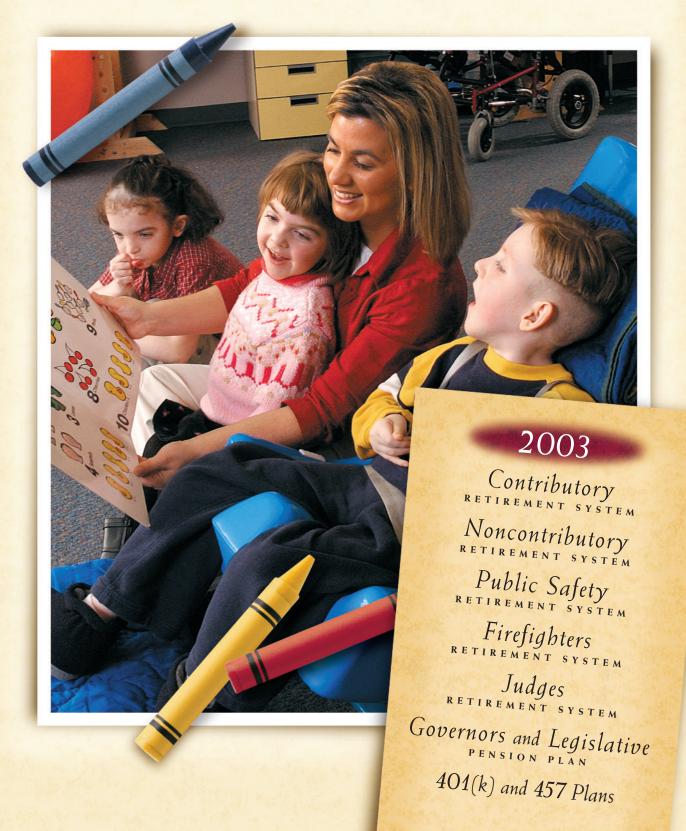
Hat Retrement Systems

UTAH RETIREMENT SYSTEMS

Comprehensive Annual Financial Report

For the Year Ended December 31, 2003





Hat Retirement Systems

UTAH RETIREMENT SYSTEMS

2003 Comprehensive Annual Financial Report

For the Year Ended December 31, 2003

Contributory
RETIREMENT SYSTEM

Noncontributory
RETIREMENT SYSTEM

Public Safety
RETIREMENT SYSTEM

Firefighters
RETIREMENT SYSTEM

Judges
RETIREMENT SYSTEM

Governors and Legislative PENSION PLAN

401(k) and 457 Plans

Prepared by

Finance Department • Utah Retirement Systems
560 East 200 South • Salt Lake City, Utah 84102-2021
www.urs.org

Robert V. Newman, Executive Director Robert J. Stringham, CPA, Chief Financial Officer

2003

Comprehensive Annual Financial Report

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Utah Retirement Systems 2003 Comprehensive Annual Financial Report

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10 Organization Chart 11 Administrative Staff and Professional Consultants
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All Retirement Systems

(in millions)

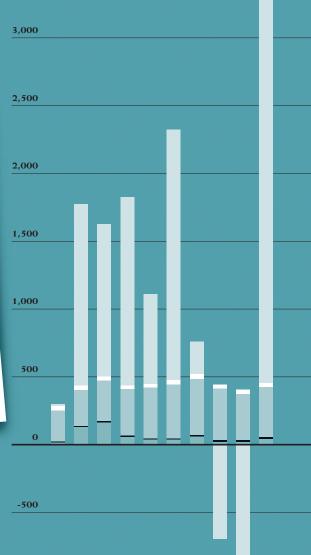
\$3,500

Additions by Source

ADDITIONS

BY SOURCE





94 95 96 97 98 99 00 01 02 03 (in millions) 94 95 96 97 98 99 00 01 02 03 **Net Investment** Income (Loss) 1,330 1,118 1,381 1,836 239 (693)(999) 2,929 **Member Contributions Employer Contributions** 266 302 374 388 369 Court Fees and Fire Insurance Tax Transfers from Systems Totals 1,760 1,612 1,812 1,399 2,305 750 (600)3,377

-1,000

Letter of Transmittal

UTAH STATE RETIREMENT BOARD

UTAH RETIREMENT SYSTEMS

560 East 200 South Salt Lake City, Utah 84102-2021 (801) 366-7700 (800) 365-8772 TOLL FREE (801) 366-7734 FAX

ROBERT V. NEWMAN EXECUTIVE DIRECTOR

February 27, 2004

Utah State Retirement Board 560 East 200 South Salt Lake City. UT 84102-2021

Dear Board Members:

We are pleased to present the 2003 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems) and 401(k) and 457 Plans (Plans), a component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2003. The financial reporting entity of the Systems and Plans include the Public Employees Contributory and Noncontributory Retirement Systems, for both government and public education employees, the Public Safety, Firefighters and Judges Retirement Systems, the Governors and Legislative Pension Plan, and the 401(k) and 457 Plans.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Systems and Plans. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the fiduciary funds.

For financial reporting purposes, the Systems and Plans utilize Governmental Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis for State and Local Governments, GASB Statement No. 37. Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Note Disclosures, and GASB Statement No. 40, Deposit and Investment Risk Disclosures. Assets of the Systems and Plans are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the required supplementary information following the notes to the basic financial statements.

The Utah Retirement Systems and 401(k) and 457 Plans were established by legislation and authorized as indicated in the notes to the basic financial statements on page 44. The Summaries of Plan Provisions are presented on pages 114 through 123. The number of active and retired members and beneficiaries for each system is presented in the Systems' Highlights on pages 12 through 24. The purpose of the Systems and Plans is to provide benefits for all eligible State, local government and most public education

employees whose employers have elected to participate. Services provided by the staff are performed to meet that objective.

The 2003 Comprehensive Annual Financial Report is presented in five sections. The Introductory Section contains the letter of transmittal, the Board President's letter, identification of the Systems' administrative organization and professional consultants. as well as Systems' Highlights for each retirement system and plan. The Financial Section contains the opinion of the independent auditors. management's discussion and analysis (MD&A), the basic financial statements and required supplementary information of the Systems, and further information about the Systems at division levels. The Investment Section contains investment information and a list of the largest holdings. The Actuarial Section contains the independent consulting actuary's certification, an outline of actuarial assumptions and methods, and other actuarial statistics. The Statistical Section contains tables of significant data pertaining to the Systems.

Management's Discussion and Analysis

The MD&A beginning on page 28 provides an overview and analysis of the Systems and Plans Basic Financial Statements. This Letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Letter of Transmittal (Continued)

Economic Condition and Outlook

The economic condition of the Systems is based primarily upon investment earnings. The Systems' investments were evaluated at year end by Callan Associates Inc., Investment Measurement Service. A comparative analysis of rates of return is presented on page 94 of this report.

For the Future

During 2003, actuarial assumptions and contribution rates were based on the recommendations of our actuary. See the Actuarial Section of this report and the notes to the basic financial statements for explanations of these rates. Rate changes resulted from actuarial assumption modifications, economic conditions, actuarial experience gains and losses and benefit enhancements in the Systems.

The Utah Retirement Systems are maintained on an actuarially sound basis as certified in this report by our actuary, thus protecting participants' future benefits. We anticipate that investment earnings on a long term basis will continue to meet or exceed the actuarially assumed earning rate. We expect all systems to continue towards fully funded positions in accordance with actuarial assumptions.

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial

statements in accordance with generally accepted accounting principles. This system includes written policies and procedures and an internal audit department that reports to the Board. Discussion and analysis of net assets and related additions and deductions is presented in the MD&A beginning on page 28.

Funding

Funds are derived from the excess of additions, which include contributions and investment earnings, over deductions, which are comprised of benefits and administrative expenses. Funds are accumulated to meet future benefit obligations to retirees and beneficiaries. This accumulated balance is referred to as the "net assets held in trust for pension benefits" in the Statements of Fiduciary Net Assets in the Financial Section of this report. The actuarial accrued liability is not disclosed in the basic financial statements but is disclosed in the required supplementary information schedules immediately following the notes to the basic financial statements. These schedules show the actuarial value of assets, which is based on a five-year smoothed expected rate of return, wherein the excess or shortfall of investment income over or under the actuarial assumed income of 8% is recognized over a five-year period. This is the value of assets used by the actuary in determining contribution rates for the Systems as disclosed in note 5 to the basic financial statements.

The actuarial accrued liability of the Systems is determined by the actuary. It is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to current retirees, beneficiaries and employees for service earned to date.

The percentage computed by dividing the actuarial value of net assets available for benefits by the actuarial accrued liability is generally referred to as the "funded ratio". This ratio provides an indication of the funded status of the Systems on a going-concern basis and generally, the greater this percentage, the stronger the system. A higher level of funding gives the participants a greater degree of assurance that their pension benefits are secure.

Although the historical level of funding is good, constant effort will be directed at achieving full funded status, assuring participants of financially sound retirement systems. Funded status and progress for overall Systems are presented in the Required Supplementary Information Schedules of Funding Progress on page 60. The current funded ratios range from 93% to 126%.

Investments

The investment portfolio mix at fair value as of the end of 2003 was 21% debt securities, 55% equities, 5% private equity, 8% real estate and 11% short term. The 21% debt securities are comprised of 16% domestic and 5% international instruments. The 55% equities are comprised of 37% domestic and 18% international equities. See MD&A and Investment Section for more detailed analysis and information. The Systems' investment outlook is long-term allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category.

Letter of Transmittal (Continued)

The Board utilizes internal and external portfolio managers employing both passive (indexed) and active strategies. The portfolio is broadly diversified among equities, debt securities, real estate and private equity with additional diversification achieved through domestic and international investing.

Investment Risk

The investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized. All collateral on deposits is held in the counterparties' joint custody accounts at the Federal Reserve Bank. On occasion, deposits may be significantly greater than collateral due to investment purchase "fails", receipt of interest earnings on the 15th of each month and proceeds from investment sales and maturities. Of approximately \$16.4 billion in investments at fair value as of December 31, 2003, none of the investments were in the category of highest custodial credit risk as defined by the GASB.

Independent Audit

An annual audit of the Systems and Plans was conducted by the independent accounting firm of Deloitte & Touche LLP. The auditors' report on the basic financial statements is included in the Financial Section of this report.

Actuarial Valuation

An actuarial valuation of the Systems is performed annually. An assumption experience study is performed at least every other year. The actuarial firm Gabriel, Roeder, Smith & Company completed the actuarial reviews and valuations and served as technical advisor to the Systems. Actuarial certification and supporting statistics are included in the Actuarial and Statistical Sections of this report.

Awards

The Government Finance
Officers Association of the United
States and Canada (GFOA) awarded
a Certificate of Achievement for
Excellence in Financial Reporting
to the Utah Retirement Systems for
its Comprehensive Annual Financial
Report for the fiscal year ended
December 31, 2002. The Certificate
of Achievement is a prestigious
national award recognizing conformance with the highest standards
for preparation of state and local
government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such financial reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of

Achievement is valid for a period of one year only. The Utah Retirement Systems has received a Certificate of Achievement for the last 19 years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

In addition the Utah Retirement Systems were awarded the Public Pension Coordinating Council Public Pension Standards 2003 Award. This award is in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

Acknowledgments

The compilation of this report reflects the combined efforts of the staff under the leadership of the Utah State Retirement Board. The report is intended to provide extensive and reliable information for making management decisions, determining compliance with legal provisions, and determining responsible stewardship for the assets contributed by the Systems' members and their employers.

We would like to take this opportunity to express our gratitude to the Board, the staff, the advisors, and the many people who have worked so diligently to assure the successful operation and financial soundness of the Utah Retirement Systems.

Sincerely yours,

Robert J. Stringham, CPA Chief Financial Officer Robert V. Newman Executive Director

Colut V. Numa

Board President's Letter

UTAH STATE RETIREMENT BOARD

UTAH RETIREMENT SYSTEMS

560 East 200 South Salt Lake City, Utah 84102-2021 (801) 366-7700 (800) 365-8772 TOLL FREE (801) 366-7734 FAX

ROBERT V. NEWMAN EXECUTIVE DIRECTOR

February 27, 2004

Dear members of the Retirement Systems:

As I report on the activities and programs of the Utah Retirement Systems for 2003, I'm pleased to note that over 33,000 retirees now enjoy monthly benefits from the Retirement Systems, and more than 95,000 working members of the Systems are earning future retirement benefits.

As Board members we serve as trustees to ensure that members' interests are properly safeguarded. We have the responsibility and mandate to provide retirement benefits to eligible members for the valued service they've rendered to the public. Thanks to far-sighted actuarial funding principles established over several decades by governors, legislatures and boards, the outlook for the Systems is positive. Benefits to retired members will continue to be paid in timely fashion, and working members of the retirement systems can be assured of receiving promised retirement benefits upon completion of their careers.

Financial markets rebound in 2003.

Despite initial weakness in the first months of the year, investment returns for 2003 were ultimately gratifying. Thanks to investment returns of 26%, assets of the Retirement Systems increased by \$2.8 billion to a new high of more than \$14.2 billion. Over the past ten years, the Systems have returned 8.9%, exceeding the actuarial goal of 8%. As the economy continues to improve, the Systems are poised for the opportunities and growth it will bring.

Investments show prudent, long-term planning.

I'm pleased to report that member contributions to the 401(k) and 457 plans continue to grow. Account balances in these plans exceeded \$1.8 billion in 2003. While participants' individual rates of return varied according to their investment choices, overall, most participants were rewarded with investment gains not seen for several years.

Board and Staff.

I express my appreciation to outgoing Board members Duane Frisby, James Cowan, and Clifford White for their dedicated service. In the same spirit, I'm happy to welcome to the Board Kenneth L. Serre and David B. Winder. A third position is awaiting gubernatorial appointment. I also express the Board's confidence and appreciation to Executive Director Robert Newman and his staff for their excellent management of the Systems.

Sincerely,

Edward T. Alter President

Utah State Retirement Board

Eaward T. alter



Retirement Board* (pictured left to right)

Kenneth L. Serre

- Appointed July 1, 2003
- Term expires July 1, 2007
- Represents public employees

David B. Winder

- Appointed Oct. 20, 2003
- Term expires July 1, 2007
- Represents investment community

Edward T. Alter President

- Member since Jan. 1, 1981
- Ex-officio member
- State Treasurer

Phyllis Sorensen

- Appointed Sept. 25, 2002
- Term expires July 1, 2007
- Represents education employees

John L. Lunt Vice-President

- Appointed
 July 1, 2001
- Term expires July 1, 2005
- Represents investment community

Phillip W. Clinger

- Appointed
 June 21, 2002
- Term expires July 1, 2005
- Represents investment community

Executive Director



Robert V. Newman Executive Director

Membership Council

Member / Represents

Ms. Elaine Tzourtzouklis*, Chairperson Represents Utah Education Association

Mr. Marty Peterson*, Vice-chairperson Represents Professional Firefighters of Utah

Mr. G. Kent Abel*

Represents Utah Retired School Employees Association

Mr. G. Steven Baker*

Represents Utah Association of Counties

Ms. Patricia Thompson*

Represents Utah School Employees Association

Honorable Judith M. Billings

Represents Utah Judicial Council

*Executive Committee

Member / Represents

Mr. Dean Drew

Represents Utah Public Employees Association

Officer Mike Galieti

Represents Utah Peace Officers Association

Mr. Tom Hardy

Represents Utah League of Cities and Towns

Mr. Dean Holbrook

Represents Utah Association of Retired Public Employees

Mr. Russell S. Judd

Represents Utah Education Association

Ms. Pat Rusk

Represents Utah Education Association

Ms. Patti Wayman

Represents Utah Public Employees Association

^{*}At December 31, 2003, one board position was open pending appointment by the Governor.

Utah Retirement Systems Organizational Chart

UTAH STATE RETIREMENT BOARD

MEMBERSHIP COUNCIL



Executive Director

ROBERT V. NEWMAN



Deputy Executive Director

TODD W RUPP



Chief Information Officer

DON B. BRADSHAW

Systems Software

Personal Computers

Systems / Program Development

Computer Operations / Help Desk

Telecommunications

Electronic Imaging

Enterprise Network

Web Services



Director, Records and Information Services

MATTHEW K. JUDD

Member Enrollments

Records Management Imaging / Micrographics

Employer Contribution Reporting

Defined Contribution Daily Trade Processing

> Subsidiary Account Reconciliation

Account Review and Adjustments

Reporting Compliance and Auditing



Chief Financial Officer

ROBERT J. STRINGHAM

Financial Reporting and Accounting

Budgets

Tax Reporting

Cash Receipts and Disbursements

Cash Management

Accounts Payable

Payroll

Risk Management

Administrative Staff

Robert V. Newman, CPA Executive Director

Todd W Rupp, CPADeputy Executive Director

Steven M. West, CPA, CFE Director, Internal Audit

Don B. BradshawChief Information Officer

Robert J. Stringham, CPA Chief Financial Officer

Matthew K. Judd Director, Records and Information Services **Don G. Pugmire**Director, Human Resources

Sherrie Archibald Director, Retirement Craige D. Stone

Director, Defined Contribution Plans and Education / Marketing

Bruce H. Cundick, CFA Chief Investment Officer



Director. Internal Audit

STEVEN M. WEST

PROFESSIONAL SERVICES

Actuary • Auditor • Legal • Consultants Investment Advisors • Medical Advisor Details for professional service providers is shown at right. Investment professionals are presented on pages 96 and 99.



Otah Refirement Jiss

Professional Consultants

Actuary

Gabriel, Roeder, Smith & Company Suite 4200 2001 Ross Avenue Dallas, TX 75201

Auditor

Deloitte & Touche LLP Certified Public Accountants Suite 1800 50 South Main, Salt Lake City, UT 84144

Legal Counsel

Howard, Phillips & Anderson 560 East 200 South Suite 300 Salt Lake City, UT 84102

Medical Advisor

Howard McQuarrie, M.D. 910 Donner Way, #702 Salt Lake City, UT 84108

Other Consultants

Advanced Risk Mgmt. Techniques Inc. 23701 Birtcher Dr. Lake Forest, CA 92630

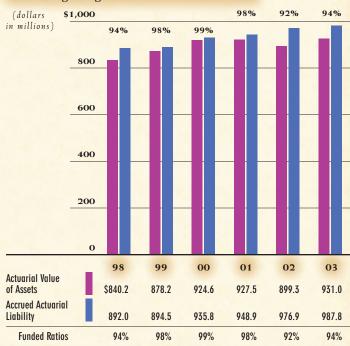
The Segal Company 6300 S. Syracuse Way Suite 200 Englewood, CO 80111

Contributory

4 115	11,927
Total Membership	3,493
Active	1,492
Terminated vested	6,942
Retired	
- La large	3,493
2003 Active Members	50.4
Average age	18.8
Average age	\$39,666
Average years of service	
2003 Retirees Number	122
Number	62.1
Number	22.7
Average age	\$33,438
Average years of service	\$14,242
Average div	¢= 965

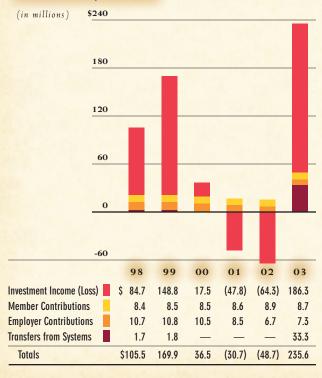
Average annual benefit—all retirees...\$7,865

Funding Progress with Funded Ratios

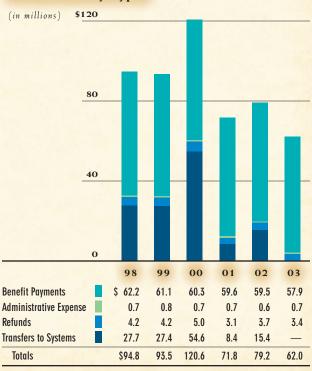


SYSTEM HIGHLIGHTS

Additions by Source



Deductions by Type





Fleet and Sanitation Superintendent

Public Works Department

West Valley City

SUMMARY

Membership

The Public Employees Contributory Retirement System includes eligible public employees of the State of Utah and its political subdivisions and public education employees of those entities covered by the System.

Service Retirement

Age	Years of Service	
Any age	20	Allowance Reduction
60-61	20	Allowance Reduction None 3% each year before age 65
O I	10	year Defore ago CE
65	4	3% each year before age 65
	4	scrore age 65
Service R	enof:	None

Service Benefit Formula

- 1. Number of years of service before 7-1-75 x 1.25% x FAS*.
- 2. Number of years of service after 6-30-75 x 2.0% x FAS*.
- 3. Plan 1 allowance = total of 1 and 2.
- * FAS (Final Average Salary) = highest five years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA
- ** If FAS is \$500 or less the formula is 1.15% for each year of service before 7-1-67.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

Member rate is 6.00% of covered salary. Employer rate for the State and School Division (Level A) is 7.21% of covered salary and 5.61% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 114.

Noncontributory

. 11.	127,661
Total Membership	83,156
Active	22,290
Active Terminated vested Retired	22,215
Retired	
LA Jorg	83,156
2003 Active Members	44.5
2003 Active Members	10.1
Average age Average years of service Average annual salary	\$35,806
2003 Retirees	1,805
2003 Retirees Number Average age	61.7
Average age	22.8
Average years of service	\$41,029
Average years of service Final average annual salary Average annual benefit	\$19,013
Average united	£4C 09A

Average annual benefit—all retirees...\$16,884

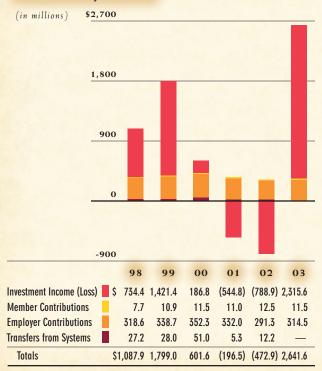
Funding Progress with Funded Ratios



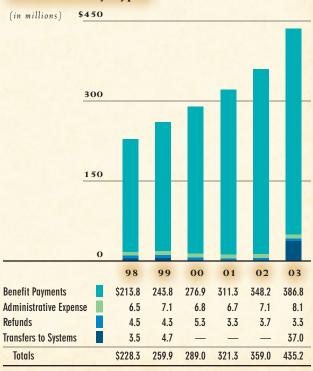
NONCONTRIBUTORY

SYSTEM HIGHLIGHTS

Additions by Source



Deductions by Type





Noncontributory SUMMARY

Membership

The Public Employees Noncontributory Retirement System includes eligible public employees of the State of Utah and its political subdivisions and public education employees of those entities covered by the System.

Service Retirement

	- TELLICITE	
Age	Years of Service	
Any age	20	Allowance ReductionNone
Any age	25	F 11 None
- 0 01	. 20	order for Defore age Co
02-04	10	cach year before ago CF
65	4	3% each year before age 653% each year before age 65
	enefit E	

Service Benefit Formula

Number of years of service x 2.00% x FAS*.

* FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

Employer rate for the State and School Division (Level A) is 11.70% of covered salary and 9.62% for the Local Government Division (Level B).

For more detail see Summary of Plan Provisions on page 115.

Public Safety

. 11	10,986
Total Membership	7,041
Active	1,067
Active Terminated vested Retired	2,878
Retired	
1. 1. 200	7,041
2003 Active Members	38.8
Average years of service	\$39,579
Average years of service	
2003 Retirees	183
2003 Retirees Number	53.6
Number	23.2
Average years of service	\$50,769
Average years of service	\$29,188
Average annual benefit—all retin	rees\$19,796

Funding Progress with Funded Ratios



SYSTEM HIGHLIGHTS

Additions by Source

\$400 (in millions) 300 200 100 0 -100 98 03 99 00 01 02 Investment Income (Loss) \$92.3 177.0 23.2 (67.7)(97.8)288.1 **Member Contributions** 4.5 3.9 4.1 4.0 4.3 4.4 **Employer Contributions** 40.1 45.1 49.4 46.1 42.3 46.7 Transfers from Systems 1.9 2.3 2.0 2.0 2.0 1.4 \$138.8 Totals 228.3 78.7 (16.2)(49.2)341.2

Deductions by Type \$70

(in millions)

56 42 28 14 0 98 99 00 01 02 03 **Benefit Payments** \$34.4 38.5 42.8 48.6 54.0 59.9 Administrative Expense 0.8 0.9 0.8 0.8 0.9 1.0 Refunds 0.6 0.7 1.0 0.5 1.2 0.7 Totals \$35.8 40.1 44.6 49.9 56.1 61.6



Membership

The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement. The Public Safety System consists of the Contributory and Noncontributory divisions. Service Retirement

Ago	
Age Years of Service	
Any age 20	Allowance Reduction None
60	None None
65	None
······4	None None
Service Benefit For	None None
VIVE Benefit E.	THO TOTAL

Service Benefit Formula

- 1. 2.5% x FAS* x years of service up to 20 years.
- 2. 2.0% x FAS* x years of service over 20 years.
- 3. Monthly benefit = total of 1 and 2.**
- * FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.
- ** Benefits paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 2.5% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

Contributory — Member rates range from 10.50% to 13.74% of covered salary. Employer rates range from 4.52% to

Noncontributory — Employer rates range from 16.24% to 30.05% of covered salary.

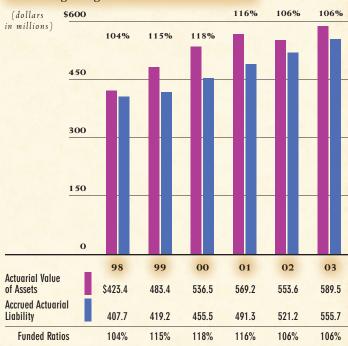
For more detail see Summary of Plan Provisions on page 116.

. 11	2,554
Total Membership	1,568
Active	65
Active Terminated vested	921
Retired	
	1,568
2003 Active Members	39.3
2003 Active Members	10.5
Average years of service	\$48,132
Average years of service	
2003 Retirees Number	40
Number	54.3
Number	27.6
Average years of service	\$56,350
Average years of service Final average annual salary	\$36,052
aval benefit	

Average annual benefit.....\$36,052

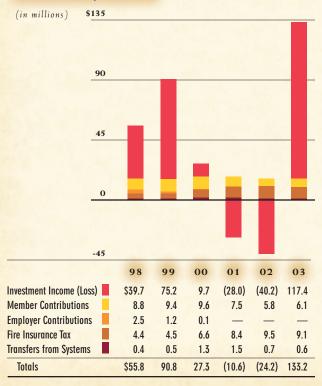
Average annual benefit—all retirees...\$22,573

Funding Progress with Funded Ratios



SYSTEM HIGHLIGHTS

Additions by Source



Deductions by Type





Firefighters

Membership

The Firefighters Retirement System includes eligible state and local government employees directly involved in fire fighting and whose duties are classified as hazardous. Service Retirement

Age Years of Service	
Any age 20	Allowance Reduction
Any age	······
654	None
44	None None
Service Por Con	None

Service Benefit Formula

- 1. 2.5% x FAS* x years of service up to 20 years.
- 2. 2.0% x FAS* x years of service over 20 years.
- 3. Monthly benefit = total of 1 and 2.**
- * FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. ** Benefits paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

Member rate for Division A (with Social Security) is 8.21% of covered salary and 7.83% for Division B (without Social Security).

Employer rate for Division A is 0.00% of covered salary and 0.00% for Division B.

For more detail see Summary of Plan Provisions on page 118.

Judges

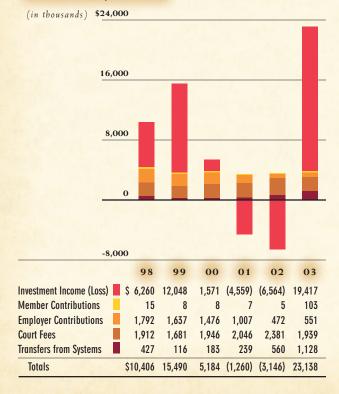
	194
Total Membership	106
Total Membership	5
Active Terminated vested	83
Terminated vested	
1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1	106
2003 Active Members	54.9
Average age	10.7
Average years of service	\$106,613
Average years of service	
2003 Retirees	8
2003 Retirees Number	62.9
Average age	21.8
Average years of service	\$106,190
Average years of service Final average annual salary Average annual benefit	\$75,647
Average annual benefit—all retir	ees\$51,023

Funding Progress with Funded Ratios



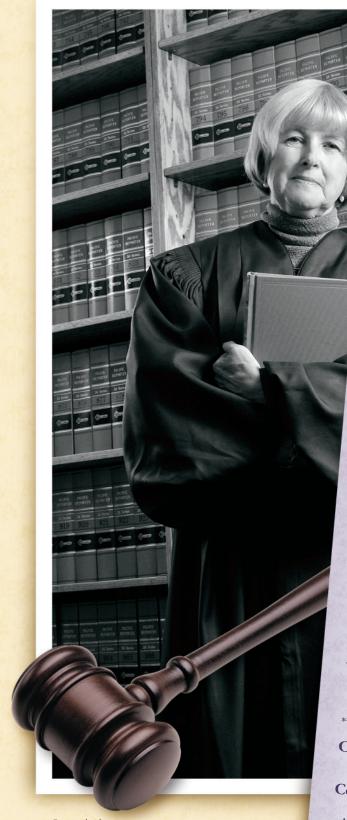
JUDGES SYSTEM HIGHLIGHTS

Additions by Source



Deductions by Type





Pictured Above: Judge Pamela T. Greenwood Utah Court of Appeals

Membership

The Judges Retirement System includes justices and judges of the courts of record as authorized in state statues.

Service Retirement

Age Years of Service	
Any age 25	Allowance Reduction None
5520	Full actuarial reduction
10	actuallal reduction
706	Full actuarial reduction None None
Service D.	None

Service Benefit Formula

- 1. 5.00% x FAS* x years of service up to 10 years.
- 2. 2.25% x FAS* x years of service between 10 and
- 3. 1.00% x FAS* x years of service over 20 years.
- 4. Monthly benefit = total of 1, 2 and 3.**
- *FAS (Final Average Salary) = highest two years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 75% of FAS.

Cost of Living Allowance

Up to 4% compounded annually.

Contribution Rates (as of 12-31-2003)

Contributory — Member rate is 7.08% of covered salary. Employer rate is 0.00% of covered salary.

Noncontributory — Employer rate for Division is 7.08% of covered salary.

For more detail see Summary of Plan Provisions on page 120.

Governors and Legislative

4.4	411
Total Membership	97
Total Membership	91
Active Terminated vested	223
Retired	
1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	97
2003 Active Members	51.8
Average age	6.0
Average age Average years of service Average annual salary	\$6,388
2003 Retirees Number	
	04.7

Number	64.4
Number	7.1
Average age Average years of service	\$2,975
Average years of service Final average annual salary	\$1,986
Final average annual salary	

Average annual benefit—all retirees ... \$2,817

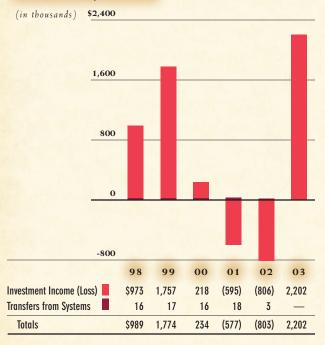
Funding Progress with Funded Ratios



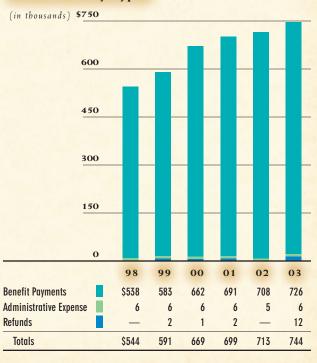
Foremors and

PENSION PLAN HIGHLIGHTS

Additions by Source



Deductions by Type





Governors and Legislative

Membership

The Governors and Legislative Pension Plan includes only governors and legislators of the State of Utah.

Service Retirement

Age	V	
65	Years of Service	
03	4	Allowance Reduction None
62	F	·····
	10	% each year before age 65
C .		o each year before age 65
Jervice	Rose Co. To	- store age 05

Service Benefit Formula

Governors

\$500* per month per term.

* Increased semi-annually up to 2% based on the CPI. The amount as of 12-31-03 is \$1,100 per term. Legislators

\$10** per month per each year of service as a legislator.

** Increased semi-annually up to 2% based on the CPI. The amount

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2003)

There are currently no required contributions.

For more detail see Summary of Plan Provisions on page 121.

401 (k) and 457

401(k) AND 457 PLAN HIGHLIGHTS

HE PURPOSE OF THE 401(k) AND 457 PLANS IS TO ALLOW PUBLIC employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their pre-tax income in one or both of these supplemental retirement plans. It has long been recognized that for employees to experience the comfortable and rewarding retirement they

desire, they cannot rely entirely upon Social Security and their employer-provided retirement. Employees should take the initiative to personally put aside a portion of their salary into some type of long-term savings plan.

The Plans provide the following benefits:

- Convenient, automatic payroll deduction
- Eleven investment options
- Tax deferred savings
- Increase or decrease contributions as often as every pay period
- Change allocation of future contributions as often as desired
- Transfer funds between investment options as often as every seven days
- Rollover funds into any eligible plan or IRA upon termination or retirement
- Upon death, funds transfer to beneficiaries
- Immediate vesting
- No sales commissions
- Low investment and administrative fees
- Plan Loans
- Hardship and Emergency withdrawals

Each year the number of employees participating in these plans increases. Individuals may participate in more than one option. As of December 31, 2003 the number of participants by investment plan are shown to the right.

Annualized rates of returns for the Investment Funds are shown on page 99.

Membership Information

AT DECEMBER 31, 2003	401(k)	457
Number of active employees		
eligible to participate	89,367	79,362
Employee contributions		
(excluding employer contributions):		
Number of employees contributing	40,465	4,352
Percent of eligible employees		
contributing	45.3%	5.5%
Average percent of salary		
deferred by employees	6.0%	7.7%
Total participants	121,070	11,272
Average participant account balance	\$13,656	17,408

401(k) and 457 Member Balances

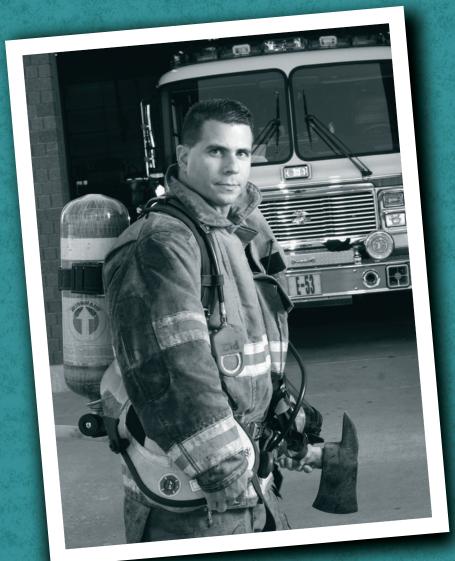
(in millions)

\$2,000

1,500 1,000 500 o 94 95 96 97 98 99 00 01 (in millions) 401(k) \$366 485 615 803 1,011 1,259 1,277 1,330 1,313 1,653 457 143 159 172 195 211 235 216 200 172 Totals \$509 644 787 998 1,222 1,494 1,493 1,530 1,485 1,849

Utah Retirement Systems 2003 Comprehensive Annual Financial Report

Financial Section FINANCIAL SECTION



27 Independent Auditors' Report

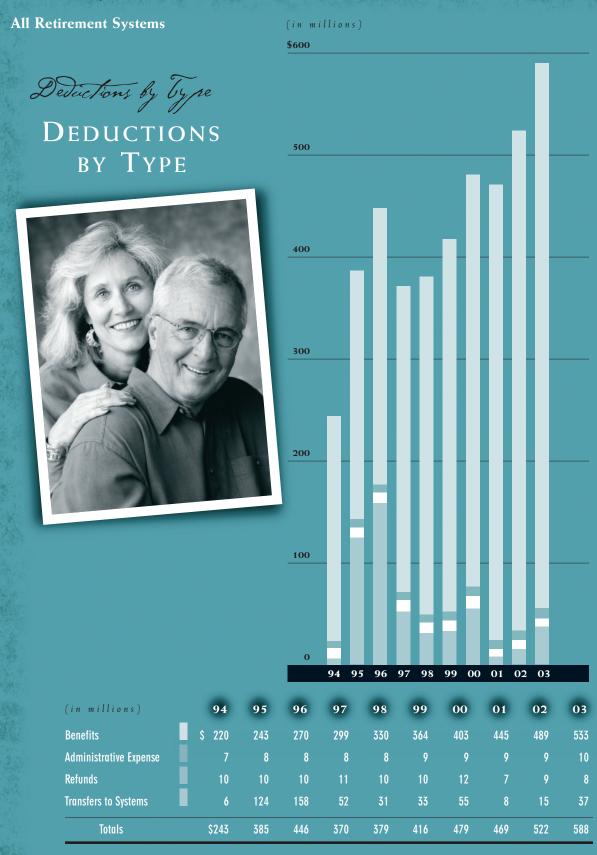
28 Management's Discussion and Analysis

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64 Individual Retirement Systems' Schedules by Division

84 401(k) and 457 Plans' Schedules by Investment Fund

88 Schedules of Administrative and Investment Expenses



Independent Auditors' Report

Deloitte.

