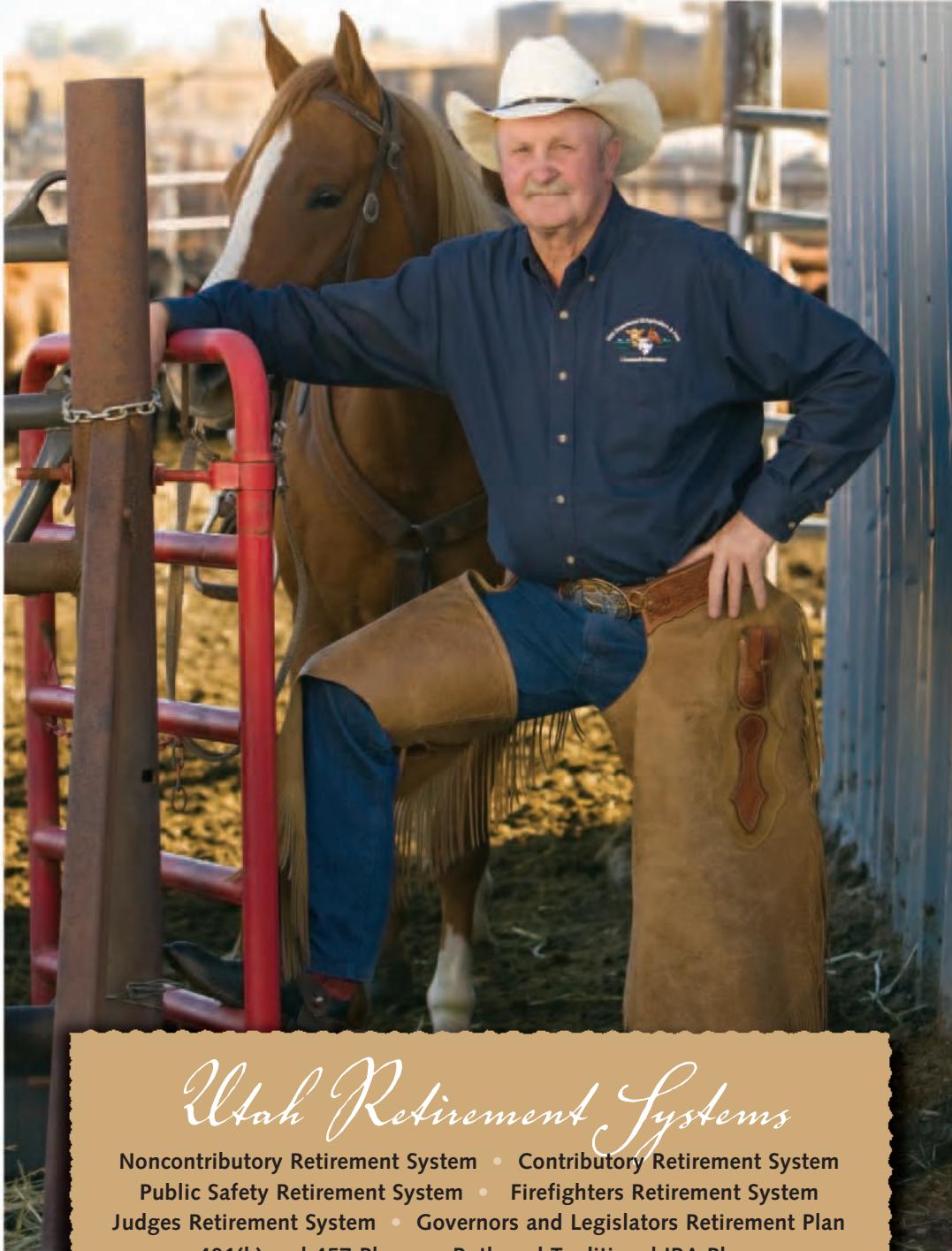


Utah Retirement Systems

A Component Unit of the State of Utah

2007 Comprehensive Annual Financial Report

For the Year Ended December 31, 2007



Utah Retirement Systems

Noncontributory Retirement System • Contributory Retirement System
Public Safety Retirement System • Firefighters Retirement System
Judges Retirement System • Governors and Legislators Retirement Plan
401(k) and 457 Plans • Roth and Traditional IRA Plans
Health Reimbursement Arrangement (HRA)

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Utah Retirement Systems

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox
President

Jeffrey R. Erwin
Executive Director



Public Pension Coordinating Council
Public Pension Standards
2007 Award

Presented to

Utah Retirement Systems

In recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Alan H. Winkle
Program Administrator

Pictured on cover:
Grant L. Daybell
District Livestock Supervisor
Utah Department of Agriculture

Utah Retirement Systems

Utah Retirement Systems

A Component Unit of the State of Utah

2007 Comprehensive Annual Financial Report

For the Year Ended December 31, 2007

Noncontributory Retirement System

Contributory Retirement System

Public Safety Retirement System

Firefighters Retirement System

Judges Retirement System

Governors and Legislators Retirement Plan

401(k) and 457 Plans

Roth and Traditional IRA Plans

Health Reimbursement Arrangement (HRA)

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 K. Kellersberger, Finance Director

2007 Comprehensive Annual Financial Report

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Systems and Plans Statistical Highlights

(Inside back cover)

Utah Retirement Systems

2007 Comprehensive Annual Financial Report



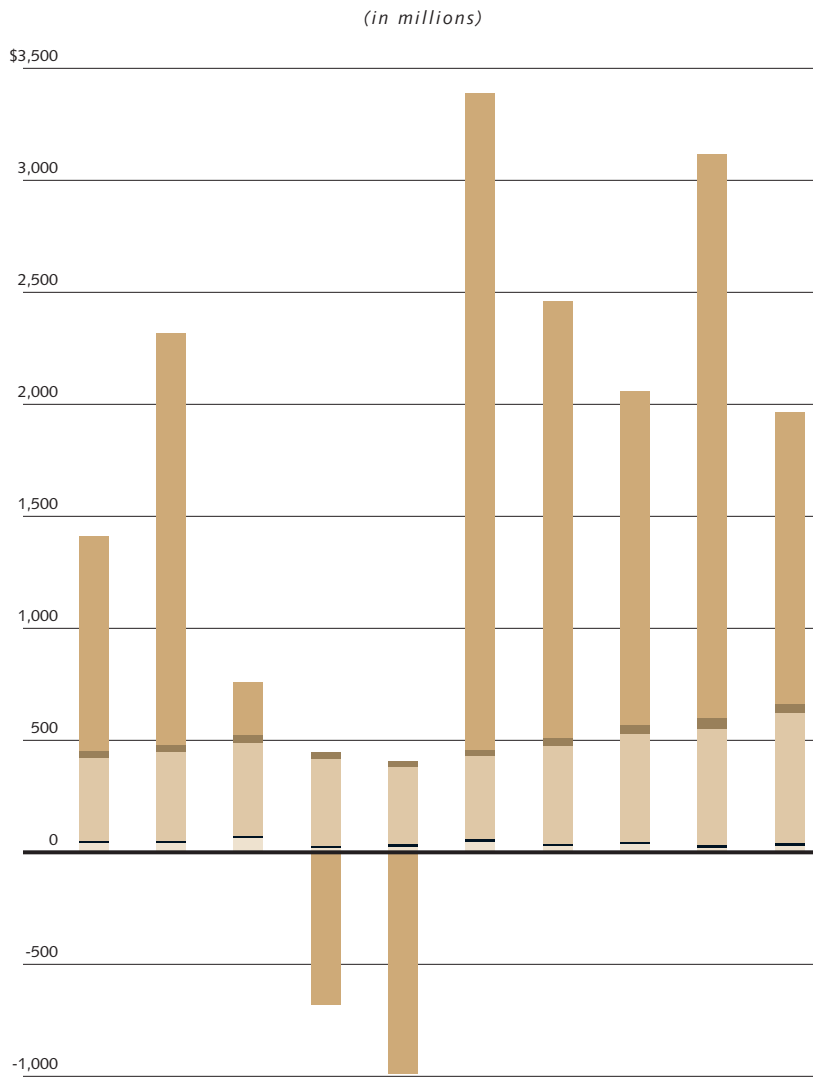
Introductory

Introductory Section

- 5 Letter of Transmittal
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All Retirement Systems

Additions by Source



(in millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Net Investment Income (Loss)	\$ 958	1,836	239	(693)	(999)	2,929	1,950	1,491	2,518	1,304
Member Contributions	29	33	34	31	31	31	35	42	45	41
Employer Contributions	374	397	414	388	341	369	436	479	523	581
Court Fees and Fire Insurance Tax	6	6	8	10	12	11	10	11	11	16
Transfers from Systems	32	33	55	8	15	37	16	25	6	12
Totals	\$1,399	2,305	750	(256)	(600)	3,377	2,446	2,048	3,103	1,954

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

April 11, 2008

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

Dear Board Members:

We are pleased to present the 2007 Comprehensive Annual Financial Report of the Utah Retirement Systems (Systems), including the 401(k), 457, Roth and Traditional IRA Plans (Plans), and the Health Reimbursement Arrangement (HRA). Together, the Systems and Plans constitute a component unit of the State of Utah, administered by the Utah State Retirement Board (Board) for calendar year 2007.

The financial reporting entity of the Systems and Plans include the Public Employees Noncontributory and Contributory Retirement Systems, for both government and public education employees, the Public Safety, Firefighters and Judges Retirement Systems, the Utah Governors and Legislators Retirement Plan, and the 401(k), 457, Roth and Traditional IRA Plans, and HRA.

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*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, and GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Plans Other Than Pensions*. 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), 457, Roth and Traditional IRA Plans, and HRA were established by legislation and authorized as indicated in the notes to the basic financial statements on page 46. The Summaries of Plan Provisions are presented on pages 122 through 133. 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.

Letter of Transmittal *(Continued)*

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.

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 99 of this report.

For the Future

During 2007, 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 deduc-

tions, 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 pages 68 and 69. The current funded ratios range from 97% to 128%.

Investments

The investment portfolio mix at fair value as of the end of 2007 is 23% debt securities, 39% equities, 5% private equity, 16% real estate, 7% short term, and 10% absolute return. The 23% debt securities is comprised of 21% domestic and 2% international instruments. The 39% equities is comprised of 26% domestic and 13% international equities. See MD&A and Investment Section for more detailed analy-

Letter of Transmittal *(Continued)*

sis 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.

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 \$25.8 billion in investments at fair value as of December 31, 2007, 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.

Sincerely yours,



Robert K. Kellersberger, CGFM, Finance Director

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, 2006. 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 23 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 2007 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.



Robert V. Newman, Executive Director

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

April 11, 2008

Dear members of the Retirement Systems:

As board members and trustees of Utah Retirement Systems (URS) we have the responsibility to provide retirement benefits to eligible members for the valuable services they have rendered to the public. We serve to insure that members' interests are properly safeguarded. Thanks to the prudent funding principles established over several decades by governors, legislatures and boards, I can confidently report that the outlook for the Systems is positive.

Our net investment returns were 7.2% for 2007, as assets of the Retirement Systems exceeded \$20 billion for the first time, closing the year at \$20.9 billion. Over the past ten years investment returns of the Systems have averaged 8.2%, exceeding our actuarial goal of 8.00%. During the past few months most financial markets have been volatile and have trended downward. Fortunately, due mostly to our broad diversity of investments, our results for the first three months of 2008 have been better than the U.S. stock markets.

Contributions to the URS Defined Contribution Savings Plans (401(k)/457 and IRAs) have grown significantly, leading to total net assets of \$2.85 billion at the end of 2007. While participants' individual rates of return varied according to their choices among the eleven available investment options, I believe most participants were rewarded with investment gains. I encourage members to continue contributing to these retirement savings plans.

Members benefit from a Membership Advisory Council, a valued body that keeps the Board and the Legislature abreast of the interests and concerns of members, so they can be properly addressed.

I express my appreciation for the breadth and depth of experience possessed by members of the Board, each of whom makes a valuable contribution to the success of Utah Retirement Systems. They meet more than 30 times per year, and increase their skills and experience each year by attending workshops and conferences. I also express the Board's confidence in and appreciation to Executive Director Robert Newman and his staff for their excellent management of the Systems.

Sincerely,



David B. Winder, President, Utah State Retirement Board

Retirement Board

Retirement Board



Pictured Left to Right:

Phillip W. Clinger
 Appointed June 21, 2002;
 Term expires July 1, 2009;
 Represents investment community

John L. Lunt
 Appointed July 20, 2001;
 Term expires July 1, 2009;
 Represents investment community

Kathryn D. Jones-Price
Vice President
 Appointed Mar. 5, 2004;
 Term expires July 1, 2009;
 Represents investment community

David B. Winder
President
 Appointed Dec. 1, 2003;
 Term expires July 1, 2011;
 Represents investment community

Phyllis P. Sorensen
 Appointed July 25, 2002;
 Term expires July 1, 2011;
 Represents education employees

Larry W. Evans
 Appointed July 1, 2007;
 Term expires July 1, 2011;
 Represents public employees

Edward T. Alter
 Member since Jan. 1, 1981;
 Ex-officio member
 State Treasurer

Executive Director

Executive Director



Robert V. Newman

Membership Council

Membership Council

- Mr. Marty Peterson***
Chairperson
Represents Professional Firefighters of Utah
- Mr. Dean Drew***
Vice-Chairperson
Represents Utah Public Employees' Association
- Ms. Kim Campbell***
Represents Utah Education Association
- Officer Mike Galieti***
Represents Utah Peace Officers' Association
- Mr. Tom Hardy***
Represents Utah League of Cities and Towns
- Mr. Kent J. Abel**
Represents Utah Retired School Employees' Association

**Executive Committee*

- Mr. Jay Blain**
Represents Utah Education Association
- Ms. Vicki Coon**
Represents Utah School Employees' Association
- Honorable James Z. Davis**
Represents Utah Judicial Council
- Representative Brad L. Dee**
Represents Utah Association of Counties
- Mr. Russell S. Judd**
Represents Utah Education Association
- Mr. James Tarbet**
Represents Utah Association of Retired Public Employees
- Ms. Sheri Watters**
Represents Utah Public Employees' Association



**Director,
Internal
Audit**

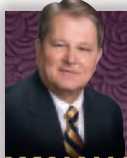
STEVEN M. WEST

Investment
Compliance

Professional Services

**Actuary • Auditor
Legal • Consultants
Investment Advisors
Medical Director**

Detail for professional service providers is shown below. Investment professionals are presented on pages 102 and 105.



