,636,851.13	\$2,607,654.20

ANNUAL BALANCES AS OF AUGUST 31st IN TEACHERS SAVINGS FUND, EMPLOYERS NORMAL CONTRIBUTION FUND, DEFICIENCY CONTRIBUTION FUND, AND ANNUITY AND PENSION RESERVE FUND.

Years	Teachers Savings Fund	Normal Contribution Fund	Deficiency Contribution Fund	Annuity and Pension Reserve Fund
1921	\$ 1,941,722.72	\$ 883,502.51	\$ 1,624,499.11	\$ 369.96
1922	3,775,938.98	1,908,311.74	2,892,160.68	36,006.40
1923	5,520,419.49	3,220,128.48	3,961,798.29	85,305.12
1924	7,833,749.59	4,841,248.32	5,787,946.85	166,641.18
1925	9,732,786.04	6,374,418.17	7,130,390.42	244,997.49
1926	11,730,901.15	7,704,642.87	7,976,689.42	385,619.69
1927	13,789,177.60	9,001,533.70	8,708,677.51	525,182.98
1928	15,985,425.11	10,443,348.26	9,370,375.35	722,241.69
1929	18,377,597.73	12,046,627.96	10,029,773.77	919,424.68
1930	20,935,083.20	13,596,479.07	10,543,086.96	1,189,904.61
1931	23,623,483.53	14,884,192.75	11,428,456.24	1,801,805.97
1932	26,057,669.78	15,831,229.08	11,865,307.54	2,251,925.71
1933	27,805,162.72	16,823,180.22	11,890,042.08	2,981,283.04
1934	29,670,059.16	18,016,703.40	12,056,494.43	3,848,733.70
1935	31,843,315.95	19,219,534.38	13,511,972.64	4,464,432.23
1936	34,375,095.16	20,581,315.46	14,079,548.55	5,043,635.74
1937	36,892,323.61	22,107,400.44	14,485,401.40	5,686,888.43
1938	39,633,427.60	23,384,468.63	14,331,881.07	6,283,701.70
1939	43,321,853.15	24,624,107.52	14,433,165.00	7,111,032.69
1940	44,897,725.24	25,833,901.20	14,529,394.77	8,043,396.25
1941	46,889,262.03	26,965,679.70	14,655,894.19	9,208,107.43
1942	48,720,336.97	28,601,771.77	14,571,101.22	9,941,027.21

THE PRINCIPAL AMOUNT OF INVESTMENTS AS OF JANUARY 1, 1938 AND AUGUST 31, 1942 BY YEARS OF PURCHASE WITH THE AVERAGE INTEREST RATES AND AVERAGE YIELDS.

Year Of Purchase Bonds and Notes	Principal Amounts		Average Rate—Per Cent		Average Yield—Per Cent	
	1-1-1938	8-31-1942	1-1-1938	8-31-1942	1-1-1938	8-31-1942
1920	\$ 62,000.00	\$ 23,000.00	6.000%	6.000%	6.000%	6.000%
1921	1,864,140.00	1,122,150.00	5.980	5.975	5.980	5.975
1922	867,610.00	427,160.00	5.713	5.714	5.713	5.714
1923	1,657,684.65	834,538.86	5.070	5.062	5.070	5.062
1924	1,422,874.87	817,692.00	5.121	5.091	4.843	4.781
1925	1,109,260.63	609,184.17	5.150	5.134	4.653	4.645
1926	1,481,450.75	707,857.00	5.123	5.066	4.610	4.601
1927	1,482,474.82	748,575.00	4.845	4.805	4.532	4.510
1928	3,448,246.10	1,986,417.52	4.638	4.578	4.421	4.391
1929	3,375,032.95	2,121,725.00	5.051	5.066	4.888	4.885
1930	6,113,054.04	3,455,322.67	4.885	4.883	4.678	4.490
1931	5,364,239.48	3,304,285.49	4.711	4.642	4.459	4.377
1932	1,985,894.00	609,475.00	5.711	5.593	5.717	5.589
1933	4,707,842.35	1,626,710.00	5.210	5.164	5.677	5.924
1934	9,406,528.65	5,117,649.12	5.158	5.252	5.082	5.117
1935	10,414,091.28	6,793,244.19	4.645	4.701	4.314	4.046
1936	13,698,880.82	7,775,454.00	4.024	3.954	3.215	3.408
1937	10,325,623.22	6,180,391.50	3.799	3.987	3.155	3.339
1938		11,720,011.97		3.779		3.122
1939		10,404,875.81		3.465		3.083
1940		10,269,266.04		3.040		2.167
1941		15,612,668.33		2.534		2.327
1942		7,274,268.00		2.551		2.505
F. H. A. Insured Mortgages 1940-42		1,009,925.22		4.500		3.750
Totals and Averages -----	\$78,786,928.61	\$100,551,846.89	4.670%	3.781%	4.342%	3.371%

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TYPES OF INVESTMENTS AS OF JANUARY 1, 1938 AND AUGUST 31, 1942

OHIO MUNICIPAL BONDS (AND NOTES)	Principal Amounts		Percent of Total	
	1-1-1938	8-31-1942	1-1-1938	8-31-1942
School Districts				
City -----	\$15,697,601.15	\$11,510,843.90		
Exempted Village -----	1,970,481.60	2,975,299.02		
Village -----	9,822,526.90	6,485,868.33		
Rural -----	15,622,487.56	13,001,090.58		
Total School Districts -----	\$43,113,097.21	\$33,973,101.83	54.72%	33.787%
County -----	\$ 8,866,130.19	\$10,535,014.17	11.25	10.477
City -----	22,129,296.27	28,793,059.61	28.09	28.634
Village -----	3,669,564.56	3,497,960.21	4.66	3.479
Township -----	208,840.38	165,785.85	0.26	0.165
University Dormitory Revenue -----		815,000.00		0.811
Bridge Revenue -----		225,000.00		0.224
Conservancy District -----		41,000.00		0.041
TOTAL OHIO MUNICIPAL BONDS (AND NOTES) -----	\$77,986,928.61	\$78,045,921.67	98.98%	77.618%
UNITED STATES BONDS AND GUARANTEED OBLIGATIONS				
U. S. Treasury -----		\$21,329,000.00		21.212%
U. S. Housing Series A -----		167,000.00		0.166
Home Owners Loan Corporation -----	800,000.00		1.02%	1.004
F. H. A. Insured Mortgages -----		1,009,925.22		
TOTAL U. S. BONDS AND GUARANTEED OBLIGATIONS -----	\$ 800,000.00	\$22,505,925.22	1.02%	22.382%
TOTAL ALL INVESTMENTS -----	\$78,786,928.61	\$100,551,846.89	100.00%	100.00 %

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