INDEPENDENT AUDITORS' REPORT

Utah State Retirement Board:

Deloitte & Touche LLP **Suite 1800** 50 South Main St. Salt Lake City, UT 84144

Tel: +1 801 328 4706 Fax: +1 801 355 7515 www.deloitte.com

We have audited the accompanying basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board as of December 31, 2003, and for the year then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of Utah Retirement Systems. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the plan net assets of the pension trust funds of Utah Retirement Systems administered by the Utah State Retirement Board as of December 31, 2003, and the changes in plan net assets of the pension trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the Schedules of Funding Progress and of Employer Contributions, listed in the foregoing table of contents, are not required parts of the basic financial statements, but are supplementary information required by GASB. This supplementary information is also the responsibility of the management of Utah Retirement Systems. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental financial supporting schedules listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The supplemental supporting schedules are also the responsibility of the management of Utah Retirement Systems. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The Introductory Section, Investment Section, Actuarial Section, and Statistical Section listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of Utah Retirement Systems. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated February 27, 2004, on our consideration of Utah Retirement Systems' internal control over financial reporting and our tests of their compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

February 27, 2004

Deloitte & Touche LLP

Member of **Deloitte Touche Tomatsu**

Management's Discussion and Analysis MANAGEMENT'S DISCUSSION AND ANALYSIS

HIS SECTION PRESENTS MANAGEMENT'S DISCUSSION AND ANALYSIS of the Utah Retirement Systems' (URS) financial position and performance for the year ended December 31, 2003. It is presented as a narrative overview and analysis. Please read it in conjunction with the Letter of Transmittal included in the Introductory Section, the financial statements and other information which are presented in the Financial Section of this Comprehensive Annual Financial Report.

URS is responsible for administering retirement and defined contribution benefits for State, local government and public education employees in the State of Utah. URS is comprised of six defined benefit pension systems (Systems) and two defined contribution plans (Plans). The six defined benefit pension systems are the Public Employees Contributory Retirement System (Contributory System), the Public Employees Noncontributory Retirement System (Noncontributory System), the Public Safety Retirement System (Public Safety System), the Firefighters Retirement System (Firefighters System), the Judges Retirement System (Judges System) and the Governors and Legislative Pension Plan (Governors and Legislative Plan). The two defined contribution plans (Plans) are the 401(k) and 457 Plans. All of these Systems and Plans are defined as pension

(and other employee benefit) trust funds, which are fiduciary funds. Throughout this discussion and analysis units of measure (i.e. billions, millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

Financial Highlights

- The URS Defined Benefit Pension Systems' combined total net assets increased by \$2.8 billion, or 24.3 percent during calendar year 2003. The increase was primarily due to the increase in equity markets and increasing retirement contributions.
- The URS Defined Benefit Pension Systems' rate of return on investments during calendar year 2003 was 26 percent compared with the calendar year 2002 rate of return of negative 7.5 percent. The increase in rate of return was due primarily to the increase in equity markets.

- The URS Defined Benefit Pension Systems were actuarially funded at an average of 92.8 percent as of January 1, 2003, a decrease from the comparative average of 102.7 percent as of January 1, 2002. During 2003 the funded ratio increased from 92.8 percent at the beginning of the year to 93.1 percent at December 31, 2003 due to higher than expected investment returns.
- The Defined Contribution Plans' net assets increased \$365 million during calendar year 2003 due to investment gain from the increase in equity markets and participant contributions.
- The Defined Contribution Plans' rates of return for investment options ranged from a high of 51.4 percent to a low of 3.9 percent compared to prior year investment option returns of a high of 10.5 and a low of negative 29.9 percent.

Overview of the Financial Statements

THIS DISCUSSION AND ANALYSIS IS INTENDED to serve as an introduction to the URS financial reporting which is comprised of the following components:

- (1) basic financial statements,
- (2) notes to the basic financial statements,
- (3) required supplementary information, and
- (4) other supplementary schedules.

Collectively, this information presents the combined net assets held in trust for pension benefits for each of the funds administered by URS as of December 31, 2003. This financial information also summarizes the combined changes in net assets held in trust for pension benefits for the year then ended. The information in each of these components is briefly summarized as follows:

(1) Basic Financial Statements.

For the calendar year ended December 31, 2003, basic financial statements are presented for the fiduciary funds administered by URS. Fiduciary funds are used to account for resources held for the benefit of parties outside of URS. The fiduciary fund is comprised of eight pension (and other employee benefit) trust funds which consist of six defined benefit systems and two defined contribution plans.

- The Statements of Fiduciary
 Net Assets are presented for the
 pension trust funds at December
 31, 2003 with combined total
 comparative information at
 December 31, 2002. These
 financial statements reflect
 the resources available to pay
 benefits to members, including
 retirees and beneficiaries, at
 the end of the years reported.
- The Statements of Changes in Fiduciary Net Assets are presented for the pension trust funds for the year ended December 31, 2003 with combined total comparative information for the year ended December 31, 2002. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2003 and 2002.



- (2) **Notes to the Basic Financial Statements.** The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. Information in the Notes to the Basic Financial Statements is described below.
 - Note 1 provides a general description of URS as well as a description of each of the Systems and Plans administered by URS and a summary of benefits. Information regarding employer and member participation in the Systems and Plans administered by URS is also provided.
 - Note 2 provides a summary of significant accounting policies, including the basis of accounting, investment accounting policies, management's use of estimates, information regarding the implementation of new accounting pronouncements, and other significant accounting policies.
 - Note 3 describes deposits, investment risk disclosures, and additional information about cash, securities lending, and derivatives.

- Note 4 explains property and equipment of URS including depreciation and net carrying amounts.
- Note 5 provides information about actuarial values and methods for the defined benefit systems administered by URS.
- Note 6 provides information about contributions to the defined benefit systems administered by URS.
- Note 7 explains transfers to or from affiliated systems.
- Note 8 describes supplemental benefits.

- Note 9 provides information about litigation.
- Note 10 describes commitments for investment funding.
- Note 11 provides information about pension plan participation.
- Note 12 describes compensated absences, post employment benefits and insurance reserves.
- Note 13 describes required supplementary information.
- Note 14 provides information about risk management of URS.
- Note 15 provides information about mortgages payable.

- (3) Required Supplementary Information. The required supplementary information consists of two schedules and related notes concerning actuarial information, funded status and required contributions of the defined benefit pension systems administered by URS.
- (4) Other Supplementary
 Schedules. Other schedules
 include more detailed information pertaining to the Systems
 and Plans as well as schedules
 of administrative expenses.



Financial Analysis of the Systems— Defined Benefit Plans

Investments

NVESTMENTS OF THE URS DEFINED BENEFIT Systems are combined in a commingled investment pool as authorized by state statute. Each system owns an equity position in the pool and receives proportionate investment income from the pool in accordance with each respective ownership percentage.

Each system's allocated share of each type of investment in the pool is shown in the Statement of Net Assets of each respective system. Investment gains or losses are reported in the Statement of Changes in Fiduciary Net Assets of each retirement system. The rate of return on investments is therefore approximately the same for each of the systems.

Systems Total Investments

At December 31, 2003, URS Defined Benefit Systems had total net assets of \$14.2 billion, an increase of \$2.8 billion from calendar year 2002 investment totals. The combined investment portfolio experienced a return of 26.0 percent compared with the URS investment benchmark return of 24.8 percent.

Investment results over time compared with URS benchmarks are presented on page 94 in the Investment Section.

Since investment gain in all of the retirement systems were about 26.0 percent of net assets, further investment performance will not be evaluated in each respective system.

Equities

At December 31, 2003, URS Defined Benefit Systems held \$8.1 billion in U.S. and international equity securities, an increase of \$1.7 billion from year 2002. U.S. equity and international equity securities

had returns of 39.3 percent and 40.4 percent respectively, for the 2003 calendar year, compared to URS benchmark returns of 31.1 percent and 41.9 percent respectively.

Debt Securities

At December 31, 2003, URS Defined Benefit Systems held \$3.1 billion in U.S. debt and international debt securities, an increase of \$363.8 million from year 2002. U.S. debt securities returned 4.9 percent while international debt securities returned 17.7 percent in calendar year 2003 compared with URS benchmark returns of 4.1 percent and 12.5 percent respectively.

Real Estate

At December 31, 2003, URS Defined Benefit Systems held \$1.2 billion in real estate investments, an increase of \$63.9 million from year 2002. Real estate investments returned 9.9 percent in calendar year 2003 which was below the URS benchmark return of 10.9 percent.

Private Equity

At December 31, 2003, URS Defined Benefit Systems held \$654.3 million in private equity investments, a decrease of \$107.7 million from year 2002. Private equity investments returned 5.4 percent in calendar year 2003. The URS benchmark for private equity investments was 34.5 percent.

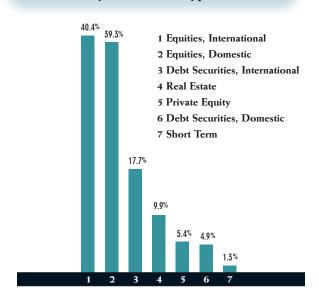
Short Term

At December 31, 2003, URS Defined Benefit Systems held \$1.6 billion in short-term investments, an increase of \$818.7 million from year 2002. Short-term investments returned 1.3 percent in calendar year 2003, which compared to the URS benchmark return of 1.2 percent.

Security Lending

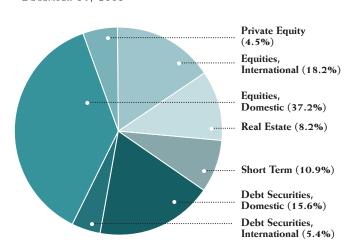
The Systems earn additional investment income by lending investment securities to brokers. This is done on a pooled basis by URS's custodial bank, The Northern Trust Company (TNT). The brokers provide collateral to TNT and generally use the borrowed securities to cover short sales and failed trades. TNT invests the cash collateral received from the brokers in order to earn interest. At December 31, 2003, the Systems had \$1.50 billion on loan secured by collateral of \$1.54 billion. For calendar year 2003, net securities lending income to the Systems amounted to \$4.2 million, an increase of \$187 thousand over calendar year 2002. The increase in security lending revenue for year 2003 represents mainly an increase in demand by brokers to borrow available securities.

Defined Benefit Systems Investment Rates of Return by Investment Type for 2003



Defined Benefit Systems Asset Allocation at Fair Value

DECEMBER 31, 2003



Analysis of Individual Systems:

Contributory System

THE CONTRIBUTORY SYSTEM PROVIDES retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 totaled \$889.8 million, an increase of \$173.7 million (24.3 percent) from \$716.1 million at December 31, 2002.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions, investment income and transfers. For the 2003 calendar year, member and employer contributions increased from \$15.7 million for the calendar year 2002 to \$16.0 million, an increase of \$312 thousand (2.0 percent). Contributions increased because contribution rates increased. For the most part the Contributory System is a closed system. For this reason both the numbers of active members and retired individuals are declining. The system recognized a net investment gain of \$186.3 million for the 2003 calendar year compared with net investment losses of \$64.3 million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the 2003 calendar year, benefits amounted to \$61.2 million, a decrease of \$2.0 million (3.2 percent) from 2002 calendar year. The decrease in benefit payments was due to the decline in the number of retired members in the system. For the 2003 calendar year, the costs of administering the system totaled \$675 thousand, an increase of \$51 thousand (8.2 percent) from calendar year 2002.

An actuarial valuation of the Contributory System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 92.1 percent from 97.7 percent at January 1, 2002. The amount by which the Contributory System actuarial assets were under



actuarial benefit liabilities was \$77.6 million at January 1, 2003, compared with \$21.4 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment returns over the previous 3 years.

Noncontributory System

The Noncontributory System provides retirement benefits to covered State of Utah, local government and public education employees. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 totaled \$11.3 billion, an increase of \$2.2 million (24.3 percent) from \$9.1 billion at December 31, 2002.

Additions to the Noncontributory System net assets held in trust for benefits include employer contributions, investment income and transfers. For the 2003 calendar year, member and employer contributions increased from \$303.8 million for the calendar year 2002 to \$326.0 million, an increase of \$22.3 million (7.3 percent). Contributions increased because contribution rates increased. The system recognized a net investment gain of \$2.3 billion for the 2003 calendar year compared with net investment losses of \$788.9

million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the 2003 calendar year, benefits amounted to \$390.1 million, an increase of \$38.2 million (10.8 percent) over 2002 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$8.1 million, an increase of \$1.0 million (14.4 percent) from calendar year 2002.

An actuarial valuation of the Noncontributory System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 92.2 percent from 102.8 percent at January 1, 2002. The amount by which the Noncontributory System actuarial assets were under actuarial benefit liabilities was \$915.8 million at January 1, 2003, compared with being over funded by \$298.3 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment returns over the previous 3 years.

Public Safety System

The Public Safety System provides retirement benefits to eligible public safety employees of the State of Utah, local governments and higher education. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 amounted to \$1.4 billion, an increase of \$279.6 million (24.9 percent) from \$1.1 billion at December 31, 2002.

Additions to the Public Safety System net assets held in trust for benefits include employer contributions investment income and transfers. For the 2003 calendar year, member and employer contributions increased from \$46.5 million for the calendar year 2002 to \$51.1 million, an increase of \$4.6 million (9.8 percent). Contributions increased because contribution rates increased. The system recognized a net investment gain of \$288.1 million for the 2003 calendar year compared with net investment losses of \$97.8 million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Public Safety System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2003 calendar year, benefits amounted to \$60.6 million, an increase of \$5.5 million (10.0 percent) over the 2002 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and

benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$1.0 million, an increase of \$107 thousand (11.9 percent) from calendar year 2002.

An actuarial valuation of the Public Safety System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 92.5 percent from 100.8 percent at January 1, 2002. The amount by which the Public Safety System actuarial assets were under actuarial benefit liabilities was \$109.1 million at January 1, 2003, compared with being over funded by \$10.3 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment returns over the previous 3 years.

Firefighters System

The Firefighters System provides retirement benefits to covered firefighters of the State of Utah and local governments. Benefits of the system are funded by member and employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 amounted to \$570.2 million, an increase of \$108.8 million (23.6 percent) from \$461.3 million at December 31, 2002.

Additions to the Firefighters System net assets held in trust for benefits consist of employer contributions, including insurance premium taxes, investment income and transfers. For the 2003 calendar year, member and employer contributions decreased from \$15.3 million

Fiduciary Net Assets—Pension Trust Funds

DECEMBER 31	((dollars in	thousands)				
		Contributory System		Noncon	Noncontributory System		Public Safety System	
		2003	2002	2003	2002	2003	2002	
Assets:								
Cash and receivables	\$	26,319	8,779	342,879	119,144	42,149	14,354	
Investments at fair value		910,022	734,470	11,526,852	9,298,185	1,435,414	1,152,758	
Invested securities lending collateral		94,078	85,494	1,191,653	1,082,326	148,395	134,183	
Property and equipment		318	321	4,027	4,058	502	503	
Total assets	1	,030,737	829,064	13,065,411	10,503,713	1,626,460	1,301,798	
Liabilities:								
Securities lending liability		94,078	85,494	1,191,653	1,082,326	148,395	134,183	
Investment accounts and other payables		46,851	27,438	593,618	347,621	73,898	43,066	
Total liabilities		140,929	112,932	1,785,271	1,429,947	222,293	177,249	
Total net assets	\$	889,808	716,132	11,280,140	9,073,766	1,404,167	1,124,549	

Changes in Fiduciary Net Assets—Pension Trust Funds

YEAR ENDED DECEMBER 31		(dollars in thousands) Contributory System		Noncontributory System		Public Safety System	
		2003	2002	2003	2002	2003	2002
Additions:							
Contributions	\$	15,970	15,658	326,028	303,752	51,103	46,522
Investment income (loss)		186,339	(64,251)	2,315,577	(788,906)	288,126	(97,816)
Transfers from affiliated systems		33,263	_	_	12,166	2,002	1,956
Total additions		235,572	(48,593)	2,641,605	(472,988)	341,231	(49,338)
Deductions:							
Pension benefits		57,863	59,497	386,791	348,230	59,941	53,962
Refunds		3,358	3,716	3,310	3,715	666	115
Administrative expenses		675	624	8,124	7,103	1,006	899
Transfers to affiliated systems		_	15,420	37,006	_	_	_
Total deductions		61,896	79,257	435,231	359,048	61,613	56,016
Increase (decrease) in net assets	\$	173,676	(127,850)	2,206,374	(832,036)	279,618	(105,354)

for the calendar year 2002 to \$15.1 million, a decrease of \$140 thousand (.9 percent). Contributions decreased because insurance premium taxes decreased.

The system recognized a net investment gain of \$117.4 million for

the 2003 calendar year compared with net investment losses of \$40.2 million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Firefighters

System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2003 calendar year, benefits amounted to \$23.9 million, an increase of \$1.2 million (5.4 percent) over the 2002 calendar year. The

Firefig	Firefighters System		Judges System		Governors and Legislative Pension Plan		Total Defined Benefit Pension Plans	
 2003	2002	2003	2002	2003	2002	2003	2002	Percent Change
16,525	5,364	2,875	1,176	298	101	431,045	148,918	189.5%
583,468	473,440	96,527	77,435	10,636	9,169	14,562,919	11,745,457	24.0
60,319	55,110	9,979	9,014	1,100	1,067	1,505,524	1,367,194	10.1
204	207	34	34	4	4	5,089	5,127	(0.7)
660,516	534,121	109,415	87,659	12,038	10,341	16,504,577	13,266,696	24.4
60,319	55,110	9,979	9,014	1,100	1,067	1,505,524	1,367,194	10.1
30,037	17,688	4,969	2,892	548	342	749,921	439,047	70.8
90,356	72,798	14,948	11,906	1,648	1,409	2,255,445	1,806,241	24.9
570,160	461,323	94,467	75,753	10,390	8,932	14,249,132	11,460,455	24.3%

Percent Change	Total Defined Benefit Pension Plans		Governors and Legislative Pension Plan		Judges System		Firefighters System	
	2002	2003	2002	2003	2002	2003	2002	2003
7.0%	384,044	410,808	_	_	2,858	2,593	15,254	15,114
393.3	(998,541)	2,929,053	(806)	2,202	(6,564)	19,417	(40,198)	117,392
140.1	15,420	37,018	3	_	560	1,128	735	625
663.7	(599,077)	3,376,879	(803)	2,202	(3,146)	23,138	(24,209)	133,131
9.2	488,489	533,202	708	726	3,804	4,361	22,288	23,520
(14.0)	9,008	7,748	_	_			422	414
13.6	9,011	10,234	5	6	57	63	323	360
140.1	15,420	37,018		12	_		_	
12.7	521,928	588,202	713	744	3,861	4,424	23,033	24,294
348.8%	(1,121,005)	2,788,677	(1,516)	1,458	(7,007)	18,714	(47,242)	108,837

increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$360 thousand, an increase of \$37 thousand (11.5 percent) from calen-

dar year 2002. An actuarial valuation of the Firefighters System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 106.2 percent from 115.9 percent at January 1, 2002. The amount by which the Firefighters System actuarial assets were over actuarial benefit liabilities was \$32.4 million at January 1, 2003, compared with \$77.9 million at January 1, 2002. The decrease in funded status

as of the last actuarial valuation was a result of the lower than expected investment returns over the previous 3 years.

Judges System

The Judges System provides retirement benefits to judges in the State of Utah who are eligible to participate in the system. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 amounted to \$94.5 million, an increase of \$18.7 million (24.7 percent) from \$75.8 million at December 31, 2002.

Additions to the Judges System net assets held in trust for benefits consist of employer contributions. including court fees, investment income and transfers. For the 2003 calendar year, member and employer contributions decreased from \$2.9 million for the calendar year 2002 to \$2.6 million, a decrease of \$265 thousand (9.3 percent). Contributions decreased because court fees decreased. The system recognized a net investment gain of \$19.4 million for the 2003 calendar year compared with net investment losses of \$6.6 million for the 2002 calendar year. The increase in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2003 calendar year, benefits amounted to \$4.4 million, an increase of \$557 thousand (14.6 percent) over 2002 calendar year.

The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$63 thousand, an increase of \$6 thousand (10.5 percent) over calendar year 2002.

An actuarial valuation of the Judges System assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 100.4 percent from 107.7 percent at January 1, 2002. The amount by which the Judges System actuarial assets were over actuarial benefit liabilities was \$331 thousand at January 1, 2003, compared with \$6.7 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment results over the previous 3 years.

Governors and Legislative Plan

The Governors and Legislative Plan provides retirement benefits to governors and legislators of the State of Utah. Benefits of the system are funded by employer contributions and by earnings on investments. The system net assets held in trust for benefits at December 31, 2003 amounted to \$10.4 million, an increase of \$1.5 million (16.3 percent) from \$8.9 million at December 31, 2002.

Additions to the Governors and Legislative Plan net assets held in trust for benefits include investment income and transfers. No employer contributions were needed for this plan because of the current over funded status. The system recognized a net investment gain of \$2.2 million for the 2003 calendar year compared with net investment losses of \$806 thousand for the 2002 calendar year. The decrease in investment income was mainly due to the increase in equity markets during 2003.

Deductions from the Governors and Legislative Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For the 2003 calendar year, retirement benefits amounted to \$726 thousand, an increase of \$18 thousand (2.5 percent) from 2002 calendar year. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the 2003 calendar year, the costs of administering the system totaled \$6 thousand, a slight increase over the preceding year.

An actuarial valuation of the Governors and Legislative Plan assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2003, the funded status of the system decreased to 123.1 percent from 143.1 percent at January 1, 2002. The amount by which the Governors and Legislative Plan actuarial assets were over actuarial benefit liabilities was \$2.0 million at January 1, 2003, compared with \$3.5 million at January 1, 2002. The decrease in funded status as of the last actuarial valuation was a result of the lower than expected investment results over the previous 3 years.

Actuarial Valuations and Funding Progress

CTUARIAL VALUATION OF EACH DEFINED BENEFIT system is performed annually. At January 1, 2003, the date of the most recent actuarial valuation, the average funded ratio of the

Systems was 92.8 percent. This was a decrease from the Systems' January 1, 2002 valuation average funded ratio of 102.7 percent, a decrease in funded status of 10 percent. As of December 31, 2003, the Systems' average funded ratio had increased to 93.1 percent. This was an increase in the Systems' funded ratio of .3 percent for calendar year 2003.

The funded ratio increase for all systems was the result of investment returns above the investment return assumption of 8 percent for calendar rear 2003.

At December 31, 2003 the Systems' unfunded actuarial accrued liability remained at \$1.1 billion or almost the same as at January 1, 2003. There was a net change in the under funded position of



\$17.3 million for the year. At December 31, 2003 the difference between the actuarial value of assets and market value of assets was \$469 million in actuarially deferred losses. This was a decrease of \$1.8 billion in actuarially deferred losses from the \$2.3 billion in actuarially deferred losses at January 1, 2003. These actuarially deferred losses will be recognized by the actuary over the next four years leading to probable increases in contribution rates.

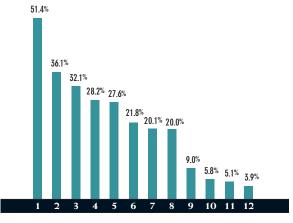


Defined Contribution Plans

401(k) Defined Contribution Plan

HE 401(k) PLAN IS ESTABLISHED UNDER SECTION 401(k) of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2003 amounted to \$1.7 billion, an increase of \$340.6 million (25.9 percent) over net assets at December 31, 2002.

Defined Contribution Plans Investment Options Rates of Return for 2003



- 1 Small Cap Stock Fund
- 2 International Fund
- 3 Large Cap Stock Value Fund
- 4 Large Cap Stock Index Fund
- 5 Long Horizon Fund
- 6 Large Cap Stock Growth Fund
- 7 Balanced Fund
- 8 Medium Horizon Fund
- 9 Short Horizon Fund
- 10 Bond Fund
- 11 Group Annuity Fund
- 12 Income Fund

Defined Contribution Plans Comparative Annualized Rates of Return

DECEMBER 31, 2003

Investment Option	2003	2002
Income Fund	3.9	5.5%
Bond Fund	5.8	10.5
Balanced Fund	20.1	(9.8)
Large Cap Stock Value Fund	32.1	(10.7)
Large Cap Stock Index Fund	28.2	(22.1)
Large Cap Stock Growth Fund	21.8	(29.9)
International Fund	36.1	(15.6)
Small Cap Stock Fund	51.4	(19.2)
Short Horizon Fund	9.0	4.6
Medium Horizon Fund	20.0	(6.8)
Long Horizon Fund	27.6	(13.6)
Group Annuity Fund	5.1	5.7

Additions to the 401(k) Plan net assets held in trust for benefits include contributions and investment income. For the 2003 calendar year, contributions increased from those of 2002 calendar year from \$160.3 million to \$161.2 million, an increase of \$945 thousand (.6 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$249.3 million for the 2003 calendar year compared with a net investment loss of \$109.8 million for the 2002 calendar year.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2003 calendar year, refunds amounted to \$65.8 million, an increase of \$1.9 million (2.9 percent) over 2002 calendar year. The increase in refunds was due to an increase in withdrawals for calendar year 2003. For the 2003

calendar year, the costs of administering the plan amounted to \$4.1 million, an increase of \$279 thousand over calendar year 2002.

Benefit obligations of the 401(k) Defined Contribution Plan are equal to the member account balances, which are equal to net assets of the plan.

457 Defined Contribution Plan

The 457 Plan is established under Section 457 of the Internal Revenue Code. This plan provides supplemental retirement benefits for plan participants. The plan is funded by contributions and by investment earnings. The plan net assets held in trust for benefits at December 31, 2003 amounted to \$196.2 million, an increase of \$24.7 million (14.4 percent) over net assets at December 31, 2002.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For the 2003 calendar year, contributions increased from those of 2002 calendar year from \$10.4 million to \$13.8 million or an increase of \$3.5 million (33.4 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$29.2 million for the 2003 calendar year compared with a net investment loss of \$13.3 million for the 2002 calendar year. The increase from investments was due mainly to the upturn in equity markets during 2003.

Deductions from the 457 Plan net assets include participant and beneficiary refunds, and administrative expenses. For the 2003 calendar year, refunds amounted to \$17.9

Fiduciary Net Assets — Defined Contribution Plans

DECEMBER 31	(dollars in	thousands)				Total Defined	
	401(k) Plan			457 Plan	Contribution Plans		Percent
	2003	2002	2003	2002	2003	2002	Change
Assets:							
Cash and receivables	\$ 34,518	31,057	1,643	1,047	36,161	32,104	12.6%
Investments at fair value Invested securities	1,622,761	1,286,492	195,779	171,616	1,818,540	1,458,108	24.7
lending collateral	34,170	45,934	3,390	5,444	37,560	51,378	(26.9)
Total assets	1,691,449	1,363,483	200,812	178,107	1,892,261	1,541,590	22.7
Liabilities:							
Securities lending liability	34,170	45,934	3,390	5,444	37,560	51,378	(26.9)
Investment accounts							
and other payables	3,904	4,785	1,203	1,102	5,107	5,887	(13.2)
Total liabilities	38,074	50,719	4,593	6,546	42,667	57,265	(25.5)
Total net assets	\$1,653,375	1,312,764	196,219	171,561	1,849,594	1,484,325	24.6%

Changes in Fiduciary Net Assets — Defined Contribution Plans

(dollars in	thousands)				T . 1 D . 6 . 1	
	401(k) Plan		457 Plan	Con		Percent
2003	2002	2003	2002	2003	2002	Change
\$ 161,212	160,267	13,812	10,353	175,024	170,620	2.6%
249,313	(109,790)	29,193	(13,325)	278,506	(123,115)	326.2
410,525	50,477	43,005	(2,972)	453,530	47,505	854.7
	_					
65,785	63,908	17,877	24,498	83,662	88,406	(5.4)
4,129	3,850	470	487	4,599	4,337	6.0
69,914	67,758	18,347	24,985	88,261	92,743	(4.8)
\$ 340,611	(17,281)	24,658	(27,957)	365,269	(45,238)	907.4%
	2003 \$ 161,212 249,313 410,525 65,785 4,129 69,914	2003 2002 \$ 161,212 160,267 249,313 (109,790) 410,525 50,477 65,785 63,908 4,129 3,850 69,914 67,758	401(k) Plan 2003 2002 2003 \$ 161,212 160,267 13,812 249,313 (109,790) 29,193 410,525 50,477 43,005 65,785 63,908 17,877 4,129 3,850 470 69,914 67,758 18,347	401(k) Plan 457 Plan 2003 2002 \$ 161,212 160,267 13,812 10,353 249,313 (109,790) 29,193 (13,325) 410,525 50,477 43,005 (2,972) 65,785 63,908 17,877 24,498 4,129 3,850 470 487 69,914 67,758 18,347 24,985	401(k) Plan 457 Plan Con 2003 2002 2003 2002 2003 \$ 161,212 160,267 13,812 10,353 175,024 249,313 (109,790) 29,193 (13,325) 278,506 410,525 50,477 43,005 (2,972) 453,530 65,785 63,908 17,877 24,498 83,662 4,129 3,850 470 487 4,599 69,914 67,758 18,347 24,985 88,261	401(k) Plan 457 Plan Total Defined Contribution Plans 2003 2002 2003 2002 2003 2002 \$ 161,212 160,267 13,812 10,353 175,024 170,620 249,313 (109,790) 29,193 (13,325) 278,506 (123,115) 410,525 50,477 43,005 (2,972) 453,530 47,505 65,785 63,908 17,877 24,498 83,662 88,406 4,129 3,850 470 487 4,599 4,337 69,914 67,758 18,347 24,985 88,261 92,743

million, a decrease of \$6.6 million (27.0 percent) under the 2002 calendar year. The decrease in refunds was due to a decrease in withdrawals for calendar year 2003. For the 2003 calendar year, the costs of administering the plan amounted to \$470

thousand, a decrease of \$17 thousand under calendar year 2002.

Benefit obligations of the 457 Defined Contribution Plan are equal to the member account balances, which are equal to net assets of the plan.

Basic Financial Statements UTAH RETIREMENT SYSTEMS

Statements of Fiduciary Net Assets— Pension (and Other Employee Benefit) Trust Funds

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	
Assets:					
Cash	\$ 2	176	15	2	
Receivables:					
Member contributions	414	_	159	205	
Employer contributions	452	20,328	1,831	_	
Court fees and fire insurance tax	_			_	
Investments	25,451	322,375	40,144	16,318	
Total receivables	26,317	342,703	42,134	16,523	
Investments at fair value:					
Short-term securities, domestic	88,447	1,120,325	139,513	56,709	
Short-term securities, international	10,419	131,980	16,435	6,680	
Debt securities, domestic	141,936	1,797,846	223,881	91,004	
Debt securities, international	49,406	625,802	77,929	31,677	
Equity investments, domestic	338,910	4,292,825	534,576	217,295	
Equity investments, international	165,382	2,094,825	260,864	106,036	
Private Equity	40,886	517,887	64,492	26,214	
Real estate	74,219	940,089	117,068	47,586	
Mortgage loans	417	5,273	656	267	
Investment contracts					
Total investments	910,022	11,526,852	1,435,414	583,468	
Invested securities lending collateral	94,078	1,191,653	148,395	60,319	
Property and equipment at cost,					
net of accumulated depreciation	318	4,027	502	204	
Total assets	1,030,737	13,065,411	1,626,460	660,516	
Liabilities:					
Securities lending liability	94,078	1,191,653	148,395	60,319	
Disbursements in excess of cash balance	1,042	13,190	1,642	667	
Compensated absences, post employment	1,012	13,130	1,012	007	
benefits and insurance reserve	3,511	44,472	5,538	2,251	
Investment accounts payable	41,998	532,157	66,244	26,927	
Mortgages payable	300	3,799	474	192	
Total liabilities	140,929	1,785,271	222,293	90,356	
	140,929	1,703,271	<u> </u>	70,330	
Net assets held in trust for pension benefits					
(see supplemental schedules	ф. occ.oc.	44.000.440		F=0 + 50	
of funding progress, page 60)	\$ 889,808	11,280,140	1,404,167	570,160	

The accompanying notes are an integral part of the financial statements.

Defined Benefit Pension Plans

	med Contribution Flans		Defined Co	in rians Defined		Dennea Bene	
nsion Trust Funds		Total Defined Contribution	457 Plan	404(L) Di	Total Defined Benefit	Governors and Legislative Pension Plan	Judges
2002	2003	Plans	457 Flaii	401(k) Plan	Pension Plans	rension rian	System
5,553	4,682	4,485	1,109	3,376	197	1	1
775	778				778		_
19,825	22,755	_			22,755		144
21	30	_			30	_	30
154,848	438,961	31,676	534	31,142	407,285	297	2,700
175,469	462,524	31,676	534	31,142	430,848	297	2,874
672.742	1 415 410				1 415 410	1.024	0.202
672,742 90,665	1,415,410	_		_	1,415,410	1,034 122	9,382
2,669,492	166,741 2,935,023	663,642	68,131	<u> </u>	166,741 2,271,381	1,659	1,105 15,055
668,833	790,632	003,042	00,131	393,311	790,632	577	5,241
5,070,409	6,370,916	947,400	95,061	852,339	5,423,516	3,961	35,949
2,084,575	2,800,352	153,770	12,960	140,810	2,646,582	1,933	17,542
761,987	654,294	155,770	12,900	140,810	654,294	478	4,337
1,123,842	1,187,701		_		1,187,701	867	7,872
3,985	6,662		_	_	6,662	5	44
57,035	53,728	53,728	19,627	34,101			
13,203,565	16,381,459	1,818,540	195,779	1,622,761	14,562,919	10,636	96,527
							9,979
1,418,572	1,543,084	37,560	3,390	34,170	1,505,524	1,100	9,979
5,127	5,089	_	_	_	5,089	4	34
14,808,286	18,396,838	1,892,261	200,812	1,691,449	16,504,577	12,038	109,415
1,418,572	1,543,084	37,560	3,390	34,170	1,505,524	1,100	9,979
19,657	19,565	2,902	1,101	1,801	16,663	12	110
44,749	56,185	_	_	_	56,185	41	372
307,068	674,477	2,205	102	2,103	672,272	491	4,455
73,460	4,801				4,801	4	32
1,863,506	2,298,112	42,667	4,593	38,074	2,255,445	1,648	14,948
12,944,780	16,098,726	1,849,594	196,219	1,653,375	14,249,132	10,390	94,467

Defined Contribution Plans

Basic Financial Statements

UTAH RETIREMENT SYSTEMS

Statements of Changes in Fiduciary Net Assets— Pension (and Other Employee Benefit) Trust Funds

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

(in thousands)

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	
Additions:					
Contributions:					
Member contributions	\$ 8,673	11,517	4,448	6,055	
Employer contributions	7,297	314,511	46,655	_	
Court fees and fire insurance tax	<u> </u>	<u> </u>		9,059	
Total contributions	15,970	326,028	51,103	15,114	
Investment income: Net appreciation (depreciation)					
in fair value of investments Interest, dividends and other	166,279	2,066,293	257,108	104,754	
investment income	22,237	276,331	34,383	14,009	
Total investment income (loss)	188,516	2,342,624	291,491	118,763	
Less investment expenses	2,177	27,047	3,365	1,371	
Net investment income (loss)	186,339	2,315,577	288,126	117,392	
Transfers from affiliated systems	33,263	_	2,002	625	
Total additions	235,572	2,641,605	341,231	133,131	
Deductions:					
Retirement benefits	36,520	327,972	50,653	18,270	
Cost of living benefits	19,719	58,819	8,638	4,552	
Supplemental retirement benefits	1,624		650	698	
Refunds	3,358	3,310	666	414	
Administrative expenses	675	8,124	1,006	360	
Transfers to affiliated systems	_	37,006	_	_	
Total deductions	61,896	435,231	61,613	24,294	
Increase (decrease)					
from operations	173,676	2,206,374	279,618	108,837	
Net assets held in trust for pension benefits beginning of year	716,132	9,073,766	1,124,549	461,323	
Net assets held in trust for pension benefits end of year	\$889,808	11,280,140	1,404,167	570,160	

The accompanying notes are an integral part of the financial statements.

		ntribution Plans	Defilied Col		iit i clision i lans	Defined Benefit Pension Plans		
nsion Trust Funds	Total Pen	Total Defined			Total Defined	Governors and	T. d	
2002	2003	Contribution Plans	457 Plan	401(k) Plan	Benefit Pension Plans	Legislative Pension Plan	Judges System	
202,102	205,820	175,024	13,812	161,212	30,796	_	103	
340,727	369,014				369,014	_	551	
11,835	10,998	_	_	_	10,998	_	1,939	
554,664	585,832	175,024	13,812	161,212	410,808		2,593	
(1,471,447)	2,889,578	275,852	28,272	247,580	2,613,726	1,965	17,327	
375,215	354,038	4,498	1,091	3,407	349,540	263	2,317	
(1,096,232)	3,243,616	280,350	29,363	250,987	2,963,266	2,228	19,644	
25,424	36,057	1,844	170	1,674	34,213	26	227	
(1,121,656)	3,207,559	278,506	29,193	249,313	2,929,053	2,202	19,417	
15,420	37,018	_		_	37,018	_	1,128	
(551,572)	3,830,409	453,530	43,005	410,525	3,376,879	2,202	23,138	
398,458	427 405				437,495	572	3,508	
86,646	437,495 92,735	_		_	92,735	154	853	
3,385	2,972	_	_	_	2,972	134	633	
97,414	91,410	83,662	17,877	65,785	7,748			
13,348	14,833	4,599	470	4,129	10,234	6	63	
15,420	37,018		_		37,018	12	-	
614,671	676,463	88,261	18,347	69,914	588,202	744	4,424	
(1,166,243)	3,153,946	365,269	24,658	340,611	2,788,677	1,458	18,714	
14,111,023	12,944,780	1,484,325	171,561	1,312,764	11,460,455	8,932	75,753	
12,944,780	16,098,726	1,849,594	196,219	1,653,375	14,249,132	10,390	94,467	

Notes to the Basic Financial Statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2003

Note 1 – Description of Systems and Plans



BRIEF DESCRIPTION OF THE UTAH RETIREMENT

Systems (Systems) and 401(k) and 457 Plans (Plans) follows. For a more complete description of plan provisions, membership and benefit statistics, see the Systems Highlights on pages 12 through 24 and Summaries of Plan Provisions on pages 114 through 123.