**Director,
Finance**

ROBERT K. KELLERSBERGER

Financial Reporting
and Accounting

Budgets

Tax Reporting

Cash Receipts
and Disbursement

Cash Management

Accounts Payable

Payroll

Risk Management



**Director,
Defined
Contribution
Savings Plans**

CRAIG D. STONE

401(k) Plan


457 Plan

Traditional IRA

Roth IRA

Health Reimbursement
Arrangement (HRA)

Health Savings
Accounts (HSA)




**Director,
Human
Resources**

CHERYL J. SACHSE

Human Resources

Safety/Security



**Director,
Retirement**

JUDY C. LUND

Retirement Benefits

Death Benefits

Redeposits, Purchases
and Adjustments

Refunds

Branch Office

Professional Consultants
Professional Consultants

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

Auditor
Deloitte & Touche LLP
Certified Public Accountants
Suite 1900, 299 South Main
Salt Lake City, UT 84111

Legal Counsel
Howard, Phillips
& Andersen
560 East 200 South
Suite 300
Salt Lake City, UT 84102

Medical Director
Cynthia Jones, M.D.
560 East 200 South
Salt Lake City, UT 84102

Other Consultants
Advanced Risk Management
Techniques Inc.
23701 Birtcher Dr.
Lake Forest, CA 92630

Groom Law Group
1701 Pennsylvania Ave. NW
Washington DC. 20006

Ice Miller, LLP
One American Square
Suite 3100
Indianapolis, IN 46282

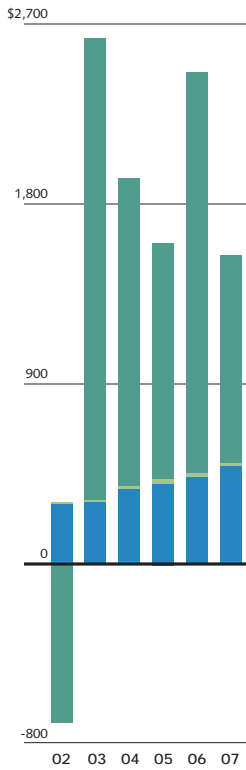


Noncontributory System

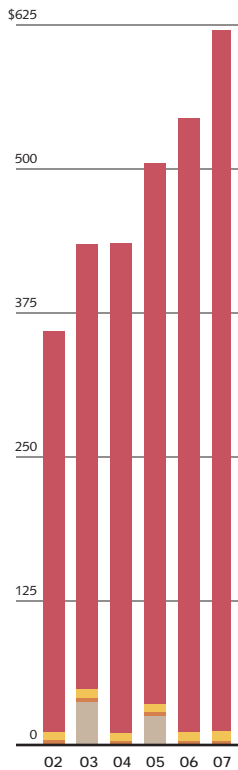
Composite Picture

Total Membership	148,566	2007 Retirees	
Active.....	89,605	Number.....	2,131
Terminated vested.....	28,996	Average age.....	62.1
Retired.....	29,965	Average years of service.....	21.5
Active Members	89,605	Final average annual salary.....	\$43,910
Average age.....	45.0	Average annual benefit.....	\$18,722
Average years of service.....	10.1	Average annual benefit —	
Average annual salary.....	\$39,584	all retirees	\$19,138

Additions by Source
(in millions)



Deductions by Type
(in millions)



Noncontributory

System Highlights

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

Age	Years of Service	Allowance Reduction
Any age.....	30	None
Any age.....	25	Full actuarial before age 60
60-61.....	20	3% each year before age 65
62-64.....	10	3% each year before age 65
65	4	None

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 a COLA determined by the CPI.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2007)

Employer rate for the State and School Division (Level A) is 14.22% of covered salary and 11.62% for the Local Government Division (Level B).

	2002	2003	2004	2005	2006	2007
Additions by Source (in millions)						
Investment Income (Loss)	\$(788.9)	2,315.6	1,547.6	1,185.1	2,006.7	1,041.4
Member Contributions	12.5	11.5	14.4	19.8	22.6	18.2
Employer Contributions	291.3	314.5	369.1	406.8	440.4	487.8
Transfers from Systems	12.2	—	10.6	—	0.1	7.2
Totals	\$(472.9)	2,641.6	1,941.7	1,611.7	2,469.8	1,554.6

	2002	2003	2004	2005	2006	2007
Deductions by Type (in millions)						
Benefit Payments	\$ 348.2	386.8	424.9	469.7	533.2	609.5
Administrative Expense	7.1	8.1	7.8	7.6	7.9	8.3
Refunds	3.7	3.3	3.0	3.2	2.8	3.4
Transfers to Systems	—	37.0	—	25.0	—	—
Totals	\$ 359.0	435.2	435.7	505.5	543.9	621.2

	2002	2003	2004	2005	2006	2007
Funding Progress (dollars in billions)						
Actuarial Value of Assets	\$ 10.85	11.66	12.21	13.07	14.45	16.21
Accrued Actuarial Liability	\$ 11.76	12.35	13.24	14.02	15.08	16.08

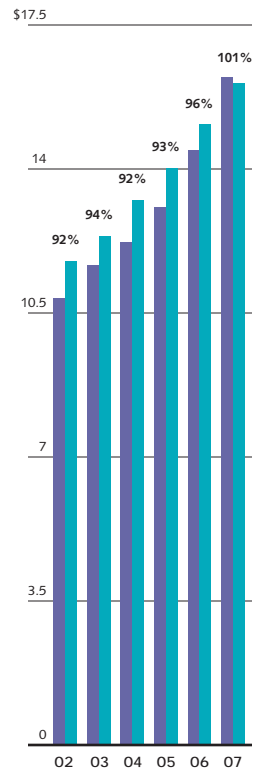
Funding Ratios	2002	2003	2004	2005	2006	2007
	92%	94%	92%	93%	96%	101%

For more detail see Summary of Plan Provisions on page 122.



*Pictured:
Allison Dastrup
Bus Driver
Alpine School District*

Funding Progress with Funding Ratios
(dollars in billions)



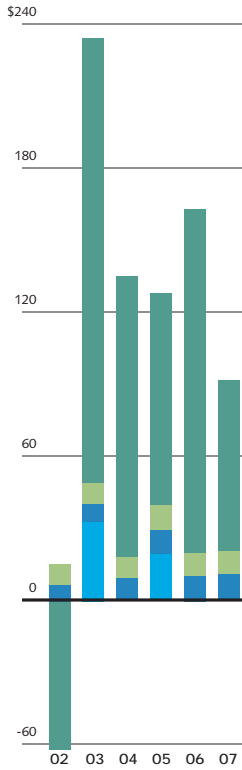


Contributory System

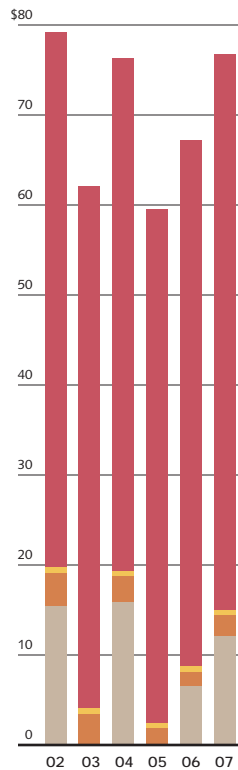
Composite Picture

Total Membership	9,808	2007 Retirees	
Active.....	2,852	Number	197
Terminated vested	1,404	Average age.....	60.7
Retired	5,552	Average years of service	25.6
Active Members	2,852	Final average annual salary.....	\$40,543
Average age.....	51.5	Average annual benefit.....	\$19,164
Average years of service	20.0	Average annual benefit —	
Average annual salary.....	\$44,865	all retirees.....	\$10,287

Additions by Source
(in millions)



Deductions by Type
(in millions)



Contributory

System Highlights

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	Allowance Reduction
Any age	30	None
60-61	20	3% each year before age 65
62-64	10	3% each year before age 65
65	4	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 2.00% 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 original retirement benefit.

Contribution Rates (as of 12-31-2007)

Member rate is 6.00% of covered salary. Employer rate for State and School Division (Level A) is 9.73% of covered salary and 7.61% for the Local Government Division (Level B).

	2002	2003	2004	2005	2006	2007
Additions by Source (in millions)						
Investment Income (Loss)	\$ (64.3)	186.3	117.3	88.4	144.0	71.6
Member Contributions	8.9	8.7	9.0	10.3	9.5	9.7
Employer Contributions	6.7	7.3	9.6	10.4	10.7	11.2
Transfers from Systems	—	33.3	—	19.6	—	—
Totals	\$ (48.7)	235.6	135.9	128.7	164.2	92.5

	2002	2003	2004	2005	2006	2007
Deductions by Type (in millions)						
Benefit Payments	\$ 59.5	57.9	57.0	57.1	58.5	61.7
Administrative Expense	0.6	0.7	0.6	0.6	0.6	0.6
Refunds	3.7	3.4	2.9	1.8	1.8	2.3
Transfers to Systems	15.4	—	15.8	—	6.5	12.1
Totals	\$ 79.2	62.0	76.3	59.5	67.4	76.7

	2002	2003	2004	2005	2006	2007
Funding Progress (dollars in millions)						
Actuarial Value of Assets	\$899.3	913.9	934.0	951.5	1,004.5	1,091.9
Accrued Actuarial Liability	\$976.9	982.6	1,013.8	1,027.3	1,063.0	1,095.5

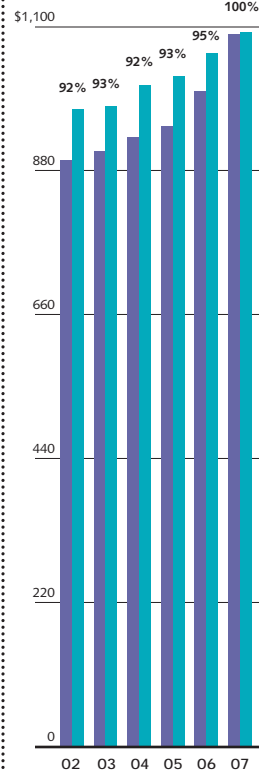
Funding Ratios	2002	2003	2004	2005	2006	2007
	92%	93%	92%	93%	95%	100%

For more detail see Summary of Plan Provisions on page 123.



Pictured:
Justina Liu
Programmer/System Analyst
Orem City

Funding Progress with Funding Ratios
(dollars in millions)

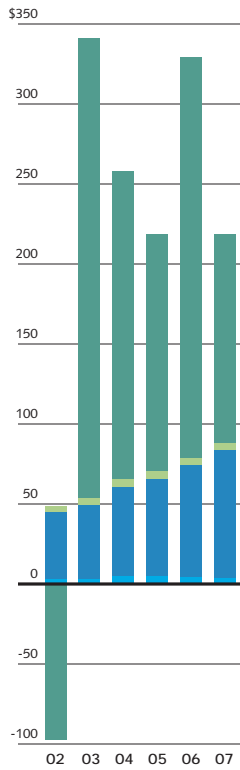




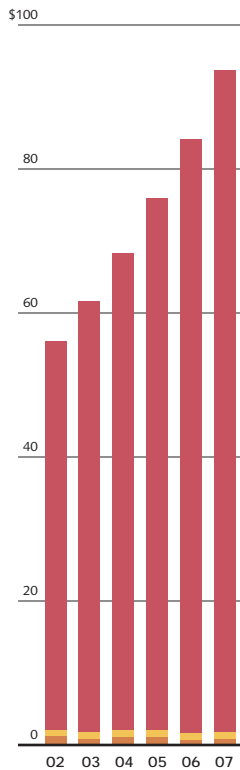
Public Safety System
Composite Picture

Total Membership	12,777	2007 Retirees	
Active.....	7,587	Number.....	190
Terminated vested.....	1,576	Average age.....	53.7
Retired.....	3,614	Average years of service.....	21.6
Active Members	7,587	Final average annual salary.....	\$53,435
Average age.....	38.8	Average annual benefit.....	\$27,616
Average years of service.....	9.0	Average annual benefit —	
Average annual salary.....	\$43,899	all retirees.....	\$23,575

Additions by Source
(in millions)



Deductions by Type
(in millions)



Public Safety

System Highlights

The Public Safety Retirement System includes eligible state and local government employees directly involved in law enforcement.

The Public Safety System consists of the Noncontributory and Contributory divisions.



*Pictured:
Todd L. Bonner
Chief Deputy
Wasatch County Sheriff*

Service Retirement

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

Service Benefit Formula

- 2.5% x FAS* x years of service up to 20 years.
- 2.0% x FAS* x years of service over 20 years.
- 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.

** Benefit paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 2.5% annually on original retirement benefit.

Contribution Rates (as of 12-31-2007)

Noncontributory—

Employer rates range from 22.47% to 35.71% of covered salary.

Contributory—

Member rates range from 10.50% to 13.74% of covered salary.
Employer rates range from 11.22% to 22.99% of covered salary.

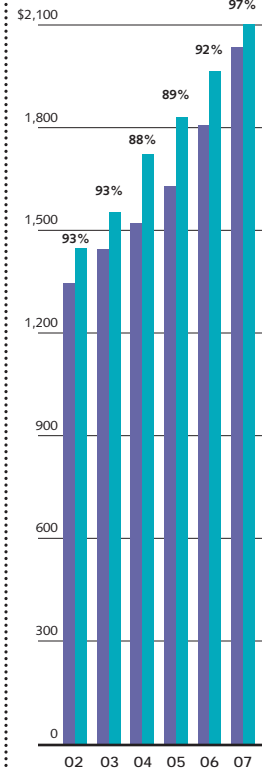
Additions by Source	2002	2003	2004	2005	2006	2007
Investment Income (Loss)	\$ (97.8)	288.1	192.8	148.1	250.8	130.7
Member Contributions	4.3	4.4	5.0	4.8	4.6	4.3
Employer Contributions	42.3	46.7	56.3	61.3	70.5	81.2
Transfers from Systems	2.0	2.0	4.0	4.3	3.3	2.3
Totals	\$ (49.2)	341.2	258.1	218.5	329.2	218.5

Deductions by Type	2002	2003	2004	2005	2006	2007
Benefit Payments	\$ 54.0	59.9	66.3	74.0	82.5	91.9
Administrative Expense	0.9	1.0	1.0	1.0	1.0	1.1
Refunds	1.2	0.7	1.0	1.0	0.6	0.7
Totals	\$ 56.1	61.6	68.3	76.0	84.1	93.7

Funding Progress	2002	2003	2004	2005	2006	2007
Actuarial Value of Assets	\$1,349.4	1,448.9	1,524.9	1,633.0	1,809.2	2,038.6
Accrued Actuarial Liability	\$1,458.5	1,556.8	1,726.8	1,834.5	1,969.0	2,105.4

Funding Ratios	2002	2003	2004	2005	2006	2007
	93%	93%	88%	89%	92%	97%

Funding Progress with Funding Ratios
(dollars in millions)



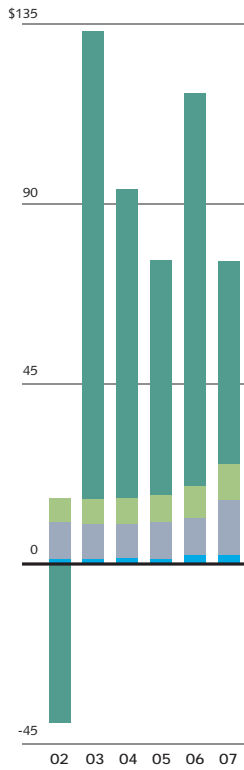
For more detail see Summary of Plan Provisions on page 124.