(A) General Information and Reporting Entity

General—The Utah Retirement Systems are comprised of the following pension trust funds:

- i) the Public Employees Contributory Retirement System (Contributory System); the Public Employees Noncontributory Retirement System (Noncontributory System); and the Firefighters Retirement System which are multiple-employer, cost sharing, public employee retirement systems;
- ii) the Public Safety Retirement
 System which is a mixed agent and cost-sharing, multiple-employer retirement system;

- iii) the Judges Retirement System and the Governors and Legislative Pension Plan which are single employer service employee retirement systems; and
- iv) two defined contribution plans comprised of the 401(k) Plan and the 457 Plan.

These Systems and Plans cover employees of the State of Utah and participating local government and public education entities.

Reporting Entity—These basic financial statements cover all of the foregoing retirement systems and defined contribution plans administered by the Utah State Retirement Board (Board), the sole governing body for these Systems and Plans.

The Systems are established and governed by the respective sections

of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems and Plans under the direction of the Board, whose members are appointed by the Governor. The Plans are established under the authority of the same sections of the Utah Code Annotated 1953, as amended, as well as under Sections 401(k) and 457 of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of Sections 401(k) and 457 of the Internal Revenue Code. The Systems and Plans are fiduciary funds defined as pension (and other employee benefit) trust funds.

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Summary of Benefits by System

	Contributory System	Noncontributory System	Public Safety System Firefighters System	Judges System
Final average salary is	Highest 5 years	Highest 3 years	Highest 3 years	Highest 2 years
Years of service required and/or age eligible for benefit	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	20 years any age 10 years age 60 4 years age 65	25 years any age 20 years age 55* 10 years age 62 6 years age 70
Benefit percent per year of service**	1.25% per year to June 1975 2.00% per year July 1975 to present	2.0% per year all years	2.5% per year up to 20 years 2.0% per year over 20 years Benefit cannot exceed 70% of final average salary	5.00% first 10 years 2.25% second 10 years 1.00% over 20 years Benefit cannot exceed 75% of final average salary

Note: The Governors and Legislative Pension Plan benefits are explained in the paragraph preceding this table.

(B) Retirement and **Death Benefits**

Retirement Systems' benefits are specified by the statute listed in note 1 (A). The Retirement Systems are defined benefit plans wherein benefits are based on age and/or years of service and highest average salary. Various plan options within the Systems may be selected by retiring members. Some options require actuarial reductions based on attained age, age of spouse and similar actuarial factors. A brief summary of eligibility and benefits of the various Systems is shown in the table above.

The Governors and Legislative Pension Plan provides the following benefits. Former governors at age 65 receive \$1,100 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$24.40 per month per year of service. Retirement at age 62 with ten or more years of service will receive an actuarial reduction. Both the governors' and legislators' benefits are adjusted based on the CPI limited to 4% of the base benefit per year.

Death benefits for active and retired employees are in accordance with retirement statutes. Upon termination of employment, members of the Systems may leave their retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

(C) 401(k) and 457 Plans

The 401(k) and 457 Plans administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems for employees of employers who have adopted the 401(k) and 457 Plans. Contributions may be made into the Plans subject to plan and Internal Revenue Code limitations by employees of employers sponsoring the Plans. Employer

contributions may be made into the Plans at rates determined by the employers. There are 357 employers participating in the 401(k) Plan and 153 employers participating in the 457 Plan. There are 121,070 plan participants in the 401(k) Plan and 11,272 participants in the 457 Plan.

After termination of employment, benefits are paid out to individuals in lump-sum, or as periodic benefit payments, at the option of the participant based on individual account balances and plan provisions. The 401(k) and 457 Plans account balances are fully vested to the participants at the time of deposit.

Investments in the 401(k) and 457 Plans are individually directed and controlled by plan participants who direct the investment of their funds among several investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options no more frequently than every seven days. Investments of the Plans are reported at fair value.

^{*} With actuarial reductions.

^{**}For members and retirees in the systems, prior to January 1, 1990, there may be a 3% benefit enhancement.

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

(D) Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by the Board. Employee contributions may be paid in part or in whole by the employer. Contributions in some Systems are also augmented by fees or insurance premium taxes. Contribution rates are listed in note 6.

Employee (member) contributions are placed into member accounts, and in systems where it is authorized, interest is credited to member accounts. Upon termination of employment, a member may withdraw their account balance, including interest which has been credited. Upon withdrawal a member forfeits the service credit which corresponds to the member contributions withdrawn. The noncontributory retirement systems have no member contributions flowing into them. However, where members had a balance transferred in or purchased service credit in the system, these balances and on-going interest, where authorized, are credited to individual member accounts which may be withdrawn upon the termination of employment.

In the defined contribution plans,

voluntary deferral of compensation within the limits of plan provisions may be made by employees. In addition to employee voluntary deferrals, employer contributions may be made into the Plans in behalf of employees. The recognition of deferred compensation, employer contributions and earnings on the accounts are deferred for income tax purposes until actually paid to the participant or beneficiary.

(E) Covered Employees

The Public Employees Contributory Retirement System (Contributory System) includes eligible public employees of the State of Utah and its political subdivisions including public education employees of those entities covered by the System. Members of this System are those who did not elect to transfer to the Public Employees Noncontributory Retirement System during the period when they were eligible to transfer or whose employers are not participants in the Noncontributory System.

The Public Employees Noncontributory Retirement System (Noncontributory System) was established on July 1, 1986. All eligible employees of the State and school entities hired subsequent to that date are automatically members of the Noncontributory System. Local government entities had the option of

adopting the new System or remaining with the Contributory System. All Contributory System members whose employers adopted the Noncontributory System were given the opportunity to transfer to the new System during limited window periods. All eligible new hires subsequent to adoption of the noncontributory plans are automatically members of that plan.

The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement (e.g., game wardens, prison guards, police officers and highway patrol officers). The Public Safety System consists of both contributory and noncontributory divisions. The noncontributory divisions were authorized by the Legislature effective July 1, 1989.

The Firefighters Retirement System includes eligible state and local government employees directly involved in fire fighting.

The Judges Retirement System includes justices and judges of the court as authorized by State Statutes.

The Governors and Legislative Pension Plan includes only governors and legislators of the State.

The 401(k) and 457 Plans may be utilized by employers adopting the Plans and by their employees.

At December 31, 2003 participating members by System are included in the table below.

Participating Members by System

	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System	Legislative Pension Plan
Number of participating:						
Employers	161	380	117	43	1	1
Members:						
Active	3,493	83,156	7,041	1,568	106	97
Terminated vested	1,492	22,290	1,067	65	5	91
Retirees and beneficiaries:						
Service benefits	6,808	22,215	2,836	853	83	223
Disability benefits	134		42	68	_	

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 2 – Description of Systems and Plans

HE FOLLOWING ARE THE SIGNIFICANT accounting policies followed by the Systems and Plans:

(A) Method of Accounting

The Systems maintain records and accounts, and prepare financial statements using fund accounting principles and the accrual basis of accounting, under which benefits and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned and become measurable in accordance with the terms of each system and plan.

Utah Retirement Systems adhere to Governmental Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments, GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus, GASB Statement No. 38, Certain Financial Statement Note Disclosures, and GASB Statement No. 40, Deposit and Investment Risk Disclosures. Investments are presented at fair value. The actuarial accrued liability under the entry age actuarial funding method is presented in the Required Supplementary Information on page 60.

(B) Investments

By state statute all of the investment assets of the various Systems are pooled and invested in the common Pension Investment Trust Fund (Investment Fund). Each of the Systems has equity in the Investment Fund based on funds contributed and earnings allocated. Earnings of the Investment Fund are allocated based on the average month-end balances of each of the respective Systems. Individual investments in the Investment Fund are not specifically identified to the respective Systems (see note 3). For financial statement presentation, the Investment Fund assets, liabilities, revenues and expenses have been allocated to and presented in each respective system in the basic financial statements as required for investment pools.

Investments are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Many factors are considered in arriving at that value. Corporate debt securities are valued based on yields currently available on comparable securities of issuers with similar credit ratings.



Mortgages have been valued on an amortized cost basis which approximates market or fair value. The fair value of real estate investments has been estimated based on independent appraisals. Short-term investments are reported at market value when published market prices and quotations are available, or at cost plus accrued interest, which approximates market or fair value. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, have determined the fair values for the individual investments.

Approximately 11% of the net assets held in trust for pension benefits are invested in debt securities of the U.S. Government and its instrumentalities. Of the 11%, approximately 3% are U.S. Government debt securities and approximately 8% are debt securities of the U.S. Government instrumentalities. The Systems and Plans have no investments of any commercial or industrial organization whose market value equals 5% or more of the Systems' net assets available for benefits.

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

(C) Property and Equipment

Property and equipment are recorded at cost (see note 4), are depreciated utilizing the straight-line method, and are included in the assets of the Investment Fund. The schedule to the right summarizes the estimated useful life by class.

Estimated Useful Life by Class

Buildings	40 years
Building improvements	10 years
Furniture and equipment	3-10 years

(D) Administrative Expenses

Expenses for the administration of the Systems and Plans are budgeted and approved by the Board. Systems expenses are paid from investment earnings. Plan expenses are paid from Plan assets.

Note 3 – Deposits and Investment Risk Disclosures



(A) Deposits

USTODIAL CREDIT RISK FOR DEPOSITS Cash Deposits is the risk that in the event of a bank failure, the Systems' and Plans' deposits may not be returned to them. The deposits are held in one financial institution with an insured balance of \$100,000. The deposits in the bank in excess of \$100,000 are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statue. The Systems and Plans do not have a deposit policy for custodial credit risk. Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value. At December 31, 2003, the carrying amount of deposits totaled approximately \$(14,883,000) and the corresponding bank balance was \$1,364,962 of which \$1,264,962 was exposed to custodial credit risk.

(in thousands)

Cash	\$ 4,682
Disbursements in excess of cash balances	(19,565)
Total	\$(14,883)

(B) Investments

The upper left table on page 49 shows the investments of the Svstems' and Plans' by investment type.

(C) Credit Risk Debt Securities:

It is the Systems' and Plans' policy that all debt securities investments. both domestic and international, be registered in the Systems' and/or Plans' name. The Systems and Plans expect its domestic debt securities investment managers to maintain diversified portfolios by sector using the following guidelines:

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

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AT DECEMBER 31. 2003	in thousands) Fair Value
Debt securities, domestic	\$ 2,352,976
Debt securities, international	506,280
Equity securities, domestic	5,284,041
Equity securities, international	2,639,674
Short-term securities pools	1,582,151
Mortgage loans:	
Collateralized loans	27
Real estate notes	6,635
Real estate	480,709
Real estate joint ventures	706,992
Private equity (venture capital)	654,294
Guaranteed investment contracts	53,728
Equity securities, domestic (pooled)	216,198
Mutual fund, international	153,770
Mutual fund, balanced	246,454
Investments held by broker-dealers	
under securities lending program:	
U.S. Government and agency securities	es 520,510
Corporate debt securities, domestic	61,537
Debt securities, international	284,352
Equity securities, domestic	624,223
Equity securities, international	6,908
Total investments	\$16,381,459
Securities lending collateral pool	\$ 1,543,084

Debt Securities Investments at Fair Value

AT DECEMBER 31. 20	03	(in tho		
Quality Rating		Domestic	International	Total
AAA	\$	751,754	330,684	1,082,438
AA+		9,260	17,089	26,349
AA		17,374	5,026	22,400
AA-		11,396	57,753	69,149
A+		75,275	12,931	88,206
A		89,588	21,218	110,806
A-		55,009	24,827	79,836
BBB+		69,362	22,716	92,078
BBB		107,134	57,593	164,727
BBB-		66,642	38,388	105,030
BB+		4,343	927	5,270
BB		_	141,159	141,159
BB-		_	314	314
B+		_	975	975
D		_	152	152
NR		523		523
Total credit risk				
debt securities	1	,257,660	731,752	1,989,412
U.S. Government				
and Agencies	1	,013,721	58,880	1,072,601
Pooled investments		663,642	_	663,642
Total debt				
securities investments	\$2	,935,023	790,632	3,725,655

- U.S. Government and Agency Securities — no restriction
- Total portfolio quality shall maintain a minimum overall rating of "A" (S&P) or equivalent rating
- Securities with a quality rating of BBB- and below are considered below grade and no more than 1% of an Investment Manager's assets at market with a single issuer of 5% of the total portfolio can be below grade.

Upon approval, the international debt securities investment managers may hold up to 25% of the market value of their portfolios in securities rated below investment grade (S&P index BBB- or Moody's index Baa3). The remaining assets shall have on

average an investment grade rating.

The weighted quality rating average of the domestic debt securities, excluding pooled investments, at December 31, 2003 is AA and the fair value of below grade investments is \$71,508,244 or 3.15% of the domestic portfolio. The weighted quality rating average of the international debt securities investments, at December 31, 2003 is A and the fair value of below grade investments is \$181,914,789 or 23.01% of the international portfolio.

(D) Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the

Systems and Plans will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. At December 31, 2003 all debt securities investments were registered in the name of the Systems and Plans and were held in the possession of the Systems and Plans custodial bank, The Northern Trust Company.

(E) Concentrations of Credit Risk

The Systems and Plans expect the domestic and international securities investment managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

- AAA/Aaa Debt Securities —
 no more than 5% of an investment
 manager's assets at market with
 a single issuer
- AA/Aa Debt Securities —
 no more than 4% of an investment
 manager's assets at market with a
 single issuer
- A/A Debt Securities —
 no more than 3% of an investment
 manager's assets at market with a
 single issuer
- BBB/Baa Debt Securities —
 no more than 2% of an investment
 manager's assets at market with a
 single issuer
- For Debt Securities no individual holding shall constitute more than 10% of the market value of outstanding debt of a single issuer with the exception of the U.S. Government or its agencies, or collateralized mortgage obligations
- For Domestic Equity Securities no more than 4% of an investment manager's assets at market with a single issuer
- For International Equity Securities
 no more than 8% of an Investment manager's assets at market
 with a single issuer

At December 31, 2003 there were no single issuer investments that exceeded the above guidelines.

(F) Interest Rate Risk

The Systems and Plans manage their exposure to fair value loss arising from increasing interest rates by complying to the following policy:

An individual debt securities investment manager's portfolio shall have an effective duration between 75-125% of the effective duration of the appropriate index. Duration is a measure of a debt investment's exposure to fair value changes arising from changes in interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investments full price.

The Systems and Plans compare an investment's effective duration against the Lehman Brothers Aggregate Index for domestic debt securities and the Lehman Brothers Global Aggregate Index for international debt securities. The index range at December 31, 2003 is 3.38 - 5.63 for domestic debt securities and 2.50 - 7.50 for international debt securities. At December 31, 2003, no individual debt security investment manager's portfolio was outside of the policy guidelines. At December 31, 2003 the following tables show the investments by investment type, amount and the effective weighted duration rate.

Debt Securities Investments, Domestic

AT DECEMBER 31. 2003	(dollars in thousands)		
Investment	Fair Value	Effective Weighted Duration Rate	
Asset backed securities	\$ 186,374	1.52	
Commercial mortgage — backed securities	32,564	4.39	
Corporate bonds	455,367	5.41	
Corporate convertible bonds	2,233	0.15	
Fixed income derivatives — options	(613)	NA	
Government agencies	145,270	4.93	
Government bonds	339,712	8.47	
Government mortgage backed securities	908,642	3.10	
Index linked government bonds	90,149	5.14	
Municipal/provincial bonds	15,725	11.54	
Non-government backed C.M.O.'s	96,190	2.77	
Other options	(232)	NA	
Pooled debt securities	663,642	NA	
Total debt securities investments, domestic	\$2,935,023	4.50	

Debt Securities Investments, International

AT DECEMBER 31. 2003	(dollars in thousands)		
Investment	Fair Value	Effective Weighted Duration Rate	
Asset backed securities	\$ 9,457	4.23	
Commercial mortgage — backed securities	4,835	3.27	
Corporate bonds	347,980	5.79	
Government agencies	24,237	4.32	
Government bonds	331,912	4.79	
Government mortgage backed securities	54,915	1.84	
Municipal/provincial bonds	4,602	7.06	
Non-government backed C.M.O.'s	12,694	12.84	
Total debt securities investments, international	\$790,632	5.00	

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

(G) Foreign Currency Risk

The Systems and Plans expect the International Securities Investment Managers to maintain diversified portfolios by sector and by issuer using the following guidelines:

■ Portfolios should be adequately diversified to limit foreign currency and security risk.

Risk of loss arises from changes in currency exchange rates. The Systems' and Plans' exposure to foreign currency risk is as follows:

Foreign Currency Risk

INTERNATIONAL INVESTMENT SECURITIES AT FAIR VALUE AT DECEMBER 31, 2003

AT DECEMBER 31, 2003	(in thousands)			
Currency	Short Term	Debt	Equity	Total
Argentine peso	\$ —	152	1,285	1,437
Aruban guilder	_	373	_	373
Australian dollar	(25)	2,592	38,875	41,442
Bermudian dollar	· —	_	7,016	7,016
Bolivian boliviano	_	_	3,372	3,372
Brazilian real	_	_	21,216	21,216
Canadian dollar	242	20,059	44,303	64,604
Cayman Islands dollar	_	8,523	1,224	9,747
CFA franc BCEAO	_	3,038	_	3,038
Chilean peso	_	_	401	401
Chinese yuan renminbi	_	_	3,061	3,061
Danish krone	49	12,145	21,402	33,596
Estonia kroon	_		2,625	2,625
Euro	7,445	215,669	635,974	859,088
Hong Kong dollar	855	_	11,929	12,784
Indian rupee	_		3,470	3,470
Japanese yen	924	61,164	421,436	483,524
Mexican peso	_	1,342	8,023	9,365
Netherlands Antillan guilder	_		7,040	7,040
New Israel shekel	_	_	1,276	1,276
New Taiwan dollar	807		8,656	9,463
New Zealand dollar	48	1,738	5,447	7,233
Norwegian krone	82	9,190	13,266	22,538
Panamanian balboa	_		1,260	1,260
Pound sterling	(1,265)	47,974	363,388	410,097
Russian ruble	_	_	5,125	5,125
Singapore dollar	1	3,670	10,604	14,275
South African rand	_		9,871	9,871
South Korean won	_		34,808	34,808
Swedish krona	(70)	17,845	31,185	48,960
Swiss franc	(101)		158,146	158,045
International equity mutual fund (various currencies)	_	_	153,770	153,770
Total Securities subject to foreign currency risk	8,992	405,474	2,029,454	2,443,920
United States dollars (securities held by				
international investment managers)	157,749	385,158	770,898	1,313,805
Total international investment securities	\$166,741	790,632	2,800,352	3,757,725

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

(H) Security Lending

The Systems and Plans participate in a security lending program as authorized by Board policy, whereby securities are transferred to an independent broker or dealer in exchange for collateral in the form of cash, government securities and irrevocable bank letters of credit equal to approximately 102% of the market value of the domestic securities on loan and 105% of the market value of the international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. The custodial bank is the agent for the securities lending program. Securities under loan are maintained in the financial records, and corresponding liabilities are recorded for the market value of the collateral received.

At year end there was no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. The securities on loan at year end were \$1,497,531,000 and the collateral received for those securities on loan was \$1,543,084,000. Under the terms of the lending agreement, the Systems and Plans are indemnified against loss should the lending agent be unable to recover borrowed securities and distributions due to borrower insolvency or failure of the lending agent to properly evaluate the creditworthiness of the borrower. In addition, the Systems and Plans are indemnified against loss should the lending agent fail to demand adequate and appropriate collateral on a timely

basis. All securities loaned can be terminated on demand by either the Systems and Plans or the borrower. Cash collateral is invested in the lending agent's short-term investment pool. The short-term investment pool guidelines specify that a minimum of 20% of the invested cash collateral is to be available each business day and the dollar weighted average maturity of holdings should not exceed 60 days. The relationship between the maturities of the shortterm investment pool and the Systems' and Plans' loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Systems and Plans cannot determine. Since the securities lending collateral is in a pool maintained by the custodial bank, the Systems and Plans do not have the ability to pledge or sell the securities, and it is not necessary to report the total income and expenses of securities lending.

(I) Derivative Financial Instruments

The Systems and Plans invest in derivative financial investments as authorized by Board policy. Derivatives are financial arrangements between two parties whose payments are based on, or "derived" from, the performance of some agreed-upon benchmark. At December 31, 2003 the Systems and Plans had three types of derivative financial instruments: futures, currency forwards, and options.

Futures represent commitments to purchase (asset) or sell (liability) securities at a future date and at a specified price. Futures contracts are traded on organized exchanges (exchange traded) thereby minimizing the Systems' and Plans' credit risk. The net change in the futures contracts value is settled daily in cash with the exchanges. Net gains or losses resulting from the daily settlements are included with trading account securities gains (losses) in the Statement of Changes in Fiduciary Net Assets. At December 31, 2003 the Systems' and Plan's investments had the following futures balances:

Value Co	overed by Contract
Long—cash and cash equivalent—futures	\$101,372,513
Long-equity futures	878,783,993
Short-equity futures	(83,693,393)
Long-debt securities futures	215,484,062
Short-debt securities futures	(215,433,818)

Currency forwards represent forward foreign exchange contracts that are entered into in order to hedge the exposure to changes in foreign currency exchange rate on the foreign currency dominated portfolio holdings. A forward foreign exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts is included in the net realized gains or losses on foreign currency related transactions. At December 31, 2003 the Systems' and Plans' investments included the following currency forwards balances:

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Currency forwards (pending foreign exchange purchases) \$588,177,526

Currency forwards (pending foreign exchange sales) (586,785,233)

Options represent or give buyers the right, but not the obligation, to buy or sell an asset at a preset price over a specified period. The option's price is usually a small percentage of the underlying asset's value. As a writer of financial options, the Systems and Plans receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. As a purchaser of financial options, the Systems and Plans pay a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. At December 31, 2003 the Systems' and Plans' investments had the following option balances:

Value Cover	red by Contract
Cash and cash equivalent purchased put options	\$ 358,875
Fixed income written put options	(138,188)
Fixed income written call options	(474,596)

(J) Investment Payables

The investment accounts payable are comprised of investment advisor fees payable of \$6,916,000, administrative expenses payable of \$1,894,000, investment purchases payable of \$663,766,000 and real estate security deposits of \$1,901,000.



Note 4 – Property and Equipment

PROPERTY AND EQUIPMENT CONSIST OF THE consist of the amounts shown in the following table as of December 31, 2003 and 2002. There were no significant leases as of December 31, 2003 or 2002.

,	(in thousands)		
	2003	2002	
Land	\$ 1,779	1,779	
Buildings and building improvements	10,976	10,715	
Furniture and equipment	3,507	2,974	
Total property and equipment	16,262	15,468	
Less accumulated depreciation	7,447	6,817	
Less operating reserves	3,726	3,524	
Net property and equipment	\$ 5,089	5,127	

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 5 – Actuarial Values and Methods

(A) Actuarial Asset Valuation

HE ACTUARIAL VALUE OF ASSETS IS USED IN determining the funding progress of the Retirement Systems. The actuarial value of assets is based on a smoothed expected income investment rate. Investment income in excess or shortfall of the expected 8% rate on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. This smoothed actuarial

value of assets utilized by the actuary in determining the actuarial funding status of the retirement systems is also used in establishing the contribution rates necessary to accumulate needed assets to pay benefits when due.

The calculations below were utilized in determining the actuarial value of assets as of January 1, 2003 and December 31, 2003, and the

Calculation of Actuarial Value of Assets

JANUARY 1, 2003 (dollars in thousands)

1. Fair value of assets \$11,460,455 2. Deferral to smooth asset values

based on (excess)/shortfall of expected investment income for:

	Year	Total (Excess)/ Shortfall	Percent Deferred	Amount Deferred	
	a. 2002	\$2,009,531	80% 9	\$1,607,625	
	b. 2001	1,765,658	60%	1,059,395	
	c. 2000	814,093	40%	325,637	
	d. 1999	(932,957)	20%	(186,591)	
	e. 1998	(137, 130)	0%	0	
	f. Adjust	ment*		(513,998)	
	g. Tota	1			2,292,068
2	A -41	1 of4-			

3. Actuarial value of assets available for benefits \$13,752,523

Calculation of Actuarial Value of Assets

DECEMBER 31, 2003

(dollars in thousands)

1. Fair value of assets

\$14,249,135

2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:

	Total (Excess)/	Percent	Amount
Year	Shortfall	Deferred	Deferred
a. 2003	\$(2,007,191)	80%\$	(1,605,753)
b. 2002	2,009,531	60%	1,205,718
c. 2001	1,765,658	40%	706,263
d. 2000	814,093	20%	162,818
e. 1999	(932,957)	0%	0
f. Tota	l deferral		

3. Actuarial value of assets available for benefits

\$14,718,181

469,046

^{*}Actuarial value of assets can not exceed 120% of the fair value of assets or be below 80% of the fair value of assets.

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

next table shows the smoothed actuarial value of assets for each System.

(B) Actuarial Accrued Liability

The actuarial accrued liability for the Systems is presented in the Required Supplementary Information Schedule of Funding Progress on page 60 and 61 of this report.

(C) Actuarial Cost Method and Assumptions

The Board engages an independent firm of actuaries to estimate the present value of actuarial accrued liability for the purpose of determining actuarial accrued liabilities for active and terminated members, retired individuals and beneficiaries, and for the determination of contribution rates (note 6).

Actuarial accrued liabilities are future periodic payments including lump-sum distributions that are attributable to the service employees have rendered to date and the plan provisions of the various systems. The present value of actuarial accrued liabilities are calculated based on the entry age actuarial cost method with benefits based on projected salary increases.

A schedule of the actuarial assumptions used in the actuarial report dated January 1, 2003 is presented in Notes to Required Supplementary Information on page 63.

Actuarial Value of Assets by System

JANUARY 1, 2003	(in thousands) Governors						
	Contributory System	Noncontributory System	Public Safety System	Firefighters System	Judges System	and Legislative	Total All Systems
Net assets available for benefits at fair value	\$749,408	9,040,490	1,123,549	461,323	75,753	8,932	11,460,455
2. Deferral to smooth asset value based on (excess)/shortfall of expected investment	s						
income on fair value	149,882	1,808,096	224,886	92,266	15,151	1,787	2,292,068
3. Actuarial value of assets available for benefits	\$899,290	10,848,586	1,349,435	533,589	90,904	10,719	13,752,523

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 6 – Actuarially Determined Contribution Requirements and Contributions Made

MPLOYER CONTRIBUTION RATES CONSIST OF (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the members during the current year and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over an open 20 year amortization period. These rates are determined using the entry age actuarial cost method with a supplemental present value, and the same actuarial assumptions that were used to calculate the actuarial accrued liability in the Schedules of Funding Progress on pages 60 and 61.

The schedule below summarizes contribution rates in effect at December 31, 2003.

Contributions made by employers and members were in accordance with actuarially computed funding requirements. Fire insurance premium taxes and court fees are considered as part of employer

Contribution Rates

	Contribution Rates as a Percent of Covered Payroll						
System	Member	Employer	Other				
Contributory	6.00%	5.61 - 7.21%					
Noncontributory	_	9.62 - 11.70	_				
Public Safety:							
Contributory	10.50 - 13.74	4.52 - 17.61	_				
Noncontributory	_	16.24 - 30.05	_				
Firefighters:							
Division A	7.82	0.00	10.35%				
Division B	8.21	0.00	10.35				
Judges:							
Contributory	7.08	0.00	18.06				
Noncontributory	_	7.08	18.06				
Governors and Legislative	e <u> </u>	_	_				



contributions in the schedule on page 57 for the Firefighters and Judges Systems, respectively. These contribution rates also include rates for a 3% benefit enhancement which is funded by the State. For contribution rate purposes the actuary evaluates the assets of the Systems based on a five-year smoothed expected return wherein 20% of a year's excess or shortfall of expected return is recognized each year for five years.

The actuary recommended some increases and some decreases in contribution rates which became effective July 1, 2003.

Information with regard to contributions to the Retirement Systems for the year ended December 31, 2003 is indicated in the schedule on page 65.

Member contributions in the 401(k) and 457 Plans total \$175,024,000, which in combination with the member contributions made in the Retirement Systems total \$205,820,000.

There are no funding requirements in the 401(k) and 457 Plans other than deposit of employee contributions or contributions for the employee by the employer.

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Required Contributions

(dollars in thousands)

		Contril	oution Requ	ded Cost					Contribution	s Made	
System		rmal Cost Percent of Covered Payroll	(assets i	n excess) ercent of Covered Payroll	Total Required Contri- butions	Total Actual Contri- butions	Per	ember cent of overed Payroll	Per	nployer rcent of Covered Payroll	Covered Payroll
Contributory	\$ 14,789	10.6%	\$ 1,181	0.85%	\$ 15,970	\$ 15,970	\$ 8,673	6.22%	\$ 7,297	5.23%	\$ 139,470
Noncontributory	377,821	12.77	(51,793)	(1.75)	326,028	326,028	11,517	0.39	314,511	10.63	2,959,347
Public Safety	55,020	19.76	(3,917)	(1.41)	51,103	51,103	4,448	1.60	46,655	16.76	278,402
Firefighters	12,791	16.92	(6,736)	(8.91)	6,055	6,055	6,055	8.01	_	0.00	75,619
Judges	1,413	12.98	(759)	(6.97)	654	654	103	0.95	551	5.06	10,888
Governors and Legislative	_	0.00	_	0.00	_	_	_	0.00	_	0.00	556
Total	\$461,834		\$(62,024)		\$399,810	\$399,810	\$30,796		\$369,014		\$3,464,282

Note 7– Transfers To or From Affiliated Systems

ASSET TRANSFERS TO OR from affiliated systems are for the purpose of spreading employer contribution costs across same employer and same class of employee groups and to record transfers of benefits and corresponding assets where employees transfer from one system to another. Benefit transfers usually are between contributory and noncontributory systems as allowed during authorized transfer windows established by statute or as otherwise authorized.

Note **8**– Supplemental Benefits

IN THE PAST, THE UTAH STATE legislature appropriated funds as supplemental retirement benefits to be paid to qualified participants who have previously retired under the Contributory System. These benefits, already granted, are now and will continue to be funded through contribution rates unless otherwise provided by the legislature.

Note 9- Litigation

THE SYSTEMS ARE INVOLVED in various claims and legal actions arising in the ordinary ordinary course of business. In the opinion of management and legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the Systems' financial position as a whole.

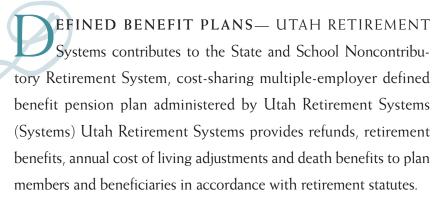
Note 10-Commitments

AT DECEMBER 31, 2003, THE Systems had committed to fund certain private equity partnerships and real estate projects for an amount of \$2,762,661,748. Funding of \$2,081,055,022 had been provided by December 31, 2003 leaving an unfunded commitment as of December 31, 2003 of \$681,606,726 which will be funded over the next six years.

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 11 - Pension Plan Participation



The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy: In the State and School Noncontributory Retirement System the Utah Retirement Systems is required to contribute 11.70% of their annual covered salary. The contribution rates are the actuarial determined rates. The contributions were equal to the requirements of the Systems are authorized by statute and specified by the Board.

The Utah Retirement Systems' contributions to the State and School Noncontributory Retirement System for the years ending December 31, 2003, 2002, and 2001 were \$888,998, \$759,438, and \$807,091 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans —

Utah Retirement Systems also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory



Retirement System have a contribution of 1.5% of covered salaries automatically made by Utah Retirement Systems. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended December 31, 2003, 2002, and 2001 are \$283,851, \$256,950, and \$227,946 respectively; the employee contributions for the years ending December 31, 2003, 2002, 2001 are \$402,892, \$391,119, and \$453,478 respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by Utah Retirement Systems.

The Utah Retirement Systems also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan for the years ended December 31, 2003, 2002, and 2001 are \$196,864, \$176,681, and \$27,780 respectively.

Notes to the Basic Financial Statements (Continued)

DECEMBER 31, 2003

Note 12– Compensated Absences, Post Employment Benefits and Insurance Reserve

THE COMPENSATED ABSENCES liability for Utah Retirement Office employees at December 31, 2003, is \$1,983,000. This represents the amount of unused leave to be paid to employees upon termination. At December 31, 2003 the insurance reserve was \$51,959,000. The insurance reserve coverage is explained in Note 14, Risk Management. The post employment benefit liability for Utah Retirement Office employees at December 31, 2003 is \$2,243,000. As set forth in URS personnel policies and procedures, approved by the Board, upon retirement, all employees will receive up to five years health and life insurance and may use any unused sick leave (after a 25% cash out upon retirement) for coverage of health and life insurance benefits at the rate of one month's coverage for each eight hours of unused sick leave to age 65. As of December 31.2003 there were ten retired individuals on the insurance program. During the year, the Systems paid out \$46,306 for them.

Note 13– Required Supplementary Information

THE HISTORICAL TREND information designed to provide information about the Utah Retirement Systems' progress made in accumulating sufficient assets to pay benefits when due is required supplementary information. Required supplementary information is included immediately following the notes to the financial statements on pages 60 through 63. Other supplementary information presented in succeeding sections of this report is for the benefit of statement users and is not a required part of the basic financial statements.

Note 14– Risk Management

MOST RISKS OF LOSS TO which the Systems, Plans and Investment Fund are exposed, other than routine investment losses, are covered under commercial insurance policies. Risks in excess of coverage limits or large deductibles, and otherwise uninsured losses, are retained by the Systems, Plans or Investment Fund through the insurance reserve. URS significantly reduced its fiduciary insurance coverage, and cancelled its e-commerce coverage, choosing to self-insure, due to substantial rate increases. There have been no other reductions of insurance coverage from coverages of the previous year

in any of the categories of risk. Coverages are increased or decreased commensurate with real estate acquisitions or dispositions. During the past three calendar years, no loss settlements exceeded insurance coverages beyond immaterial deductible amounts. The insurance reserve was established by the board from investment earnings as authorized by statue.

Note 15 – Mortgage Payable

THE FOLLOWING IS A schedule of the outstanding real estate mortgage payable as of December 31, 2003:

Mortgage Payable

(During calendar year 2003, a principal payment of \$1,000 was made on this mortgage.)

Mortgage payable to Security Life of Denver Insurance Company, interest at 90 day London Inter-Bank Offering Rate (LIBOR) rate plus 1.75% (2.91% at December 31, 2003) principal and any unpaid interest is due on September 1, 2007. The note is collateral-

ized by real estate \$4,801,000

Total mortgage \$4,801,000

Principal payments on mortgage are as follows:

December 31, 2004	\$ 64,973
December 31, 2005	191,920
December 31, 2006	191,920
September 1, 2007	4,352,187
Total principal payments	\$ 4,801,000

Required Supplementary Information
REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Funding Progress

System	(dollars	in thousands) (1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory	1/01/95	\$ 964,218	1,176,222	212,004	82.0%	\$ 287,743	73.7%
Retirement	1/01/96	852,034	992,374	140,340	85.9	261,685	53.6
System	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	1/01/03	899,290	976,918	77,628	92.1	142,325	54.5
	12/31/03	930,999	987,798	56,799	94.2	139,470	40.7
Noncontributory	1/01/95	\$ 4,372,190	5,205,873	833,683	84.0%	\$1,642,123	50.8%
Retirement	1/01/96	5,136,582	6,032,412	895,830	85.1	1,801,948	49.7
System	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	1/01/03	10,848,586	11,764,353	915,767	92.2	2,926,449	31.3
	12/31/03	11,640,475	12,587,893	947,418	92.5	2,959,347	32.0
Public Safety	1/01/95	\$ 596,892	691,107	94,215	86.4%	\$ 148,791	63.3%
Retirement	1/01/96	670,610	771,150	100,540	87.0	159,943	62.9
System	1/01/97	755,106	866,504	111,398	87.1	176,979	62.9
	1/01/98	867,151	952,100	84,949	91.1	195,464	43.5
	1/01/99	988,800	1,034,147	45,347	95.6	212,414	21.3
	1/01/00	1,146,331	1,105,166	(41,165)	103.7	226,057	(18.2)
	1/01/01	1,286,996	1,206,876	(80,120)	106.6	247,985	(32.3)
	1/01/02	1,376,466	1,366,134	(10,332)	100.8	260,783	(4.0)
	1/01/03	1,349,435	1,458,491	109,056	92.5	268,478	40.6
	12/31/03	1,448,888	1,565,706	116,818	92.5	278,402	42.0

See accompanying notes to required supplementary information.