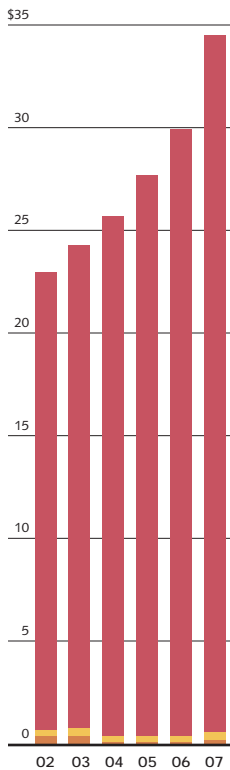
Firefighters System
Composite Picture

Total Membership	2,946	2007 Retirees	
Active.....	1,771	Number.....	53
Terminated vested.....	112	Average age.....	55.1
Retired.....	1,063	Average years of service.....	28.0
Active Members	1,771	Final average annual salary.....	\$67,143
Average age.....	39.1	Average annual benefit.....	\$40,388
Average years of service.....	10.0	Average annual benefit —	
Average annual salary.....	\$52,247	all retirees.....	\$27,513

Additions by Source
(in millions)



Deductions by Type
(in millions)



Firefighters

System Highlights

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	Allowance Reduction
Any age	20	None
60	10	None
65	4	None

Service Benefit Formula

- 2.5% x FAS* x years of service up to 20 years.
- 2.0% x FAS* x years of service over 20 years.
- 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.

** Benefit paid cannot exceed 70% of FAS.

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2007)

Member rate for Division A (with Social Security) is 12.76% of covered salary and 9.30% for Division B (without Social Security).

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

	2002	2003	2004	2005	2006	2007
Additions by Source (in millions)						
Investment Income (Loss)	\$ (40.2)	117.4	77.6	58.8	98.6	50.7
Member Contributions	5.8	6.1	6.3	6.7	7.8	9.2
Fire Insurance Tax	9.5	9.1	8.7	9.6	9.5	13.8
Transfers from Systems	0.7	0.6	1.0	0.6	1.8	1.7
Totals	\$ (24.2)	133.2	93.6	75.7	117.7	75.4

	2002	2003	2004	2005	2006	2007
Deductions by Type (in millions)						
Benefit Payments	\$ 22.3	23.5	25.3	27.3	29.5	33.9
Administrative Expense	0.3	0.4	0.3	0.3	0.3	0.4
Refunds	0.4	0.4	0.1	0.1	0.1	0.2
Totals	\$ 23.0	24.3	25.7	27.7	29.9	34.5

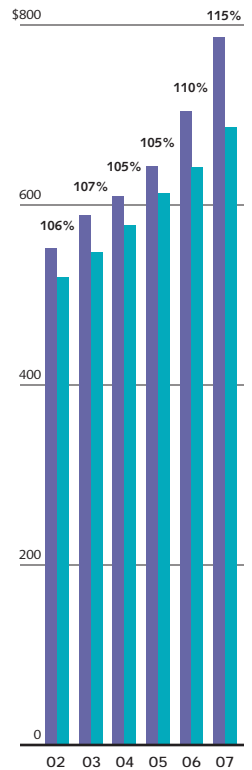
	2002	2003	2004	2005	2006	2007
Funding Progress (dollars in millions)						
Actuarial Value of Assets	\$553.6	589.5	610.7	644.5	705.1	787.7
Accrued Actuarial Liability	\$521.2	549.4	578.9	614.4	643.8	687.9
Funding Ratios	106%	107%	105%	105%	110%	115%

For more detail see Summary of Plan Provisions on page 126.



Pictured:
B.J. White (Firefighter)
and Joe White (Captain)
West Valley
Fire Department

Funding Progress with Funding Ratios
(dollars in millions)

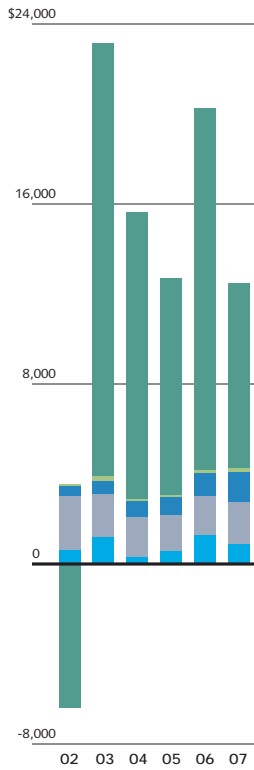




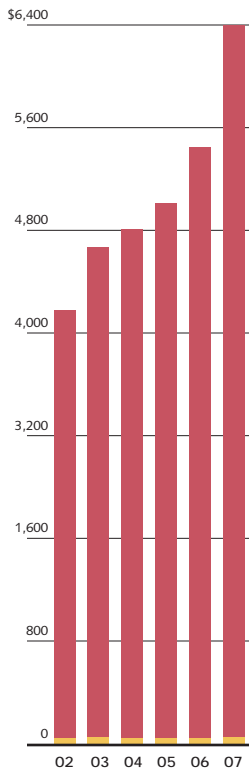
Judges System
 Composite Picture

Total Membership	211	2007 Retirees	
Active.....	108	Number.....	7
Terminated vested.....	7	Average age.....	62.9
Retired.....	96	Average years of service.....	27.2
Active Members	108	Final average annual salary...\$	111,061
Average age.....	56.1	Average annual benefit.....	\$83,226
Average years of service.....	11.4	Average annual benefit —	
Average annual salary.....	\$120,184	all retirees	\$60,717

Additions by Source
(in thousands)



Deductions by Type
(in thousands)



Judges

System Highlights

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

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 converted to a monthly average. Yearly salary increases are limited to 10% plus a COLA determined by the CPI.

** Benefit paid cannot exceed 75% of FAS.

Cost of Living Allowance

Up to 4% compounded annually.

Contribution Rates (as of 12-31-2007)

Noncontributory — Employer rates is 12.38% of covered salary.

Contributory — Member rate is 2.00% of covered salary.
Employer rate is 10.38% of covered salary.

Additions by Source (in thousands)	2002	2003	2004	2005	2006	2007
Investment Income (Loss)	\$(6,564)	19,417	12,852	9,762	16,287	8,401
Member Contributions	5	103	8	8	10	13
Employer Contributions	472	551	723	792	995	1,360
Court Fees	2,381	1,939	1,808	1,605	1,723	1,850
Transfers from Systems	560	1,128	204	518	1,242	841
Totals	\$(3,146)	23,138	15,595	12,685	20,257	12,465

Deductions by Type (in thousands)	2002	2003	2004	2005	2006	2007
Benefit Payments	\$ 3,804	4,361	4,518	4,755	5,251	6,335
Administrative Expense	57	63	61	60	60	65
Totals	\$ 3,861	4,424	4,579	4,815	5,311	6,400

Funding Progress (dollars in millions)	2002	2003	2004	2005	2006	2007
Actuarial Value of Assets	\$ 90.9	97.4	100.8	106.4	116.9	129.8
Accrued Actuarial Liability	\$ 90.6	97.9	104.2	107.0	117.1	124.0

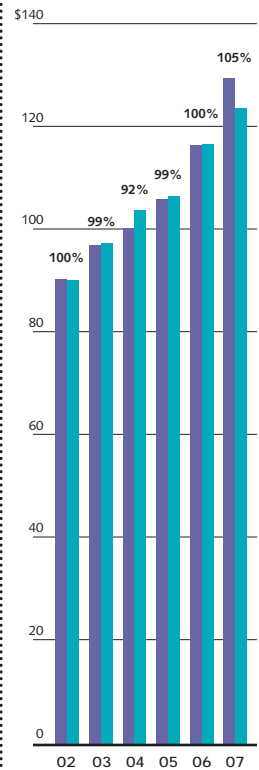
Funding Ratios	2002	2003	2004	2005	2006	2007
	100%	99%	92%	99%	100%	105%

For more detail see Summary of Plan Provisions on page 128.



Pictured:
Judge Frederic M. Oddone
3rd District Juvenile Court
Salt Lake City

Funding Progress with Funding Ratios
(dollars in millions)

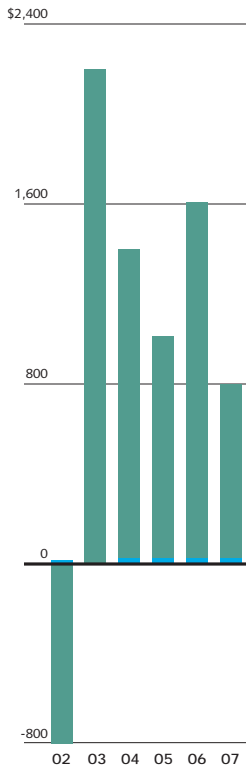




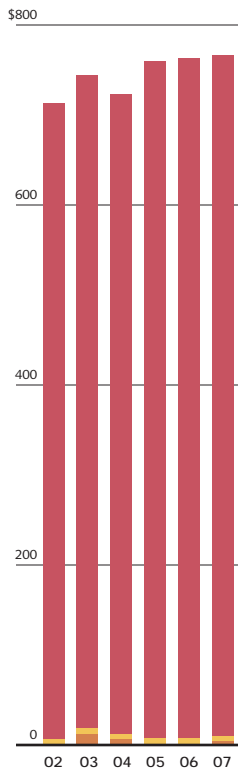
*Utah Governors and
Legislators Plan*
Composite Picture

Total Membership	393	2007 Retirees	
Active.....	86	Number.....	6
Terminated vested.....	87	Average age.....	65.2
Retired.....	220	Average years of service.....	9.3
Active Members	86	Average annual benefit.....	\$2,679
Average age.....	52.6	Average annual benefit —	
Average years of service.....	5.8	all retirees.....	\$2,966
Average annual salary.....	\$9,109		

Additions by Source
(in thousands)



Deductions by Type
(in thousands)



G&L

Utah Governors and Legislators

Retirement Plan

The Utah Governors and Legislators Retirement Plan includes only governors and legislators of the State of Utah.



*Pictured:
Carlene M. Walker
Utah State Senator
District 8, Sandy*

Service Retirement

Age	Years of Service	Allowance Reduction
65	4	None
62-	10	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 12-31-07 is \$1,180 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 as of 12-31-07 is \$26.00 per year.*

Cost of Living Allowance

Up to 4% annually on original retirement benefit.

Contribution Rates (as of 12-31-2007)

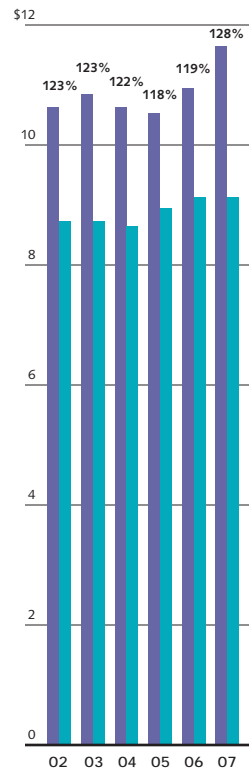
There are currently no required contributions.

	2002	2003	2004	2005	2006	2007
Additions by Source (in thousands)						
Investment Income (Loss)	\$(806)	2,202	1,381	997	1,589	780
Transfers from Systems	3	—	18	16	18	18
Totals	\$(803)	2,202	1,399	1,013	1,607	798

	2002	2003	2004	2005	2006	2007
Deductions by Type (in thousands)						
Benefit Payments	\$ 708	726	712	755	758	758
Administrative Expense	5	6	6	5	5	5
Refunds	—	12	5	—	—	2
Totals	\$ 713	744	723	760	763	765

	2002	2003	2004	2005	2006	2007
Funding Progress (dollars in millions)						
Actuarial Value of Assets	\$10.7	10.9	10.7	10.6	11.0	11.7
Accrued Actuarial Liability	\$ 8.7	8.8	8.7	9.0	9.2	9.2
Funding Ratios	123%	123%	122%	118%	119%	128%

Funding Progress with Funding Ratios
(dollars in millions)



For more detail see Summary of Plan Provisions on page 129.

Defined Contribution Savings Plan Highlights

December 31, 2007

The purpose of the Defined Contribution Savings Plans (401(k), 457, Roth and traditional IRAs) is to allow public employees throughout Utah to adequately prepare themselves for retirement by investing a portion of their income in one or more 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.

Each year the number of employees participating in these plans increases. Individuals may participate in more than one plan. As of December 31, 2007 the number of participants by investment plan is shown below.

Annualized rates of returns for the Investment Funds are shown on page 105.

Membership Information

at December 31, 2007					
	401(k)	457	Roth IRA	Traditional IRA	HRA
Number of active employees eligible to participate	99,443	85,696	102,009	102,009	490
Employee contributions (excluding employer contributions):					
Number of employees contributing	49,590	8,765	821	40	NA
Percent of eligible employees contributing	49.9%	10.2%	0.8%	0.0%*	NA
Average percent of salary deferred by employees	6.2%	7.6%	4.2%	3.3%	NA
Total participants	138,369	16,080	1,175	356	490
Average participant account balance	\$18,820	17,230	5,392	50,112	1,399

*Rounded figure, actual percentage is 0.04%.