Required Supplementary Information (Continued)

Schedules of Funding Progress (Continued)

(dollars in thousands)

	(4 0 1 1 4 7 5 1	n ibousanasj					
System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Firefighters	1/01/95	\$261,523	307,459	45,936	85.1%	\$40,157	114.4%
Retirement	1/01/96	293,816	333,432	39,616	88.1	43,027	92.1
System	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	1/01/03	553,589	521,164	(32,425)	106.2	71,354	(45.4)
	12/31/03	589,502	555,746	(33,756)	106.1	75,619	(44.6)
Judges	1/01/95	\$ 38,726	49,830	11,104	77.7%	\$ 6,955	159.7%
Retirement	1/01/96	44,304	55,952	11,648	79.2	7,903	147.4
System	1/01/97	50,721	60,055	9,334	84.5	8,981	103.9
	1/01/98	59,373	62,406	3,033	95.1	9,286	32.7
	1/01/99	67,998	67,211	(787)	101.2	9,388	(8.4)
	1/01/00	78,130	68,134	(9,996)	114.7	10,104	(98.9)
	1/01/01	87,139	73,962	(13,177)	117.8	10,397	(126.7)
	1/01/02	92,649	85,987	(6,662)	107.7	10,927	(61.0)
	1/01/03	90,904	90,573	(331)	100.4	11,173	(3.0)
	12/31/03	97,412	97,396	(16)	100.0	10,888	(0.1)
Governors	1/01/95	\$ 7,804	6,606	(1,198)	118.1%	\$ 398	(301.0)%
and Legislative	1/01/96	8,185	6,853	(1,332)	119.4	398	(334.7)
Pension Plan	1/01/97	8,636	7,020	(1,616)	123.0	482	(335.3)
	1/01/98	9,318	6,998	(2,320)	133.2	468	(495.7)
	1/01/99	9,988	7,278	(2,710)	137.2	468	(579.1)
	1/01/00	10,946	8,253	(2,693)	132.6	468	(575.4)
	1/01/01	11,569	7,908	(3,661)	146.3	464	(789.0)
	1/01/02	11,710	8,182	(3,528)	143.1	556	(634.5)
	1/01/03	10,719	8,706	(2,013)	123.1	556	(362.1)
	12/31/03	10,905	8,624	(2,281)	126.4	556	(410.3)

See accompanying notes to required supplementary information.

Required Supplementary Information (Continued)

Schedules of Employer Contributions

(dollars in thousands)

Contributory 1994 \$ 18,719 100% Retirement 1995 17,723 100 System 1996 10,224 100 1997 10,651 100 1998 10,729 100 1999 10,840 100 2000 10,484 100 2001 8,480 100 2002 6,735 100 2003 7,297 100 Noncontributory 1994 \$194,202 100% Retirement 1995 220,955 100 System 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$ 18,895 100% Reti			Employer	Contributions
Retirement 1995 17,723 100 System 1996 10,224 100 1997 10,651 100 1998 10,729 100 1999 10,840 100 2000 10,484 100 2001 8,480 100 2002 6,735 100 2003 7,297 100 Noncontributory 1994 \$194,202 100% Retirement 1995 220,955 100 System 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 1997 34,217 100 1998 40,099 100	System		Required	
1996 10,224 100 1997 10,651 100 1998 10,729 100 1999 10,840 100 2000 10,484 100 2001 8,480 100 2002 6,735 100 2003 7,297 100 Noncontributory 1994 \$194,202 100% Retirement 1995 220,955 100 System 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100	Contributory	1994	\$ 18,719	100%
1997 10,651 100 1998 10,729 100 1999 10,840 100 2000 10,484 100 2001 8,480 100 2002 6,735 100 2003 7,297 100 Noncontributory 1994 \$194,202 100% Retirement 1995 220,955 100 System 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100	Retirement	1995	17,723	100
1998 10,729 100 1999 10,840 100 2000 10,484 100 2001 8,480 100 2002 6,735 100 2003 7,297 100 Noncontributory 1994 \$194,202 100% Retirement 1995 220,955 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2000 49,353 100 2001 46,113 100 2002 42,264 100	System	1996	10,224	100
1999		1997	10,651	100
2000 10,484 100 2001 8,480 100 2002 6,735 100 2003 7,297 100 Noncontributory 1994 \$194,202 100% Retirement 1995 220,955 100 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 1997 34,217 100 1998 40,099 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		1998	10,729	100
2001 8,480 100 2002 6,735 100 2003 7,297 100 Noncontributory 1994 \$194,202 100% Retirement 1995 220,955 100 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		1999	10,840	100
2002 6,735 100 2003 7,297 100 Noncontributory 1994 \$194,202 100% Retirement 1995 220,955 100 System 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2001 46,113 100		2000	10,484	100
Noncontributory		2001	8,480	100
Noncontributory Retirement 1995 220,955 100 System 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$ 18,895 100% Retirement 1995 24,732 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264		2002	6,735	100
Retirement 1995 220,955 100 System 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$ 18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		2003	7,297	100
System 1996 260,068 100 1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$ 18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100	Noncontributory	1994	\$194,202	100%
1997 294,937 100 1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100	Retirement	1995	220,955	100
1998 318,635 100 1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100 1994 \$ 18,895 100% 1995 24,732 100 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100 1	System	1996	260,068	100
1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100		1997	294,937	100
1999 338,704 100 2000 352,339 100 2001 331,951 100 2002 291,256 100 2003 314,511 100		1998	318,635	100
2001 331,951 100 2002 291,256 100 2003 314,511 100 Public Safety 1994 \$ 18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		1999		100
2002 291,256 100 2003 314,511 100 Public Safety 1994 \$ 18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		2000	352,339	100
Public Safety 1994 \$ 18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		2001	331,951	100
Public Safety 1994 \$ 18,895 100% Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		2002	291,256	100
Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		2003	314,511	100
Retirement 1995 24,732 100 System 1996 29,271 100 1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100	Public Safety	1994	\$ 18,895	100%
1997 34,217 100 1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100	Retirement	1995	24,732	100
1998 40,099 100 1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100	System	1996	29,271	100
1999 45,110 100 2000 49,353 100 2001 46,113 100 2002 42,264 100		1997	34,217	100
2000 49,353 100 2001 46,113 100 2002 42,264 100		1998	40,099	100
2000 49,353 100 2001 46,113 100 2002 42,264 100		1999	45,110	100
2001 46,113 100 2002 42,264 100		2000		100
,		2001		100
2003 46,655 100		2002	42,264	100
		2003	46,655	100

		Employer Contribu					
System	Year Ended	Annual Required Contributions	Percentage Contributed				
Firefighters	1994	\$5,498	100%				
Retirement	1995	6,547	100				
System	1996	6,335	100				
	1997	7,388	100				
	1998	6,937	100				
	1999	5,737	100				
	2000	6,755	100				
	2001	8,354	100				
	2002	9,454	100				
	2003	9,059	100				
Judges	1994	\$2,213	100%				
Retirement	1995	2,352	100				
System	1996	2,731	100				
	1997	3,206	100				
	1998	3,704	100				
	1999	3,318	100				
	2000	3,422	100				
	2001	3,053	100				
	2002	2,853	100				
	2003	2,490	100				
Governors	1994	\$ 0	100%				
and Legislative	1995	0	100				
Pension Plan	1996	0	100				
	1997	0	100				
	1998	0	100				
	1999	0	100				
	2000	0	100				
	2001	0	100				
	2002	0	100				
	2003	0	100				

See accompanying notes to required supplementary information.

Notes to Required Supplementary Information NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

DECEMBER 31, 2003

Note 1— Schedules of Funding Progress

HE INFORMATION CONTAINED IN THE SCHEDULE OF FUNDING PROGRESS is based on the actuarial study dated January 1, 2003 and calendar year 2003 activity. The actuarial accrued liability is presented based on the report generated by that study conducted

by Gabriel, Roeder, Smith & Company. The actuarial value of assets for that date is based on a smoothed expected investment income rate. Investment income in excess or shortfall of the expected 8% return on fair value is smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year. The calculations for this smoothing process are disclosed in note 5 of the notes to the basic financial statements on page 54.

Note 2 — Schedules of **Employer Contributions**

The required employer contributions and percent of those contributions actually made are presented in the schedule.

Note 3 — **Actuarial Assumptions**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuations follows.

Additional Actuarial Information

	Contributory	Noncontributory	Public Safety	Firefighters	Judges	Governors and Legislative
Valuation date	1/1/03	1/1/03	1/1/03	1/1/03	1/1/03	1/1/03
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Dollar Amount
Amortization period	Open Group	Open Group	Open Group	Open Group	Open Group	Open Group
	20 Year Open Period	20 Year Open Period	20 Year Open Period	20 Year Open Period	20 Year Open Period	20 Year Open Period
Actuarial asset valuation method (All Systems under same method.)	investment in	come over or un	der the expected	ments with the extended investment returned each year f	ırn smoothed ov	
Actuarial assumptions:	00/	0.07	00/	0.07	0.07	00/
Investment rate of return Projected salary increases	8% 4.75-15.00%	8% 4.75-15.00%	8% 4 75-10 75%	8% 4.75-11.75%	8% 4.75%	8% None
Inflation rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Post retirement	3.3370	3.0070	3.00,0	3.0070	3.0070	3.3373
cost-of-living adjustment	3.00%	3.00%	2.50%	3.00%	3.00%	3.00%

NOTE: All post retirement cost-of-living adjustments are noncompounding and are based on the original benefit except for Judges which is a compounding benefit. The cost-of-living adjustments are also limited to the actual CPI increase for the year although unused CPI increases not met may be carried forward to subsequent years.

Contributory Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)

Gontributory	T 1	C 1	Tot	al All Divisions
	Local Government	State and School	2003	2002
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	139	275	414	404
Employer contributions	125	327	452	367
Investments	7,372	18,079	25,451	8,006
Total receivables	7,636	18,681	26,317	8,777
Investments at fair value:				
Short-term securities, domestic	25,620	62,827	88,447	42,068
Short-term securities, international	3,018	7,401	10,419	5,669
Debt securities, domestic	41,114	100,822	141,936	126,901
Debt securities, international	14,311	35,095	49,406	41,824
Equity investments, domestic	98,171	240,739	338,910	275,450
Equity investments, international	47,906	117,476	165,382	124,384
Private equity	11,843	29,043	40,886	47,649
Real estate	21,499	52,720	74,219	70,276
Mortgage loans	121	296	417	249
Total investments	263,603	646,419	910,022	734,470
Invested securities lending collateral	27,251	66,827	94,078	85,494
Property and equipment at cost,				
net of accumulated depreciation	92	226	318	321
Total assets	298,583	732,154	1,030,737	829,064
Liabilities:				
Securities lending liability	27,251	66,827	94,078	85,494
Disbursements in excess of cash balance	302	740	1,042	990
Compensated absences, post employment benefits			,	
and insurance reserve	1,017	2,494	3,511	2,798
Investment accounts payable	12,165	29,833	41,998	19,057
Mortgages Payable	87	213	300	4,593
Total liabilities	40,822	100,107	140,929	112,932
Net assets held in trust for pension benefits	\$257,761	632,047	889,808	716,132

Contributory Retirement System

Schedules of Changes in Fiduciary Net Assets— Pension Trust Fund by Division

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

(in thousands)

	(IN IDOU			
Contributory	Local	State and	To	tal All Divisions
	Local Government	State and School	2003	2002
Additions:				
Contributions:				
Member	\$ 3,663	5,010	8,673	8,923
Employer	2,881	4,416	7,297	6,735
Total contributions	6,544	9,426	15,970	15,658
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	47,717	118,562	166,279	(86,520)
Interest, dividends and other investment income	6,381	15,856	22,237	23,798
Total investment income (loss)	54,098	134,418	188,516	(62,722)
Less investment expenses	625	1,552	2,177	1,529
Net investment income (loss)	53,473	132,866	186,339	(64,251)
Transfers from affiliated systems	4,929	28,334	33,263	_
Total additions	64,946	170,626	235,572	(48,593)
Deductions:				
Retirement benefits	8,142	28,378	36,520	37,256
Cost of living benefits	3,672	16,047	19,719	20,292
Supplemental retirement benefits	216	1,408	1,624	1,949
Refunds	1,868	1,490	3,358	3,716
Administrative expenses	194	481	675	624
Transfers to affiliated systems	_		_	15,420
Total deductions	14,092	47,804	61,896	79,257
Increase (decrease) from operations	50,854	122,822	173,676	(127,850)
Net assets held in trust for pension benefits				
beginning of year	206,907	509,225	716,132	843,982
Net assets held in trust for pension benefits end of year	\$257,761	632,047	889,808	716,132

Contributory Retirement System Schedules of Funding Progress by Division

(dollars in thousands)

System System	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Contributory	1/01/95	\$247,291	298,280	50,989	82.9%	\$ 97,715	52.2%
Local	1/01/96	215,418	254,449	39,031	84.7	91,446	42.7
Government	1/01/97	191,393	218,534	27,141	87.6	54,829	49.5
	1/01/98	207,641	226,233	18,592	91.8	52,444	35.5
	1/01/99	219,415	232,061	12,646	94.6	52,448	24.1
	1/01/00	236,830	239,601	2,771	98.8	53,388	5.2
	1/01/01	253,681	256,676	2,995	98.8	56,007	5.3
	1/01/02	260,569	266,365	5,796	97.8	56,444	10.3
	1/01/03	254,370	280,435	26,065	90.7	57,595	45.3
	12/31/03	267,889	288,176	20,287	93.0	57,965	35.0
Contributory	1/01/95	\$716,927	877,942	161,015	81.7%	\$190,028	84.7%
State and	1/01/96	636,616	737,925	101,309	86.3	170,239	59.5
School	1/01/97	581,584	650,189	68,605	89.4	87,145	78.7
	1/01/98	601,747	654,266	52,519	92.0	85,787	61.2
	1/01/99	620,800	659,922	39,122	94.1	84,594	46.2
	1/01/00	641,360	654,883	13,523	97.9	84,173	16.1
	1/01/01	670,892	679,123	8,231	98.8	85,060	9.7
	1/01/02	666,954	682,547	15,593	97.7	86,438	18.0
	1/01/03	644,920	696,483	51,563	92.6	84,730	60.9
	12/31/03	663,110	699,622	36,512	94.8	81,505	44.8
Total	1/01/95	\$964,218	1,176,222	212,004	82.0%	\$287,743	73.7%
Contributory	1/01/96	852,034	992,374	140,340	85.9	261,685	53.6
Retirement	1/01/97	772,977	868,723	95,746	89.0	141,974	67.4
System	1/01/98	809,388	880,499	71,111	91.9	138,231	51.4
	1/01/99	840,215	891,983	51,768	94.2	137,042	37.8
	1/01/00	878,190	894,484	16,294	98.2	137,561	11.8
	1/01/01	924,573	935,799	11,226	98.8	141,067	8.0
	1/01/02	927,523	948,912	21,389	97.7	142,882	15.0
	1/01/03	899,290	976,918	77,628	92.1	142,325	54.5
	12/31/03	930,999	987,798	56,799	94.2	139,470	40.7

Contributory Retirement System Schedules of Employer Contributions by Division

(dollars in thousands)

	`	·			
10 +21		Employer Contributions			
Division	Year Ended	Annual Required Contributions	Percentage Contributed		
Contributory	1994	\$ 4,200	100%		
Local	1995	4,329	100		
Government	1996	3,009	100		
	1997	3,332	100		
	1998	3,393	100		
	1999	3,530	100		
	2000	3,524	100		
	2001	2,926	100		
	2002	2,441	100		
	2003	2,881	100		
Contributory	1994	\$14,519	100%		
State and	1995	13,394	100		
School	1996	7,215	100		
	1997	7,319	100		
	1998	7,336	100		
	1999	7,310	100		
	2000	6,960	100		
	2001	5,554	100		
	2002	4,294	100		
	2003	4,416	100		
Total	1994	\$18,719	100%		
Contributory	1995	17,723	100		
Retirement	1996	10,224	100		
System	1997	10,651	100		
	1998	10,729	100		
	1999	10,840	100		
	2000	10,484	100		
	2001	8,480	100		
	2002	6,735	100		
	2003	7,297	100		
		,			

Noncontributory Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)

	(,			
Koncontributory	Local Government	State and	Total All Divisions		
	Government	School	2003	2002	
Assets:	•				
Cash	\$ 1	175	176	241	
Receivables:					
Employer contributions	2,383	17,945	20,328	17,544	
Investments	53,119	269,256	322,375	101,359	
Total receivables	55,502	287,201	342,703	118,903	
Investments at fair value:					
Short-term securities, domestic	184,599	935,726	1,120,325	532,570	
Short-term securities, international	21,747	110,233	131,980	71,774	
Debt securities, domestic	296,236	1,501,610	1,797,846	1,606,528	
Debt securities, international	103,115	522,687	625,802	529,478	
Equity investments, domestic	707,340	3,585,485	4,292,825	3,487,115	
Equity investments, international	345,170	1,749,655	2,094,825	1,574,668	
Private equity	85,334	432,553	517,887	603,219	
Real estate	154,901	785,188	940,089	889,679	
Mortgage loans	869	4,404	5,273	3,154	
Total investments	1,899,311	9,627,541	11,526,852	9,298,185	
Invested securities lending collateral	196,352	995,301	1,191,653	1,082,326	
Property and equipment at cost,					
net of accumulated depreciation	664	3,363	4,027	4,058	
Total assets	2,151,830	10,913,581	13,065,411	10,503,713	
Liabilities:					
Securities lending liability	196,352	995,301	1,191,653	1,082,326	
Disbursements in excess of cash balance	2,173	11,017	13,190	12,534	
Compensated absences, post employment	•	,	,	•	
benefits and insurance reserve	7,328	37,144	44,472	35,424	
Investment accounts payable	87,655	444,502	532,157	241,509	
Mortgages payable	626	3,173	3,799	58,154	
Total liabilities	294,134	1,491,137	1,785,271	1,429,947	
Net assets held in trust for pension benefits	\$1,857,696	9,422,444	11,280,140	9,073,766	

Noncontributory Retirement System

Schedules of Changes in Fiduciary Net Assets— Pension Trust Fund by Division

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

(in thousands)

Local	State and	Total All Divisions		
Government	School	2003	2002	
\$ 2,194	9,323	11,517	12,496	
60,097	254,414	314,511	291,256	
62,291	263,737	326,028	303,752	
338,510	1,727,783	2,066,293	(1,062,312)	
45,270	231,061	276,331	292,185	
383,780	1,958,844	2,342,624	(770,127)	
4,431	22,616	27,047	18,779	
379,349	1,936,228	2,315,577	(788,906)	
_	_	_	12,166	
441,640	2,199,965	2,641,605	(472,988)	
47,067	280,905	327,972	294,735	
7,620	51,199	58,819	53,495	
993	2,317	3,310	3,715	
1,273	6,851	8,124	7,103	
4,062	32,944	37,006		
61,015	374,216	435,231	359,048	
380,625	1,825,749	2,206,374	(832,036)	
1,477,071	7,596,695	9,073,766	9,905,802	
\$1,857,696	9,422,444	11,280,140	9,073,766	
	\$ 2,194 60,097 62,291 338,510 45,270 383,780 4,431 379,349 — 441,640 47,067 7,620 993 1,273 4,062 61,015 380,625	\$ 2,194 9,323 60,097 254,414 62,291 263,737 383,780 1,958,844 4,431 22,616 379,349 1,936,228 — — 441,640 2,199,965 47,620 51,199 993 2,317 1,273 6,851 4,062 32,944 61,015 374,216 380,625 1,825,749 1,477,071 7,596,695	Local Government State and School 2003 \$ 2,194 60,097 254,414 314,511 9,323 314,511 314,511 62,291 263,737 326,028 326,028 338,510 1,727,783 45,270 231,061 276,331 2,066,293 45,270 231,061 276,331 383,780 1,958,844 2,342,624 27,047 379,349 1,936,228 2,315,577 — — — 441,640 2,199,965 2,641,605 27,047 47,067 280,905 327,972 7,620 51,199 58,819 993 2,317 3,310 1,273 6,851 8,124 4,062 32,944 37,006 8,124 4,062 32,944 37,006 61,015 374,216 435,231 380,625 1,825,749 2,206,374 1,477,071 7,596,695 9,073,766	

Noncontributory Retirement System Schedules of Funding Progress by Division

(dollars in thousands)

System	ribu for	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Noncontributory	1/01/95	\$ 642,303	640,310	(1,993)	100.3%	\$ 286,648	(0.7)%
Local	1/01/96	779,728	812,952	33,224	95.9	324,541	10.2
Government	1/01/97	930,817	987,043	56,226	94.3	394,828	14.2
	1/01/98	1,083,991	1,101,505	17,514	98.4	443,169	4.0
	1/01/99	1,252,949	1,217,362	(35,587)	102.9	478,195	(7.4)
	1/01/00	1,470,043	1,342,091	(127,952)	109.5	511,311	(25.0)
	1/01/01	1,660,838	1,515,951	(144,887)	109.6	555,112	(26.1)
	1/01/02	1,790,398	1,667,820	(122,578)	107.3	583,682	(21.0)
	1/01/03	1,766,403	1,842,886	76,483	95.8	617,784	12.4
	12/31/03	1,912,651	1,997,475	84,824	95.8	648,410	13.1
Noncontributory	1/01/95	\$ 3,729,887	4,565,563	835,676	81.7%	\$1,355,475	61.7%
State and	1/01/96	4,356,854	5,219,460	862,606	83.5	1,477,407	58.4
School	1/01/97	5,038,996	5,930,915	891,919	85.0	1,660,051	53.7
	1/01/98	5,838,592	6,552,830	714,238	89.1	1,757,819	40.6
	1/01/99	6,678,244	7,118,369	440,125	93.8	1,887,455	23.3
	1/01/00	7,767,404	7,664,217	(103,187)	101.3	1,987,776	(5.2)
	1/01/01	8,700,495	8,417,563	(282,932)	103.4	2,104,088	(13.4)
	1/01/02	9,313,936	9,138,204	(175,732)	101.9	2,248,378	(7.8)
	1/01/03	9,082,183	9,921,467	839,284	91.5	2,308,665	36.4
	12/31/03	9,727,824	10,590,418	862,594	91.9	2,310,937	37.3
Total	1/01/95	\$ 4,372,190	5,205,873	833,683	84.0%	\$1,642,123	50.8%
Noncontributory	1/01/96	5,136,582	6,032,412	895,830	85.1	1,801,948	49.7
Retirement	1/01/97	5,969,813	6,917,958	948,145	86.3	2,054,879	46.1
System	1/01/98	6,922,583	7,654,335	731,752	90.4	2,200,988	33.2
	1/01/99	7,931,193	8,335,731	404,538	95.1	2,365,650	17.1
	1/01/00	9,237,447	9,006,308	(231,139)	102.6	2,499,087	(9.2)
	1/01/01	10,361,333	9,933,514	(427,819)	104.3	2,659,200	(16.1)
	1/01/02	11,104,334	10,806,024	(298,310)	102.8	2,832,060	(10.5)
	1/01/03	10,848,586	11,764,353	915,767	92.2	2,926,449	31.3
	12/31/03	11,640,475	12,587,893	947,418	92.5	2,959,347	32.0

Noncontributory Retirement System Schedules of Employer Contributions by Division

(dollars in thousands)

		Employer Contributions			
You contributory Division	Year Ended	Annual Required Contributions	Percentage Contributed		
Noncontributory	1994	\$ 23,214	100%		
Local	1995	28,014	100		
Government	1996	37,215	100		
	1997	46,053	100		
	1998	50,947	100		
	1999	55,110	100		
	2000	58,626	100		
	2001	54,274	100		
	2002	52,143	100		
	2003	60,097	100		
Noncontributory	1994	\$170,988	100%		
State and	1995	192,941	100		
School	1996	222,853	100		
	1997	248,884	100		
	1998	267,688	100		
	1999	283,594	100		
	2000	293,713	100		
	2001	277,677	100		
	2002	239,113	100		
	2003	254,414	100		
Total	1994	\$194,202	100%		
Noncontributory	1995	220,955	100		
Retirement	1996	260,068	100		
System	1997	294,937	100		
	1998	318,635	100		
	1999	338,704	100		
	2000	352,339	100		
	2001	331,951	100		
	2002	291,256	100		
	2003	314,511	100		

Public Safety Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)

Public Safety		Other		
Jacob Sagery	State of Utah	Division A (with Social		
	Public Safety	Security)	Salt Lake City	
Assets:				
Cash	\$ 2	2	2	
Receivables:				
Member contributions	4	114	1	
Employer contributions	751	729	236	
Investments	14,585	16,458	3,811	
Total receivables	15,340	17,301	4,048	
Investments at fair value:				
Short-term securities, domestic	50,685	57,195	13,245	
Short-term securities, international	5,971	6,738	1,560	
Debt securities, domestic	81,336	91,783	21,255	
Debt securities, international	28,312	31,948	7,398	
Equity investments, domestic	194,212	219,156	50,751	
Equity investments, international	94,772	106,944	24,766	
Private equity	23,430	26,439	6,123	
Real estate	42,531	47,993	11,114	
Mortgage loans	239	269	62	
Total investments	521,488	588,465	136,274	
Invested securities lending collateral	53,912	60,836	14,088	
Property and equipment at cost,				
net of accumulated depreciation	182	206	48	
Total assets	590,924	666,810	154,460	
Liabilities:				
Securities lending liability	53,912	60,836	14,088	
Disbursements in excess of cash balance	597	673	156	
Compensated absences, post employment				
benefits and insurance reserve	2,012	2,270	526	
Investment accounts payable	24,067	27,158	6,289	
Mortgages payable	172	194	45	
Total liabilities	80,760	91,131	21,104	
Net assets held in trust for pension benefits	\$510,164	575,679	133,356	

tal All Divisions	Other Division B Total All Div					
2002	2003	(without Social Security)	Bountiful	Logan	Provo	Ogden
15	15	2	2	2	1	2
170	159	40				
		40	12	_	_	42
1,603	1,831 40,144	61	327	383	680	1,106
12,566	40,144	2,794	527	303	080	1,100
14,339	42,134	2,895	339	383	680	1,148
66.027	420.542	0.744	4.420	4 222	2.262	2.044
66,027	139,513	9,711	1,138	1,332	2,363	3,844
8,899	16,435	1,144	134	157	278	453
199,171	223,881	15,583	1,826	2,138	3,792	6,168
65,641	77,929	5,424	636	744	1,320	2,147
432,321	534,576	37,209	4,361	5,104	9,054	14,729
195,222	260,864	18,158	2,128	2,491	4,418	7,187
74,785	64,492	4,489	526	616	1,092	1,777
110,300	117,068	8,149	955	1,118	1,983	3,225
392	656	46	5	6	11	18
1,152,758	1,435,414	99,913	11,709	13,706	24,311	39,548
134,183	148,395	10,329	1,211	1,417	2,513	4,089
503	502	35	4	5	8	14
1,301,798	1,626,460	113,174	13,265	15,513	27,513	44,801
134,183	148,395	10,329	1,211	1,417	2,513	4,089
1,553	1,642	114	13	16	28	45
4,393	5,538	385	45	53	94	153
29,910	66,244	4,611	540	632	1,122	1,825
7,210	474	33	4	5	8	13
177,249	222,293	15,472	1,813	2,123	3,765	6,125
1,124,549	1,404,167	97,702	11,452	13,390	23,748	38,676

Public Safety Retirement System

Schedules of Changes in Fiduciary Net Assets— Pension Trust Fund by Division

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

(in thousands)

Public Safety	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City	
Additions:				
Contributions:				
Member	\$ 372	2,291	15	
Employer	17,406	16,980	6,182	
Total contributions	17,778	19,271	6,197	
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	93,595	105,403	24,559	
Interest, dividends and other investment income	12,517	14,096	3,284	
Total investment income (loss)	106,112	119,499	27,843	
Less investment expenses	1,225	1,380	321	
Net investment income (loss)	104,887	118,119	27,522	
Transfers from affiliated systems	1,222	(918)	534	
Total additions	123,887	136,472	34,253	
Deductions:				
Retirement benefits	19,157	18,651	7,087	
Cost of living benefits	3,387	2,706	1,693	
Supplemental retirement benefits	356	179	76	
Refunds	34	465		
Administrative expenses	371	385	116	
Total deductions	23,305	22,386	8,972	
Increase (decrease) from operations	100,582	114,086	25,281	
Net assets held in trust for pension benefits beginning of year	409,582	461,593	108,075	
Net assets held in trust for pension benefits end of year	\$510,164	575,679	133,356	

				Other Division B	To	Total All Divisions	
Ogden	Provo	Logan	Bountiful	(without Social Security)	2003	2002	
_	607	246		917	4,448	4,258	
986	455	132	298	4,216	46,655	42,264	
986	1,062	378	298	5,133	51,103	46,522	
7,209	4,353	2,492	2,094	17,403	257,108	(131,715)	
964	582	333	280	2,327	34,383	36,227	
8,173	4,935	2,825	2,374	19,730	291,491	(95,488)	
94	57	33	27	228	3,365	2,328	
8,079	4,878	2,792	2,347	19,502	288,126	(97,816)	
(167)	(13)	(206)	9	1,541	2,002	1,956	
8,898	5,927	2,964	2,654	26,176	341,231	(49,338)	
1,961	833	430	261	2,273	50,653	45,588	
349	218	67	62	156	8,638	7,689	
23	11	2	3	_	650	685	
	162	1		4	666	1,155	
29	18	9	8	70	1,006	899	
2,362	1,242	509	334	2,503	61,613	56,016	
6,536	4,685	2,455	2,320	23,673	279,618	(105,354)	
32,140	19,063	10,935	9,132	74,029	1,124,549	1,229,903	
38,676	23,748	13,390	11,452	97,702	1,404,167	1,124,549	

Public Safety Retirement System Schedules of Funding Progress by Division

(dollars in thousands)

	(4011413)						
Public O	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety State of Utah	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$219,963 246,859 278,328 318,711 363,057 419,682 470,153 501,970 491,499 526,545	268,672 296,811 334,751 363,551 391,061 415,815 452,131 508,897 536,944 575,445	48,709 49,952 56,423 44,840 28,004 (3,867) (18,022) 6,927 45,445 48,900	81.9% 83.2 83.1 87.7 92.8 100.9 104.0 98.6 91.5 91.5	\$ 56,174 57,193 64,857 69,652 74,094 77,352 83,674 88,523 90,782 91,540	86.7% 87.3 87.0 64.4 37.8 (5.0) (21.5) 7.8 50.1 53.4
Public Safety Other Division A (with Social Security)	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$242,135 272,119 306,419 352,448 402,408 467,856 526,386 564,325 553,911 594,020	239,066 272,849 311,406 344,437 380,864 407,837 450,645 518,791 558,141 601,399	(3,069) 730 4,987 (8,011) (21,544) (60,019) (75,741) (45,534) 4,230 7,379	101.3% 99.7 98.4 102.3 105.7 114.7 116.8 108.8 99.2 98.8	\$ 57,909 64,802 71,915 79,944 89,257 97,056 109,941 115,482 118,507 125,617	(5.3)% 1.1 6.9 (10.0) (24.1) (61.8) (68.9) (39.4) 3.6 5.9
Public Safety Salt Lake City	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 66,034 72,889 80,299 90,670 101,349 115,568 127,803 135,031 129,690 138,148	106,419 114,732 120,767 130,903 136,236 143,223 148,910 158,626 168,084 177,287	40,385 41,843 40,468 40,233 34,887 27,655 21,107 23,595 38,394 39,139	62.1% 63.5 66.5 69.3 74.4 80.7 85.8 85.1 77.2 77.9	\$ 12,387 13,787 13,804 16,069 16,355 17,224 17,883 18,579 19,305 20,380	326.0% 303.5 293.2 250.4 213.3 160.6 118.0 127.0 198.9 192.0
Public Safety Ogden	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 20,375 22,461 24,767 27,838 31,038 35,220 38,652 40,505 38,568 40,214	26,990 27,287 30,598 31,691 34,191 36,839 38,128 40,331 42,649 44,402	6,615 4,826 5,831 3,853 3,153 1,619 (524) (174) 4,081 4,188	75.5% 82.3 80.9 87.8 90.8 95.6 101.4 100.4 90.4	\$ 3,464 3,442 3,629 3,899 4,126 4,442 4,513 4,763 5,059 5,120	191.0% 140.2 160.7 98.8 76.4 36.4 (11.6) (3.7) 80.7 81.8
Public Safety Provo	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 10,416 11,597 12,955 14,904 16,906 19,601 22,045 23,568 22,875 24,546	14,397 15,800 17,344 18,311 20,036 21,478 23,608 25,176 26,434 27,755	3,981 4,203 4,389 3,407 3,130 1,877 1,563 1,608 3,559 3,209	72.3% 73.4 74.7 81.4 84.4 91.3 93.4 93.6 86.5 88.4	\$ 2,608 2,750 3,160 3,532 3,740 4,069 4,446 4,365 4,512 4,482	152.6% 152.8 138.9 96.5 83.7 46.1 35.2 36.8 78.9 71.6

Public Safety Retirement System Schedules of Funding Progress by Division (Continued)

(dollars in thousands)

	(40 114 13	in thousanus	J				
Public Say	Ze/y Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Public Safety Logan	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 5,912 6,590 7,352 8,397 9,542 11,086 12,462 13,375 13,099 13,826	5,929 6,639 7,749 8,358 9,066 9,898 11,221 12,422 13,685 14,262	17 49 397 (39) (476) (1,188) (1,241) (953) 586 436	99.7% 99.3 94.9 100.5 105.3 112.0 111.1 107.7 95.7 96.9	\$ 1,213 1,354 1,500 1,671 1,800 2,019 2,131 2,199 2,312 2,372	1.4% 3.6 26.5 (2.3) (26.4) (58.8) (58.2) (43.3) 25.3 18.4
Public Safety Bountiful	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 5,250 5,847 6,500 7,402 8,157 9,369 10,439 11,148 10,958 11,809	5,717 6,524 7,607 8,310 8,959 9,444 10,101 10,484 11,170 12,052	467 677 1,107 908 802 75 (338) (664) 212 243	91.8% 89.6 85.4 89.1 91.0 99.2 103.3 106.3 98.1 98.0	\$ 1,109 1,100 1,167 1,246 1,327 1,384 1,442 1,518 1,601 1,653	42.1% 61.5 94.9 72.9 60.4 5.4 (23.4) (43.7) 13.2 14.7
Public Safety Other Division B (without Social Security)	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 26,807 32,248 38,486 46,781 56,343 67,949 79,056 86,544 88,835 99,780	23,917 30,508 36,282 46,539 53,734 60,632 72,132 91,407 101,384 113,104	(2,890) (1,740) (2,204) (242) (2,609) (7,317) (6,924) 4,863 12,549 13,324	112.1% 105.7 106.1 100.5 104.9 112.1 109.6 94.7 87.6 88.2	\$ 13,927 15,515 16,947 19,451 21,715 22,511 23,955 25,354 26,400 27,238	(20.8)% (11.2) (13.0) (1.2) (12.0) (32.5) (28.9) 19.2 47.5 48.9
Total Public Safety Retirement System	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 596,892 670,610 755,106 867,151 988,800 1,146,331 1,286,996 1,376,466 1,349,435 1,448,888	691,107 771,150 866,504 952,100 1,034,147 1,105,166 1,206,876 1,366,134 1,458,491 1,565,706	94,215 100,540 111,398 84,949 45,347 (41,165) (80,120) (10,332) 109,056 116,818	86.4% 87.0 87.1 91.1 95.6 103.7 106.6 100.8 92.5 92.5	\$148,791 159,943 176,979 195,464 212,414 226,057 247,985 260,783 268,478 278,402	63.3% 62.9 62.9 43.5 21.3 (18.2) (32.3) (4.0) 40.6 42.0

Public Safety Retirement System

Schedules of Employer Contributions by Division

	(dollars in thousands)				
Public Safety Division	Year Ended	Annual Required Contributions	Employer Contributions Percentage Contributed		
Public Safety	1994	\$ 8,907	100%		
State of Utah	1995	10,670	100		
State of Citali	1996	12,938	100		
	1997	14,310	100		
	1998	16,515	100		
	1999	17,888	100		
	2000	19,250	100		
	2001	17,990	100		
	2002 2003	16,476 17,406	100 100		
Public Safety	1994	\$ 4,503	100%		
	1995	7,101	100		
(with Social Security)	1996	8,860	100		
	1997	10,755	100		
	1998	13,448	100		
	1999	15,611	100		
	2000	17,700	100		
	2001	16,326	100		
	2002 2003	14,639 16,980	100 100		
Public Safety	1994	\$ 3,755	100%		
Salt Lake City	1995	4,363	100		
	1996	4,359	100		
	1997	5,222	100		
	1998	5,482	100		
	1999	5,986	100		
	2000 2001	6,286	100 100		
	2001	6,052 5,633	100		
	2003	6,182	100		
Public Safety	1994	\$ 352	100%		
Ogden	1995	689	100		
	1996	792	100		
	1997	899	100		
	1998	1,003	100		
	1999 2000	1,133 1,122	100 100		
	2000	1,070	100		
	2002	976	100		
	2003	986	100		
	1994	\$ 273	100%		
	1995	303	100		
	1996	341	100		
	1997	423	100		
	1998 1999	479 537	100 100		
	2000	562	100		
	2000	485	100		
	2001	433	100		
	2003	455	100		