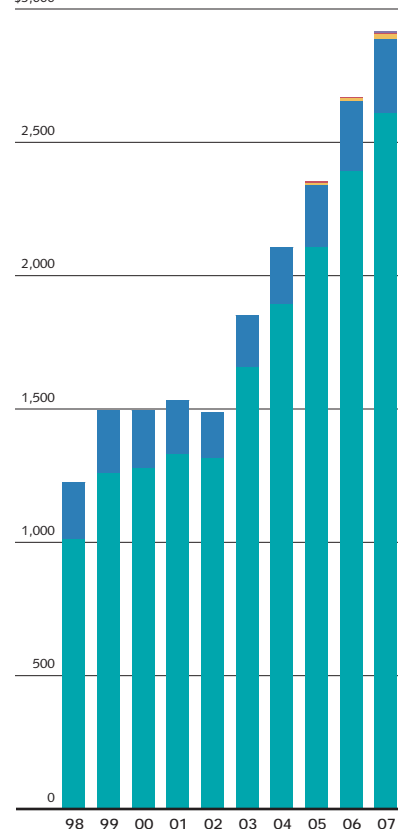
Defined Contribution Member Balances

	HRA	Roth IRA	Traditional IRA	457	401(k)	Totals
\$	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	211	235	216	200	172	196
	213	230	259	277	—	—
	1,011	1,259	1,277	1,330	1,313	1,653
	1,891	2,104	2,389	2,604	—	—
Totals	\$1,222	1,494	1,493	1,530	1,485	1,849
	2,104	2,342	2,664	2,906	—	—

The Plans provide the following benefits:

- Convenient, automatic payroll deduction
- Eleven investment options
- Brokerage window option
- Tax deferred and/or tax free savings
- Increase or decrease contributions as often as every pay period
- Roll over 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 (401(k) and 457)
- Hardship and Emergency withdrawals

Defined Contribution Member Balances (in millions)



Utah Retirement Systems

2007 Comprehensive Annual Financial Report



Financial

Financial Section

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- 92 Schedules of Administrative and Investment Expenses

Independent Auditors' Report



Deloitte & Touche LLP
Suite 1900
299 South Main Street
Salt Lake City, UT 84111
USA

INDEPENDENT AUDITORS' REPORT

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

Utah State Retirement Board:

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, 2007, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utah Retirement Systems' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 (and other employee benefit) trust funds of Utah Retirement Systems, administered by the Utah State Retirement Board as of December 31, 2007, and the changes in plan net assets of the pension (and other employee benefit) trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 2, the financial statements include investments that are not listed on national exchanges or for which quoted market prices are not available. These investments include limited partnerships, absolute return strategies, and investments in real estate. Such investments totaled \$6.9 billion (24% of total assets) at December 31, 2007. Where a publicly listed price is not available, the management of Utah Retirement Systems uses alternative sources of information including audited financial statements,

unaudited interim reports, independent appraisals, and similar evidence to determine fair values of the investments.

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 Governmental Accounting Standards Board. 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 supplementary financial supporting schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary 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 April 11, 2008, 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 and other matters. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Deloitte & Touche LLP

April 11, 2008

Member of
Deloitte Touche Tomatsu



Deloitte & Touche LLP
Suite 1900
299 South Main Street
Salt Lake City, UT 84111
USA

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Utah State Retirement Board:

We have audited the basic financial statements of Utah Retirement Systems, a component unit of the State of Utah, administered by the Utah State Retirement Board, as of and for the year ended December 31, 2007, and have issued our report thereon dated April 11, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Utah Retirement Systems' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Utah Retirement Systems' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Utah Retirement Systems' internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more

than a remote likelihood that material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving internal control over financial reporting that we have reported to the management of the Utah Retirement Systems in a separate letter dated April 11, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah Retirement Systems' basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and the Utah Retirement Systems' policies regarding purchasing, personnel, budgeting, and investments, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, management, and others within the Utah Retirement Systems, and applicable State officials and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

April 11, 2008

Member of
Deloitte Touche Tomatsu

Management's Discussion and Analysis

Introduction

This section presents management's discussion and analysis of the Utah Retirement Systems' (URS) financial position and performance for the year ended December 31, 2007. 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 composed of six defined benefit pension systems (Systems) and five defined contribution plans (Plans). The six defined benefit pension systems are the Public Employees Noncontributory Retirement System (Noncontributory System), the Public Employees Contributory Retirement System (Contributory System), the Public Safety Retirement System (Public Safety System), the Firefighters Retirement System (Firefighters System), the Judges Retirement System (Judges System) and the Utah Governors and Legislators Retirement Plan (Governors and Legislative Plan). The five defined contribution plans (Plans) are the 401(k), 457, Roth and Traditional IRA Plans, and Health Reimbursement Arrangement. 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 \$1.1 billion, or 5.7 percent during calendar year 2007. The increase was primarily due to the increase in the markets and increasing retirement contributions.



- The URS Defined Benefit Pension Systems' rate of return on investments during calendar year 2007 was 7.2 percent compared with the calendar year 2006 rate of return of 14.8 percent. The decrease in rate of return was due primarily to the decrease in market performance in 2007.
- The URS Defined Benefit Pension Systems were actuarially funded at an average of 95.8 percent as of January 1, 2007, an increase from the comparative average of 93.2 percent as of January 1, 2006. During 2007 the funded ratio increased from 95.8 percent at the beginning of the year to 100.8 percent at December 31, 2007 due to higher than expected investment results over the previous five years.
- The Defined Contribution Plans' net assets increased \$243 million during calendar year 2007 primarily due to investment gains from the increase in the markets and participant contributions.
- The Defined Contribution Plans' rates of return for investment options ranged from a high of 17.7 percent to a low of -3.3 percent compared to prior year investment option returns of a high of 20.3 percent and a low of 0.5 percent.

Management's Discussion and Analysis *(Continued)*

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, 2007. 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, 2007, 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 the participants outside of URS. The fiduciary funds are comprised of eleven pension (and other employee benefit) trust funds which consist of six defined benefit systems and five defined contribution plans.

- The Statements of Fiduciary Net Assets are presented for the pension trust funds at December 31, 2007 with combined total comparative information at December 31, 2006. 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, 2007 with combined total comparative information for the year ended December 31, 2006. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries, for calendar years 2007 and 2006.

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 to the right.



- 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.

Management's Discussion and Analysis *(Continued)*

- 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 provides information about URS post employment benefits.
- Note 13 describes compensated absences and insurance reserves.
- Note 14 describes required supplementary information.
- Note 15 provides information about risk management of URS.
- Note 16 provides information about real estate liabilities.

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

Investments 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, 2007, URS Defined Benefit Systems had total net assets of \$21.0 billion, an increase of \$1.1 billion from calendar year 2006 investment totals. The combined investment portfolio experienced a return of 7.2 percent compared with the URS investment benchmark return of 8.5 percent. Investment results over time compared with URS benchmarks are presented on page 99 in the Investment Section.

Since the investment gain in all of the retirement systems was about 7.2 percent of net assets, further investment performance will not be evaluated in each respective system.

Equities

At December 31, 2007, URS Defined Benefit Systems held \$9.0 billion in U.S. and international equity securities, a decrease of \$818.6 million from year 2006. U.S. equity and international equity securities had returns of 3.1 percent and 10.5 percent respectively for calendar year 2007, compared to URS benchmark returns of 5.1 percent and 13.5 percent respectively.

Debt Securities

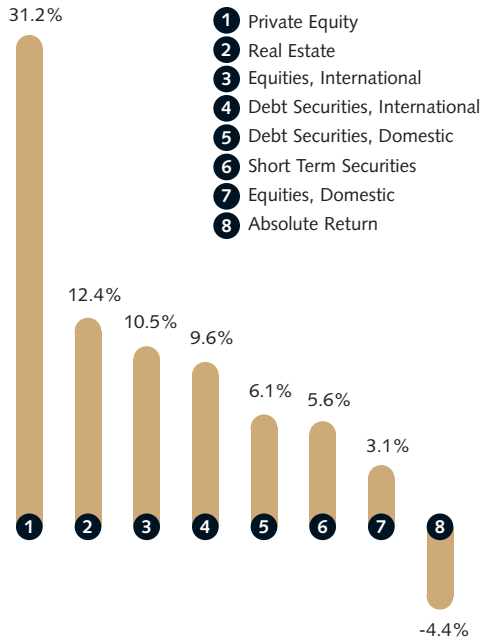
At December 31, 2007, URS Defined Benefit Systems held \$5.4 billion in U.S. debt and international debt securities, an increase of \$802.5 million from year 2006. U.S. debt securities returned 6.1 percent while international debt securities returned 9.6 percent in calendar year 2007 compared with URS benchmark returns of 7.0 percent and 9.5 percent respectively.



Management's Discussion and Analysis *(Continued)*

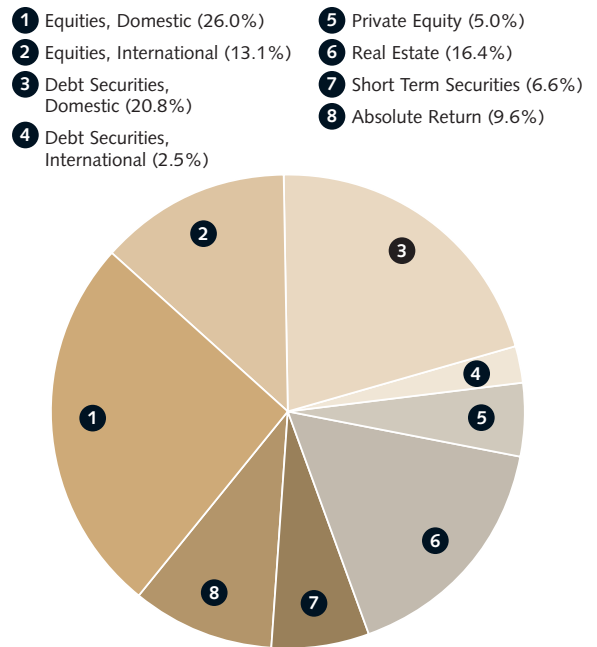
Defined Benefit Systems Investment Rates of Return by Investment Type

Defined Benefit Systems Investment Rates of Return by Investment Type for 2007



Defined Benefit Systems Asset Allocation at Fair Value

Defined Benefit Systems Asset Allocation at Fair Value



Real Estate

At December 31, 2007, URS Defined Benefit Systems held \$3.8 billion in real estate investments, an increase of \$442.1 million from year 2006. Real estate investments returned 12.4 percent in calendar year 2007 compared with URS benchmark return of 15.9 percent.

Private Equity

At December 31, 2007, URS Defined Benefit Systems held \$1.1 billion in private equity investments, an increase of \$347.1 million from year 2006. Private equity investments returned 31.2 percent in calendar year 2007. The URS benchmark for private equity investments was 8.4 percent.

Short Term

At December 31, 2007, URS Defined Benefit Systems held \$1.5 billion in short term investments, a decrease of \$694.6 million from year 2006. Short term investments returned 5.6 percent in calendar year 2007, which compared to the URS benchmark return of 5.0 percent.

Absolute Return

At December 31, 2007, URS Defined Benefit Systems held \$2.2 billion in absolute return investments, an increase of 994.7 million from year 2006. Absolute return investments returned -4.4 percent in calendar year 2007 compared with URS benchmark return of 10.0 percent.

Security Lending

The Systems earn additional investment income by lending investment securities to brokers. This is done on a pooled basis by URS' 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, 2007, the Systems had \$1.9 billion on loan secured by collateral of \$2.0 billion. For calendar year 2007, net securities lending income to the Systems amounted to \$9.7 million, an increase of \$2.4 million over calendar year 2006. The increase in security lending revenue for year 2007 represents mainly an increase in demand by brokers to borrow available securities.

Management's Discussion and Analysis *(Continued)*

Analysis of the Defined Benefit Systems

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, 2007 totaled \$16.8 billion, an increase of \$1.0 billion (5.9 percent) from \$15.8 billion at December 31, 2006.

Additions to the Noncontributory System net assets held in trust for benefits include employer contributions, investment income and transfers. For the calendar year 2007, member and employer contributions increased from \$463.1 million for calendar year 2006 to \$506.0 million, an increase of \$42.9 million (9.3 percent). Contributions increased because salaries and contribution rates increased. The system recognized a net investment gain of \$1.0 billion for calendar year 2007 compared with net investment gain of \$2.0 billion for calendar year 2006. The decrease in investment gain for 2007 compared to 2006 was due to the lower rate of return realized in 2007.

Deductions from the Noncontributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For the calendar year 2007, benefits amounted to \$613.0 million, an increase of \$77.0 million (14.4 percent) over calendar year 2006. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For the calendar year 2007, the costs of administering the system totaled \$8.3 million, an increase of \$483 thousand (6.1 percent) from calendar year 2006.

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, 2007, the funded status of the system increased to 95.8 percent from 93.2 percent at January 1, 2006. The amount by which the Noncontributory System actuarial assets were under actuarial benefit liabilities was \$637.1 million at January 1, 2007, compared with being under funded by \$949.2 billion at January 1, 2006. The increase in funded status as of the last actuarial valuation was a result of higher than expected investment results over the previous five years.

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, 2007 totaled \$1.1 billion, an increase of \$15.9 million (1.4 percent) from \$1.1 billion at December 31, 2006.

Additions to the Contributory System net assets held in trust for benefits include employer and member contributions, investment income and transfers.



For calendar year 2007, member and employer contributions increased from \$20.3 million for calendar year 2006 to \$20.9 million, an increase of \$637 thousand (3.1 percent). Contributions increased because salaries and contributions 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 \$71.6 million for calendar year 2007 compared with net investment gain of \$144.0 million for the calendar year 2006. The decrease in investment gain for 2007 compared to 2006 was due to the lower rate of return realized in 2007.

Deductions from the Contributory System net assets held in trust for benefits include retirement benefits, administrative expenses and transfers. For calendar year 2007, benefits amounted to \$64.0 million, an increase of \$3.7 million (6.1 percent) from calendar year 2006. The increase in benefit payments was due to the increase in the number of retired members in the system. For calendar year 2007, the costs of administering the system totaled \$588 thousand, an increase of \$12 thousand (2.1 percent) from calendar year 2006.

An actuarial valuation of the Contributory System assets and benefit obligations is performed annually. At

Management's Discussion and Analysis *(Continued)*

the date of the most recent actuarial valuation, January 1, 2007, the funded status of the system increased to 94.5 percent from 92.6 percent at January 1, 2006. The amount by which the Contributory System actuarial assets were under actuarial benefit liabilities was \$58.5 million at January 1, 2007, compared with \$75.8 million at January 1, 2006. The increase in funded status as of the last actuarial valuation was a result of higher than expected investment returns over the previous five 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, 2007 amounted to \$2.1 billion, an increase of \$124.8 million (6.3 percent) from \$2.0 billion at December 31, 2006.

Additions to the Public Safety System net assets held in trust for benefits include employer contributions, investment income and transfers. For calendar year 2007, member and employer contributions increased from \$75.0 million for calendar year 2006 to \$85.5 million, an increase of \$10.5 million (14.0 percent). Contributions increased because salaries and contribution rates increased. The system recognized a net investment gain of \$130.7 million for calendar year 2007 compared with net investment gain of \$250.8 million for calendar year 2006. The decrease in investment gain for 2007 compared to 2006 was due to the lower rate of return realized in 2007.

Deductions from the Public Safety

System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2007, benefits amounted to \$92.6 million, an increase of \$9.5 million (11.5 percent) over calendar year 2006. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2007, the costs of administering the system totaled \$1.1 million, an increase of \$62 thousand (6.0 percent) from calendar year 2006.

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, 2007, the funded status of the system increased to 91.9 percent from 89.0 percent at January 1, 2006. The amount by which the Public Safety System actuarial assets were under actuarial benefit liabilities was \$159.8 million at January 1, 2007, compared with being under funded by \$201.4 million at January 1, 2006. The increase in funded status as of the last actuarial valuation was a result of higher than expected investment returns over the previous five 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, 2007 amounted to \$814.7 million, an increase of \$40.9 million (5.3 percent) from \$773.8 million at December 31, 2006.

Additions to the Firefighters System net assets held in trust for benefits consist of employer contributions, includ-

ing insurance premium taxes, investment income and transfers. For calendar year 2007, member and employer contributions increased from \$17.3 million for calendar year 2006 to \$23.0 million, an increase of \$5.7 million (33.1 percent). Contributions increased because member contributions and insurance premium taxes increased. The system recognized a net investment gain of \$50.7 million for calendar year 2007 compared with net investment gain of \$98.6 million for calendar year 2006. The decrease in investment gain for 2007 compared to 2006 was due to the lower rate of return realized in 2007.

Deductions from the Firefighters System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2007, benefits amounted to \$34.2 million, an increase of \$4.6 million (15.4 percent) over calendar year 2006. The increase in benefit payments was due to an increased number of benefit recipients and benefit increases. For calendar year 2007, the costs of administering the system totaled \$356 thousand, an increase of \$11 thousand (3.2 percent) from calendar year 2006.

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, 2007, the funded status of the system increased to 109.5 percent from 104.9 percent at January 1, 2006. The amount by which the Firefighters System actuarial assets were over actuarial benefit liabilities was \$61.3 million at January 1, 2007, compared with \$30.1 million at January 1, 2006. The increase in funded status as of the last actuarial valuation was a result of higher than expected investment returns over the previous five years.

Management Discussion and Analysis *(Continued)*

Fiduciary Net Assets — Pension Trust Funds Fiduciary Net Assets — Pension Trust Funds

December 31
(dollars in thousands)

	Noncontributory System			Contributory System			Public Safety System		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
Assets:									
Cash and receivables	\$ 361,373	244,936	625,093	23,209	16,095	45,024	45,097	30,420	77,988
Investments at fair value	18,374,368	17,435,453	14,844,735	1,242,142	1,230,559	1,089,227	2,310,523	2,183,991	1,855,611
Invested securities lending collateral	1,452,735	1,747,987	1,894,493	98,207	123,369	139,007	182,678	218,956	236,815
Property and equipment	652	1,622	2,394	44	114	176	82	203	300
Total assets	20,189,128	19,429,998	17,366,715	1,363,602	1,370,137	1,273,434	2,538,380	2,433,570	2,170,714
Liabilities:									
Securities lending collateral liability	1,452,735	1,747,987	1,894,493	98,207	123,369	139,007	182,678	218,956	236,815
Investment accounts and other payables	1,984,589	1,863,528	1,579,783	134,079	131,352	115,902	249,400	233,122	197,448
Total liabilities	3,437,324	3,611,515	3,474,276	232,286	254,721	254,909	432,078	452,078	434,263
Total net assets	\$16,751,804	15,818,483	13,892,439	1,131,316	1,115,416	1,018,525	2,106,302	1,981,492	1,736,451

Changes in Fiduciary Net Assets — Pension Trust Funds Changes in Fiduciary Net Assets — Pension Trust Funds

Year Ended December 31
(dollars in thousands)

	Noncontributory System			Contributory System			Public Safety System		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
Additions:									
Contributions	\$ 506,048	463,067	426,612	20,908	20,271	20,657	85,509	75,033	66,132
Investment income	1,041,414	2,006,738	1,185,095	71,640	144,012	88,388	130,655	250,813	148,071
Transfers from affiliated systems	7,173	112	—	—	—	19,565	2,323	3,284	4,257
Total additions	1,554,635	2,469,917	1,611,707	92,548	164,283	128,610	218,487	329,130	218,460
Deductions:									
Pension benefits	609,526	533,248	469,695	61,678	58,546	57,100	91,864	82,499	74,041
Refunds	3,443	2,763	3,189	2,318	1,789	1,800	723	562	1,026
Administrative expenses	8,345	7,862	7,557	588	576	578	1,090	1,028	985
Transfers to affiliated systems	—	—	24,957	12,064	6,481	—	—	—	—
Total deductions	621,314	543,873	505,398	76,648	67,392	59,478	93,677	84,089	76,052
Increase in net assets	\$ 933,321	1,926,044	1,106,309	15,900	96,891	69,132	124,810	245,041	142,408

Management's Discussion and Analysis *(Continued)*

Firefighters System			Judges System			Utah Governors and Legislators Retirement Plan			Total Defined Benefit Pension Plans			2007	2006
2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	Percent Change	Percent Change
19,194	10,839	29,947	2,977	1,902	5,073	240	165	490	452,090	304,357	783,615	48.5%	(61.2)%
891,700	856,397	734,111	147,281	141,487	121,152	13,402	13,431	12,117	22,979,416	21,861,318	18,656,953	5.1	17.2
70,500	85,858	93,688	11,645	14,185	15,462	1,060	1,346	1,547	1,816,825	2,191,701	2,381,012	(17.1)	(8.0)
32	79	118	5	13	20	—	1	2	815	2,032	3,010	(59.9)	(32.5)
981,426	953,173	857,864	161,908	157,587	141,707	14,702	14,943	14,156	25,249,146	24,359,408	21,824,590	3.7	11.6
70,500	85,858	93,688	11,645	14,185	15,462	1,060	1,346	1,547	1,816,825	2,191,701	2,381,012	(17.1)	(8.0)
96,252	93,539	78,114	15,899	15,103	12,892	1,446	1,434	1,290	2,481,665	2,338,078	1,985,429	6.1	17.8
166,752	179,397	171,802	27,544	29,288	28,354	2,506	2,780	2,837	4,298,490	4,529,779	4,366,441	(5.1)	3.7
814,674	773,776	686,062	134,364	128,299	113,353	12,196	12,163	11,319	20,950,656	19,829,629	17,458,149	5.7%	13.6%
Firefighters System			Judges System			Utah Governors and Legislators Retirement Plan			Total Defined Benefit Pension Plans			2007	2006
2007	2006	2005	2007	2006	2005	2007	2006	2005	2007	2006	2005	Percent Change	Percent Change
22,991	17,279	16,327	3,223	2,728	2,405	—	—	—	638,679	578,378	532,133	10.4%	8.7%
50,738	98,566	58,827	8,401	16,287	9,762	780	1,589	997	1,303,628	2,518,005	1,491,140	(48.2)	68.9
1,709	1,825	601	841	1,242	518	18	18	16	12,064	6,481	24,957	86.1	(74.0)
75,438	117,670	75,755	12,465	20,257	12,685	798	1,607	1,013	1,954,371	3,102,864	2,048,230	(37.0)	51.5
33,936	29,497	27,269	6,335	5,251	4,755	758	758	755	804,097	709,799	633,615	13.3	12.0
248	114	72	—	—	—	2	—	—	6,734	5,228	6,087	28.8	(14.1)
356	345	331	65	60	60	5	5	5	10,449	9,876	9,516	5.8	3.8
—	—	—	—	—	—	—	—	—	12,064	6,481	24,957	86.1	(74.0)
34,540	29,956	27,672	6,400	5,311	4,815	765	763	760	833,344	731,384	674,175	13.9	8.5
40,898	87,714	48,083	6,065	14,946	7,870	33	844	253	1,121,027	2,371,480	1,374,055	(52.7)%	72.6%

Management's Discussion and Analysis *(Continued)*

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, 2007 amounted to \$134.4 million, an increase of \$6.1 million (4.7 percent) from \$128.3 million at December 31, 2006.

Additions to the Judges System net assets held in trust for benefits consist of employer contributions, including court fees, investment income and transfers. For calendar year 2007, member and employer contributions increased from \$2.7 million for calendar year 2006 to \$3.2 million, an increase of \$495 thousand (18.2 percent). Contributions increased because the contribution rate and court fees increased. The system recognized a net investment gain of \$8.4 million for the calendar year 2007 compared with net investment gain of \$16.3 million for calendar year 2006. The decrease in investment gain for 2007 compared to 2006 was due to the lower rate of return realized in 2007.

Deductions from the Judges System net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2007, benefits amounted to \$6.3 million, an increase of \$1.1 million (20.6 percent) over calendar year 2006. The increase in benefit payments was due to an increased number of benefit recipi-

ents and benefit increases. For calendar year 2007, the costs of administering the system totaled \$65 thousand, a slight increase over the preceding year.

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, 2007, the funded status of the system increased to 99.8 percent from 99.5 percent at January 1, 2006. The amount by which the Judges System actuarial assets were under actuarial benefit liabilities was \$248 thousand at January 1, 2007, compared with \$588 thousand over at January 1, 2006. The increase in funded status as of the last actuarial valuation was a result of higher than expected investment returns over the previous five years.

Utah Governors and Legislators Retirement Plan

The Governors and Legislators Retirement 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, 2007 amounted to \$12.2 million, an increase of \$33 thousand (0.3 percent) from \$12.2 million at December 31, 2006.

Additions to the Governors and Legislators Retirement 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 sta-

tus. The system recognized a net investment gain of \$780 thousand for calendar year 2007 compared with net investment gain of \$1.6 million for calendar year 2006. The decrease in investment gain for 2007 compared to 2006 was due to the lower rate of return realized in 2007.

Deductions from the Governors and Legislators Retirement Plan net assets held in trust for benefits include retirement benefits and administrative expenses. For calendar year 2007, retirement benefits amounted to \$760 thousand, an increase of \$2 thousand (0.3 percent) from calendar year 2006. The increase in benefit payments was due to an increase in the number of benefit recipients. For calendar year 2007, the costs of administering the system totaled \$5 thousand, a slight increase over the preceding year.

An actuarial valuation of the Governors and Legislators Retirement Plan assets and benefit obligations is performed annually. At the date of the most recent actuarial valuation, January 1, 2007, the funded status of the system increased to 119.2 percent from 118.0 percent at January 1, 2006. The amount by which the Governors and Legislators Retirement Plan actuarial assets were over actuarial benefit liabilities was \$1.8 million at January 1, 2007, compared with \$1.6 million at January 1, 2006. The decrease in funded status as of the last actuarial valuation was a result of higher than expected investment returns over the previous five years.

Management's Discussion and Analysis *(Continued)*

Actuarial Valuations and Funding Progress

Actuarial valuation of each defined benefit system is performed annually. At January 1, 2007, the date of the most recent actuarial valuation, the average funded ratio of the Systems was 95.8 percent. This was an increase from the Systems' January 1, 2006 valuation average funded ratio of 93.2 percent, an increase in funded status of 2.6 percent. As of December 31, 2007, the Systems' average funded ratio had increased to 100.8 percent. This was an increase in the Systems' funded ratio of 5.0 percent for calendar year 2007. The funded ratio increase for all systems was the result of higher than expected investment returns over the previous five years.

At December 31, 2007 the Systems' overfunded actuarial accrued liability was \$162.1 million. This was a net increase in the under funded position of \$954.7 million for the year. At December 31, 2007 the difference between the actuarial value of assets and market value of assets was \$681.6 million in actuarially deferred gains. This was a decrease of \$1.1 billion in actuarially deferred gains from the \$1.7 billion in actuarially deferred gains at January 1, 2007. These actuarially deferred gains will be recognized by the actuary over the next four years.

Analysis of the Defined Contribution Savings Plans

401(k) Defined Contribution Plan

The 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, 2007 amounted to \$2.6 billion, an increase of \$215.6 million (9.0 percent) over net assets at December 31, 2006.

Additions to the 401(k) Plan net assets held in trust for benefits include contributions, rollovers, and investment income. For calendar year 2007, contributions increased from those of calendar year 2006 from \$193.5 million to \$226.0 million, an increase of \$32.5 million (16.8 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$137.4 million for calendar year 2007 compared with a net investment gain of \$226.7 million for calendar year 2006.

Deductions from the 401(k) Plan net assets include participant and beneficiary refunds, and administrative expenses. For calendar year 2007, refunds amounted to \$142.2 million, an increase of \$11.5 million (8.8 percent) over calendar year 2006. The increase in refunds was due to an increase in withdrawals for calendar year 2007. For calendar year 2007, the costs of administering the plan amounted to \$5.6 million, an increase of \$231 thousand over calendar year 2006.



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(b) 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, 2007 amounted to \$277.1 million, an increase of \$18.2 million (7.1 percent) over net assets at December 31, 2006.

Additions to the 457 Plan net assets held in trust for benefits include contributions and investment income. For calendar year 2007, contributions increased from those of calendar year 2006 from \$23.3 million to \$26.3 million or an increase of \$3 million (13.0 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$14.0 million for calendar year 2007 compared with a net investment gain of \$24.2 million for the calendar year 2006.

Deductions from the 457 Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2007, refunds

Management's Discussion and Analysis *(Continued)*

amounted to \$21.5 million, an increase of \$3.4 million (18.5 percent) over calendar year 2006. The increase in refunds was due to an increase in withdrawals for calendar year 2007. For calendar year 2007, the costs of administering the plan amounted to \$591 thousand, an increase of \$21 thousand over calendar year 2006.

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

Roth IRA Plan

The Roth IRA is a "deemed IRA" authorized by section 408(q) of the Internal Revenue Code, and governed by section 408A of the code. This plan allows participants to make after-tax contributions, while the earnings may be withdrawn tax-free (for qualified distributions). The plan net assets held in trust for benefits at December 31, 2007 amounted to \$6.3 million, an increase of \$2.7 million (76.6 percent) over net assets at December 31, 2006.

Additions to the Roth IRA Plan include contributions, transfers from other Roth IRAs, conversions from traditional IRAs, and investment earnings. For calendar year 2007, contributions increased from those of calendar year 2006 from \$2.4 million to \$2.7 million (16.8 percent). Contributions increased because of increased participation. The plan recognized a net investment gain of \$208 thousand for calendar year 2007 compared with a net investment gain of \$283 thousand for calendar year 2006.

Deductions from the Roth IRA Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2007,

refunds amounted to \$192 thousand, an increase of \$125 thousand (186.6 percent) over calendar year 2006. For calendar year 2007, the costs of administering the plan amounted to \$13 thousand, an increase of \$7 thousand over calendar year 2006.