Public Safety Retirement System

Schedules of Employer Contributions by Division (Continued)

0 11 6-4	(dollars in	thousands) Em	Employer Contributions	
Public Safety Division	Year Ended	Annual Required Contributions	Percentage Contributed	
Public Safety	1994	\$ 94	100%	
Logan	1995	82	100	
208	1996	72	100	
	1997	96	100	
	1998	131	100	
	1999	162	100	
	2000	162	100	
	2001	109	100	
	2002 2003	78 132	100 100	
Dublic Cafety	1994	\$ 149	100%	
Public Safety	1995	179	100 %	
Bountiful	1996	203	100	
	1997	230	100	
	1998	277	100	
	1999	320	100	
	2000	340	100	
	2001	320	100	
	2002	291	100	
	2003	298	100	
Public Safety	1994	\$ 862	100%	
Other Division B	1995	1,345	100	
(without Social Security)	1996	1,706	100	
(without obein occurry)	1997	2,282	100	
	1998	2,764	100	
	1999	3,473	100	
	2000	3,931	100	
	2001	3,761	100	
	2002	3,738	100	
	2003	4,216	100	
Total	1994	\$18,895	100% 100	
Public Safety	1995	24,732	100	
Retirement	1996 1997	29,271 34,217	100	
System	1998	40,099	100	
o y o veni	1999	45,110	100	
	2000	49,353	100	
	2000	46,113	100	
	2001	42,264	100	
	2002	46,655	100	

Firefighters Retirement System

Schedules of Fiduciary Net Assets— Pension Trust Fund by Division

DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002

(in thousands)

Firefighters	Division A	Division B	Tot	Total All Divisions	
	(with Social Security	(without Social Security)	2003	2002	
Assets:					
Cash	\$ 1	1	2	2	
Receivables:					
Member contributions	37	168	205	201	
Employer contributions	_	_	_	1	
Investments	1,694	14,624	16,318	5,160	
Total receivables	1,731	14,792	16,523	5,362	
Investments at fair value:					
Short-term securities, domestic	5,887	50,822	56,709	27,117	
Short-term securities, international	693	5,987	6,680	3,654	
Debt securities, domestic	9,447	81,557	91,004	81,800	
Debt securities, international	3,288	28,389	31,677	26,959	
Equity investments, domestic	22,556	194,739	217,295	177,555	
Equity investments, international	11,007	95,029	106,036	80,178	
Private equity	2,721	23,493	26,214	30,715	
Real estate	4,940	42,646	47,586	45,301	
Mortgage loans	28	239	267	161	
Total investments	60,567	522,901	583,468	473,440	
Invested securities lending collateral	6,261	54,058	60,319	55,110	
Property and equipment at cost,					
net of accumulated depreciation	21	183	204	207	
Total assets	68,581	591,935	660,516	534,121	
Liabilities:					
Securities lending liability	6,261	54,058	60,319	55,110	
Disbursements in excess of cash balance	69	598	667	639	
Compensated absences, post employment					
benefits and insurance reserve	234	2,017	2,251	1,804	
Investment accounts payable	2,795	24,132	26,927	12,285	
Mortgages payable	20	172	192	2,960	
Total liabilities	9,379	80,977	90,356	72,798	
Net assets held in trust for pension benefits	\$59,202	510,958	570,160	461,323	

Firefighters Retirement System

Schedules of Changes in Fiduciary Net Assets— Pension Trust Fund by Division

YEAR ENDED DECEMBER 31, 2003

WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002

(in thousands)

J'irefighters	Division A	Division B	Tot	Cotal All Divisions	
	(with Social Security	(without Social Security)	2003	2002	
Additions:					
Contributions:					
Member	\$ 1,168	4,887	6,055	5,800	
Fire insurance tax	1,748	7,311	9,059	9,454	
Total contributions	2,916	12,198	15,114	15,254	
Investment income:					
Net appreciation (depreciation)					
in fair value of investments	10,635	94,119	104,754	(54,129)	
Interest, dividends and other investment income	1,422	12,587	14,009	14,888	
Total investment income (loss)	12,057	106,706	118,763	(39,241)	
Less investment expenses	139	1,232	1,371	957	
Net investment income (loss)	11,918	105,474	117,392	(40,198)	
Transfers from affiliated systems	91	534	625	735	
Total additions	14,925	118,206	133,131	(24,209)	
Deductions:					
Retirement benefits	1,338	16,932	18,270	17,314	
Cost of living benefits	250	4,302	4,552	4,223	
Supplemental retirement benefits	43	655	698	751	
Refunds	58	356	414	422	
Administrative expenses	35	325	360	323	
Total deductions	1,724	22,570	24,294	23,033	
Increase (decrease) from operations	13,201	95,636	108,837	(47,242)	
Net assets held in trust for pension benefits					
beginning of year	46,001	415,322	461,323	508,565	
Net assets held in trust for pension benefits end of year	\$59,202	510,958	570,160	461,323	

Firefighters Retirement System Schedules of Funding Progress by Division

(dollars in thousands)

Firefight.	Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
Firefighters	1/01/95	\$ 27,804	24,708	(3,096)	112.5%	\$ 5,768	(53.7)%
Division A	1/01/96	31,807	28,026	(3,781)	113.5	6,299	(60.0)
(with Social Security)	1/01/97	36,473	32,138	(4,335)	113.5	7,032	(61.6)
	1/01/98	42,528	37,464	(5,064)	113.5	7,968	(63.6)
	1/01/99	48,851	40,479	(8,372)	120.7	9,375	(89.3)
	1/01/00	56,976	42,464	(14,512)	134.2	10,944	(132.6)
	1/01/01	49,688	38,955	(10,733)	127.6	9,733	(110.3)
	1/01/02	54,345	46,108	(8,237)	117.9	12,070	(68.2)
	1/01/03	55,202	51,170	(4,032)	107.9	13,423	(30.0)
	12/31/03	60,889	56,835	(4,054)	107.1	14,524	(27.9)
Firefighters	1/01/95	\$233,719	282,751	49,032	82.7%	\$34,389	142.6%
Division B	1/01/96	262,009	305,406	43,397	85.8	36,728	118.2
(without Social Security)	1/01/97	293,002	330,273	37,271	88.7	38,937	95.7
	1/01/98	333,650	347,511	13,861	96.0	43,319	32.0
	1/01/99	374,554	367,224	(7,330)	102.0	44,951	(16.3)
	1/01/00	426,398	376,693	(49,705)	113.2	46,617	(106.6)
	1/01/01	486,815	416,501	(70,314)	116.9	53,541	(131.3)
	1/01/02	514,806	445,166	(69,640)	115.6	55,122	(126.3)
	1/01/03	498,387	469,994	(28,393)	106.0	57,931	(49.0)
	12/31/03	528,613	498,911	(29,702)	106.0	61,095	(48.6)
Total	1/01/95	\$261,523	307,459	45,936	85.1%	\$40,157	114.4%
Firefighters	1/01/96	293,816	333,432	39,616	88.1	43,027	92.1
Retirement	1/01/97	329,475	362,411	32,936	90.9	45,969	71.6
System	1/01/98	376,178	384,975	8,797	97.7	51,287	17.2
	1/01/99	423,405	407,703	(15,702)	103.9	54,326	(28.9)
	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
	1/01/02	569,151	491,274	(77,877)	115.9	67,192	(115.9)
	1/01/03	553,589	521,164	(32,425)	106.2	71,354	(45.4)
	12/31/03	589,502	555,746	(33,756)	106.1	75,619	(44.6)

Firefighters Retirement System Schedules of Employer Contributions by Division

(dollars in thousands)

		Employer Contributions				
Division Division	Year Ended	Annual Required Contributions	Percentage Contributed			
Firefighters	1994	\$ 499	100%			
Division A	1995	697	100			
(with Social Security)	1996	651	100			
	1997	691	100			
	1998	758	100			
	1999	813	100			
	2000	1,290	100			
	2001	1,489	100			
	2002	1,791	100			
	2003	1,748	100			
Firefighters	1994	\$4,999	100%			
Division B	1995	5,850	100			
(without Social Security)	1996	5,684	100			
	1997	6,697	100			
	1998	6,179	100			
	1999	4,924	100			
	2000	5,465	100			
	2001	6,865	100			
	2002	7,663	100			
	2003	7,311	100			
Total	1994	\$5,498	100%			
Firefighters	1995	6,547	100			
Retirement	1996	6,335	100			
System	1997	7,388	100			
	1998	6,937	100			
	1999	5,737	100			
	2000	6,755	100			
	2001	8,354	100			
	2002	9,454	100			
	2003	9,059	100			

401(k) Plan

Schedules of Fiduciary Net Assets by Investment Fund

(in thousand	1 s)					
Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund	
\$ 1,220					118	
	_	31,142	_	_	_	
439,758			74,180			
_				226,807	52,714	
_						
	34,101					
439,758	34,101	_	74,180	226,807	52,714	
_	_	_	_	22,109		
440,978	34,101	31,142	74,180	248,916	52,832	
				22.109		
1,496	7		74	108		
1,338	9		20	60	13	
160	_	_	_	84	_	
2,994	16	_	94	22,361	13	
\$437,984	34,085	31,142	74,086	226,555	52,819	
	\$ 1,220	\$ 1,220 — \$ 1,220 — 439,758 — — — 34,101 439,758 34,101 — 440,978 34,101 — — 1,496 7 1,338 9 160 — 2,994 16	Income Fund	Income Fund Group Fund Member Loan Fund Bond Fund \$ 1,220 — — — — — 31,142 — 439,758 — — 74,180 — — — — — 34,101 — — — — — — 440,978 34,101 31,142 74,180 — — — — 1,496 7 — 74 1,338 9 — 20 160 — — — 2,994 16 — 94	Income Fund Group Annuity Fund Member Loan Fund Bond Fund Balanced Fund \$ 1,220 — — — — — — 31,142 — — 439,758 — — 74,180 — — — — — — 226,807 — —	Income Fund Group Fund Member Loan Fund Bond Fund Balanced Fund Large Cap Stock Value Fund \$ 1,220 — — — — — 118 — — 31,142 — — — 439,758 — — 74,180 — — — — — — 226,807 52,714 — — — — — 439,758 34,101 — 74,180 226,807 52,714 — — — — — — 439,758 34,101 — 74,180 226,807 52,714 — — — — 22,109 — 440,978 34,101 31,142 74,180 248,916 52,832 — — — — — — — 1,496 7 — 74 108 — 1,338 9 — 20

401(k) Plan

Schedules of Changes in Fiduciary Net Assets by Investment Fund

YEAR ENDED DECEMBER 31, 2003	(in tho	usands)					
WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002	Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund	
Additions: Member contributions	\$ 40,106	_	_	12,347	17,730	5,421	
Investment Income: Net appreciation (depreciation) in fair value of investments Investment contracts	18,368	1,830	1,577	4,876	38,205 —	10,137	
Total investment income (loss)	18,368	1,830	1,577	4,876	38,205	10,137	
Less investment expenses	640	_	_	_	331	_	
Net investment income (loss)	17,728	1,830	1,577	4,876	37,874	10,137	
Transfers (to) from affiliated funds	(14,105)	(700)	4,371	(26,506)	(4,672)	13,968	
Total additions	43,729	1,130	5,948	(9,283)	50,932	29,526	
Expenditures: Refunds Administrative expenses	25,255 1,301	2,050 95	1,439 182	4,376 215	8,358 538	831 90	
Total deductions	26,556	2,145	1,621	4,591	8,896	921	
Increase (decrease) from operations	17,173	(1,015)	4,327	(13,874)	42,036	28,605	
Net assets held in trust for pension benefits beginning of the year	420,811	35,100	26,815	87,960	184,519	24,214	
Net assets held in trust for pension benefits end of year	\$437,984	34,085	31,142	74,086	226,555	52,819	

401	(6)	Plan
707		/ can

Large Cap Stock Index	Large Cap Stock Growth	Small Cap Stock	International	Short Horizon	Medium Horizon	Long Horizon		Total
Fund	Fund	Fund	Fund	Fund	Fund	Fund	2003	2002
52		609	1,127	112	138		3,376	4,244
_		_	_	_	_	_	31,142	26,813
_	_		_	34,757	26,688	20,128	595,511	568,585
316,207	58,950	104,177	_	4,993	26,440	62,051	852,339	595,755
_	_		98,016	2,397	10,568	29,829	140,810	87,037
_				_	_		34,101	35,115
316,207	58,950	104,177	98,016	42,147	63,696	112,008	1,622,761	1,286,492
9,210	1,300	_	_	149	417	985	34,170	45,934
325,469	60,250	104,786	99,143	42,408	64,251	112,993	1,691,449	1,363,483
9,210	1,300			149	417	985	34,170	45,934
·	48					68	1,801	2,838
83	15	28	26	11	17	30	1,650	1,574
22	46		85	5	15	36	453	373
9,315	1,409	28	111	165	449	1,119	38,074	50,719
316,154	58,841	104,758	99,032	42,243	63,802	111,874	1,653,375	1,312,764

401 (k) Plan

Total		Long	Medium	Short		Small Cap	Large Cap	Large Cap
2002	2003	Horizon Fund	Horizon Fund	Horizon Fund	International Fund	Stock Fund	Stock Growth Fund	Stock Index Fund
160,267	161,212	17,925	11,095	6,560	8,504	7,790	8,351	25,383
(112,316)	247,580	22,197	9,625	3,487	33,724	27,526	10,411	69,024
4,018	3,407							
(108,298)	250,987	22,197	9,625	3,487	33,724	27,526	10,411	69,024
1,492	1,674	113	47	19	275		169	80
(109,790)	249,313	22,084	9,578	3,468	33,449	27,526	10,242	68,944
	_	4,853	3,980	832	684	25,109	(404)	(7,410)
50,477	410,525	44,862	24,653	10,860	42,637	60,425	18,189	86,917
63,908	65,785	2,412	1,974	2,666	2,599	2,272	1,632	9,921
3,850	4,129	238	140	109	205	175	130	711
67,758	69,914	2,650	2,114	2,775	2,804	2,447	1,762	10,632
(17,281)	340,611	42,212	22,539	8,085	39,833	57,978	16,427	76,285
1,330,045	1,312,764	69,662	41,263	34,158	59,199	46,780	42,414	239,869
1,312,764	1,653,375	111,874	63,802	42,243	99,032	104,758	58,841	316,154

457 Plan Schedules of Fiduciary Net Assets by Investment Fund

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2002	(in thousan Income Fund	d s) Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund	
Assets: Cash	\$ 4			3		25	
	\$ 4					23	
Receivables			534				
Investments at fair value: Debt securities Equity investments, domestic Equity investments, international Investment contracts	49,098 		_ _ _	9,977 — — —	19,647	7,956	
Total investments	49,098	19,627	_	9,977	19,647	7,956	
Invested securities lending collateral	_	_	_		1,915	_	
Total assets	49,102	19,627	534	9,980	21,562	7,981	
Liabilities: Securities lending liability Disbursements in excess of cash balance Administrative expenses payable Investment advisor fees payable	1,086 17 18				1,915 5 5 7		
Total liabilities	1,121	5	_	3	1,932	2	
Net assets held in trust for pension benefits	\$47,981	19,622	534	9,977	19,630	7,979	

457 Plan Schedules of Changes in Fiduciary Net Assets by Investment Fund

YEAR ENDED DECEMBER 31, 2003	(in tho	ısands)					
WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2002	Income Fund	Group Annuity Fund	Member Loan Fund	Bond Fund	Balanced Fund	Large Cap Stock Value Fund	
Additions: Member contributions	\$ 4,479	_	_	1,315	929	953	
Investment Income: Net appreciation (depreciation) in fair value of investments Investment contracts	2,117	1,090	<u> </u>	699 —	3,372	1,570	
Total investment income (loss)	2,117	1,090	1	699	3,372	1,570	
Less investment expenses	73	_	_	_	29	_	
Net investment income (loss)	2,044	1,090	1	699	3,343	1,570	
Transfers (to) from affiliated funds	(2,573)	(334)	539	(4,506)	(85)	1,681	
Total additions	3,950	756	540	(2,492)	4,187	4,204	
Expenditures: Refunds Administrative expenses	6,398 132	2,994 54	1 5	1,258 30	1,909 46	228 13	
Total deductions	6,530	3,048	6	1,288	1,955	241	
Increase (decrease) from operations	(2,580)	(2,292)	534	(3,780)	2,232	3,963	
Net assets held in trust for pension benefits beginning of the year	50,561	21,914	_	13,757	17,398	4,016	
Net assets held in trust for pension benefits end of year	\$47,981	19,622	534	9,977	19,630	7,979	

457 Plan

Large Cap Stock Index	Large Cap Stock Growth	Small Cap Stock	International	Short Horizon	Medium Horizon	Long Horizon		Total
Fund	Fund	Fund	Fund	Fund	Fund	Fund	2003	2002
22	4	105	946				1,109	1,047
_	_	_	_	_	_	_	534	_
				5,266	2,467	1,323	68,131	71,544
39,604	6,117	14,459		756	2,444	4,078	95,061	69,733
	_		9,660	363	977	1,960	12,960	8,419
_	_		· —	_		, <u>—</u>	19,627	21,920
39,604	6,117	14,459	9,660	6,385	5,888	7,361	195,779	171,616
1,153	135	_	_	19	49	119	3,390	5,444
40,779	6,256	14,564	10,606	6,404	5,937	7,480	200,812	178,107
1,153	135		_	19	49	119	3,390	5,444
				2 2	4	4	1,101	987
10	2 5	4	3	2	2	2	57	74
3	5		8	1	1	2	45	41
1,166	142	4	11	24	56	127	4,593	6,546
39,613	6,114	14,560	10,595	6,380	5,881	7,353	196,219	171,561

457 Plan

Large Ca			T. a. t.	Short	Medium	Long		Total
Stock Inde Fun			International Fund	Horizon Fund	Horizon Fund	Horizon Fund	2003	2002
								_
1,52	6 637	872	615	665	696	1,125	13,812	10,353
8,76	0 1,079	3,599	4,163	566	881	1,466	28,272	(14,530)
		<u> </u>					1,091	1,369
8,76	0 1,079	3,599	4,163	566	881	1,466	29,363	(13,161)
1	0 17	_	27	3	4	7	170	164
8,75	0 1,062	3,599	4,136	563	877	1,459	29,193	(13,325)
(54	4) 85	4,204	852	(222)	451	452	_	
9,73	2 1,784	8,675	5,603	1,006	2,024	3,036	43,005	(2,972)
2,37			499	851	273	294	17,877	24,498
8	8 13	24	20	17	13	15	470	487
2,45	9 286	552	519	868	286	309	18,347	24,985
7,27	3 1,498	8,123	5,084	138	1,738	2,727	24,658	(27,957)
32,34	0 4,616	6,437	5,511	6,242	4,143	4,626	171,561	199,518
39,61	3 6,114	14,560	10,595	6,380	5,881	7,353	196,219	171,561

Firefighters Retirement System

Schedules of Administrative and Investment Expenses YEAR ENDED DECEMBER 31, 2003

(in thousands)

	(in thousan	as)	45	
	Defined Benefit Pension Plans	Investments	401(k) and 457 Plans	Total
Personal services:				
Salaries and wages	\$ 3,983	1,004	2,513	7,500
Employee benefits	1,499	330	1,048	2,877
Total personal services	5,482	1,334	3,561	10,377
Professional services:				
Audit	78		17	95
Actuarial services	169		_	169
General counsel	738	13	7	758 205
Banking services	58	1 206	147	205
Security handling expense Investment advisor fees	_	1,396 31,171	1,844	1,396 33,015
Other consulting services	33	31,171 —	52	85
Total professional services	1,076	32,580	2,067	35,723
Communications:				
Telephone	175	24	43	242
Postage	426	_	178	604
Total communications	601	24	221	846
Rentals:	7.60	70	10.6	070
Office space Data processing equipment	768 255	78	126	972 255
Total rentals	1,023	78	126	1,227
	1,023	7.0	120	1,227
Miscellaneous:	339	114	323	776
Data processing Travel	168	68	34	270
Contractual services	414	13	74	501
Supplies and maintenance	254		4	258
Insurance and bonding premiums	334		23	357
Subscription expense	7	2		9
Office supplies	145		10	155
Depreciation expense	391	_		391
Total miscellaneous	2,052	197	468	2,717
Total administrative expenses	\$10,234	34,213	6,443	50,890
Allocation of administrative expenses:				
Contributory Retirement System	\$ 675			675
Noncontributory Retirement System	8,124			8,124
Public Safety Retirement System	1,006	_	_	1,006
Firefighters Retirement System	360			360
Judges Retirement System	63	_	_	63
Governors and Legislative Pension Plan 401(k) Plan	6		4 120	4 120
457 Plan	_	_	4,129 470	4,129 470
Total administrative expenses	10,234		4,599	14,833
Investment administrative expense	_	3,042		3,042
Investment advisor fees:				
Investments	_	31,171		31,171
401(k) Plan	_		1,674	1,674
457 Plan	_	24.474	170	170
Total investment advisor fees	<u> </u>	31,171	1,844	33,015
Total administrative expense allocation	ns \$10,234	34,213	6,443	50,890

Utah Retirement Systems 2003 Comprehensive **Annual Financial Report**

Insestment Séction INVESTMENT

SECTION



91 Report on Investment Activity

92 Outline of Investment Policies and Investment Summary 93 Asset Allocation 94 Investment Results 95 List of Largest Assets Held 95 Schedules of Fees and Commissions 96 Investment Professionals 97 401(k) and 457 Plans



Defined Benefit Insestments

DEFINED BENEFIT INVESTMENTS

Report on Investment Activity

T T SEEMED AS IF 2003 WOULD BE POSSIBLY ANOTHER DIFFICULT period as we began the year with anxiety over a war with Iraq and a tense situation in North Korea. The impact of the Venezuelan oil crisis and ongoing media stories relating to corporate scandals also added to the malaise. However, the mood changed as the war progressed better than expected, and the business climate began to improve. The lowest interest rates in 40 years combined with the President's earlier tax stimulus finally took hold. Gross Domestic Product (GDP) grew 3.1% in the second guarter followed by 8.2% in the third guarter, the fastest annualized rate in nearly 20 years. The fourth quarter posted solid performance with GDP growing at 4.0%.

Including dividends, the markets, both domestic and international, reacted to this positive news. The Standard & Poor's index gained 28.7% for the year. Large company stocks as measured by the Russell 1000 index grew 29.8% and small company stocks did even better. The Russell 2000 index posted a 47.3% gain for the year. The developed international market also had tremendous growth. The Europe Australia/Asia Far East (EAFE) increased 38.6%. International emerging markets returned 56.3%. The fixed income markets continued their gains from the previous year. The domestic fixed income market as measured by the Lehman Brothers Aggregate returned 4.1% and the global fixed income market as measured by the Lehman Brothers Global Aggregate returned 12.5%.

The Utah Retirement Systems (Systems) posted one of its best years ever with a total return of 26%. Because the Systems diversifies its portfolio, the gain is remarkable given that the Systems targets over 40% of its portfolio in asset classes other than stocks. The gain boosted the Systems' five-year return to 5.6%, as compared to 2.8% a year ago. To earn a return of 5.6% over a period that included one of history's worst bear markets is very good news for our participants. However, we are more inclined to look at longer term numbers because we invest for the long run. Over the past ten years the Systems' portfolio has returned 8.9% exceeding its actuarial goal of 8%. Investment returns are reported in conformance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR). Bruce H. Cundick

During 2003 we made only one minor change to our asset allocation targets. We decreased our fixed income allocation from 26% to 25% and correspondingly increased our real estate allocation from 9% to 10%. We remain committed to the equity markets going forward. Our allocations of 58% to public equity and 7% to private equity remain in place.

We stand behind our investment process. If has been tested in bull and bear markets alike, and it works. While we will certainly see ups and downs in the future, the Systems' time horizon is, for that reason, very long term—twenty to thirty years. Our patience and discipline paid off in 2003 and will yet produce the overall returns necessary to meet the long term needs of our participants.

Bruce H. Cundick Chief Investment Officer

Investment Highlights

Outline of Investment Policies

HE GOVERNING BODY OF THE UTAH RETIREMENT SYSTEMS (Systems) is the seven member Utah State Retirement Board (Board). The Board is composed of the Utah State Treasurer, who serves as an ex-officio member, and six trustees who are appointed by the Governor. Four board members are appointed for their investment expertise, and two members are appointed to represent employee and employer interests.

The Board has statutory authority to pool pension assets in the Utah Retirement Investment Fund (Fund). Statutes also establish that this Fund shall be invested in accordance with the "prudent person rule". The prudent person rule requires all members of the Board and investment staff to discharge their duties solely in the interest of Systems' participants and beneficiaries and with the care, skill, prudence and diligence which they would exercise in the conduct of their own affairs. To this end a Statement of Investment Policy and Performance

Objectives has been created for the Fund and adopted by the Board. The purpose of this Statement is to:

- Outline the expected return and risk profile for the Fund;
- Establish the target asset allocation mix and acceptable rebalancing ranges;
- Describe plan and manager policies and objectives for performance evaluation;
- Communicate investment performance standards to investment managers.

The primary investment objectives are to preserve Fund assets and generate an appropriate level of risk-adjusted return to meet future pension obligations. The Systems periodically complete an asset allocation and liability study to determine the optimal portfolio diversification to meet those obligations.

The Systems' investment portfolio includes strategic, long-term commitments in the following asset classes: Domestic Equities, Domestic Debt Securities, International Equities, International Debt Securities, Real Estate, and Private Equity.

2003 Investment Summary

(d	011	ars in thous	ands)				
		2003 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2003 Ending Fair Value	Percent of Total Fair Value
Short-term securities, domestic	\$	672,742	16,046,404	15,303,736	_	1,415,410	9.72%
Short-term securities, international		90,665	7,966,581	7,889,256	(1,249)	166,741	1.14
Debt securities, domestic		2,029,363	11,340,605	11,064,770	(33,817)	2,271,381	15.60
Debt securities, international		668,833	1,073,277	988,578	37,100	790,632	5.43
Equities, domestic		4,404,921	1,758,819	1,988,516	1,248,292	5,423,516	37.24
Equities, international		1,989,119	826,086	899,980	731,357	2,646,582	18.17
Private equity		761,987	76,367	145,622	(38,438)	654,294	4.49
Real estate		1,123,842	255,679	196,385	4,565	1,187,701	8.16
Mortgage loans		3,985	2,682	5	_	6,662	0.05
Totals	\$	11,745,457	39,346,500	38,476,848	1,947,810	14,562,919	100.00%

Investment Highlights (Continued)

Asset allocation is reviewed in conjunction with the plan liabilities at least every five years.

The Board's policy is to establish a long-term strategic asset allocation that mitigates overall expected portfolio risk (volatility) and maximizes expected return without unduly constraining the discretionary, tactical decision-making process of the investment managers.

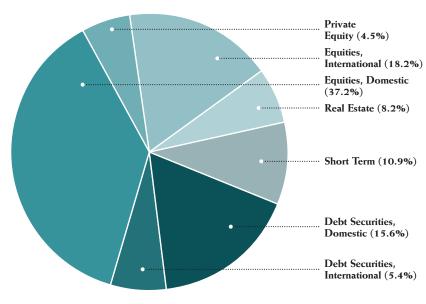
To implement the asset allocation plan, the Executive Director, supported by the Board, staff and consultant, selects appropriate money management experts to invest the Fund assets. This selection process includes the creation of specific search criteria, completion and documentation of analysis and due diligence on potential candidates, and interviews completed by the staff and/or Board. It is not the staff or Board's intention to be involved with the day-to-day decisions made by external investment managers. Internal investment staff also manages segments of the portfolio.

All managers must act within the restrictions established by the investment guidelines put forth in the Statement of Investment Policy. All managers must acknowledge a co-fiduciary status to the Fund. All managers are expected to communicate with the staff at least quarterly.

Managers' portfolios are evaluated both against appropriate market indices and similar manager style groups. The investment policy outlines appropriate benchmarks.

Asset Allocation at Fair Value

DECEMBER 31, 2003



Asset Allocation at Fair Value

Ε	December 31,								
	1999	2000	2001	2002	2003				
Debt securities, domestic	14.2%	19.5	21.0	17.3	15.7				
Debt securities, international	8.5	5.7	5.9	5.7	5.4				
Equities, domestic	38.0	38.5	40.9	37.5	37.2				
Equities, international	20.3	15.7	13.9	16.9	18.2				
Private equity	7.8	7.8	5.2	6.5	4.5				
Real estate	9.1	8.4	8.4	9.6	8.2				
Short-term securities	2.1	4.4	4.7	6.5	10.9				
Total portfolio	100.0%	100.0	100.0	100.0	100.0				

Investment return calculations are prepared using a time-weighted rate of return based on Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

Investment Highlights (Continued)

Ten-Year Total Pension Investment Rates of Return

(dollars in millions)

	Total Investment Portfolio Fair Value	(1) Smoothed Expected Rate of Return	(2) Fair Value Rate of Return	(3) Actuarial Assumed Interest Rate
1994	\$ 6,140	8.84%	0.00%	8.00%
1995	7,504	11.64	22.18	8.00
1996	8,669	11.73	15.11	8.00
1997	10,144	13.72	15.75	8.00
1998	11,238	12.64	9.61	8.00
1999	13,057	14.67	16.55	8.00
2000	13,474	11.23	1.86	8.00
2001	12,892	6.80	(4.99)	8.00
2002	11,745	(1.54)	(7.54)	8.00
2003	14,563	8.01	26.00	8.00

- (1) Smoothed Expected Rate of Return consists of investment income in excess or shortfall of the expected 8% on fair value smoothed over a five-year period with 20% of a year's excess or shortfall being recognized each year beginning with the current year.
- (2) Fair Value Rate of Return consists of cash income plus gains and losses due to changes in fair value, whether realized or unrealized (before deduction of investment fees). (For 2003, 25.81 net of fees.)
- (3) Actuarial Assumed Interest Rate is the assumed rate of return on the fair value of assets, and is used in establishing retirement contribution rates and in determining current benefit reserve requirements.

Comparative Investment Results (1)(2)(3)

YEAR ENDED DECEMBER 31, 2003

Investment Category Comparative Index	1 Year	3 Years	5 Years
Domestic Equity Russell 3000 Index	39.29 31.06	% 1.82 (3.05)	% 4.54 % 0.38
International Equity 80% MSCI EAFE Index, 10% MSCI Emerging Markets Index, 10% Citigroup Extended Markets Index World ex-US	40.44 41.89	` ′	3.86
Domestic Debt Securities Lehman Brothers Aggregate Index	4.91 4.10	5.94 7.57	5.84 6.62
International Global Debt Securities Lehman Brothers Global Aggregate Index	17.66 12.51	10.83 10.02	5.86 5.43
Real Estate 90% NCREIF Real Estate Index 10% NAREIT Index	9.94 10.89	6.80 8.97	8.30 9.98
Private Equity 80% Russell 3000 Index + 3.5% 15% Russell 3000 Index + 2.0%	5.36 34.47	(13.17) 0.56	3.98 3.93
Short Term Investments Treasury Bills	1.28 1.15	4.05 2.44	5.31 3.66
Utah Retirement Systems in Total 40% Russell 3000 Index, 20% Lehman Brothers Aggregate Index, 18% MSCI ACWI ex US Free Index, 9% NCREIF Total Index, 6% Russell 3000 Index + 3.5% 5% Globle Aggregate Index 1% Utah-Russell 3000 Index + 2% 1% NAREIT	26.00 24.76	3.34 3.63	5.61 4.73

(1) Callan Associates Inc.

Inflation

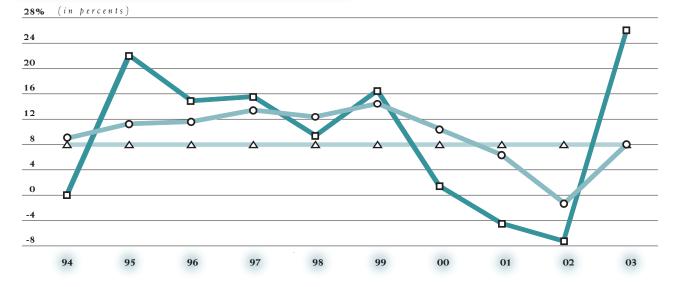
- (2) Total rates of return include cash income plus gains and losses due to changes in fair value, whether realized or unrealized.
- (3) Investment return calculations were prepared using a time-weighted return in accordance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

1.87

1.95

2.39

Ten-Year Total Pension Investment Rates of Return



Investment Highlights (Continued)

List of Largest Assets Held DECEMBER 31, 2003

Largest Equity Holdings

(By Fair Value)

Description	Shares	Fair Value
General Electric Co.	3,531,645	\$109,410,362
Pfizer Inc.	2,915,282	102,996,913
Exxon Mobil Corp.	2,460,222	100,869,102
Microsoft Corp.	3,315,842	91,318,289
Citigroup Inc.	1,857,978	90,186,252
Intel Corp.	2,555,091	82,273,930
Cisco Systems Inc.	2,514,791	61,084,273
Johnson & Johnson	1,173,406	60,618,154
American International Group Inc.	807,703	53,534,555
International Business Machines Corp.	575,029	53,293,688

Largest Debt Securities Holdings

(By Fair Value)

Description	Par Value	Fair Value
GNMA I Single Family MTG 5% 30 Years Settles Jan Rating AAA	\$81,975,000	81,206,867
GNMA I 30 Yr Single Family Pass-Throughs (SF) 6% 30 Years Settles Jan Rating AAA	72,910,000	75,757,865
FNMA 30 Yr Pass-Throughs 5.5% 30 Years Settles Jan Rating AAA	52,410,000	53,081,382
US Treasury Bonds 6.75% Due 08-15-2026 Reg Rating AAA	39,651,000	47,990,002
FNMA 15 Yr Pass-Throughs 5% 15 Years Settles Jan Rating AAA	46,610,000	47,527,751
GNMA TBA Pool 6.5% TBA Rating AAA	43,100,000	45,416,625
US Treasury Bonds Inflation Index Linked 3.875% 04-15-2029 Rating AAA	27,510,000	40,058,663
FNMA 30 Yr Pass-Throughs 6.5% 30 YEARS Settles Jan Rating AAA	29,700,000	31,061,448
US Treasury NTS DTD 01/18/2000 Inflation Indexed 4.25% Due 01-15-2010 Reg Rating AAA	22,354,000	28,579,143
Germany (Fed Rep) 5.25% BDS 4/1/2008 Euro.01 Rating AAA	20,825,000	28,143,120

A complete list of portfolio holdings is available upon request.