Traditional IRA Plan

The traditional IRA is a "deemed IRA" authorized by section 408(q) of the Internal Revenue Code, and governed by section 408 of the code. This plan allows participants to make after-tax contributions and possibly deduct all or a portion of the contributions from their current taxable income. This plan also allows participants to consolidate many other eligible plan assets when they become eligible for rollover (such as 401(k), 457, and other IRAs). Participants may also convert traditional IRA funds into a Roth IRA. The plan net assets held in trust for benefits at December 31, 2007 amounted to \$17.8 million, an increase of \$5.4 million (43.5 percent) over net assets at December 31, 2006.

Additions to the traditional IRA Plan include contributions, rollovers, and investment earnings. For calendar year 2007, contributions increased from those of calendar year 2006 from \$6.1 million to \$7.4 million (21.8 percent). Contributions increased because of increased rollovers. The plan recognized a net investment gain of \$650 thousand for calendar year 2007 compared with a net investment gain of \$1.1 million for calendar year 2006.

Deductions from the traditional IRA Plan net assets include participant and beneficiary refunds and administrative expenses. For calendar year 2007, refunds amounted to \$2.6 million, an

increase of \$1.4 thousand (110.4 percent) over calendar year 2006. For calendar year 2007, the costs of administering the plan amounted to \$36 thousand, an increase of \$10 thousand over calendar year 2006.

Health Reimbursement Arrangement

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health savings plan for state employees funded by employer contributions to pay for qualified health care expenses incurred after retirement. No employee contributions are permitted. The plan net assets held in trust for benefits at December 31, 2007 amounted to \$685 thousand, an increase of \$556 thousand (431 percent) over the net assets at December 31, 2006.

Additions to the HRA include contributions and investment earnings. For calendar year 2007, contributions increased from those of calendar year 2006 from \$161 thousand to \$664 thousand (312 percent). Contributions increased because of the number of state retirees and an increase in the average amount deposited by the employer in behalf of the retiree.

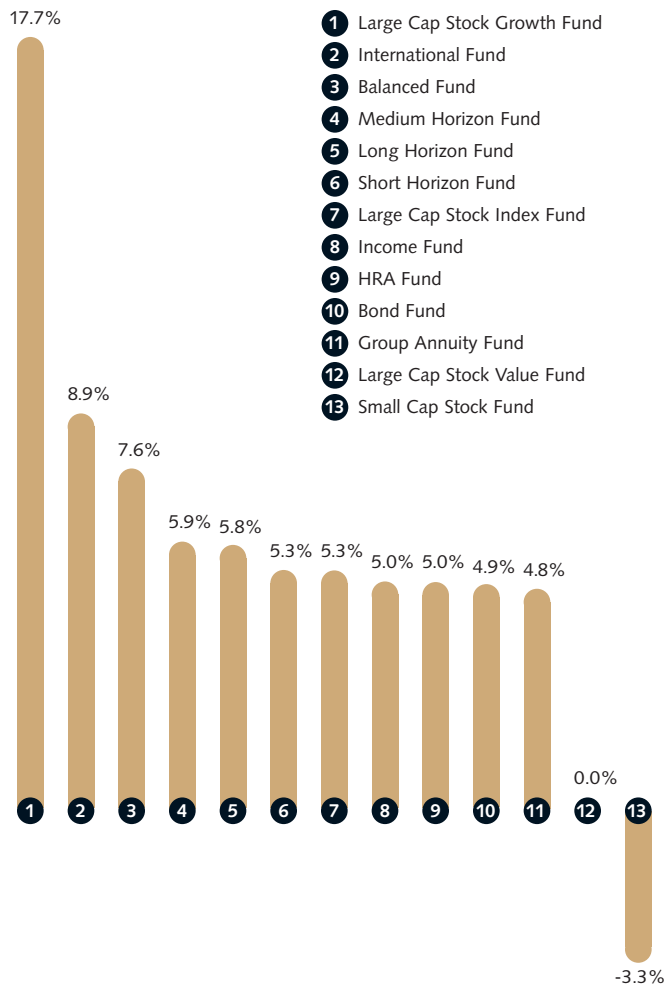
Deductions from the HRA Plan net assets include participant and beneficiary refunds and administrative expense. For calendar year 2007 refunds amounted to \$126 thousand, an increase of \$92 thousand (270 percent) over calendar year 2006. The increase in refunds was due to an increase in withdrawals for calendar year 2007.

Benefit obligations of the HRA plan are equal to the member account balance, which are equal to net assets of the plan.

Management's Discussion and Analysis *(Continued)*

Defined Contribution Savings Plans Investment Option Rates of Return for 2007

Defined Contribution Savings Plans Investment Option Rates of Return Type for 2007



Defined Contribution Comparative Annualized Rates of Return

Defined Contribution Comparative Annualized Rates of Return

December 31, 2007

Investment Option	2007	2006
Income Fund	5.0%	4.9%
Bond Fund.....	4.9	5.2
Balanced Fund.....	7.6	7.4
Large Cap Stock Value Fund.....	0.0	18.4
Large Cap Stock Index Fund.....	5.3	15.5
Large Cap Stock Growth Fund	17.7	0.5
International Fund	8.9	20.3
Small Cap Stock Fund.....	(3.3)	16.4
Short Horizon Fund	5.3	7.1
Medium Horizon Fund	5.9	10.6
Long Horizon Fund.....	5.8	13.6
HRA Fund.....	5.0	4.6
Group Annuity Fund.....	4.8	4.8

Management's Discussion and Analysis *(Continued)*

Fiduciary Net Assets — Defined Contribution Savings Plans Fiduciary Net Assets — Defined Contribution Savings Plans

December 31 *(dollars in thousands)*

	401(k) Plan			457 Plan			Roth IRA Plan		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
Assets:									
Cash and receivables	\$ 56,327	54,022	49,922	3,844	3,513	4,070	29	30	2
Investments at fair value	2,533,146	2,339,209	2,058,768	273,453	255,557	226,466	6,331	3,558	1,025
Invested securities lending collateral	165,123	58,796	68,422	17,451	5,204	5,553	559	115	25
Total assets	2,774,596	2,452,027	2,177,112	294,748	264,274	236,089	6,919	3,703	1,052
Liabilities:									
Securities lending liability	165,123	58,796	68,422	17,451	5,204	5,553	559	115	25
Investment accounts and other payables	5,325	4,675	4,228	234	255	505	24	—	—
Total liabilities	170,448	63,471	72,650	17,685	5,459	6,058	583	115	25
Total net assets	\$2,604,148	2,388,556	2,104,462	277,063	258,815	230,031	6,336	3,588	1,027

Changes in Fiduciary Net Assets — Defined Contribution Savings Plans Changes in Fiduciary Net Assets — Defined Contribution Savings Plans

Year Ended December 31 *(dollars in thousands)*

	401(k) Plan			457 Plan			Roth IRA Plan		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
Additions:									
Contributions	\$ 225,975	193,515	182,744	26,303	23,282	22,033	2,745	2,351	1,007
Investment income	137,399	226,668	142,760	14,025	24,210	14,891	208	283	53
Total additions	363,374	420,183	325,504	40,328	47,492	36,924	2,953	2,634	1,060
Deductions:									
Refunds	142,180	130,718	106,678	21,489	18,138	19,633	192	67	33
Administrative expenses	5,602	5,371	4,919	591	570	531	13	6	—
Total deductions	147,782	136,089	111,597	22,080	18,708	20,164	205	73	33
Increase in net assets	\$ 215,592	284,094	213,907	18,248	28,784	16,760	2,748	2,561	1,027

Management's Discussion and Analysis *(Continued)*

Traditional IRA Plan			Health Reimbursement Arrangement (HRA)			Total Defined Contribution Plans			2007 Percent Change	2006 Percent Change
2007	2006	2005	2007	2006	2005	2007	2006	2005		
19	5	11	83	20	—	60,302	57,590	54,005	4.7%	6.6%
17,831	12,438	6,547	602	109	—	2,851,363	2,610,871	2,292,806	9.2	13.9
1,021	521	119	—	—	—	184,154	64,636	74,119	184.9	(12.8)
18,871	12,964	6,677	685	129	—	3,095,819	2,733,097	2,420,930	13.3	12.9
1,021	521	119	—	—	—	184,154	64,636	74,119	184.9	(12.8)
10	15	2	—	—	—	5,593	4,945	4,735	13.1	4.4
1,031	536	121	—	—	—	189,747	69,581	78,854	172.7	(11.8)
17,840	12,428	6,556	685	129	—	2,906,072	2,663,516	2,342,076	9.1%	13.7%
Traditional IRA Plan			Health Reimbursement Arrangement (HRA)			Total Defined Contribution Plans			2007 Percent Change	2006 Percent Change
2007	2006	2005	2007	2006	2005	2007	2006	2005		
7,390	6,069	6,527	664	161	—	263,077	225,378	212,311	16.7%	6.2%
650	1,061	353	19	2	—	152,301	252,224	158,057	(39.6)	59.6
8,040	7,130	6,880	683	163	—	415,378	477,602	370,368	(13.0)	29.0
2,592	1,232	315	126	34	—	166,579	150,189	126,659	10.9	18.6
36	26	9	1	—	—	6,243	5,973	5,459	4.5	9.4
2,628	1,258	324	127	34	—	172,822	156,162	132,118	10.7	18.2
5,412	5,872	6,556	556	129	—	242,556	321,440	238,250	(24.5)%	34.9%

Utah Retirement Systems

Basic Financial Statements

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

December 31, 2007

With Comparative Totals

for December 31, 2006

(i n t h o u s a n d s)

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan
Assets:						
Cash	\$ 1,192	2	15	2	1	1
Receivables:						
Member contributions	—	421	336	407	1	—
Employer contributions	32,257	618	3,510	—	66	—
Court fees and fire insurance tax	—	—	—	2,871	280	—
Investments	327,924	22,168	41,236	15,914	2,629	239
Total receivables	360,181	23,207	45,082	19,192	2,976	239
Investments at fair value:						
Short term securities, domestic	1,204,816	81,448	151,503	58,469	9,657	879
Short term securities, international	4,889	331	616	237	39	4
Debt securities, domestic	3,827,714	258,760	481,323	185,757	30,681	2,792
Debt securities, international	458,352	30,986	57,637	22,244	3,674	334
Equity investments, domestic	4,777,106	322,941	600,707	231,832	38,292	3,484
Equity investments, international	2,407,747	162,768	302,766	116,847	19,300	1,756
Absolute return	1,752,972	118,504	220,431	85,071	14,051	1,279
Private equity	919,257	62,144	115,595	44,611	7,368	670
Real estate	3,016,041	203,890	379,257	146,367	24,175	2,200
Mortgage loans	5,474	370	688	265	44	4
Investment contracts	—	—	—	—	—	—
Total investments	18,374,368	1,242,142	2,310,523	891,700	147,281	13,402
Invested securities lending collateral	1,452,735	98,207	182,678	70,500	11,645	1,060
Property and equipment at cost, net of accumulated depreciation	652	44	82	32	5	—
Total assets	20,189,128	1,363,602	2,538,380	981,426	161,908	14,702
Liabilities:						
Securities lending collateral liability	1,452,735	98,207	182,678	70,500	11,645	1,060
Disbursements in excess of cash balance	14,066	950	1,767	682	113	10
Compensated absences, post employment benefits and insurance reserve	12,424	840	1,563	603	100	9
Investment accounts payable	770,692	52,018	96,758	37,342	6,168	561
Real estate liabilities	1,187,407	80,271	149,312	57,625	9,518	866
Total liabilities	3,437,324	232,286	432,078	166,752	27,544	2,506
Net assets held in trust for pension benefits (see supplemental schedules of funding progress, page 68)	\$16,751,804	1,131,316	2,106,302	814,674	134,364	12,196

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

Utah Retirement Systems

Defined Benefit Pension Plans	Defined Contribution Plans						Total Pension Trust Funds		
	Total Defined Benefit Pension Plans	401(k) Plan	457 Plan	Roth IRA Plan	Traditional IRA Plan	Health Reimbursement Arrangement	Total Defined Contribution Plans	2007	2006
	1,213	4,615	217	29	19	81	4,961	6,174	8,545
	1,165	—	—	—	—	—	—	1,165	1,021
	36,451	—	—	—	—	—	—	36,451	33,353
	3,151	—	—	—	—	—	—	3,151	124
	410,110	51,712	3,627	—	—	2	55,341	465,451	318,904
	450,877	51,712	3,627	—	—	2	55,341	506,218	353,402
	1,506,772	—	—	—	—	602	602	1,507,374	2,057,499
	6,116	—	—	—	—	—	—	6,116	105,123
	4,787,027	960,466	98,157	1,923	8,082	—	1,068,628	5,855,655	4,445,143
	573,227	—	—	—	—	—	—	573,227	939,478
	5,974,362	1,215,676	125,213	3,213	6,928	—	1,351,030	7,325,392	7,817,631
	3,011,184	348,534	37,154	1,195	2,821	—	389,704	3,400,888	3,726,564
	2,192,308	—	—	—	—	—	—	2,192,308	1,197,638
	1,149,645	—	—	—	—	—	—	1,149,645	802,584
	3,771,930	—	—	—	—	—	—	3,771,930	3,329,763
	6,845	—	—	—	—	—	—	6,845	6,848
	—	28,470	12,929	—	—	—	41,399	41,399	43,918
	22,979,416	2,553,146	273,453	6,331	17,831	602	2,851,363	25,830,779	24,472,189
	1,816,825	165,123	17,451	559	1,021	—	184,154	2,000,979	2,256,337
	815	—	—	—	—	—	—	815	2,032
	25,249,146	2,774,596	294,748	6,919	18,871	685	3,095,819	28,344,965	27,092,505
	1,816,825	165,123	17,451	559	1,021	—	184,154	2,000,979	2,256,337
	17,588	751	78	20	1	—	850	18,438	23,127
	15,539	—	—	—	—	—	—	15,539	13,893
	963,539	4,574	156	4	9	—	4,743	968,282	1,032,749
	1,484,999	—	—	—	—	—	—	1,484,999	1,273,254
	4,298,490	170,448	17,685	583	1,031	—	189,747	4,488,237	4,599,360
	20,950,656	2,604,148	277,063	6,336	17,840	685	2,906,072	23,856,728	22,493,145

Utah Retirement Systems

Basic Financial Statements

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

Year Ended December 31, 2007

With Comparative Totals for Year Ended

December 31, 2006

(i n t h o u s a n d s)

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan
Additions:						
Contributions:						
Member	\$ 18,245	9,700	4,343	9,194	13	—
Employer	487,803	11,208	81,166	—	1,360	—
Court fees and fire insurance tax	—	—	—	13,797	1,850	—
Total contributions	506,048	20,908	85,509	22,991	3,223	—
Investment income:						
Net appreciation in fair value of investments	597,225	41,083	74,927	29,097	4,817	447
Interest, dividends and other investment income	487,799	33,556	61,198	23,766	3,935	365
Total income from investment activity	1,085,024	74,639	136,125	52,863	8,752	812
Less investment expenses	51,383	3,534	6,447	2,504	414	38
Net income from investment activity	1,033,641	71,105	129,678	50,359	8,338	774
Income from security lending activity	7,773	535	977	379	63	6
Net investment income	1,041,414	71,640	130,655	50,738	8,401	780
Transfers from affiliated systems	7,173	—	2,323	1,709	841	18
Total additions	1,554,635	92,548	218,487	75,438	12,465	798
Deductions:						
Retirement benefits	513,917	43,248	77,605	26,952	5,105	596
Cost of living benefits	95,609	17,694	13,743	6,461	1,230	162
Supplemental retirement benefits	—	736	516	523	—	—
Refunds	3,443	2,318	723	248	—	2
Administrative expenses	8,345	588	1,090	356	65	5
Transfers to affiliated systems	—	12,064	—	—	—	—
Total deductions	621,314	76,648	93,677	34,540	6,400	765
Increase from operations	933,321	15,900	124,810	40,898	6,065	33
Net assets held in trust for pension benefits beginning of year	15,818,483	1,115,416	1,981,492	773,776	128,299	12,163
Net assets held in trust for pension benefits end of year	\$16,751,804	1,131,316	2,106,302	814,674	134,364	12,196

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

Utah Retirement Systems

Defined Benefit Pension Plans	Defined Contribution Plans						Total Pension Trust Funds	
	401(k) Plan	457 Plan	Roth IRA Plan	Traditional IRA Plan	Health Reimbursement Arrangement	Total Defined Contribution Plans	2007	2006
Total Defined Benefit Pension Plans								
41,495	225,975	26,303	2,745	7,390	—	262,413	303,908	269,735
581,537	—	—	—	—	664	664	582,201	522,780
15,647	—	—	—	—	—	—	15,647	11,241
638,679	225,975	26,303	2,745	7,390	664	263,077	901,756	803,756
747,596	134,518	13,348	215	667	19	148,767	896,363	2,277,961
610,619	5,141	908	—	—	—	6,049	616,668	543,328
1,358,215	139,659	14,256	215	667	19	154,816	1,513,031	2,821,289
64,320	2,715	279	7	19	—	3,020	67,340	58,509
1,293,895	136,944	13,977	208	648	19	151,796	1,445,691	2,762,780
9,733	455	48	—	2	—	505	10,238	7,449
1,303,628	137,399	14,025	208	650	19	152,301	1,455,929	2,770,229
12,064	—	—	—	—	—	—	12,064	6,481
1,954,371	363,374	40,328	2,953	8,040	683	415,378	2,369,749	3,580,466
667,423	—	—	—	—	—	—	667,423	587,898
134,899	—	—	—	—	—	—	134,899	119,882
1,775	—	—	—	—	—	—	1,775	2,019
6,734	142,180	21,489	192	2,592	126	166,579	173,313	155,417
10,449	5,602	591	13	36	1	6,243	16,692	15,849
12,064	—	—	—	—	—	—	12,064	6,481
833,344	147,782	22,080	205	2,628	127	172,822	1,006,166	887,546
1,121,027	215,592	18,248	2,748	5,412	556	242,556	1,363,583	2,692,920
19,829,629	2,388,556	258,815	3,588	12,428	129	2,663,516	22,493,145	19,800,225
20,950,656	2,604,148	277,063	6,336	17,840	685	2,906,072	23,856,728	22,493,145

Notes to the Basic Financial Statements

December 31, 2007

Note 1—

Description of Systems and Plans

A brief description of the Utah Retirement Systems (Systems) and 401(k), 457, Roth and Traditional IRA Plans (Plans), and Health Reimbursement Arrangement (HRA) 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 122 through 133.

A) General Information and Reporting Entity

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

- i) the **Public Employees Noncontributory Retirement System (Noncontributory System)**; the **Public Employees Contributory Retirement System (Contributory 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 **Utah Governors and Legislators Retirement Plan** which are single-employer service-employee retirement systems; and
- iv) five defined contribution plans comprised of the **401(k) Plan, 457 Plan, Roth and Traditional IRA Plans, and HRA.**

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), 457, 408 and 408A of the Internal Revenue Code. The Plans may be amended by the Board within the parameters of the Internal Revenue Code. The Systems and Plans are fiduciary funds defined as pension (and other employee benefit) trust funds. Utah Retirement Systems are a component unit of the State of Utah.

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

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

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 below.

The Utah Governors and Legislators Retirement Plan provides the following benefits. Former governors at age 65 receive \$1,180 per month per term. Legislators receive a benefit at age 65 with four or more years of service at the rate of \$26 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) Defined Contribution Plans

The 401(k), 457, Roth and Traditional IRA Plans, and HRA administered by the Board are defined contribution plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems. 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 401(k) and 457 Plans at rates determined by the employers and according to Utah Title 49. There are 357 employers participating in the 401(k) Plan and 153 employers participating in the 457 Plan. There are 138,369 plan participants in the 401(k) Plan, 16,080 participants in the 457 Plan, 1,175 participants in the Roth IRA Plan, 356 participants in the Traditional IRA Plan, and 490 in the HRA.

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 defined contribution Plans account balances are fully vested to the participants at the time of deposit.

Investments in the defined contribution Plans are individually directed and

Summary of Benefits by System

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System
Final average salary is	Highest 3 years	Highest 5 years	Highest 3 years		Highest 2 years
Years of service required and/or age eligible for benefit	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	30 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**	2.0% per year all years	1.25% per year to June 1975 2.00% per year July 1975 to present	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 Utah Governors and Legislators Retirement Plan benefits are explained in the second paragraph of section B) above.

* With actuarial reductions.

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

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Fiduciary Net Assets — Defined Benefit Plans
Fiduciary Net Assets — Defined Benefit Plans

	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Utah Governors and Legislators Retirement Plan
Number of participating:						
Employers	411	160	126	51	1	1
Members:						
Active	89,605	2,852	7,587	1,771	108	86
Terminated vested	28,996	1,404	1,576	112	7	87
Retirees and beneficiaries:						
Service benefits	29,965	5,549	3,600	985	96	220
Disability benefits	—	3	14	78	—	—

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. There is also a 2% trading fee for investment transfers between core fund options more frequently than every thirty days. Investments of the Plans are reported at fair value.

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 401(k) and 457 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. The employee may also con-

tribute to the Roth and traditional deemed IRAs where earnings may grow tax deferred and possibly tax free.

E) Covered Employees

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 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

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

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 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 **Utah Governors and Legislators Retirement Plan** includes only governors and legislators of the State.

The **Defined Contribution Plans** may be utilized by employers adopting the Plans and by their employees.

At December 31, 2007 participating members by System are included in the table on page 48.

Note 2 — Summary of Significant Accounting Policies

The 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 — or State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. 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 68.

B) Investments

By state statute all of the investment assets of the various Systems are pooled and invested in the common Utah State Retirement Investment 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.



Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Investments are presented at fair value. The defined contribution investments are classified by investment manager classification. 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 alternative investments (private equity, absolute return, and real estate) where no readily ascertainable market value exists, management, in consultation with their investment advisors, values these investments in good faith based upon audited financials, cash flow analysis, purchase and sales of similar investments, other practices used within the industry, or other information pro-

vided by the underlying investment advisors. The estimated fair value of these investments may differ significantly from values that would have been used had a ready market existed.

Approximately 14% 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 14%, approximately 3% are U.S. Government debt securities and approximately 11% 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 held in trust for pension benefits.

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 below summarizes the estimated useful life by class. The Systems policy is to capitalize all acquisitions of furniture and equipment with a unit cost of \$5,000 or more.

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.

E) Federal Tax Status

The Systems and Plans are exempt from Federal income taxes under the Internal Revenue Code.

F) Use of Estimates

Management of the Systems and Plans have made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Note 3 —

Deposits and Investment Risk Disclosures

A) Deposits

Custodial Credit Risk for 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 statute. The Systems and Plans do not have a deposit policy for custodial credit risk. Deposits are presented in the basic

Cash Deposits

Cash Deposits

(in thousands)

Cash	\$ 6,174
Disbursements in excess of cash balances	(18,438)
Total	\$ (12,264)

Investments

Investments

at December 31, 2007

(in thousands)

	Defined Benefit	Defined Contribution	Fair Value Total All Systems and Plans
Debt securities, domestic	\$ 4,064,981	963,331	5,028,312
Debt securities, international	517,994	—	517,994
Equity securities, domestic	5,163,601	785,512	5,949,113
Equity securities, international	2,831,964	240,978	3,072,942
Short term securities pools	1,512,888	602	1,513,490
Mortgage loans:			
Real estate notes	6,845	—	6,845
Real estate	3,771,930	—	3,771,930
Private equity (venture capital)	1,149,645	—	1,149,645
Absolute return	2,192,308	—	2,192,308
Guaranteed investment contracts	—	41,399	41,399
Equity securities, domestic (pooled)	—	506,515	506,515
Mutual fund, international	—	133,380	133,380
Investments held by broker-dealers under securities lending program:			
U.S. Government and agency securities	601,405	—	601,405
Corporate debt securities, domestic	120,641	105,297	225,938
Debt securities, international	55,233	—	55,233
Equity securities, domestic	810,761	59,003	869,764
Equity securities, international	179,220	15,346	194,566
Total investments	\$22,979,416	2,851,363	25,830,779
Securities lending collateral pool	\$ 1,816,825	184,154	2,000,979



financial statements at cost plus accrued interest which is also the market or fair value. At December 31, 2007, the carrying amount of deposits totaled approximately \$(12,264,000) and the corresponding bank balance was \$2,393,543 of which \$2,293,543 was exposed to custodial credit risk.

B) Investments

The following investments are not listed on national exchanges, over-the-counter markets, nor do they have quoted market prices available.

The Systems and Plans value these investments in good faith at the Systems' and Plans' pro-rata interest in the net assets of these investments based upon audited financial statements or other information provided to the Systems and Plans by the underlying investment managers. The estimated fair value of these investments may differ significantly from values that would have been used had a ready market existed.

	(in thousands)	
	12/31/2007	12/31/2006
Private equity	\$1,149,645	\$ 802,584
Absolute return	2,192,308	1,197,638
Real estate	3,569,510	3,015,839
	\$6,911,463	\$5,016,061

The table to the left shows the Systems' and Plans' investments by investment type.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

C) Credit Risk Debt Securities:

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

- 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 below BBB- are considered below investment grade. No more than 5% of an investment manager’s assets at market with a single issuer of 1% of the total portfolio can be below investment grade.
- Upon approval, a domestic debt securities investment manager may invest up to 10% of the portfolio in non-U.S. dollar denominated bonds.
- 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, 2007 is AAA and the fair value of below grade investments is \$222,892,000 or 3.81% of the domestic portfolio. The weighted quality rating average of the international debt securities investments, at December 31, 2007 is AA and the fair value of below grade investments is \$13,238,337 or 2.31% of the international portfolio.

Debt Securities Investments at Fair Value

Debt Securities Investments at Fair Value

at December 31, 2007

(in thousands)

Quality Rating	Defined Benefit Plans			Defined Contribution Plans	Total All Systems and Plans
	Domestic	International	Total	Domestic	
AAA	\$1,685,952	205,724	1,891,676	301,188	2,192,864
AA+	21,928	—	21,928	4,823	26,751
AA	47,754	76,358	124,112	—	124,112
AA-	139,491	31,300	170,791	32,801	203,592
A+	78,027	36,828	114,855	10,311	125,166
A	62,724	67,045	129,769	10,126	139,895
A-	41,071	27,742	68,813	89,223	158,036
BBB+	116,526	72,272	188,798	20,798	209,596
BBB	90,127	35,397	125,524	1,956	127,480
BBB-	80,849	7,322	88,171	17,351	105,522
BB+	7,672	9,923	17,595	4,764	22,359
BB	2,803	2,490	5,293	—	5,293
BB-	2,354	—	2,354	—	2,354
B+	4,036	113	4,149	11,401	15,550
B	19,114	—	19,114	11,763	30,877
B-	10,570	(2,289)	8,281	8,098	16,379
CCC	2,265	—	2,265	—	2,265
NR	129,193	3,002	132,195	8,859	141,054
Total credit risk debt securities	2,542,456	573,227	3,115,683	533,462	3,649,145
U.S. Government and Agencies	2,044,032	—	2,044,032	535,166	2,579,198
Pooled investments	200,539	—	200,539	—	200,539
Total debt securities investments	\$4,787,027	573,227	5,360,254	1,068,628	6,428,882

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, 2007 the following table represents the investments that have custodial credit risk. The \$6,048,000 frictional cash and cash equivalents subject to custodial credit risk are in foreign banks in the

Custodial Credit Risk

Exposed to Custodial Credit Risk

(in thousands)

Type of Investment	Fair Value
Cash and cash equivalents	\$ 6,048

Exposure to Custodial Credit Risk Not Determined

(in thousands)

Type of Investment	Fair Value
Cash and cash equivalents	\$10,669

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Debt Securities Investments, Domestic

Debt Securities Investments, Domestic

at December 31, 2007

(dollars in thousands)

Investment	Defined Benefit Plans		Defined Contribution Plans		Total All Systems and Plans
	Fair Value	Effective Weighted Duration	Fair Value	Effective Weighted Duration	
Asset backed securities	\$ 208,774	1.23	\$ 27,734	1.86	\$ 236,508
Cash and cash equivalent futures	30,512	NA	—	—	30,512
Commercial mortgage-backed	246,915	4.04	167,453	3.18	414,368
Convertible equity	2,289	11.49	—	—	2,289
Corporate bonds	968,002	5.21	203,109	5.24	1,171,111
Corporate convertible bonds	172	NA	—	—	172
Fixed income derivatives — futures	3,673	109.39	—	—	3,673
Fixed income derivatives — options	(2,511)	NA	—	—	(2,511)
Fixed income futures	(3,673)	NA	—	—	(3,673)
Government agencies	206,572	3.15	167,705	2.29	374,277
Government bonds	429,386	7.68	94,723	2.53	524,109
Government mortgage backed securities	2,040,286	3.85	250,809	2.45	2,291,095
Index linked government bonds	95,790	8.25	—	—	95,790
Municipal/Provincial bonds	1,317	12.51	—	—	1,317
Non-government backed C.M.O.s	540,529	2.16	—	—	540,529
Other fixed income	1,190	1.19	32,742	NA	33,932
Other options	5,581	NA	—	—	5,581
Swap Liabilities	(7,753)	NA	—	—	(7,753)
Swaps	19,976	NA	—	—	19,976
Treasury inflation protected securities	—	NA	12,962	4.68	12,962
Treasury notes	—	NA	111,391	1.89	111,391
Total	\$4,787,027	5.28	\$1,068,628	2.91	\$5,855,655

Systems and Plans name, but because it is in foreign banks it is subject to custodial credit risk. URS does not have an investment policy regarding custodial credit risk for frictional cash in foreign banks.