Schedules of Fees and Commissions

Broker Commission Fees

YEAR ENDED DECEMBER 31, 2003

Broker	Total Commission Fees			
Goldman Sachs & Company	\$ 54,917			
Instinet	8,397			
Jefferies and Company	35,717			
Morgan Stanley & Company	31,826			
UBS Securities LLC	71,201			
BNY ESI Securities	630			
Investment Technology Group (ITG)	323,983			
Total	\$526,671			

Schedule of Investment Fees and Commissions

YEAR ENDED DECEMBER 31, 2003

Investment advisor fees:	
Equity securities, domestic	\$ 7,496,607
Equity securities, international	9,676,204
Debt securities, domestic	2,794,643
Debt securities, international	1,698,644
Private equity	8,337,392
Real Estate	1,167,782
Total investment advisor fees	31,171,272
Investment brokerage fees	526,671
Total fees and commissions	\$31,697,943

Investment Professionals

Investment Advisors

Defined Benefit Plan— Equities

Abbott Capital Management, LLC 1211 Avenue of the Americas Suite 4300 New York, NY 10036

AEW Capital Management L.P. World Trade Center East Two Seaport Lane Boston, MA 02110-2021

Arnhold & S. Bleichroeder Advisors, Inc. 1345 Avenue of the Americas New York, NY 10105

Bay Isle Financial Corporation 475 14th Street, Suite 550 Oakland, CA 94612

Brandes Investment Partners L.P. 11988 El Camino Real, Suite 500 San Diego, CA 92130

Capital International 333 South Hope Street Los Angeles, CA 90071

CS First Boston 11 Madison Avenue New York, NY 10010

Dimensional Fund Advisors, Inc. 1299 Ocean Avenue Santa Monica, CA 90401

Goldman Sachs Asset Management 32 Old Slip New York, NY 10005

Invesco Global (N.A.), Inc. 1360 Peachtree Street Suite 100 Atlanta, GA 30309

Mazama Capital One SW Columbia Street Suite 1500 Portland, OR 97258 Morgan Stanley Asset Management 1221 Avenue of the Americas 5th Floor New York, NY 10020

Pathway Capital Management, LLC 5 Park Plaza, Suite 300 Irvine, CA 92614

Putnam Investments 1 Post Office Square Boston, MA 02109

Schneider Capital Management 460 East Swedesford Road Suite 1080 Wayne, PA 19087

State Street Global Advisors State Street Financial Center One Lincoln Street Boston, MA 02111

Wasatch Advisors, Inc. 150 Social Hall Avenue Suite 400 Salt Lake City, UT 84111

Defined Benefit Plan— Debt Securities

Banc One Investment Advisors 1 Bank One Plaza Mail Suite IL1-0601 Chicago, IL 60670-0601

Black Rock Asset Management 40 East 52nd Street New York, NY 10022

Capital Guardian Trust Co. 135 South State College Blvd. Brea, CA 92821

Western Asset Management Co. 385 East Colorado Blvd. Suite 1000 Pasadena, CA 91101

Defined Benefit Plan— Real Estate

BNA Realty Advisors Barlow Nielsen Associates 358 South Rio Grande, Suite 250 Salt Lake City, UT 84101 CB Richard Ellis 865 South Figueroa Street Suite 3500 Los Angeles, CA 90071

Cottonwood Partners 2855 East Cottonwood Parkway Suite 560 Salt Lake City, UT 84121

CS First Boston 11 Madison Avenue New York, NY 10010

Goldman, Sachs & Company 85 Broad Street New York, NY 10004

Hancock Timber Resources Group 99 High Street Boston, MA 02110

Lazard Freres & Co., LLC 30 Rockefeller Plaza New York, NY 10020

OPUS Group, LLC P.O. Box 59110 Minneapolis, MN 55459

Henderson Global Investors One Financial Plaza Hartford, CT 06103

Security Capital European Realty Batchworth House Batchworth Place Church Street Rickmansworth, Hertfordshire WD31JE, England

USAA Real Estate Company 9830 Colonnade Blvd. Suite 600 San Antonio, TX 78230

Utah Retirement Systems Consultants

Callan Associates Inc. 101 California Street, Suite 3500 San Francisco, CA 94111

The Northern Trust Company 50 South LaSalle Street Chicago, IL 60675 401(k) and 457 Investments

401(k) AND 457 INVESTMENTS

Investment Highlights

Introduction

TAH RETIREMENT SYSTEMS' 401(k) AND 457 Plans are tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans are available to employees of the state, local government and public education employers throughout Utah. The participants of the plans have a choice of eleven investment funds in which their monies may be invested. Each participant may choose one or a combination of these funds.

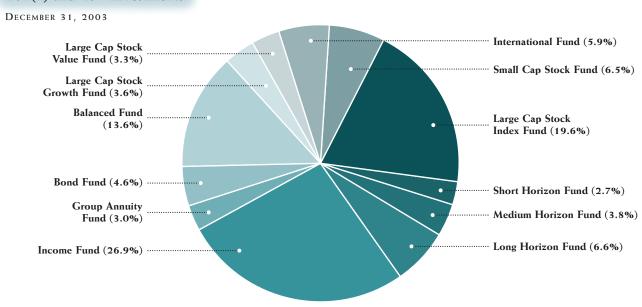
In addition, there is a Group Annuity Fund that is closed to contributions, but where current balances still exist. The table to the right shows the

total investments in the various investment options. The asset graph below shows the asset distribution at December 31, 2003.

401(k) and 457 Plan Investments

(i	n thousands)
Investment Options	Total
Income Fund	\$ 488,856
Bond Fund	84,157
Balanced Fund	246,454
Large Cap Stock Value Fun	d 60,670
Large Cap Stock Index Fun	d 355,811
Large Cap Stock Growth Fund	65,067
International Fund	107,676
Small Cap Stock Fund	118,636
Short Horizon Fund	48,532
Medium Horizon Fund	69,584
Long Horizon Fund	119,369
Group Annuity Fund (closed to contributions	53,728
Total	\$1,818,540

401(k) and 457 Investments



401(k) and 457 Investments

Investment Highlights (Continued)

2003 Investment Summary and Investment and Administrative Fees

	(dollars in thousands)			Increase (Decrease)	2003	Percent of Total	Invest-			
Fund		Beginning Fair Value	Purchases	Sales and Redemptions	in Fair Value	Ending Fair Value	Fair Value		Admin- istrative Fees	Total Fees
Income Fund	\$	470,253	1,256,460	1,222,976	(14,881)	488,856	26.88%	0.14%	0.30%	0.44%
Bond Fund		100,720	116,797	131,076	(2,284)	84,157	4.63	0.37	0.30	0.67
Balanced Fund		202,013	18,734	13,234	38,941	246,454	13.55	0.39	0.30	0.69
Large Cap Stock Value Fund		28,118	48,880	27,567	11,239	60,670	3.34	0.44	0.30	0.74
Large Cap Stock										
Index Fund		272,544	93,442	89,834	79,659	355,811	19.57	0.03	0.30	0.33
Large Cap Stock Growth Fund		45,797	136,868	133,280	15,682	65,067	3.58	0.34	0.30	0.64
Small Cap Stock Fund		53,555	139,324	98,676	24,433	118,636	6.52	0.17	0.30	0.47
International Fund		68,046	1,604,538	1,579,832	14,924	107,676	5.92	0.35	0.30	0.65
Short Horizon Fund		40,359	18,169	12,627	2,631	48,532	2.67	0.29	0.30	0.59
Medium Horizon Fund		45,417	20,570	6,525	10,122	69,584	3.83	0.31	0.30	0.61
Long Horizon Fund		74,251	28,896	7,306	23,528	119,369	6.56	0.26	0.30	0.56
Group Annuity Fund (closed to contribution	s)	57,035	_	4,409	1,102	53,728	2.95	1.13	0.30	1.43
Totals	\$	1,458,108	3,482,678	3,327,342	205,096	1,818,540	100.00%)		

Investment and Administrative Expenses

There are no front-end load, redemption, or other hidden fees associated with these plans; although Beneficial Life Insurance Company may impose a penalty on transfers from the Group Annuity Fund. All costs reflected in the table above are deducted from earnings prior to posting to participant accounts and do not appear as separate items on participant statements.

By administering the defined contribution plans internally rather than through a third party, expenses are kept at very low levels to maximize earnings to each participant. The table above shows these expenses to be nominal when compared to much higher fees on most annuities, mutual funds and insurance contracts.

An annual account maintenance fee of \$15 is assessed to inactive accounts with combined 401(k) and 457 plan balances of less than \$5,000.

Rates of Return

Rates of return shown on the accompanying chart on page 99 are net rates, after investment and administrative costs and fees have been deducted.

401(k) and 457 Investments

Investment Highlights (Continued)

401(k) and 457 Plans Comparative Annualized Rates of Return

YEAR ENDED DECEMBER 31, 2003

Investment Option Comparative Index	1 Year	3 Year	5 Year	10 Year
Income Fund Treasury Bills Index	3.87% 1.15	5.33% 2.44	5.56% 3.66	6.03%
Bond Fund	5.75	8.81	7.10	NA*
Lehman Aggregate Bond Index	4.10	7.57	6.62	6.95
Balanced Fund Balanced Index (1)	20.12	3.22	4.02	9.03
	18.64	1.25	2.87	9.87
Large Cap Stock Value Fund Russell 1000 Value Index	32.11 30.03	8.79 1.22	NA* 3.56	NA* 11.88
Large Cap Stock Index Fund S&P 500 Index	28.20 28.68	(4.25) (4.05)	(0.98) (0.57)	10.74 11.07
Large Cap Stock Growth Fund Russell 1000 Growth Index	21.80	(12.40)	(8.17)	NA*
	29.75	(9.36)	(5.11)	9.21
International Fund MSCI EAFE Index	36.13 38.59	(1.59) (2.91)	5.31 (0.06)	NA* 4.47
Small Cap Stock Fund	51.43	11.31	12.10	NA*
Russell 2000 Index	47.25	6.27	7.13	9.47
Short Horizon Fund	9.02	6.55 5.21	6.59	NA*
Short Horizon Index (2)	7.55		5.84	7.60
Medium Horizon Fund	19.98	3.63	4.90 4.02	NA*
Medium Horizon Index (3)	19.74	2.65		8.25
Long Horizon Fund Long Horizon Index (4)	27.60	1.45	3.76	NA*
	27.89	0.17	2.36	8.47
Group Annuity Fund (5) Treasury Bill Index	5.09 4.15	5.62 2.44	5.85 3.66	5.93 4.41

Past performance does not guarantee future results.

All fund returns are reported net of fees including investment management fees and administrative fees. All returns for periods greater than one year are annualized.

Investment return calculations were prepared using a time-weighted return in accordance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR).

Comparative indexes below reflect current asset allocation targets.

- (1) Balanced Index: 60% S&P 500 Index. 40% Lehman Brothers Aggregate Bond Index
- (2) Short Horizon Index: 20% Treasury Bills, 65% LB Aggregate Bond, 10% S&P 500, 5% MSCI ĔAFE
- (3) Medium Horizon Index: 45% LB Aggregate Bond, 35% S&P 500, 15% MSCI EAFE, 5% Russell 2000
- (4) Long Horizon Index: 20% LB Aggregate Bond, 45% S&P 500, 25% MSCI EAFE, 10% Russell 2000
- (5) The Group Annuity Fund is closed to future contributions. Returns prior to 1998 represent performance of the 401(k) Group Annuity Fund.
- *This fund has existed less than the number of years indicated.

Investment Professionals

401(k) and 457 Plans **Investment Professionals**

American Express Trust Co. 50900 AXP Financial Center Minneapolis, MN 55474 (Income Fund)

Beneficial Life Insurance Co. Beneficial Life Tower 36 South State Street Salt Lake City, UT 84136 (Group Annuity Fund)

Capital Guardian Trust Co. 333 South Hope Street Los Angeles, CA 90071 (International Fund)

Dimensional Fund Advisors, Inc. 1299 Ocean Avenue Santa Monica, CA 90401 (Small Cap Stock Fund)

Dodge & Cox One Sansome Street San Francisco, CA 94104 (Bond Fund, Large Cap Stock Value Fund, Balanced Fund)

Alliance Capital Management L.P. 1345 Avenue of the Americas New York, NY 10105 (Balanced Fund, Large Cap Stock Growth Fund)

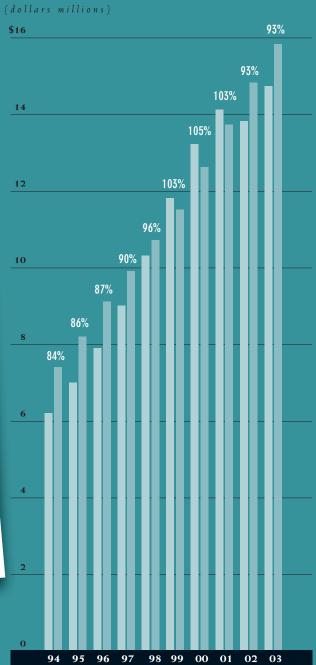
Utah Retirement Systems 540 East 200 South Salt Lake City, UT 84102 (Large Cap Stock Index Fund)

All Retirement Systems

Funding Progress With Junded Ratios

Funding PROGRESS WITH FUNDED RATIOS

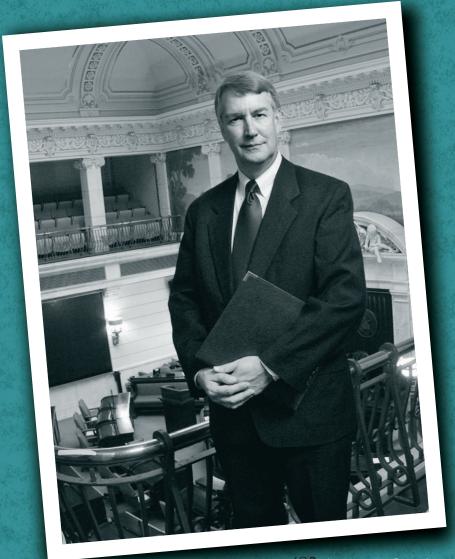




(dollars in billions)	94	95	96	97	98	99	00	01	02	03
Actuarial Value of Assets								14.1	13.8	14.7
Accrued Actuarial Liability	7.4	8.2	9.1	9.9	10.7	11.5	12.6	13.7	14.8	15.8
Funding Ratios	84%	86%	87%	90%	96%	103%	105%	103%	93%	93%

Utah Retirement Systems 2003 Comprehensive Annual Financial Report

Actuarial Section ACTUARIAL SECTION



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104 Summary of Actuarial Assumptions and Methods 104 Analysis of Financial Experience 108 Member and Employer Contribution Rates 110 Solvency Tests 112 Schedules of Active Member Valuation Data 113 Schedules of Retirants and Beneficiaries 114 Summaries of Plan Provisions 121 Changes in Plan Provisions 122 Summary of 401(k) and 457 Plans

Actuary's Certification Letter



GABRIEL, ROEDER, SMITH & COMPANY Consultants & Actuaries

5605 N. MacArthur Blvd. • Suite 870 • Irving, Texas 75038-2631 • 469-524-0000 • fax 469-524-0003

August 14, 2003

Utah State Retirement Board 560 East 200 South Salt Lake City, UT 84102

Dear Members of the Board

Subject: Certification of 2003 Actuarial Valuation

This report describes the current actuarial condition of the Utah Retirement Systems (URS), determines the calculated employer contribution rates, and analyzes changes in these contribution rates. Valuations are prepared annually, as of January 1, the first day of the URS plan year.

Under URS statutes, the Board of Trustees must certify employer contribution rates annually. These rates are determined actuarially, based on the Board's funding policy. Contribution rates determined by a given actuarial valuation become effective eighteen months after the valuation date. I.e., the rates determined by this January 1, 2003 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2004 and ending June 30, 2005. If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the calculated rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Financing objectives and funding policy

In setting contribution rates, the Board's principal objectives have been:

- To set rates so that the unfunded actuarial accrued liability (UAAL) will be amortized over a 20-year period from the current valuation date.
- To set rates so that they remain relatively level over time.

To accomplish this, the Board's funding policy requires that the employer contribution rate be at least equal to the sum of the employer normal cost rate (which pays the current year's cost) and an amortization rate which results in the amortization of the UAAL over twenty years in installments which increase at the assumed rate of growth in payroll for URS. The current assumed rate of growth in payroll for URS is 4.00%.

The Board uses an open 20-year amortization period. In other words, a 20-year amortization period is used in each valuation, rather than having the period decrease to 19, 18, etc.

Under this policy, the objective of maintaining relatively level contribution rates over time is achieved in normal conditions such as consistent market conditions.

Progress toward realization of financing objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. Because of the investment losses recognized in the actuarial value of assets, the funded ratio for all but one of the funds in URS decreased since the last valuation. The exception was the fund for the 3% substantial substitute.

For all systems combined, the funded ratio decreased from 102.7% to 92.8%. Most of the individual funds have ratios over 90%, and only the 3% Substantial Substitute Fund and the Salt Lake City Noncontributory

Public Safety Fund have funded ratios less than 85%. While the funded ratio for all systems combined has decreased each of the last two years, it must be pointed out that the funded ratio for all systems combined was 76.9% in 1990. Significant progress has been made over the last thirteen years, even though a number of benefit increases have been granted during that time, and even though the 3% substantial substitute was added as a URS liability. However, it must also be noted that if market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 77.3%.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2003, or which were adopted by the end of the 2003 legislative session and are effective on or before July 1, 2003.

None of the new legislation adopted since the preceding valuation date had a measurable impact on our results.

Assumptions and methods

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. In connection with the valuations in even-numbered years, the actuary conducts a thorough review of plan experience for the preceding five years, and then makes recommendations to the Board.

The current actuarial assumptions and methods are the same as used for the prior valuation. These assumptions and methods were adopted effective January 1, 2002.

It is our opinion that the recommended assumptions are internally consistent and are reasonably based on past and anticipated future experience of the System. We believe that the assumptions meet the parameters for financial statement disclosure established by Governmental Accounting Standards Board Statement No. 25 (GASB 25).

Data

Member data for retired, active and inactive members was supplied as of December 31, 2001 by the System's staff. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. The staff also supplied asset information as of December 31, 2001.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2003. We prepared the accompanying Summary of Actuarial Assumptions and Methods, but the URS staff prepared the other supporting schedules in this section and the trend tables in the financial section based on information supplied in our report. The staff rolls forward to December 31 the actuarial liabilities supplied in our report as of January 1, and the staff computes the actuarial value of assets as of December 31. These procedures have been reviewed by us and found reasonable.

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Utah state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries and consultants. Mr Carter and Mr. Conradi are Enrolled Actuaries and Members of the American Academy of Actuaries, and all three are experienced in performing valuations for large public retirement systems.

Sincerely,

Gabriel, Roeder, Smith & Company

Lewis Ward Consultant

W. Michael Carter, FSA, EA, MAAA

Senior Consultant

Summary of Actuarial Assumptions and Diethods SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

As of January 1, 2003

HE ACTUARIAL VALUATION WAS PREPARED using the entry age actuarial cost method. As described in the certification letter, the contribution rates are set

based on the board's funding policy, which states the contribution rate will not be less than the amount needed to amortize the unfunded actuarial accrued liability of each System over a 20-year period from the valuation date (January 1, 2003).

In calculating this minimum, amortization payments are designed to remain level as a percent of payroll, and payroll is assumed to increase 4.0% per year. Under this method, actuarial gains and losses are identified and amortized as part of the unfunded actuarial accrued liability over a 20-year period.

The future investment earnings of the assets of the Systems are assumed to accrue at an annual rate of 8%, compounded annually. This rate is made up of a 3.0% assumed inflation rate and a 5.0% assumed real rate of return. This assumption was adopted January 1, 2000.

The total rates of assumed annual salary increase are shown on the actuarial schedule on page 107. The rates include increases due to promotion and longevity and a 4.75% per annum rate of increase in the general wage level of the membership. Salaries of judges are assumed to increase at 4.75%. These assumptions were adopted January 1, 2002. (Rates for public safety members were adopted January 1, 2003.)

Post retirement benefit increases are based on the Consumer Price Index, limited by the provisions of each System. For members of the

Public Safety Retirement System, annual increases are assumed to be 2.5%. All other Systems' annual increases are assumed to be 3.0%. Increases are based on the member's original retirement allowance except in the Judges Retirement System, where increases are compounded.

Tables of mortality rates for members retired for service and beneficiaries were developed from standard mortality tables. The mortality basis is dependent upon the member's class and gender as shown below. These rates were adopted January 1, 2003. Mortality rates for active members were developed from actual experience of that group.

Mortality among disabled members is based on a special 1981 Disability Table developed by a pre-

Retired Member Mortality

Class of Member

UP94M (xx) = 1994 Unisex Pensioners Mortality Table for Males adjusted xx years.

UP94F (xx) = 1994 Unisex Pensioners Mortality Table for Females adjusted xx years. vious actuary from the Systems' experience. Rates for males are based on a 2-year set forward and rates for females are based on a 2-year setback. These rates were modified January 1, 2003.

Other demographic assumptions regarding retirement, mortality, disablement and termination from employment are illustrated in the following actuarial schedules.

The retirement assumptions illustrated are for members of the Systems who are eligible to retire with 30 years of service. The rates vary by age and service groupings.

Rates of assumed termination from employment at any age are assumed to vary during the first five years of employment. The rates of termination illustrated are for members in their first or in their sixth or subsequent year of service; rates at intermediate points fall between the two sets illustrated. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. Vested members are assumed to withdraw their contributions and forfeit the right to further benefits at the rates illustrated.

The Retirement Board uses the expected rate of return method for calculating the actuarial value of assets. This method is based on the total earnings of the commingled investments and spreads the excess/ shortfall of actual investment returns over or under the expected return over five years. One-fifth of the excess/ shortfall is recognized each year. The actuarial values of assets under this method were calculated and reported to us by the Systems' staff.

All of the actuarial assumptions were adopted by the Retirement Board in 2003, as recommended by the actuary.

Summary of Actuarial Assumptions and Methods (Continued) As of January 1, 2003

						Eligible for	or Retirement	
				Male			Female	
		State and Sch	ool Division		State and Scho	ool Division	T 1	Governors
	Retirement Age	Educators	Public Employees	Local Government Division	Educators	Public Employees	Local Government Division	and Legislative Pension Plan
Contributory and	55	30.00%	20.00%	6 30.00%	35.00%	30.00%	40.00%	0.00%
Noncontributory	56	30.00	20.00	30.00	35.00	30.00	40.00	0.00
Retirement	57	30.00	20.00	30.00	35.00	30.00	40.00	0.00
Systems	58	30.00	20.00	30.00	35.00	30.00	40.00	0.00
Adopted January 1, 2000	59	30.00	20.00	30.00	35.00	30.00	40.00	0.00
	60	60.00	50.00	50.00	50.00	60.00	50.00	0.00
	61	40.00	35.00	40.00	50.00	40.00	40.00	0.00
	62	70.00	60.00	65.00	70.00	60.00	60.00	100.00
	63	49.00	30.00	50.00	50.00	40.00	40.00	100.00
	64	56.00	30.00	50.00	50.00	40.00	40.00	100.00
	65	75.00	70.00	80.00	75.00	75.00	70.00	100.00
	66	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	67	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	68	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	69	60.00	50.00	50.00	50.00	50.00	30.00	100.00
	70	100.00	100.00	100.00	100.00	100.00	100.00	100.00
			Percent R	Letiring Within N	Next Year Amon	ng Active Men		or Retirement
	Retirement Age			Retirement Age			Retirement Age	
Public Safety	45	14.00%		52	14.00%)	59	33.00%
Retirement System	46	14.00		53	14.00		60	50.00
Adopted January 1, 2000	47	14.00		54	14.00		61	50.00
	48	14.00		55	33.00		62	50.00
	49	14.00		56	33.00		63	50.00
	50	14.00		57	33.00		64	50.00
	51	14.00		58	33.00		65	100.00
			Percent R	etiring Within N	Next Year Amon	ng Active Men	nbers Eligible fo	or Retirement
	Retirement Age			Retirement Age			Retirement Age	
Firefighters	45	6.00%		52	35.00%)	59	75.00%
Retirement System	46	6.00		53	35.00		60	75.00
Adopted January 1, 2000	47	6.00		54	35.00		61	75.00
	48	6.00		55	75.00		62	75.00
	49	6.00		56	75.00		63	75.00
	50	35.00		57	75.00		64	75.00
	51	35.00		58	75.00		65	100.00
			Percent R	etiring Within N	Next Year Amor	g Active Men	nbers Eligible fo	or Retirement
	Retirement			Retirement		G	Retirement	
Y 1	Age	F 000:		Age	20.00=		Age	50.00
Judges	60	5.00%		64	30.00%)	68	50.00%
Retirement System Adopted January 1, 1990	61 62	5.00 10.00		65 66	50.00 50.00		69 70	50.00 100.00

Summary of Actuarial Assumptions and Methods (Continued) AS OF JANUARY 1, 2003

0.1 7	CT 4	D	4 .4 44		TTTO I A A T . TT	
Other Termination of	t Employment	Percent of	Active Members	Separating	Within Next Year	

		Male						
	Retirement Age	State and School Division			State and School Division			Governors
		Educators	Public C Employees	Local Government Division	Educators	Public Employees	Local Government Division	and Legislative Pension Plan
During the First Year of S	ervice							
Contributory and	25	14.98%	35.36%	18.84%	22.57%	30.44%	27.66%	10.00%
Noncontributory	30	12.68	29.03	15.88	15.87	27.40	25.72	10.00
Retirement	35	11.95	25.25	13.73	12.28	24.11	23.52	10.00
Systems	40	11.30	22.79	12.35	11.87	20.88	21.25	10.00
Adopted January 1, 2000	45	11.52	20.67	11.84	11.35	18.08	19.22	10.00
	50	13.43	18.41	12.28	10.24	16.10	17.99	10.00
	55	17.64	15.90	13.83	8.34	15.24	18.25	10.00
	60	18.53	13.22	14.52	8.77	15.79	20.66	10.00
During the Sixth and Subs	equent Years of	Service						
Contributory and	25	6.29%	11.85%	8.15%	13.04%	18.70%	13.16%	10.00%
Noncontributory	30	4.30	8.32	6.05	8.38	11.87	8.95	10.00
Retirement	35	2.90	5.78	4.63	5.21	7.56	6.18	10.00
Systems	40	2.08	4.10	3.81	3.47	5.26	4.73	10.00
Adopted January 1, 2000	45	1.62	3.04	3.34	2.74	4.05	4.22	10.00
	50	1.25	2.43	3.11	2.45	3.43	4.21	10.00
	55	0.93	2.42	3.36	2.43	3.34	4.32	10.00
	60	0.98	3.24	3.52	2.55	3.75	4.43	10.00
	Age	During the Sixth During the First Year and Subsequent Years						
D. 1.1: . C . f . t			9.56%	1001		10015		
Public Safety	25		9.30%		6.16% 4.17			
Retirement System Adopted January 1, 2000	30							
	35		10.02		2.74			
	40		12.18		1.82			
	45		15.42		1.35			
	50		19.61		1.15			
	55		24.57		1.14			
	60		30.22		1.25			
	Age	D	uring the First	Year a	During the s nd Subsequent			
Firefighters	25		12.43%		1.50%			
Retirement System	30		9.98		1.40			
Adopted January 1, 1996	35		7.52		1.30			
	40		5.21		0.70			
	45		7.22		0.49			
	50		11.01		0.27			
	55		16.84		0.09			
	60		24.71		0.13			
Judges Retirement System	None as	ssumed						
Remement System	i NOTIC de	same.						

Summary of Actuarial Assumptions and Methods (Continued)

								To	tal Annual	Increase in Salary
							Local			Male and Female) Firefighters
	Years of Service	Educa		nd School Div Public Empl		Govern			tirement System	Retirement System
All Retirement Systems	0	1	5.00	% 1	0.75%	1	1.75%		10.75%	11.75
Adopted January 1, 2002	1	1	0.75		9.25		9.25		7.75	10.50
(Public Safety adopted	2		9.25		8.25		8.25		7.50	9.75
January 1, 2003)	3		9.00		7.75		7.25		7.25	9.25
3unuary 1, 2003)	4		8.75		7.25		7.00		7.00	8.75
	5		8.50		7.00		6.75		6.75	8.50
	6		8.00		6.50		6.75		6.75	8.25
	7		7.75		6.25		6.50		6.50	8.25
	8		7.50		6.25		6.50		6.50	8.00
	9		7.25		6.00		6.25		6.25	8.00
	10		6.75		6.00		6.00		6.25	7.75
	11		6.50		5.75		5.75		6.00	7.75
	12		6.00		5.50		5.50		5.75	6.75
	13		5.50		5.50		5.25		5.50	5.75
	14		5.00		5.25		5.25		5.25	5.25
	15		4.75		4.75		4.75		4.75	4.75
				Pı	robability		y Within	the N	ext Year fo	r Active Members
		_			1.0	Male	-			Female
	Age	E	ducat		al Gover blic Emp		I	Educat		ocal Government Public Employees
Contributory	20		0.01	87%	0	.0597%		0.04	04%	0.03449
and Noncontributory	25		0.01	71	0	.0443		0.01	64	0.0313
Retirement Systems	30		0.01	88	0	.0536		0.00	73	0.0331
Adopted January 1, 2000	35		0.02	42	0	.0783		0.01	58	0.0402
Auopuu Junuary 1, 2000	40		0.04	49	0	.1002		0.03	79	0.0547
	45		0.07	67	0	.1229		0.06	594	0.0802
	50		0.14	81	0	.1798		0.10	72	0.1212
	55		0.26	88	0	.3036		0.14	78	0.1812
	60		0.42	56	0	.4958		0.20	47	0.2614
	65		0.54	26	0	.7540		0.28	345	0.3603
	70		0.60	20	1	.0807		0.39	003	0.4766
			P	ercent Electin	g a Refu	nd of Co	ntribution	ıs Upo	on Termina	tion While Vested
						Male Local				Female
	Years of Service	Educato	***	Public Employees	Govern		Educato	***	Public Employees	
C = n 4 n; 15 - 14 = n-1										
Contributory	0-3		0% '5	100% 86		100% 75		00% 55	100 80	
and Noncontributory	5		3 '3	83		73 73		54	80 79	
Retirement Systems	10		3 4	73		73 61		53	64	
Adopted January 1, 1993	15		3	63		49		3 32	52	
	19		9	05 29		23	3	8	22	
	20		0	0		0		0	(
							Percent F	lecting		of Contributions
		ability Morta ext Year for A				_			n Terminat	ion While Vested
	Public Safety		ters Er Age	nployees					ears of F	Public Safety and irefighters Retire-
D-1-1: - C-1-4				0.21010/	D. 1.1	: - C - f	4	3	ervice	ment Employees
Public Safety	20 25	0.0525%		0.2101% 0.3228		ic Safe			0-3	100
Retirement System		0.0499					System	l	4	76 74
and Firefighters	30 35	0.0495 0.0520		0.4440 0.5606		Firefigh			5 10	74 57
Retirement System	40	0.0320		0.6713			System	l	15	35
Adopted January 1, 2000	45	0.0721	70	0.0713	Adopte	d January	V 1, 1993		19	15
	45	0.1254							19	13

0

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Analysis of Financial Experience

No of Becember 51	(in thousa	January 1, 2003 Unfunded						
System	January 1, 2002 Unfunded Actuarial Accrued Liability	Amortization Payments	Liability (Gain) Loss	Asset (Gain)	Change in Actuarial Assumptions	Change in Benefit Provisions	Asset Transfers	Actuarial Accrued Liability
Contributory	\$ 21,389	(192)	2,632	93,731			(39,932)	77,628
Noncontributory	(298,310)	(14,287)	138,464	1,049,968	_	_	39,932	915,767
Public Safety	(10,332)	2,159	(12,936)	130,165		_	_	109,056
Firefighters	(77,877)	(5,417)	(3,206)	54,075		_	_	(32,425)
Judges	(6,662)	(547)	(1,855)	8,733		_	_	(331)
Governors and Legislative	(3,528)	(151)	472	1,194	_	_	_	(2,013)

Member and Employer Contribution Rates

				Contributory	N	loncontributory
System	Year	Member	Employer	Employer	Employer	Employer
Contributory and Noncontributory			State and School	Local Government	State and School	Local Government
Retirement	1994	6.00%	8.68%	4.81%	13.00%	8.63%
System	1995	6.00	8.65	4.86	12.97	8.68
•	1996	6.00	9.67	6.42	13.99	10.24
	1997	6.00	9.67	6.50	14.16	10.51
	1998	6.00	9.67	6.73	14.16	10.74
	1999	6.00	9.67	6.73	14.16	10.74
	2000	6.00	9.19	6.31	13.68	10.32
	2001	6.00	5.91	4.19	10.40	8.20
	2002	6.00	5.91	4.68	10.40	8.69
	2003	6.00	7.21	5.61	11.70	9.62

		Division A (with So	ocial Security)	Division B (without So	Division B (without Social Security)		
		Member	Employer	Member	Employer	Fire Insurance Premium Tax	
Firefighters	1994	13.31%	%	16.71%	5.68%	6.14%	
Retirement	1995	13.31		16.71	3.50	7.31	
System	1996	13.31		16.71	6.64	7.98	
•	1997	13.31		16.71	6.43	8.19	
	1998	13.31		16.71	4.74	8.48	
	1999	13.31	_	16.71	0.54	8.60	
	2000	10.20		15.50	_	8.71	
	2001	6.77		8.43	_	8.28	
	2002	7.82		7.83	_	8.88	
	2003	8.21		7.83	_	10.35	

					Judges	Governors and
			Contributory	Noncontributory		Legislative
		Member	Employer	Employer	Court Fees	Appropriation
Judges	1994	8.00%	8.87%	_	26.02%	\$
Retirement	1995	8.00	9.31	_	26.11	
System	1996	8.00	10.70	_	25.62	_
-	1997	8.00	12.21	20.21%	24.11	
Governors	1998	8.00	11.00	19.00	22.86	_
and Legislative	1999	8.00	7.39	15.39	21.16	
Pension Plan	2000	8.00	7.10	15.10	20.29	
	2001	5.55		5.55	18.93	
	2002	4.92		4.92	18.40	
	2003	7.08	_	7.08	18.06	

Member and Employer Contribution Rates (Continued) As of December 31

		Sta	ate of Utah		Division A al Security)		Bountiful
System	Year	Member	Employer	Member	Employer	Member	Employer
Public Safety	1994	12.29%	7.53%	12.29%	1.48%	11.94%	0.94%
Retirement	1995	12.29	10.77	12.29	3.82	11.94	10.54
System	1996	12.29	10.82	12.29	3.72	11.94	5.77
Contributory Division A	1997	12.29	12.26	12.29	5.62	11.94	8.98
Division A	1998	12.29	12.26	12.29	5.87	11.94	10.36
	1999	12.29	14.12	12.29	6.84	_	_
	2000	12.29	12.98	12.29	5.88	_	_
	2001	12.29	8.81	12.29	2.41	_	_
	2002	12.29	8.05	12.29	2.17	_	_
	2003	12.29	10.02	12.29	4.52	_	_
Public Safety	1994	_	17.96%	_	12.68%	_	14.80%
Retirement	1995	_	21.19	_	15.22	_	18.36
System	1996	_	20.60	_	14.47	_	16.97
Noncontributory Division A	1997	_	22.94	_	17.09	_	20.65
Division A	1998	_	23.14	_	17.42	_	22.05
	1999	_	24.98	_	18.43	_	23.99
	2000	_	23.62		17.40	_	23.18
	2001	_	19.68		14.08	_	19.03
	2002	_	18.94	_	13.89	_	17.41
	2003		21.15		16.24		18.63

		Salt L	Salt Lake City		Ogden Logan				Provo	Other Division B (without Soc Sec)	
		Member E	Employer	Member	Employer	Member 1	Employer	Member	Employer	Member	Employer
Public Safety	1994	13.74%	0.00%	13.189	6 9.68%	11.13%	7.22%	13.54%	10.68%	10.50%	6 4.27%
Retirement	1995	13.74	0.00	13.18	10.52	11.13	4.90	13.54	10.37	10.50	4.48
System	1996	13.74	20.38	13.18	12.65	11.13	4.65	13.54	11.03	10.50	5.27
Contributory Division B	1997	13.74	21.82	13.18	12.65	11.13	6.72	13.54	12.81	10.50	7.55
Division b	1998	13.74	21.82	13.18	12.90	11.13	7.76	13.54	12.81	10.50	7.11
	1999	13.74	24.00	13.18	12.83	11.13	8.28	13.54	13.52	10.50	9.97
	2000	13.74	22.56	13.18	12.23	11.13	6.96	13.54	12.58	10.50	8.92
	2001	13.74	18.21	13.18	9.08	11.13	2.93	13.54	9.72	10.50	6.43
	2002	13.74	15.50	_	_	11.13	3.66	13.54	9.47	10.50	7.34
	2003	13.74	17.61	_	_	11.13	5.97	13.54	10.85	10.50	9.47
Public Safety	1994	_	31.97%	· —	22.13%	· —	_	_		_	15.01%
Retirement	1995	—	31.70		22.62	_			_		15.15
System	1996	_	31.51	_	24.03	_	_	_	_	_	15.94
Noncontributory Division B	1997	_	33.68	_	24.77	_	_	_	_	_	17.29
Division b	1998	_	33.68	_	25.49	_	_	_	_	_	17.07
	1999		36.14	_	25.80	_	_	_		_	19.85
	2000	_	34.73	_	24.47	_	_	_	_	_	19.01
	2001		30.72	_	21.06			_		_	16.75
	2002	_	28.27	_	17.98	_	14.79%	_	_	_	17.66
	2003	_	30.05		20.85		17.10	_	_		19.42

Solvency Tests

(dollars in thousands)

System	Date	(1) Active Members Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)	
Contributory Retirement System	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$247,639 234,967 182,158 197,833 214,828 231,996 247,491 267,963 285,260 285,642	564,284 543,628 523,025 499,390 478,808 451,865 447,521 425,956 416,552 417,560	364,299 213,779 163,540 183,276 198,347 210,623 240,787 254,993 275,106 284,596	
Noncontributory Retirement System	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$888,824 890,207 969,310 977,799 981,227 974,082 962,724 971,496 955,624 881,317	1,619,632 1,965,816 2,273,016 2,547,911 2,888,469 3,019,704 3,404,486 3,751,586 4,171,062 4,796,330	2,697,417 3,176,389 3,675,632 4,128,625 4,466,035 5,012,522 5,566,304 6,082,942 6,637,667 6,910,246	
Public Safety Retirement System	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 85,516 85,112 84,621 86.500 87,640 87,169 85,774 85,106 84,479 81,359	283,273 323,064 355,291 394,325 448,200 485,980 540,074 610,272 669,736 743,781	322,318 362,974 426,592 471,275 498,307 532,017 581,028 670,756 704,276 740,566	
Firefighters Retirement System	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 53,247 52,839 56,890 60,314 65,671 70,055 73,003 76,510 78,253 79,470	140,965 155,538 169,852 189,904 204,540 212,537 240,403 257,301 270,842 292,944	113,247 125,055 135,669 134,757 137,492 136,565 142,050 157,463 172,069 183,332	
Judges Retirement System	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 6,189 6,163 7,045 7,419 7,603 7,990 8,025 8,355 8,639 7,873	29,339 30,573 31,108 34,607 36,433 35,621 38,603 40,022 40,800 48,421	14,302 19,216 21,902 20,380 23,175 24,523 27,334 37,610 41,134 41,102	
Governors and Legislative Pension Plan	1/01/95 1/01/96 1/01/97 1/01/98 1/01/99 1/01/00 1/01/01 1/01/02 1/01/03 12/31/03	\$ 250 251 224 224 215 204 204 203 187 178	3,958 4,111 4,429 4,467 4,715 5,573 5,081 5,079 5,212 5,052	2,398 2,491 2,367 2,307 2,380 2,476 2,623 2,900 3,307 3,394	

Actuarial Accrued Liabilities

(4)		Portion of Actuarial Accrued Liabilities Covered by Assets				
Total Actuarial Accrued Liabilities	Actuarial Value of Assets	(1)	(2)	(3)	(4)	
1,176,222 992,374 868,723 880,499	964,218 852,340 772,977 809,388	100% 100 100 100	100% 100 100 100	42% 34 41 61 74	82 % 86 89 92 94	
891,983 894,484 935,799 948,912 976,918 987,798	840,215 878,190 924,573 927,523 899,290 930,999	100 100 100 100 100 100	100 100 100 100 100 100	92 95 92 72 80	98 99 98 92 94	
5,205,873 6,032,412 6,917,958 7,654,335 8,335,731 9,006,308 9,933,514 10,806,024 11,764,353 12,587,893	4,372,190 5,136,582 5,969,813 6,922,583 7,931,193 9,237,447 10,361,333 11,104,334 10,848,586 11,640,475	100% 100 100 100 100 100 100 100 100	100% 100 100 100 100 100 100 100 100	70% 72 74 82 91 100 100 100 86 86	84% 85 86 90 95 103 104 103 92	
691,107 771,150 866,504 952,100 1,034,147 1,105,166 1,206,876 1,366,134 1,458,491 1,565,706	596,892 670,610 755,106 867,151 988,800 1,146,331 1,286,996 1,376,466 1,349,435 1,448,888	100% 100 100 100 100 100 100 100 100	100% 100 100 100 100 100 100 100 100	71% 72 74 82 91 100 100 100 85 84	86% 87 87 91 96 104 107 101 93	
307,459 333,432 362,411 384,975 407,703 419,157 455,456 491,274 521,164 555,746	261,523 293,816 329,475 376,178 423,405 483,374 536,503 569,151 553,589 589,502	100% 100 100 100 100 100 100 100 100	100% 100 100 100 100 100 100 100 100	59% 68 76 93 100 100 100 100 100	85% 88 91 98 104 115 118 116 106	
49,830 55,952 60,055 62,406 67,211 68,134 73,962 85,987 90,573 97,396	38,726 44,304 50,721 59,373 67,998 78,130 87,139 92,649 90,904 97,412	100% 100 100 100 100 100 100 100 100	100% 100 100 100 100 100 100 100 100	22% 39 57 85 100 100 100 100 100	78% 79 84 95 101 115 118 108 100 100	
6,606 6,853 7,020 6,998 7,310 8,253 7,908 8,182 8,706 8,624	7,804 8,185 8,636 9,318 9,988 10,946 11,569 11,710 10,719	100% 100 100 100 100 100 100 100 100	100% 100 100 100 100 100 100 100 100	100% 100 100 100 100 100 100 100 100	118% 119 123 133 137 133 146 143 123 126	

Schedules of Active Member Valuation Data YEAR ENDED DECEMBER 31

		Number of			Ac	tive Members	Inflation
System	Year	Participating Employers	Active Members	Annual Payroll	Average Pay	Percent Increase	Increase (CPI)
Contributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	245 231 225 209 167 165 163 164 164	10,622 7,419 4,830 4,522 4,287 4,101 3,972 3,760 3,649 3,493	\$ 287,743,000 261,685,000 141,974,000 138,231,000 137,042,000 137,561,000 141,067,000 142,882,000 142,325,000 139,470,000	27,347 28,013 29,081 30,860 32,296 33,791 35,218 37,627 38,784 39,666	6.70% 2.44 3.81 6.12 4.65 4.63 4.22 6.84 3.07 2.27	2.70% 2.50 3.30 1.70 1.60 2.70 3.40 1.60 2.40 1.90
Noncontributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	322 331 336 344 349 356 367 374 376 380	67,181 70,838 73,652 75,599 77,512 81,132 81,894 81,383 82,486 83,156	\$1,642,123,000 1,801,948,000 2,054,879,000 2,200,988,000 2,365,650,000 2,499,087,000 2,659,200,000 2,832,060,000 2,926,449,000 2,959,347,000	25,627 26,951 28,580 30,013 31,063 31,577 32,744 34,581 35,481 35,806	3.83% 5.17 6.04 5.01 3.50 1.65 3.70 5.61 2.60 0.92	2.70% 2.50 3.30 1.70 1.60 2.70 3.40 1.60 2.40 1.90
Public Safety Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	116 117 115 115 115 115 116 116 119	5,132 5,471 5,736 6,041 6,380 6,631 6,839 6,905 6,966 7,041	\$ 148,791,000 159,943,000 176,979,000 195,464,000 212,414,000 226,057,000 247,985,000 260,783,000 268,478,000 278,402,000	29,462 29,824 31,429 32,885 33,842 34,819 36,166 37,705 39,004 39,579	2.44% 1.23 5.38 4.63 2.91 2.89 3.87 4.26 3.45 1.47	2.70% 2.50 3.30 1.70 1.60 2.70 3.40 1.60 2.40 1.90
Firefighters Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	27 28 28 33 35 38 39 39 40 43	1,099 1,173 1,224 1,281 1,349 1,386 1,452 1,498 1,538 1,568	\$ 40,157,000 43,027,000 45,969,000 51,287,000 54,326,000 57,561,000 63,274,000 67,192,000 71,354,000 75,619,000	36,454 37,258 38,062 39,695 40,419 42,178 43,403 44,895 46,548 48,132	6.54% 2.21 2.16 4.29 1.82 4.35 2.90 3.44 3.68 3.40	2.70% 2.50 3.30 1.70 1.60 2.70 3.40 1.60 2.40 1.90
Judges Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	1 1 1 1 1 1 1 1 1	85 99 100 102 104 106 104 105 103	\$ 6,955,000 7,903,000 8,981,000 9,286,000 9,388,000 10,104,000 10,397,000 10,924,000 11,173,000 10,888,000	85,572 88,201 90,350 92,532 95,531 97,562 100,396 104,298 106,010 106,613	4.20% 3.07 2.44 2.42 3.24 2.13 2.90 3.89 1.64 0.57	2.70% 2.50 3.30 1.70 1.60 2.70 3.40 1.60 2.40 1.90
Governors and Legislative Pension Plan	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	1 1 1 1 1 1 1 1 1	84 95 95 90 91 94 88 92 91	\$ 398,000 398,000 482,000 468,000 468,000 464,000 556,000 556,000	3,825 3,825 4,667 5,419 5,440 5,437 5,533 6,422 6,454 6,388	30.61% 0.00 22.01 16.11 0.39 (0.06) 1.77 16.07 0.50 (1.02)	2.70% 2.50 3.30 1.70 1.60 2.70 3.40 1.60 2.40 1.90

Schedules of Retirants and Beneficiaries YEAR ENDED DECEMBER 31

System	Year	Number Added	Number Removed	Total Retirants and Beneficiaries	Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Contributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	130 76 61 69 70 88 101 98 120	525 545 524 545 585 578 557 542 566 582	11,161 10,692 10,229 9,753 9,238 8,748 8,292 7,848 7,402 6,942	\$ 65,824,000 72,722,000 64,494,000 63,884,000 62,249,000 61,141,000 60,317,000 59,575,000 59,497,000 57,863,000	(0.20)% 10.48 (11.31) (0.95) (2.56) (1.78) (1.35) (1.23) (0.13) (2.75)	\$ 5,316 5,436 5,652 5,916 6,168 6,423 6,742 7,078 7,490 7,865
Noncontributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	1,155 1,348 1,448 1,429 1,482 1,716 1,709 1,577 1,737 1,805	98 12 50 78 106 119 150 167 236 256	9,138 10,474 11,872 13,223 14,599 16,196 17,755 19,165 20,666 22,215	\$118,240,000 146,343,000 161,036,000 186,262,000 213,752,000 243,829,000 276,878,000 311,311,000 348,230,000 386,791,000	16.43% 23.77 10.04 15.66 14.76 14.07 13.55 12.44 11.86 11.07	\$12,540 12,756 13,164 13,668 14,184 14,577 15,120 15,756 16,351 16,884
Public Safety Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	99 146 117 123 169 160 151 271 162 183	35 27 19 8 15 22 4 53 30 26	1,600 1,719 1,817 1,932 2,086 2,224 2,371 2,589 2,721 2,878	\$ 22,634,000 25,271,000 28,223,000 30,972,000 34,374,000 42,769,000 48,607,000 53,962,000 59,941,000	10.09% 11.65 11.68 9.74 10.98 12.15 10.95 13.65 11.02 11.08	\$13,368 13,476 14,328 14,868 15,360 16,248 16,974 17,743 18,801 19,796
Firefighters Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	36 42 35 43 32 42 53 52 32 40	15 16 5 9 6 5 1 10 14 4	620 646 676 710 736 773 825 867 885	\$ 10,734,000 11,769,000 12,888,000 14,321,000 15,741,000 16,955,000 18,738,000 20,778,000 22,288,000 23,520,000	7.58% 9.64 9.51 11.12 9.92 7.71 10.52 10.89 7.27 5.53	\$15,192 14,856 15,744 16,896 18,180 18,853 19,717 20,928 22,131 22,573
Judges Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	8 2 1 5 3 1 2 4 1 8	7 1 3 1 3 1 	70 71 69 73 73 73 75 78 77	\$ 2,193,000 2,355,000 2,472,000 2,690,000 3,002,000 3,160,000 3,322,000 3,659,000 3,804,000 4,361,000	12.00% 7.39 4.97 8.82 11.60 5.26 5.13 10.14 3.96 14.64	\$30,108 32,208 34,776 35,796 39,912 42,032 43,018 45,547 48,014 51,023
Governors and Legislative Pension Plan	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	13 12 8 12 7 13 5 10 7	4 9 8 2 4 5 7 — 5 11	197 200 200 210 213 221 219 229 231 223	\$ 445,000 487,000 504,000 519,000 538,000 662,000 691,000 708,000 726,000	6.21% 9.44 3.49 2.98 3.66 8.36 13.55 4.38 2.46 2.54	\$ 2,184 2,364 2,448 2,400 2,460 2,556 2,649 2,606 2,648 2,817

Contributory Retirement System Summary of Plan Provisions

Description Requirement

Contributor

Membership Eligibility

The Public Employees Contributory Retirement System includes eligible public employees of the State of Utah and its political subdivisions including public education employees of those entities covered by the System. An employee is qualified for membership in the Contributory System if his or her employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by his or her employer as approved by the Retirement Board, teachers who teach half-time, and classified school employees who work an average of 20 hours per week or more regardless of benefits provided.

Vesting

Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service. Eligible member contributions and interest thereon vest immediately.

Service Retirement

Age	Years of Service	Allowance Reduction†
Any age	30	None
60-61	203%	b each year before age 65
62-64	103%	b each year before age 65
65	4	None

†With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit by 3% for each year between ages 60 and 65.

Service Benefit Formula

- 1) Number of years of service before 7-1-75 x 1.25% x FAS*.
- 2) Number of years of service after 6-30-75 x 2.0% x FAS*.
- 3) Plan 1 allowance = total of 1 and 2.

*FAS (Final Average Salary) = highest five years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

Cost of Living Allowance

Up to 4% annually on the original retirement benefit. Eligible after one year.

Death Benefits

An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000 and a refund of contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications, or has 25 vears of service.

An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.

A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.

Refunds

A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.

Redeposits

A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.

Contribution Rates

(as of 12-31-03)

Member contribution rate is 6.00%* of covered salary. Employer rate for State and School (Level A) is 7.21% of covered salary and 5.61% for Local Government (Level B). *Employers have the option of paying all or part of member contributions on behalf of their employees.

Interest

Up to 8% on member accounts.

Noncontributory Retirement System Summary of Plan Provisions

Description	Requirement
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Membership Eligibility

The Public Employees Noncontributory Retirement System was established on July 1, 1986. All eligible employees of the State and School entities hired subsequent to that date are automatically members of the Noncontributory System. Local government entities had the option of adopting the new System or remaining with the Contributory System. An employee is qualified for membership in the Noncontributory System if his or her employer participates in the System and the employee works at least 20 hours per week and receives benefits normally provided by his or her employer as approved by the Retirement Board, teachers who teach half-time, and classified school employees who work an average of 20 hours or more per week, regardless of benefits provided.

Vesting

Retirement benefit becomes vested upon the member's completion of 4 years of qualifying service.

Service Retirement

Age	Years of Service	Allowance Reduction†
Any age	30	None
Any age	Full a	ctuarial before age 60
60-61	3% ea	ch year before age 65
62-64	3% ea	ch year before age 65
65	4	None

†With fewer than 30 years of service from any combination of Utah Retirement Systems, retiring before age 65 will reduce the monthly benefit approximately 7% for every year under age 60 and 3% for each year between ages 60 and 65.

Service Benefit Formula

Number of years of service x 2.0% x FAS*.

*FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPL

Cost of Living **Allowance**

Up to 4% annually on the original retirement benefit. Eligible after one year.

Death Benefits

An active member's death benefit consists of an insurance payment equal to 75% of the highest annual salary with a minimum of \$1,000 and a refund of transferred contributions plus interest. The spouse of a deceased member is eligible for a monthly benefit if they have been married for at least six months and the member meets age and service qualifications or has 15 or more years of service credit.

An inactive member's death benefit for someone with fewer than ten years of service consists of a refund of transferred contributions plus interest. For those with ten or more years of service credited to their account prior to July 1, 1987 and who have not withdrawn their contributions, the benefit is the same as for active members.

A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.

Refunds

A terminated member who transferred from the Contributory Retirement System is eligible for a 100% refund of transferred member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.

Redeposits

A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.

Contribution Rates (as of 12-31-03)

Employer rate for State & School (Level A) is 11.70% of covered salary and 9.62% for Local Government (Level B).

Interest

Up to 8% on member accounts transferred from the Contributory Retirement System.

Public Safety Retirement System Summary of Plan Provisions

escription	Requirement	, 54000	
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Membership Eligibility

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The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement. The Public Safety System consists of the Contributory and Noncontributory divisions. Employees are qualified for membership in the Public Safety System if: (1) they are regularly scheduled to work and be compensated for 2,080 hours a year in a recognized public safety department; (2) they have completed a certified training program; (3) their primary duty is as a peace officer, correctional officer or special function officer; and (4) in the course of employment their life or personal safety is at risk.

Vesting

Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.

Service Retirement

Age	Years of Service	Allowance Reduction
Any age	20	None
60	10	None
65	4	None

Service Benefit Formula

- 1) 2.5% x FAS* x years of service up to 20 years.
- 2) 2.0% x FAS* x years of service over 20 years.
- 3) Monthly benefit = total of 1 and 2.**

Cost of Living Allowance

Up to 2.5% annually on original retirement benefit. Eligible after one year.

Death Benefits

Division A (with Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,000 plus a monthly benefit of 30% of the final average salary. In the noncontributory system only, if death is in the line of duty, and the member has 20 years of service credit, the spouse's benefit is the same as for a retired member. If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For more than 10 years of service, the benefit to the surviving spouse is \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Dependent children receive no additional benefits. A retired member's death benefit to the surviving spouse is 65% of the monthly benefit.

^{*}FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

^{**}Benefits paid cannot exceed 70% of FAS.

Public Safety Retirement System Summary of Plan Provisions (Continued)

Description Requirement

Division B (without Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month if the member had two or more years of service. If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than two years of service. For members with more than two years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. A retired member's death benefit to a surviving spouse is 65% of the monthly benefit. An unmarried child under 18 or dependent unmarried mentally or physically disabled child receives \$50 per month.

Refunds

A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.

Redeposits

A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.

Contribution Rates

Contributory Option

(as of 12-31-03)

Member rates in Division A are: State units 12.29%; and all other units 12.29% of covered salary. Member rates in Division B are: Salt Lake City 13.74%; Logan 11.13%; Provo 13.54%; and other units 10.50% of covered salary.*

Employer rates for Division A are: State units 10.02%; and other law enforcement units 4.52% of covered salary. Employer rates for Division B are: Salt Lake City 17.61%; Logan 5.97%; Provo 10.85%; and other units 9.47% of covered salary.

*Employers have the option of paying all or part of member contributions on behalf of their employees.

Noncontributory Option

Employer rates for Division A are: State units 21.15%, Bountiful 18.63%, and other units 16.24% of covered salary. Employer rates for Division B are: Salt Lake City 30.05%; Ogden 20.85% and all other units 19.42% of covered salary.

Interest

Up to 8% on member accounts.

Firefighters Retirement System Summary of Plan Provisions

Description Requirement

Firefighters

Membership Eligibility

The Firefighters Retirement System includes eligible state and local government employees directly involved in fire fighting and whose duties are classified as hazardous. If an employer does not classify the duties as hazardous, the employee will be enrolled in either the Public Employees Contributory or Noncontributory Retirement System. Employees are qualified for membership in the Firefighters System if they are regularly scheduled to work and be compensated for 2,080 hours a year in a regular constituted fire department and are regularly assigned to hazardous duty. Although volunteer firefighters who are on the rolls of a regularly constituted fire department do not contribute to the System and are not eligible for service retirement benefits, they or their beneficiaries receive benefits based on the salary of the lowest paid firefighters in a first-class city if they are disabled or killed in the line of duty.

Vesting

Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.

Service Retirement

Age	Years of Service	Allowance Reduction
Any age	20	None
60	10	None
65	4	None

Service Benefit Formula

- 1) 2.5% x FAS* x years of service up to 20 years.
- 2) 2.0% x FAS* x years of service over 20 years.
- 3) Monthly benefit = total of 1 and 2.**

Cost of Living Allowance

Up to 4.0% annually on original retirement benefit. Eligible after one year.

Disability Benefits

If disability is in the line of duty, the benefit is 50% of the final average salary with no minimum age or service requirements. If disability is not in the line of duty, the benefit is a refund of contributions for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for disability incurred in the line of duty. Benefits are suspended while receiving Workers Compensation.

Death Benefits

Division A (with Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 30% of final average salary.

If death is not in the line of duty, the benefit is \$1,000 or a refund of contributions for members with fewer than 10 years of service. For members with more than 10 years of service, the benefit to the surviving spouse consists of \$500 plus a monthly benefit of 2% of the final average salary for each year of service to a maximum of 30% of the final average salary. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member. Total benefits cannot exceed 70% of the final average salary.

^{*}FAS (Final Average Salary) = highest three years' earnings converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

^{**}Benefits paid cannot exceed 70% of FAS, but cannot be less than \$500.

Firefighters Retirement System Summary of Plan Provisions (Continued)

Description Requirement

Division B (without Social Security)

If death is in the line of duty, the benefit to the surviving spouse is \$1,500 plus a monthly benefit of 37.5% of the final average salary. Each unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month if the member had five or more years of service. If death is in the line of duty, and the member has 20 or more years of service credit, the spouse's benefit is the same as for a retired member.

If death is not in the line of duty, the benefit is a refund of contributions plus 50% of the last 12 months of salary for members with fewer than five years of service. For members with more than five years of service, the benefit is the same as that for death in the line of duty. If there is no spouse, the settlement is a 100% refund of vested contributions payable to the beneficiary, or \$500, whichever is greater. Total benefits cannot exceed 70% of the final average salary.

A retired member's death benefit to a surviving spouse is 75% of the monthly benefit with a minimum monthly payment of \$350. An unmarried child under 21 or dependent unmarried mentally or physically disabled child receives \$75 per month.

Refunds

A terminated member is eligible for a 100% refund of member contributions. There is a 60-day refund processing period after the last day of paid employment.

Redeposits

A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.

Contribution Rates

(as of 12-31-03)

Member rate in Division A is 8.21% of covered salary. Member rate in Division B is 7.83% of covered salary.* Employer rate in Division A is 0.00% and in Division B is 0.00% of covered salary. A fire insurance premium tax equal to 10.35% of salaries is also an additional part of the employer contribution rates.

Fire insurance premium taxes are collected by the Utah State Treasurer for the Fire-fighters Retirement System to help fund retirement benefits.

*Employers have the option of paying all or part of member contributions on behalf of their employees.

Interest

Member contributions receive no interest.

Judges Retirement System Summary of Plan Provisions

Description	Requirement
Membership Eligibility	The Judges Retirement System includes justices and judges of the courts of record as authorized in state statutes.
Vesting	Retirement benefit becomes vested upon the member's completion of 6 years of service credit. Eligible member contributions and interest thereon vest immediately.
Service Retirement	Age Years of Service Allowance Reduction Any age 25 None 55 20 Full actuarial reduction 62 10 None 70 6 None
Service Benefit Formula	 5.00% x FAS*x years of service up to 10 years. 2.25% x FAS*x years of service between 10 and 20 years. 1.00% x FAS*x years of service over 20 years. Monthly benefit = total of 1, 2, and 3.** *FAS (Final Average Salary) = highest two years' earnings in judicial service converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI. **Benefits paid cannot exceed 75% of FAS.
Service Living Allowance	Up to 4% compounded annually, beginning one year after retirement.
Death Benefits	An active or inactive member's death benefit to the surviving spouse consists of a refund of member contributions and interest plus 65% of the final average salary on a yearly rate, or a monthly allowance equal to 65% of the amount computed for a service retirement with no early retirement reduction. A retired member's death benefit to the surviving spouse is 65% of the member's monthly benefit at the time of death. If the member elected a reduced monthly benefit, the surviving spouse will receive a death benefit of 75% of the member's monthly benefit.
Refunds	A terminated member is eligible for a 100% refund of member contributions plus interest. There is a 60-day refund processing period after the last day of paid employment.
Redeposits	A redeposit with interest may be made in monthly installments, by a lump-sum payment, or by direct transfer from a qualified plan. A redeposit must be completed prior to retirement. Service credit is restored when the redeposit is completed.
Contribution Rates (as of 12-31-03)	Noncontributory Option Employer rate includes 7.08% of covered salary and 18.06% from court fees.
	Contributory Option Member rate is 7.08% of covered salary. Employer rate includes 0.00% of covered salary and 18.06% from court fees.
Interest	Up to 8% on member accounts.

Governors and Legislative Pension Plan Summary of Plan Provisions



Description	Requirement				
Membership Eligibility	The Governors and Legislative Pension Plan includes only governors and legislators of the State of Utah.				
Vesting	Retirement benefit becomes vested upon the member's completion of 4 years of service credit.				
Service Retirement	Years of Age Allowance Reduction 65 .4 None 62 .3% each year before age 65				
Service Benefit Formula	Governors \$500 per month per term increased semi-annually up to 2% based on the CPI. The amount as of 12-31-03 is \$1,100 per term.				
	Legislators \$10 per month per each year of servi- as a legislator increased semi-annually up to 2% based on the CPI. The amount as of 12-31-03 is \$24.40.				
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.				
Death Benefits	An active or retired member's death benefit to a spouse consists of a monthly pension equal to 50% of the retirement allowance paid, or to which the member would have been entitled to upon reaching age 65, if the membe has four or more years of service as a governor or legislator. The deceased member and surviving spouse must have been married at least six months.				
Contribution Rates	There are currently no required contributions to the Governors and				

Legislative Pension Plan.

Utah Retirement Systems

Changes in Plan Provisions
CHANGES IN PLAN PROVISIONS

HREE RETIREMENT RELATED BILLS were passed in the 2003 legislative session Primarily operational and technical in nature, none of them creates new benefits.

SB5 — Retirement and **Independent Entities Committee**

Changes the names of the Legislative Quasi-Governmental Entities Committee and the Legislative Independent Entities Committee to the Retirement and Independent Entities Committee. Repeals the Quasi-Governmental Entities Act which itself was replaced by the 2002 Independent Entities Act.

HB255 — Retirement Systems Membership Exclusions

Raises to 50 the ceiling on positions a municipality, county, or political subdivision may exempt from membership in the Public Employees Contributory and Noncontributory Retirement Systems.

HB246 — Retirement Office Amendments

Makes technical corrections and updates to the Retirement Act such as:

- Clarifying the penalties against a participating employer for delinquent contributions;
- Clarifying death benefit and beneficiary provisions, including survivor and notice provisions;
- Clarifying the requirement of long term disability coverage for public safety employees;
- Clarifying retirement allowance provisions of the Governor and Legislative Pension Plan;
- Clarifying provisions of the Public Employees Long Term Disability Act;
- Requiring compliance with federal law before buying future service credit.

401 (k) and 457 Plans

401(k) AND 457 PLAN HIGHLIGHTS

Summary of Plan Provisions

Introduction

TAH RETIREMENT SYSTEMS' 401(k) AND 457 PLANS ARE VOLUNTARY tax-deferred retirement savings programs authorized under sections 401(k) and 457 of the Internal Revenue Code. These plans are available to state, local government, and education employees throughout Utah whose employers have adopted the plans

Goals and Objectives

The purpose of these plans is to allow public employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their income (before taxes) in one or both of these supplemental retirement plans.

It has long been recognized that in order for people to experience the comfortable and rewarding retirement they desire, they cannot rely entirely upon Social Security and their employer provided retirement. Employees must take the initiative to personally put aside a portion of their salary into some type of long-term savings plan. These tax-deferred defined contribution plans provide exceptional vehicles to accomplish the goal of a well balanced retirement plan. Employees who begin participating in these plans early in their careers can accumulate sizeable assets by the time they retire.

Employer Contributions

In addition to accepting employee deferrals, these plans also accept employer contributions on behalf of their employees. All state and public education employees participating in the Noncontributory Retirement System receive an amount equal to 1.5% of their salary in the 401(k) Plan. All local government employers also have the option of contributing to the 401(k) Plan on behalf of their employees. Many contribute amounts in excess of the 1.5% the State contributes. Some employers match employee contributions.

Social Security Substitute

Local governments that have exempted themselves from Social Security coverage and have parttime, temporary, or seasonal employees, who are not participating in a qualifying retirement system, must cover these employees with a substitute plan.

Employers may use the 401(k)/457 Plans as a qualifying retirement system for these employees, but must contribute a minimum of 7.5% of salary to the Plan(s) in their behalf for it to be considered a "qualifying system". The employer may contribute the 7.5% themselves, or they may require their employees to pay a portion or all of it.

Summary of Plan Provisions

Deferral Limits

401(k)—Limited in 2003 to an annual maximum of \$12,000. Employer contributions and employee deferrals combined could not exceed the lesser of \$40,00 or 100% of compensation.

457—Limited to an annual maximum of \$12,000 or 100% of includable compensation.

Coordination of Deferrals

401(k)—Deferrals to the 401(k) and 403(b) plans were coordinated. 457—None.

401(k) and 457 Plans

Summary of Plan Provisions (Continued)

Catch-up Provisions

401(k)—An additional \$2,000 for participants 50 or older during the year.

457—An additional \$2,000 for participants age 50 or older during the year. There is an additional "special catch-up" provision for individuals who are within four years of retirement eligibility. It allows participants to double their contributions to a 457 plan during the three years immediately proceeding the year they qualify for retirement. However, the special catch-up is limited to unused deferrals allowed in previous years.

Withdrawals

401(k)—Allowable upon termination of employment, age 59½, retirement, disability, death, or hardship caused by immediate and heavy financial needs.

457—Allowable upon termination of employment, age 70½, retirement, death, or severe unforeseeable financial emergencies.

Rollovers

401(k)—Allowable from other eligible retirement plans, or to other eligible retirement plans upon termination of employment or other qualifying events. May be either a direct rollover by the Plan or by the participant within 60 days after distribution.

457—Allowable to other eligible retirement plan or from another 457 plan.

Vesting

401(k)—Fully vested. 457—Fully vested.

Loans

401(k)and 457—Available up to 50% of member account balance, to a maximum of \$50,000. Only one outstanding loan allowed, per plan.

457—Loans were allowed beginning October 1, 2003.

Investment Transfer Options

Changes in deferral amounts and in the investment options for future contributions may be made at any time. Participants may make one transfer of accumulated balances within each plan no more frequently than every seven calendar days.

2003 Investment Options

Income Fund

The *Income Fund* is a stable value option which invests in a diversified portfolio consisting of U.S. government securities, mortgages, corporate bonds, guaranteed investment contracts, and short-term funds. This fund is the most conservative of the investment options and offers the most stable return.

Bond Fund

The Bond Fund invests in a diversified portfolio consisting of U.S. government securities, mortgages, corporate bonds, and short-term funds. This fund's return is affected by changes in interest rates.

Balanced Fund

The Balanced Fund invests in a portfolio consisting of approximately 60% stocks, 35% bonds and 5% short-term funds. This fund is considered less risky than most stock investments but has higher risk than most fixed income investments.

Large Cap Stock Value Fund

The Large Cap Stock Value Fund invests in a diversified portfolio of common stocks that appear to be undervalued by the stock market but have a favorable outlook for long-term growth.

Large Cap Stock Index Fund

The Large Cap Stock Index Fund invests in stocks included in the Standard & Poor's 500 Index and is similarly weighted. This fund represents a broad range of industries in the U.S. economy.

Large Cap Stock Growth Fund

The Large Cap Stock Growth Fund emphasizes capital appreciation and seeks to identify companies with future relative earnings strength at a reasonable valuation.

International Fund

The International Fund invests primarily in stocks of companies outside of the United States. This fund offers international diversification, but adds currency risk and country risk not found in a U.S. fund. Accordingly, the risk and return potential of this fund is considered greater than a large cap U.S. fund.

401(k) and 457 Plans

Summary of Plan Provisions (Continued)

Small Cap Stock Fund

The Small Cap Stock Fund invests in small U.S. companies listed on the New York Stock Exchange, the American Stock Exchange, and the NASDAQ national market system. Small company stocks have the potential for greater returns than large company stocks, and conversely have a greater risk of loss. Significant price fluctuations are more likely than in the other investment options. However this fund is well diversified and invests in over 3,000 companies.

Horizon Funds

A Horizon Fund asset allocation is designed to help those who want to diversify their investment. If they select one of the three Horizon Funds, contributions will be allocated to the investment options according to the following table. The Horizon Funds will generally rebalance quarterly if target ranges are exceeded. **Utah Retirement Systems reserves** the right to change these percentages as needed.

The Short Horizon Fund is designed for investors expecting to withdraw their funds within five years. This fund provides a relatively conservative investment with a more stable rate of return. However, with reduced market risk there is usually a lower rate of return.

Horizon	Funds	Asset	All	location	S
---------	-------	-------	-----	----------	---

	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund
Income Fund	20%		_
Bond Fund	65	45	20
Large Cap Stock Value Fund	_	10	10
Large Cap Stock Index Fund	10	15	25
Large Cap Stock Growth Fund	_	10	10
International Fund	5	15	25
Small Cap Stock Fund	_	5	10
Total	100%	100	100

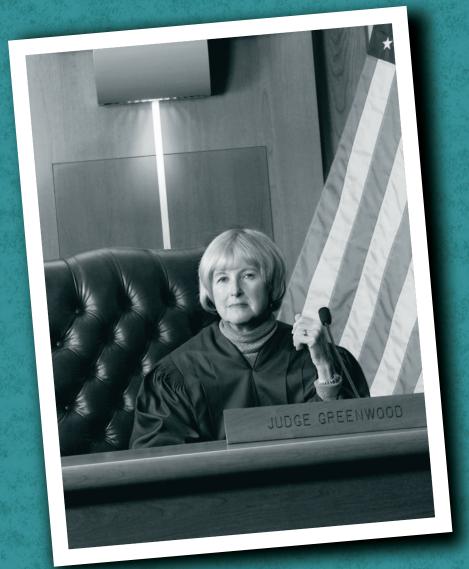
The Medium Horizon Fund is designed for investors planning to withdraw their funds in five to ten years. This fund emphasizes moderate risk and moderate earnings potential. It has more risk than the Short Horizon Fund, but less than the Long Horizon Fund.

The Long Horizon Fund is designed for investors with ten or more years to invest before withdrawing their funds. The fund offers the potential for higher returns over a long period of time. There is higher market risk with this horizon fund, along with higher potential returns.

The historical rates of returns for each investment fund are found on page 99.

Utah Retirement Systems 2003 Comprehensive Annual Financial Report

Statistical Section STATISTICAL SECTION



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Schedules of Additions by Source

YEAR ENDED DECEMBER 31 (dollars in thousands)			Total Employer Contributions Court Fees		Employer Contributions			
System	Year	Member Contributions	Employer Contributions	and Fire Insurance Tax	as a Percent of Covered Payroll	Net Investment Income	Transfers from Systems	Total Additions
Contributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$17,646 16,362 8,765 8,537 8,399 8,525 8,464 8,604 8,923 8,673	18,719 17,723 10,224 10,651 10,729 10,840 10,484 8,480 6,735 7,297		6.51% 6.77 7.20 7.71 7.83 7.88 7.43 5.93 4.73 5.23	\$ 2,193 193,708 123,006 133,286 84,692 148,794 17,543 (47,761) (64,251) 186,339	4,489 21,817 — 1,735 1,770 — — 33,263	43,047 249,610 141,995 152,474 105,555 169,929 36,491 (30,677) (48,593) 235,572
Noncontributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 2,937 5,614 6,679 7,301 7,698 10,829 11,518 10,969 12,496 11,517	194,202 220,955 260,068 294,937 318,635 338,704 352,339 331,951 291,256 314,511		11.83% 12.26 12.66 13.40 13.47 13.55 13.25 11.72 9.95 10.63	\$ 9,886 943,721 832,473 1,047,207 734,399 1,421,401 186,787 (544,848) (788,906) 2,315,577	217 101,449 157,272 50,333 27,219 28,034 51,020 5,255 12,166	207,242 1,271,739 1,256,492 1,399,778 1,087,951 1,798,968 601,664 (196,673) (472,988) 2,641,605
Public Safety Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 5,777 4,318 4,151 4,345 4,463 3,900 4,132 3,976 4,258 4,448	18,895 24,732 29,271 34,217 40,099 45,110 49,353 46,113 42,264 46,655	_ _ _ _ _ _	12.70% 15.46 16.54 17.51 18.88 19.96 19.90 17.68 15.74 16.76	\$ 1,345 127,222 107,070 132,490 92,284 177,027 23,226 (67,688) (97,816) 288,126	605 510 434 918 1,938 2,305 2,027 1,416 1,956 2,002	26,622 156,782 140,926 171,970 138,784 228,342 78,738 (16,183) (49,338) 341,231
Firefighters Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 6,199 6,976 7,461 8,358 8,771 9,352 9,617 7,549 5,800 6,055	1,961 1,685 2,002 2,836 2,546 1,221 140 —	3,537 4,862 4,333 4,552 4,391 4,516 6,615 8,354 9,454 9,059	13.69% 15.22 13.78 14.41 12.77 9.97 10.68 12.43 13.25 11.98	\$ 589 55,580 46,626 57,541 39,699 75,242 9,733 (28,038) (40,198) 117,392	5 30 311 432 466 1,303 1,517 735 625	12,286 69,108 60,452 73,598 55,839 90,797 27,408 (10,618) (24,209) 133,131
Judges Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 572 654 734 482 15 8 8 7 5	504 680 833 1,305 1,792 1,637 1,476 1,007 472 551	1,709 1,670 1,898 1,901 1,912 1,681 1,946 2,046 2,381 1,939	31.82% 29.74 30.41 34.53 39.45 32.84 32.91 27.94 25.53 22.87	\$ 86 8,333 7,114 8,933 6,260 12,048 1,571 (4,559) (6,564) 19,417	258 292 102 754 427 116 183 239 560 1,128	3,129 11,629 10,681 13,375 10,406 15,490 5,184 (1,260) (3,146) 23,138
Governors and Legislative Pension Plan	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 	- - - - - - - -		% 	\$ 19 1,604 1,270 1,481 973 1,757 218 (595) (806) 2,202		19 1,604 1,270 1,496 989 1,774 234 (577) (803) 2,202

Schedules of Deductions by Type YEAR ENDED DECEMBER 31

(in thousands)

	(in thousand	s)			
System	Year	Benefit Payments		dministrative and Actuarial Expense	Transfers to Systems	Total Deductions
Contributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 65,824 65,588 64,494 63,884 62,249 61,141 60,317 59,575 59,497 57,863	5,606 5,342 4,833 4,735 4,168 4,232 5,040 3,087 3,716 3,358	1,178 1,214 985 794 743 789 680 654 624 675	252 101,504 157,599 51,957 27,742 27,399 54,549 8,445 15,420	72,860 173,648 227,911 121,370 94,902 93,561 120,586 71,761 79,257 61,896
Noncontributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 118,240 137,928 161,036 186,262 213,752 243,829 276,878 311,311 348,230 386,791	3,521 3,571 4,774 4,995 4,500 4,343 5,292 3,264 3,715 3,310	4,616 5,138 5,721 6,323 6,460 7,093 6,850 6,695 7,103 8,124	5,301 22,559 326 304 3,502 4,703 — — 37,006	131,678 169,196 171,857 197,884 228,214 259,968 289,020 321,270 359,048 435,231
Public Safety Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$22,634 25,271 28,223 30,972 34,374 38,549 42,769 48,607 53,962 59,941	936 737 895 611 639 731 971 542 1,155 666	664 714 766 792 803 916 840 843 899 1,006	17 — 44 7 —	24,251 26,722 29,884 32,375 35,860 40,203 44,580 49,992 56,016 61,613
Firefighters Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 10,734 11,769 12,888 14,321 15,741 16,955 18,738 20,778 22,288 23,520	60 181 84 298 274 292 312 543 422 414	300 320 331 331 325 361 319 318 323 360		11,094 12,270 13,305 14,969 16,833 18,204 19,369 21,639 23,033 24,294
Judges Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 2,193 2,355 2,472 2,690 3,002 3,160 3,322 3,659 3,804 4,361	73 	61 53 55 55 53 59 52 52 57 63	19 5 80 — — — —	2,346 2,413 2,527 2,833 3,055 3,219 3,374 3,711 3,861 4,424
Governors and Legislative Pension Plan	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 445 485 504 519 538 583 662 691 708 726	-6 1 1 2 1 2 	7 7 7 6 6 6 6 6 6 5		452 498 512 526 544 591 669 699 713 744

Schedules of Benefit Deductions by Type YEAR ENDED DECEMBER 31

(in thousands)

	(i n	thousands)	Cost of		
System	Year	Service and Disability Benefits	Living Benefits	Supplemental Benefits	Total Benefits
Contributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 42,512 41,815 40,580 39,784 38,276 37,371 36,662 36,714 37,256 36,520	17,895 18,789 19,445 20,085 20,419 20,647 20,929 20,528 20,292 19,719	5,417 4,984 4,469 4,015 3,554 3,123 2,726 2,333 1,949 1,624	65,824 65,588 64,494 63,884 62,249 61,141 60,317 59,575 59,497 57,863
Noncontributory Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$102,729 118,986 138,373 159,169 182,013 207,798 236,377 265,102 294,735 327,972	15,511 18,942 22,663 27,093 31,739 36,031 40,501 46,209 53,495 58,819		118,240 137,928 161,036 186,262 213,752 243,829 276,878 311,311 348,230 386,791
Public Safety Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 18,871 21,048 23,499 25,741 28,600 32,245 35,900 41,084 45,588 50,653	2,862 3,317 3,817 4,347 4,923 5,494 6,105 6,801 7,689 8,638	901 906 907 884 851 810 764 722 685 650	22,634 25,271 28,223 30,972 34,374 38,549 42,769 48,607 53,962 59,941
Firefighters Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 7,890 8,728 9,638 10,836 11,987 12,950 14,496 16,207 17,314 18,270	1,708 1,973 2,224 2,510 2,821 3,116 3,403 3,775 4,223 4,552	1,136 1,068 1,026 975 933 889 839 796 751 698	10,734 11,769 12,888 14,321 15,741 16,955 18,738 20,778 22,288 23,520
Judges Retirement System	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 1,833 1,976 2,045 2,216 2,464 2,590 2,704 2,965 3,009 3,508	360 379 427 474 538 570 618 694 795 853		2,193 2,355 2,472 2,690 3,002 3,160 3,322 3,659 3,804 4,361
Governors and Legislative Pension Plan	1994 1995 1996 1997 1998 1999 2000 2001 2002 2003	\$ 336 365 383 399 411 450 520 547 556 572	109 120 121 120 127 133 142 144 152		445 485 504 519 538 583 662 691 708 726

Schedules of Retired Members by Type of Benefit Option

DECEMBER 31, 2003

	Amount of						Number	of Retirees	by Benefit	Option
System	Monthly Benefit	1	2	3	4	5	6	7	8	9
Contributory	\$1-1,000	2,045	1,225	800	221	493	227		_	
Retirement	1,001-2,000	493	276	320	100	174	83	_		_
System	2,001-3,000	129	58	98	35	33	16			
	3,001-4,000	29	20	24	7	11	4	_	_	_
	4,001-5,000	1	2	4		3	2			
	over-5,000	1	3	3	1		1			
Noncontributory	\$1-1,000	4,587	681	1,498	220	1,722	659	_	_	_
Retirement	1,001-2,000	2,195	327	1,259	195	1,308	609	_		_
System	2,001-3,000	1,599	186	1,333	236	1,267	554	_	_	_
	3,001-4,000	399	37	454	114	282	143			
	4,001-5,000	74	9	93	29	38	21			
	over-5,000	23	1	37	10	7	9			
Public Safety	\$1-1,000	_	_	_	_	_	_	_	754	
Retirement	1,001-2,000	_	_						1,006	
System	2,001-3,000	_	_	_	_	_	_	_	832	_
	3,001-4,000				_				217	
	4,001-5,000								60	
	over-5,000						_		9	
Firefighters	\$1-1,000	_	_	_	_	_		_	182	_
Retirement	1,001-2,000				_				214	
System	2,001-3,000								363	
	3,001-4,000	_	_		_	_	_	_	140	
	4,001-5,000	_	_	_	_	_		_	19	_
	over-5,000								3	
Judges	\$1-1,000	_	_	_	_	_	_	17	_	7
Retirement	1,001-2,000	_	_	_	_	_	_	8	_	2
System	2,001-3,000				_			7		2
	3,001-4,000							2		2
	4,001-5,000							2		4
	over-5,000					_	_	18		12
Governors	\$1-1,000		_	_	184	_	_		_	
and Legislative	1,001-2,000	_	_		24	_	_	_	_	
Pension Plan*	2,001-3,000	_	_		12	_	_	_	_	
	3,001-4,000	_	_	_	1	_	_	_	_	_
	4,001-5,000				2	_	_		_	
	over-5,000	_	_	_	_	_	_	_	_	_

- **1** A maximum monthly benefit for the retiree's life. No benefit to a beneficiary.
- 2– A reduced lifetime benefit to the retiree. A beneficiary receives the balance in retiree's account after the monthly annuity payments are deducted.
- 3-A reduced lifetime benefit to a retiree and a lifetime benefit equal to the retiree's benefit payable to the retiree's lawful spouse at the time of retirement.
- 4– A reduced lifetime benefit to the retiree and a lifetime benefit equal to half of the retiree's benefit to the retiree's lawful spouse at the time of retirement.
- **5** Approximately 95% of the benefit in type 3 and the same lifetime benefit for retiree's lawful spouse at the time of retirement. Benefit reverts to 100% at time of spouse's death.
- **6** Approximately 98% of the benefit in type 4 and a lifetime benefit for equal to half of the retiree's for retiree's lawful spouse at the time of the retirement. Benefit reverts to 100% at time of spouse's death.
- 7-Normal retirement for age and service and a lifetime benefit of 65% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.
- 8- Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retiree's death.
- 9– Normal retirement for age and service and a lifetime benefit of 75% of the retiree's benefit to the retiree's lawful spouse at the time of the retirement.
- * Governors and Legislative Pension Plan provides a normal lifetime pension to the retiree and 50% of the retiree's benefit to the retiree's lawful spouse at the time of death if the retiree had four or more years of service.

Schedules of Average Benefit Payments DECEMBER 31

								of Credite	
System				4-10	10-15	15-20	20-25	25-30	30+
Contributory Retirement	1999	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired		282 ,016 10	598 1,807 26	667 1,933 24	776 1,792 19	1,572 3,092 8	1,161 1,867 1
System	2000	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$	300 ,967 12	553 2,213 22	542 1,668 19	1,024 2,580 31	1,482 2,940 13	1,666 3,047
	2001	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired		237 ,729 6	445 1,776 25	756 2,077 31	998 2,541 18	1,724 3,070 15	1,599 2,780
	2002	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired		283 ,946 10	424 1,700 14	753 2,305 37	1,005 2,397 25	1,679 3,101 27	2,668 4,602
	2003	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ \$ 1	220 ,724 9	542 2,120 11	785 2,361 25	1,063 2,675 35	1,861 3,559 31	1,998 3,637 11
Noncontributory Retirement System	1999	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 1	304 ,827 272	620 2,464 217	956 2,664 249	1,222 2,755 189	2,207 3,655 473	2,645 4,078 316
	2000	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 1	279 ,965 278	593 2,371 240	847 2,637 212	1,140 2,808 209	2,146 3,878 457	2,650 4,231 313
	2001	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 2	276 ,095 251	585 2,348 220	967 2,920 226	1,358 3,115 182	2,269 4,050 431	2,769 4,374 267
	2002	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 2	327 ,148 260	646 2,355 258	978 2,787 222	1,370 3,255 195	2,493 4,222 482	2,821 4,476 320
	2003	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 2	303 ,009 262	597 2,496 220	953 2,971 258	1,262 3,103 209	2,332 4,176 500	2,815 4,523 356
Public Safety Retirement System	1999	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired		619 ,960 19	1,169 3,349 18	1,847 3,446 41	1,984 3,558 44	2,674 3,997 33	2,876 4,062 5
	2000	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$	641 ,545 27	1,056 3,190 12	1,780 3,585 50	2,455 4,077 32	2,888 4,267 24	3,580 4,763
	2001	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 3	469 ,854 52	1,271 3,886 28	1,836 3,777 54	2,284 4,035 70	3,055 4,486 53	3,248 4,566 14
	2002	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired		647 -,537 13	1,238 3,886 3	2,172 3,912 42	2,779 4,359 51	2,968 4,387 39	3,600 4,993 14
	2003	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired		,372 ,832 7	1,073 3,113 10	1,834 3,701 59	2,468 4,432 55	3,241 4,848 39	3,586 5,106 13

Schedules of Average Benefit Payments (Continued) December 31

						Years	of Credite	d Service
System			4-10	10-15	15-20	20-25	25-30	30+
Firefighters Retirement System	1999	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$1,235 3,293 1	1,272 3,458 1	1,943 4,034 10	2,673 3,868 14	2,915 4,088 11	3,100 3,975 5
	2000	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 753 3,616 2	1,160 3,810 2	2,045 4,060 4	2,611 4,348 24	2,785 4,311 19	3,920 4,935 2
	2001	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 789 3,539 5	1,255 4,002 1	2,212 3,844 9	2,523 4,408 14	2,901 4,331 20	2,853 4,031
	2002	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 359 2,945 2	_ _ _	1,972 4,140 10	2,771 4,584 5	3,118 4,653 11	3,543 5,061
	2003	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 800 3,436 3	_	2,036 4,326 5	2,522 4,594 10	3,610 4,863 19	3,263 4,636 3
Judges Retirement System	1999	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ <u> </u>	_ _ _	_ _ _	_ _ _	_ _ _	_
	2000	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ <u> </u>			6,348 8,562 1	6,257 7,896 1	_
	2001	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$2,702 8,179 1	5,080 8,023 1		6,222 8,023		7,240 8,054 1
	2002	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ <u> </u>	_ _ _	_ _ _	_ _ _	_ _ _	_
	2003	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ <u> </u>	4,882 8,604 1	6,148 8,836 4	7,076 9,065 2	_ _ _	7,052 8,608 1
Governors and Legislative Pension Plan	1999	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 143 272 10	278 294 1	329 102 1	_ _ _	682 375 1	_
	2000	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 148 231 3	258 347 2	_ _ _	_ _ _	_ _ _	_
	2001	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 142 341 8	329 307 2				_
	2002	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 178 276 6	_ _ _	_	552 — 1	_	_
	2003	Average Monthly Benefit Monthly Final Average Salary Number of Active Retired	\$ 169 372 3	_ _ _	_ _ _	_ _ _	_ _ _	_

Schedule of Participating Employers SCHEDULE OF PARTICIPATING EMPLOYERS

C = Public Employees Retirement System		Con	tribi	itory			Employer	C	N	PS	F	D	K
N = Public Employees Retirement System				-									
PS = Public Safety Retirement System							South Sanpete School District		N			D	
							South Summit School District		N				K
F = Firefighters Retirement System							Southern Utah University		N	PS			K
D = 457 Plan							Thomas Edison Charter School		N				K
K = 401(k) Plan							Timpanogos Academy Foundation		Ν				K
K = 401(k) 1 um							Tintic School District	C	N				K
Employer	C	N	PS	F	D K		Tooele School District		N			D	
						-	Uintah School District					D	
School Districts and							University of Utah		N	PS			K
Education Employers							Utah State University		N	PS		D	
							Utah Valley State College		N			D	
Academy for Math, Engineering		h T			1/	.	Wasatch School District		Ν			D	
and Science		N		,	K		Washington School District	C	N			D	
Alpine School District				J	DΚ		Wayne School District	_	N			D	
Beaver School District		N		1	K		Weber County School District		N			D	
Box Elder School District					D K		Weber State University	C	N				K
Cache School District					DK DK		Academic Achievement		N				K
Carbon School District					D K		Active Re Entry Incorporated		N				K
College of Eastern Utah					D K		Bridgerland Applied						
Daggett School District					D K		Technology Center		N				K
Dixie College			PS	,	K		Davis Applied Technology Center	_	N			_	K
Duchesne School District			ГЭ	1	D K		Educators Mutual Insurance		Ŋ			D	
Emery School District					D K		High School Activity Association		N				K
Garfield School District				,	K		Ogden-Weber Area Vocation		N			D	K
Grand School District					K		Snow College South	C	N			D	
Granite School District				1	D K		Space Dynamics Lab		N				K
Iron School District					D K		Summit Employment		N				K
Jordan School District					D K		Tuacahan High School		N				K
Juab School District					D K		Uintah Basin Applied	_	N.T			D	V
Kane School District					D K		Technology Center		N				K K
Logan School District					D K		Utah Education Association	C	N			D	
Millard School District					K		Utah School Boards Association		N				K
Morgan School District		Ν]	D K		Utah School Boards Risk Man Mut Ins Assn		Ν				K
Murray School District		Ν]	D K				N			D	
Nebo School District]	D K		Utah School Employee Association Utah Uniserv	\mathcal{C}	N			D	K
North Sanpete School District	C	Ν]	D K		Utah Valley Care and Training Center	C	N			ט	K
North Summit School District	C	Ν]	D K		Wasatch Front South Applied		1 N				IX
Ogden School District	C	Ν]	D K		Technology Center		Ν				K
Park City School District	C	Ν]	D K		reciniology Center		IN				IX.
Piute School District	C	Ν			K		State and Other Employers						
Provo School District	C	Ν]	D K								
Rich School District		Ν			K		State of Utah						
Salt Lake Arts Academy		Ν					(also participates in the Judges						
Salt Lake Community College					D K		Retirement System and the						
Salt Lake School District					D K		Governors and Legislative	_		D.C	_	_	
San Juan School District					D K		Pension Plan)	C	Ν	PS	F	D	K
Sevier School District					D K		Utah Communications Agency		. T				17
Snow College	C	N]	D K		Network		Ν				K

Employer	C	N	PS	F	D	K
South Sanpete School District	С	Ν			D	K
South Summit School District		Ν				K
Southern Utah University	C	Ν	PS			K
Thomas Edison Charter School		Ν				K
Timpanogos Academy Foundation		Ν				K
Tintic School District	C	Ν				K
Tooele School District	C	Ν			D	K
Uintah School District	C	Ν			D	K
University of Utah	C	Ν	PS			K
Utah State University	C	Ν	PS		D	K
Utah Valley State College	C	Ν			D	K
Wasatch School District	C	Ν			D	K
Washington School District	С	Ν			D	K
Wayne School District		Ν			D	K
Weber County School District	С	Ν			D	K
Weber State University	Ċ	Ν				K
Academic Achievement		Ν				K
Active Re Entry Incorporated		Ν				K
Bridgerland Applied						
Technology Center		Ν				K
Davis Applied Technology Center		N				K
Educators Mutual Insurance	С	N			D	K
High School Activity Association	Č	N				K
Ogden-Weber Area Vocation		N				K
Snow College South		Ν			D	K
Space Dynamics Lab		N				K
Summit Employment		Ν				K
Tuacahan High School		Ν				Κ
Uintah Basin Applied						
Technology Center	С	Ν			D	K
Utah Education Association	C	Ν			D	K
Utah School Boards Association		Ν				K
Utah School Boards Risk						
Man Mut Ins Assn		Ν				K
Utah School Employee Association		Ν			D	K
Utah Uniserv	С	Ν			D	K
Utah Valley Care and Training Center		Ν				K
Wasatch Front South Applied						
Technology Center		N				K
State and Other Employers						
State of Utah						
(also participates in the Judges						
Retirement System and the						
Governors and Legislative						
Pension Plan)	C	N	Pς	F	D	K
ILL 1 C)	. 1				

Employer	C	N	PS	F	D	K		Employer	С	N	PS	F	D	K
Utah Dairy Commission/Dairy								Cedar City		Ν	PS	F		K
Council of Utah/Nevada		Ν						Cedar Hills Town		Ν				
Utah Housing Finance Agency		Ν				K		Centerville City	C	Ν	PS		D	K
Utah Industries f/t Blind		Ν				K		Clearfield City		Ν	PS	F	D	K
Utah Retirement Systems		Ν			D	K		Clinton City		Ν	PS	F	D	K
Utah Safety Council		Ν				K		Coalville City		Ν				K
Utah Technology Finance Corp		Ν				K		Corinne City	C					
Workers Compensation Fund	C	Ν			D	K		Delta City		Ν				K
Counties and County Organiz	atio	ons	6					Draper City Duchesne City		N N				K
Beaver County		Ν	PS		D	K		Eagle Mountain Town		Ν				
Box Elder County	C	Ν	PS		D	K		East Carbon City		N	PS		D	K
Cache County	C	Ν	PS	F	D	K		Elk Ridge Town		Ν				K
Carbon County	C	Ν	PS		D	K		Emery Town						K
Daggett County		Ν	PS			K		Enoch City			PS			K
Davis County		Ν	PS			K		Enterprise City		N				K
Duchesne County	C		PS		D			Ephraim City			PS			K
Emery County	C	N	PS		D			Escalante Town		N	PS			
Garfield County		N	PS		D	K		Eureka City		N				
Grand County		N	PS			K		Fairview City		N		_		K
Iron County			PS		D	K		Farmington City		N	PS	F	-	* *
Juab County			PS					Farr West City		N			D	K
Kane County		N	PS					Ferron City		N			Б	K
Millard County		Ŋ	PS		D	K		Fillmore City		N	DC		D	K
Morgan County		Ŋ	PS			K		Fountain Green City		N	PS			IZ.
Piute County		N				K		Francis City		N				K
Rich County		A T	PS	г	Б	17		Fruit Heights City		N				K
Salt Lake County		N	PS	F	D			Garden City		N	PS			K K
San Juan County			PS		D			Garland City Goshen Town		Ν	P3			N
Sanpete County		N	PS		D	K		Grantsville City		N	PS		D	K
Sevier County		N N	PS PS		D			Green River City		N	ГЭ		D	K
Summit County			PS	Е	D	ν		Gunnison City		N	PS		D	K
Uintah County		IN	PS	1	D			Harrisville City		N	PS		D	K
Utah County		Ν	PS		D	IX		Heber City		N	PS		D	K
Wasatch County		N	PS		D	K		Helper City		N	PS		D	K
Wasatch County Fire District		N	13	F		K		Herriman Town		N	15			K
Washington County		N	PS	1	D			Highland City		N			D	K
Wayne County		N	PS		D	1 2		Hinckley Town		N			_	K
Weber County					D	K		Holden Town		N				
Weber County Fire			10	F	D			Holladay City		N				K
				•				Huntington City		Ν			D	K
Cities and Towns								Hurricane City			PS	F		K
Alpine City		N				K		Hyde Park		N				K
American Fork City		N	PS					Hyrum City		N				K
Annabella Town		N				K		Ivins Town			PS		-	K
Aurora City		N				K		Kamas City		N	PS			K
Ballard City		N				K		Kanab City			PS		D	K
Beaver City		N				K		Kanosh Town		N	DC			
Blanding City		Ν	PS			K		Kaysville City		Ν	PS			17
Bluffdale City			D.C.	_		K		La Verkin City		k T	DC	г	D	K
Bountiful City		Ν		F	D	K		Layton City			PS	r	D	IZ.
Brian Head Town			PS		D	* *		Leeds Town		N	DC	г		K
Brigham City			PS		D	K		Lehi City			PS	r		
Castle Dale City		N					1	Levan Town		N				

Employer	C	N	PS	F	D	K	Employer
Lewiston City		N				K	Salt Lake City Corp
Lindon City		Ν				K	Sandy City
Logan City	C	Ν	PS	F	D	K	Santa Clara City
Lone Peak Safety District		Ν	PS	F		K	Santaquin City
Manila Town						K	Saratoga Springs Town
Manti City		Ν				K	Smithfield City
Mantua City		Ν	PS			K	South Jordan City
Mapleton City		N	PS			K	South Ogden City
Marriott/Slaterville City		N				K	South Salt Lake City
Meadow Town		N				K	South Weber City
Midvale City		N	PS	F	D		Spanish Fork City
Midway City		N	15	1		K	Spring City
Milford City			PS			K	Springdale Town
Millville City		N	13		D		Springville City
Minersville		N			D	K	
			PS		D		St. George City
Moab City		N	гэ		ט	K	Sunnyside City
Monroe City			DC				Sunset City
Monticello City			PS			ν	Syracuse City
Morgan City		N				K	Taylorsville
Moroni City		N	DC			17	Tooele City
Mt Pleasant City		N	PS	_	_	K	Tremonton City
Murray City		N	PS	F	D	K	Vernal City
Naples City			PS			K	Washington City
Nephi City		Ν	PS		D		Washington Terrace
New Harmony Town		Ν				K	Wellington City
Nibley City		Ν				K	Wellsville City
North Logan City	C	Ν	PS			K	Wendover City
North Ogden City	C	Ν	PS	F			West Bountiful City
North Salt Lake City		Ν	PS		D	K	West Haven
Oakley City						K	West Jordan City
Ogden City		Ν	PS	F	D	K	West Valley City
Orangeville City		Ν				K	West Point
Orderville Town		Ν					Willard City
Orem City		Ν	PS	F	D	K	Woods Cross City
Panguitch City		N		•	_	K	Woods Cross City
Paragonah Town							Other Government Entit
Park City		N	PS				Ash Creek Special Service Distri
Parowan City			PS			K	Ashley Valley Sewer
Payson City		N	PS	F		K	Management Board
Perry City		N	PS	1		K	
		N	13			K	Ashley Valley Water & Sewer
Plain City			DC	Е		IX.	Bear Lake Special Service Distric
Pleasant Grove City	\mathcal{C}		PS	Г	D	V	Bear River Association
Pleasant View City		N	PS	г	D	K	of Governments
Price City			PS	F		K	Bear River Health District
Providence City		N	DC	г	Б	K	Bear River Mental Health
Provo City			PS	r	D	K	Bear River Water Conservancy
Redmond		N			_		Beaver County Special
Richfield City			PS		D		Service District
Richmond City		N				K	Beaver Valley Hospital
Riverdale City	C	Ν	PS	F		K	Bona Vista Water Improvement.
Riverton City	_	Ν		F	D	K	Bountiful Water District
Roosevelt City		Ν	PS	F	D	K	Box Elder County Mosquito Dis
Roy City		Ν	PS	F	D	K	Cache Metro
Salem City		Ν	PS		D	K	Planning Organization
Saleili City							

Employer	C	N	PS	ŀ	D	K
Salt Lake City Corp	С	Ν	PS	F	D	K
Sandy City	Č	N	PS	F	D	
Santa Clara City	_	N		•	_	K
Santaquin City		N	PS			K
Saratoga Springs Town		N	-	F		K
Smithfield City		N	PS	F		K
South Jordan City	C		PS	F		K
South Ogden City		Ν	PS	F		K
South Salt Lake City		Ν	PS	F	D	K
South Weber City		Ν				K
Spanish Fork City		Ν	PS			
Spring City	C					
Springdale Town		N	PS			K
Springville City	C	N	PS	F		
St. George City	C	N	PS		D	K
Sunnyside City	_	N			D	K
Sunset City	C	N	PS		D	K
Syracuse City		Ŋ	PS		D	K
Taylorsville		N	DC		Б	K
Tooele City	C	N	PS		D	17
Tremonton City	C	N	PS		D	K
Vernal City	C	N	PS			K
Washington City		N	DC		D	K
Washington Terrace		N	PS		D	K K
Wellington City		N N	PS			K
Wellsville CityWendover City		N	PS		D	K
West Bountiful City	С	1 N	PS		D	K
West Haven		Ν	13			K
West Jordan City	С	N	PS	F	D	1 .
West Valley City	Č	N	PS	F	_	
West Point		Ν				K
Willard City		Ν	PS			
Woods Cross City	C	N	PS		D	K
Other Government Entities						
Ash Creek Special Service District		Ν			D	K
Ashley Valley Sewer						
Management Board		Ν				
Ashley Valley Water & Sewer		Ν				
Bear Lake Special Service District		Ν				K
Bear River Association						
of Governments		Ν			D	K
Bear River Health District	C	N			D	K
Bear River Mental Health		N			D	K
Bear River Water Conservancy		N				K
Beaver County Special						**
Service District		N				K
Beaver Valley Hospital		N			D	K
Bona Vista Water Improvement		N			D	K
Bountiful Water District		N			D	K
Box Elder County Mosquito District		N				K
Cache Metro		Ν				
Planning Organization	C	N				K
Castle Valley Special Service District		IN				11

C N PS F D K

Employer	C	N PS	F	D	K	Employer	С	N	PS	F	D	K
Cedar City Library	С	Ν			K	Nebo Credit Union		Ν				K
Central Davis Sewer		Ν		D	K	North Davis County Sewer	C	Ν				
Central Utah Public Health		N			K	North Emery Water						
Central Utah Water District		N		D	K	Users Association		Ν				
Central Weber Sewer District		N			K	North Fork Special Service District		Ν				
Children's Aid Society—Utah		N			K	North Pointe Solid Waste						
Copperton Improvement District		N			K	Special Service District		Ν				K
Cottonwood Improvement District		N		D	K	North View Fire Agency				F		
Davis & Weber County Canal					K	Park City Fire Service District		Ν		F		K
Davis Behavioral Health		Ν		D	K	Price River Water Improvement		N				K
Davis County Mosquito Abatement		N			K	Provo Housing Authority		N			D	1
Davis County Housing		1 4			K	Provo Reservoir Water Users		N				
Davis County Flousing	C				IX	Provo River Water Users		N			D	K
Management		Ν		D	K	Roosevelt City Housing Authority		N			D	IX
		1 1		D	K			N				K
DDI Advantage					N	Roy Water Conservancy District						K
Duchesne County Mosquito District	C					SLC Employees Credit Union		N				
Duchesne County Water		N.T				SLC Library		N				K
Conservancy District		N	,	Б	17	SLC Mosquito Abatement		N				K
Emery County Nursing Home	C			D	K	SLC School Credit Union		Ŋ				K
Emery County Recreation Special						SLC Sub. Sanitation #1		N				K
Service District		N			K	SLC Sub. Sanitation #2		N				K
Emery Water Conservancy District		Ν			K	SL County Regional Service Area		Ν				K
Farmington Area Pressurized						SL County Service Area #2		Ν				K
Irrigation District		Ν			K	SL County Service Area #3		Ν			D	K
Five-County Association						SL County Sewer Improvement						
of Governments	C	N		D	K	District #1	C	Ν			D	K
Four Corners Mental Health	C	N		D	K	San Juan Mental Health/						
Grand County Solid						Substance Abuse District		Ν				K
Waste Management		N			K	Sandy Sub. Improvement District		Ν				K
Grand County Water						Six-County Association						
Conservancy District		Ν				of Governments	C	Ν			D	K
Granger-Hunter Improvement						Snyderville Basin		Ν			D	K
District		Ν		D	K	Solitude Improvement District		Ν				K
Gunnison Valley Hospital		N			K	South Davis County Sewer						
Heber Light & Power		N		D	K	Improvement District	C	Ν			D	K
Heber Valley Historic Railroad					•	South Davis County Water	_				_	
Authority		N			K	Improvement District		Ν				K
Heber Valley Special District		N			11	South Davis County Fire Department		N		F	D	K
Hooper Water Improvement District		N				Southeastern Utah A.O.G.				1		K
		N			K	Southeastern Utah Health					D	K
Housing Authority of Carbon Housing Authority of SLC	\mathcal{C}				K	Southerm Utah	C	IN				IX.
					N			N.T				ν
Housing Authority of SL County		N				Valley Power System		N			D	K
Jordan Valley Water	_	N.T	,	D	1/	South Ogden Conservancy District		N			D	K
Conservancy District		N		D	K	South SL County Mosquito		ь т				17
Jordanelle Special Service District		N			K	Abatement		Ŋ				K
Kearns Improvement District		N			K	Southwest Center		N			_	K
Maesar Water District		N			K	Southwest Utah District Health		N			D	K
Magna Mosquito Abatement		Ν			K	South Utah Valley Solid Waste		Ν				K
Metro Water District—SLC		N		D	K	St. George Housing Authority		Ν				K
Midway Sanitation District		N			K	Strawberry Electric						
Moab Valley Fire District		Ν	F		K	Service Department		Ν				K
Mountain Regional Water Special						Summit Park Water						
Service District		N			K	Special Service District		Ν				K
Mountainland Association						Taylorsville—Bennion Improvement		Ν			D	K
of Governments	C	Ν		D	K	Timber Lakes Special Service District		Ν				K

Employer	С	N	PS	F	D	K
Timpanogos Special Service District	С	Ν				
Tooele County Housing		Ν				K
Trans-Jordan Cities		Ν			D	K
Tri-City Golf Course		Ν				K
Tridell-Lapoint Water District		Ν				K
Twin Creeks Special Service District		Ν				K
Uintah Basin Assistance Council		Ν				
Uintah Basin Association						
of Governments		Ν				
Uintah Basin Tri-County						
Mental Health		Ν				K
Uintah County Mosquito Abatement		Ν				K
Uintah Health Care Special						
Service District		Ν				K
Uintah Special Service District		Ν				K
Uintah Water Conservancy District		Ν				
Upper Country Water District		Ν				
Utah Association of Counties		Ν				K
Utah Counties Insurance Pool		Ν				K
Utah County Housing Authority	C	Ν			D	
Utah Lake Distributing Co		Ν				
Utah League of Cities & Towns	C					
Utah Local Governments Trust		Ν				
Utah Municipal Power Agency		Ν				K
Utah Public Employees Association	C	Ν				K
Utah State Fair Corporation		Ν				K
Utah Telecommunication						
Open Infrastructure Agency		Ν				K
Utah Zoological Society	C	Ν				K
Valley Emergency						
Communication Center		Ν			D	K
Valley Mental Health	C	Ν			D	K
Wasatch County Special Service						
Area I		Ν				K
Wasatch Front Regional Council	C				D	K
Wasatch Mental Health	C	Ν			D	K
Washington County Association						
for Retarded Citizens		Ν				K
Washington County Solid Waste #1		Ν				K
Washington County Water District	C					K
Weber Basin Water Conservancy		Ν			D	K
Weber County Mosquito Abatement		Ν			D	K
Weber Human Services		Ν			D	K
Weber River Water Users	C					K
Western Kane County Special						
Service District #1		Ν				K
White City Water						
Improvement District		NI				K

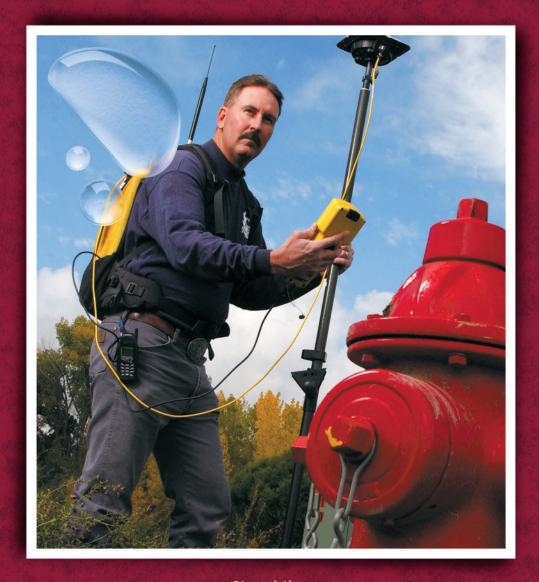
Total Participating Employers	40
Contributory	16
Noncontributory	380
Public Safety	117
Firefighters	4
Judges	
Governor and Legislative	
457 Plan	15
401(k) Plan	33

Inactive Units with Retirees

Employer	Employer
American Fork Hospital	Pioneer Care Center
Bay Area Refuse Disposal Bingham City	Reg 2 Law Enforcement Plan Agency
Box Elder County	Salt Lake County Fair
Nursing Home	San Juan County Hospital
Carbon County Hospital Carbon Nursing Home	Six-County Economic Development
Coalville Health Center	Snow College South
Dixie Center at St. George	Sugarhouse Park Authority
Dixie Hospital	Tooele Valley Hospital
Emery Medical Center	Trail Incorporated
Four Corners Regional	U of U Research Institute
Hospital	USU Community
Genola Town	Credit Union
Grand County Road Special Service District	Uintah Basin Counsel Inc Uintah Basin Medical Center
Hiawatha Town	Uintah County
Honeyville Town	Council on Aging
I. W. Allen Hospital	Uintah County Hospital
Juab County Hospital	Utah Local Governments Trust
Marysvale Town Metro Water District— Provo	Utah Partnership for Education Economics
Midvale Wastewater Treatment	Wasatch County Hospital Weber County Hospital
Morgan County Library Mountain America Credit	Weber Economic Development Corporation
Union Payson City Hospital	West Millard Hospital

Systems and Plans Statistical Highlights YEAR ENDED DECEMBER 31, 2003

Utah Retirement System	1S Contributory	Non- contributory	Public Safety	Firefighters	Judges	Governors and Legislators	Averages And Totals All Systems
	Contributory	contributory	1 ubite Salety	Thenghers	Judges	Legislators	An System
Membership Information	11.027	127.661	10.006	2.554	104	444	152.720
Total Membership	11,927	127,661	10,986	2,554	194	411	153,733
Active Terminated vested	3,493	83,156	7,041	1,568	106	97	95,461
Retired	1,492 6,942	22,290 22,215	1,067 2,878	65 921	5 83	91 223	25,010 33,262
2003 Active Members	3,493	83,156	7,041	1,568	106	97	95,461
Average age	50.4	44.5	38.8	39.3	54.9	51.8	44.2
Average years of service	18.8	10.1	9.0	10.5	10.7	6.0	10.4
Average annual salary	\$ 39,666	35,806	39,579	48,132	106,613	6,388	36,477
2003 Retirees							
Number	122	1,805	183	40	8	3	2,16
Average age	62.1	61.7	53.6	54.3	62.9	64.4	60.9
Average years of service	22.7	22.8	23.2	27.6	21.8	7.1	22.9
Final average annual salary	\$ 33,438	41,029	50,769	56,350	106,190	2,975	41,89
Average annual benefit	\$ 14,242	19,013	29,188	36,052	75,647	1,986	20,10
Average annual benefit							
—all retirees	\$ 7,865	16,884	19,796	22,573	51,023	2,817	15,402
Financial Information Changes in Net Assets	(in thous	ands)					
Contributions	\$ 15,970	326,028	51,103	15,114	2,593		410,808
Investment income/(loss)	\$186,339	2,315,577	286,126	117,392	19,417	2,202	2,929,05
Pension benefits	\$ 57,863	386,791	59,941	23,520	4,361	726	533,203
Net assets at market value	\$889,808	11,280,140	1,404,167	570,160	94,467	10,390	14,249,132
Actuarial Information Funding Progress	(dollars in	n thousands)					
Actuarial value of assets	\$930,999	11,640,475	1,448,888	589,502	97,412	10,905	14,718,18
Actuarial accrued liability	\$987,798	12,587,893	1,565,706	555,746	97,396	8,624	15,803,163
Unfunded actuarial	Φ			((, -)	()	
Accrued liability	\$ 56,799	947,418	116,818	(33,756)	(16)	(2,281)	1,084,982
Funded ratios	94.2%	92.5%	92.5%	106.1%	100.0%	126.4%	93.1%
401(k) and 457 Plans				401(L)		457	
Membership Information			_	401(k)	457		
Number of active employees eligible to participate				89,367	79,362		
Employee contributions (exclu	ıding emplo	yer contribut	tions):				
Number of employees contributing				40,465	4,	352	
	ercent of eligible employees contributing			45.3%		5.5%	
Average percent of salary deferred by employees				6.0%		7.7%	
Total participants				121,070	11,272		
Average participant account balance			\$	13,656	17,	408	
Financial Information	To be						
Changes in net assets			(in	thousands)			Tota
Contributions			\$	161,212	13	812	175,024
Net investment income (loss)			249,313		13,812 29,193		
Refunds				65,785		17,877	
Total net assets			\$1,653,375		196,219		83,662 1,849,594
Total fict assets			Φ1,	055,575	190,	217	1,049,394



Pictured Above: Ross Bryner Draftsman / Surveyor Price River Water Improvement District

UTAH RETIREMENT SYSTEMS

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