E) Concentrations of Credit Risk

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

- AAA/Aaa Debt Securities — no more than 5% of an investment manager's assets at market with a single issuer

Debt Securities Investments, International

Debt Securities Investments, International

at December 31, 2007

(dollars in thousands)

Investment	Defined Benefit Plans	
	Fair Value	Effective Weighted Duration
Convertible equity	\$ (2,289)	11.49
Corporate bonds	211,001	5.60
Corporate convertible bonds	(172)	NA
Fixed income derivative — futures	37,882	6.33
Fixed income futures	(37,882)	NA
Government agencies	1,413	3.99
Government bonds	337,268	5.89
Index linked government bonds	6,139	7.14
Municipal/Provincial bonds	18,294	5.29
Non-government backed C.M.O.s	1,419	0.21
Swaps	154	NA
Total	\$573,227	5.77

Utah Retirement Systems

Notes to Basic Financial Statements *(Continued)*

December 31, 2007

- AA-/Aa3 Debt Securities or higher — no more than 4% of an investment manager's assets at market with a single issuer
- A-/A3 Debt Securities or higher — no more than 3% of an investment manager's assets at market with a single issuer
- BBB-/Baa3 Debt Securities or higher — 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 individual holdings shall constitute more than 4% of the securities of any single issuer. Also, no more than 8% of an investment manager's assets shall be invested in the equity or REIT securities of any single issuer at market.
- For International Equity Securities — no more than 8% of an investment manager's assets shall be invested in the equity or REIT securities of any single issuer at market.

At December 31, 2007 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:

- For domestic debt securities managers, an individual debt securities investment manager's portfolio shall have an effective duration between 75 – 125% of the effective duration of the appropriate index.
- The international debt securities investment managers shall maintain an effective duration of their portfolio between 50-150% 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, 2007 is 3.31 – 5.51 for domestic debt securities and 2.66 – 7.98 for international debt securities. At December 31, 2007, no individual debt security investment manager's portfolio was outside of the policy guidelines. At December 31, 2007 the foregoing tables show the investments by investment type, amount and the effective weighted duration.

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:

- International investment managers invest in fixed income instruments and equity instruments of corporations headquartered outside of the United States unless specifically authorized within the investment managers' contract.
- Domestic investment managers are allowed to invest in international corporations traded in American Depository Receipts (ADR).
- 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 shown to the right.

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

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Foreign Currency Risk

Foreign Currency Risk

International Investment Securities
at Fair Value at December 31, 2007

(in thousands)

Currency	Defined Benefit Plans				Defined Contribution Plans Equity	Total All Systems and Plans
	Equity	Debt	Short Term	Total		
ADR* US dollars	\$ 990,606	2,048	—	992,654	—	992,654
Argentine peso	—	113	12	125	—	125
Australian dollar	67,532	21,302	(3,961)	84,873	8,169	93,042
Bermuda — US dollar	299	—	—	299	—	299
Brazilian real	954	17,996	—	18,950	—	18,950
British pound sterling	386,516	85,309	(2,518)	469,307	53,428	522,735
Canadian dollar	108,738	17,191	(27)	125,902	1,142	127,044
Cayman Islands dollar	2,569	257	—	2,826	—	2,826
Chilean peso	—	1,389	—	1,389	—	1,389
Chinese yuan renminbi	7,140	—	—	7,140	—	7,140
Danish krone	12,862	2,932	41	15,835	3,458	19,293
Estonian kroon	2,054	—	—	2,054	—	2,054
Euro	651,327	149,861	21,203	822,391	82,467	904,858
Hong Kong dollar	63,588	—	(2,832)	60,756	7,367	68,123
Hungarian forint	—	18,615	—	18,615	—	18,615
Icelandic krona	—	10,291	—	10,291	—	10,291
Indian rupee	7,575	—	—	7,575	—	7,575
Indonesian rupiah	201	—	—	201	—	201
Japanese yen	429,128	76,941	(6,973)	499,096	55,461	554,557
Kazakhstani tenge	—	2,464	—	2,464	—	2,464
Korean won	—	588	—	588	—	588
Malaysian ringgit	4,541	10,524	35	15,100	—	15,100
Mexican peso	—	32,017	621	32,638	—	32,638
New Zealand dollar	698	—	82	780	205	985
Norwegian krone	18,101	—	106	18,207	3,139	21,346
Panamanian balboa	2,376	2,435	—	4,811	—	4,811
Polish zloty	—	16,818	—	16,818	—	16,818
Puerto Rico — US dollar	8,826	—	—	8,826	—	8,826
Qatari riyal	—	699	—	699	—	699
Russian Federation ruble	157	19,084	—	19,241	—	19,241
Singaporean dollar	18,708	29,370	134	48,212	1,465	49,677
South African rand	1,109	707	—	1,816	—	1,816
South Korean won	4,635	21,023	—	25,658	—	25,658
Swedish krona	40,307	23,888	104	64,299	8,473	72,772
Swiss franc	162,880	6,093	59	169,032	18,391	187,423
Taiwanese new dollar	13,882	—	30	13,912	—	13,912
Thai baht	3,875	—	—	3,875	—	3,875
Tunisian dinar	—	720	—	720	—	720
United Arab Emirates dirham	—	2,552	—	2,552	—	2,552
Pooled International investments	—	—	—	—	146,539	146,539
Total securities subject to foreign currency risk	\$3,011,184	573,227	6,116	3,590,527	389,704	3,980,231

*American Depository Receipts

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

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 \$1,946,906,000 and the collateral received for those securities on loan was \$2,000,979,000. 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 short term investment pool and the Systems' and Plans' loans is affected by the maturities of the securities loans made by other entities that



Defined Benefit Plans

Interest Rate Swaps	Outstanding Notational Amount (Base Used to Calculate Interest)	Interest Rate	Maturity Date	Fair Value
Morgan Stanley Interest Rate Swap	\$ 5,200,000	4.4275%–LIBOR*	4/1/2008	\$ 2,758
Morgan Stanley Interest Rate Swap	36,612,500	4.251%–LIBOR*	6/1/2010	(494,871)
Morgan Stanley Interest Rate Swap	9,500,000	4.057%–LIBOR*	9/1/2010	(85,637)
Morgan Stanley Interest Rate Swap	9,645,782	4.732%–LIBOR*	12/29/2010	(271,494)
Morgan Stanley Interest Rate Swap	6,100,000	4.87%–LIBOR*	12/31/2010	(196,001)
Morgan Stanley Interest Rate Swap	45,500,000	4.845%–LIBOR*	12/31/2010	(1,429,361)
Morgan Stanley Interest Rate Swap	63,150,000	4.679%–LIBOR*	2/1/2011	(1,705,592)
Merrill Lynch Interest Rate Swap	27,500,000	5.448%–LIBOR*	10/1/2011	(704,002)
Nat'l Australia Bank Interest Rate Swap	20,000,000	5.325%–LIBOR*	10/3/2011	(1,020,986)
Nat'l Australia Bank Interest Rate Swap	37,300,000	5.332%–LIBOR*	10/3/2011	(1,891,369)
Nat'l Australia Bank Interest Rate Swap	6,218,500	4.90%–LIBOR*	12/1/2011	(183,673)
Merrill Lynch Interest Rate Swap	68,281,500	4.922%–LIBOR*	12/1/2011	(2,607,430)
Morgan Stanley Interest Rate Swap	120,000,000	4.163%–LIBOR*	12/1/2011	(1,231,682)
Merrill Lynch Interest Rate Swap	3,400,000	4.874%–LIBOR*	3/1/2012	(126,470)
Bayerische Landesbank Interest Rate Swap	12,464,948	4.56%–LIBOR*	3/1/2012	(311,282)
Morgan Stanley Interest Rate Swap	19,000,000	4.8195%–LIBOR*	3/1/2012	(463,684)
Merrill Lynch Interest Rate Swap	5,000,000	4.952%–LIBOR*	6/1/2012	(195,737)
Nat'l Australia Bank Interest Rate Swap	7,512,000	5.0025%–LIBOR*	6/1/2012	(197,452)
Merrill Lynch Interest Rate Swap	40,667,000	4.989%–LIBOR*	6/1/2012	(1,731,114)
Morgan Stanley Interest Rate Swap	1,099,248	4.73%–LIBOR*	10/1/2012	(330,411)
Morgan Stanley Interest Rate Swap	26,467,452	4.466%–LIBOR*	10/1/2012	(544,514)
Morgan Stanley Interest Rate Swap	29,370,000	4.7385%–LIBOR*	10/1/2012	(955,443)
Morgan Stanley Interest Rate Swap	41,039,825	4.466%–LIBOR*	10/1/2012	(734,451)
Nat'l Australia Bank Interest Rate Swap	4,856,670	4.675%–LIBOR*	11/1/2012	(144,407)
Morgan Stanley Interest Rate Swap	4,869,065	4.748%–LIBOR*	12/31/2012	(160,827)
Merrill Lynch Interest Rate Swap	51,917,095	4.89%–LIBOR*	12/31/2012	(2,053,582)
Morgan Stanley Interest Rate Swap	5,762,331	4.3075%–LIBOR*	1/1/2013	(500,723)

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

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, 2007 the Systems and Plans had four types of derivative financial instruments: futures, currency forwards, options, and swaps.

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.

Swaps (Continued)

Defined Benefit Plans	Outstanding Notational Amount (Base Used to Calculate Interest)	Interest Rate	Maturity Date	Fair Value
Interest Rate Swaps				
Nat'l Australia Bank Interest Rate Swap	\$ 6,998,214	4.9325%–LIBOR*	3/1/2013	\$ (291,686)
Morgan Stanley Interest Rate Swap	10,350,000	5.176%–LIBOR*	4/1/2013	(552,965)
Morgan Stanley Interest Rate Swap	15,800,253	5.0175%–LIBOR*	4/1/2013	(723,937)
Nat'l Australia Bank Interest Rate Swap	1,170,000	5.42%–LIBOR*	5/1/2013	(76,646)
Nat'l Australia Bank Interest Rate Swap	14,203,150	4.945%–LIBOR*	5/1/2013	(867,553)
Nat'l Australia Bank Interest Rate Swap	5,128,500	5.36%–LIBOR*	8/1/2013	(325,829)
Nat'l Australia Bank Interest Rate Swap	20,337,593	5.077%–LIBOR*	12/1/2013	(1,007,128)
Merrill Lynch Interest Rate Swap	928,028	4.95%–LIBOR*	5/1/2014	(39,780)
Nat'l Australia Bank Interest Rate Swap	2,443,700	4.955%–LIBOR*	6/1/2014	(105,499)
Morgan Stanley Interest Rate Swap	8,703,500	4.694%–LIBOR*	10/1/2014	(240,247)
Morgan Stanley Interest Rate Swap	20,000,000	4.447%–LIBOR*	10/20/2014	(250,137)
Morgan Stanley Interest Rate Swap	37,000,000	4.406%–LIBOR*	11/1/2014	(370,365)
Merrill Lynch Interest Rate Swap	35,309,122	5.2725%–LIBOR*	2/1/2015	(2,198,071)
Morgan Stanley Interest Rate Swap	32,600,000	5.046%–LIBOR*	9/1/2015	(1,561,142)
Morgan Stanley Interest Rate Swap	32,900,000	4.868%–LIBOR*	1/1/2016	(1,151,842)
Morgan Stanley Interest Rate Swap	133,704,000	5.292%–LIBOR*	5/2/2016	(8,628,287)
Merrill Lynch Interest Rate Swap	7,640,000	5.43%–LIBOR*	7/1/2016	(570,273)
Morgan Stanley Interest Rate Swap	17,250,000	5.464%–LIBOR*	7/1/2016	(1,330,034)
Morgan Stanley Interest Rate Swap	44,276,861	5.342%–LIBOR*	9/1/2016	(3,030,500)
Nat'l Australia Bank Interest Rate Swap	985,352	5.11%–LIBOR*	12/1/2016	(50,463)
Nat'l Australia Bank Interest Rate Swap	11,801,225	5.125%–LIBOR*	12/1/2016	(617,697)
Nat'l Australia Bank Interest Rate Swap	5,080,000	4.97%–LIBOR*	1/1/2017	(205,886)
Morgan Stanley Interest Rate Swap	4,485,385	4.69%–LIBOR*	3/1/2018	(63,496)
Morgan Stanley Interest Rate Swap	71,700,000	4.722%–LIBOR*	10/1/2020	(51,376)
Morgan Stanley Interest Rate Swap	43,660,000	5.2935%–LIBOR*	11/1/2021	(2,741,474)
Total Interest Rate Swaps	\$1,292,888,799			\$(47,321,750)
Credit Default Swaps				
Morgan Stanley Credit Default Swaps	\$ 111,000,000		9/29/2008	\$ (593,941)

*London Interbank Offered Rate (LIBOR)

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

At December 31, 2007 the Systems' and Plan's investments had the following futures balances:

	Value Covered by Contract
Long — cash and cash equivalent —futures	\$ 400,175,500
Long-equity futures	2,015,512,644
Long-debt securities futures	310,150,373
Short-debt securities futures	(268,595,797)

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, 2007 the Systems' and Plans' investments included the following currency forwards balances:

Currency forwards (pending foreign exchange purchases)	\$1,073,733,710
Currency forwards (pending foreign exchange sales)	(1,077,546,520)

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, 2007 the Systems' and Plans' investments had the following option balances:

	Value Covered by Contract
Cash and cash equivalent purchased call options	\$(502,769)
Cash and cash equivalent purchased put options	(27,412)

The Systems and Plans have entered into various swap agreements in an attempt to manage their exposure to interest rate risk. Interest rate risk represents the exposure to fair value losses arising from the future changes in prevailing market interest rates. Swaps represent an agreement between two or more parties to exchange sequences of cash flows over a period in the future. At the end of the year the Systems had two different types of swap arrangements: interest rate swaps and credit default swaps. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest pay-

ments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate. The interest rate swaps allowed the Systems to effectively convert most of their long term variable interest rate credit facility loans into fixed interest rate loans, thereby mitigating some of their interest rate risk. The credit default swaps protects the rental cash flows on one of the Systems' real estate investments in case the major tenant defaults on its lease contract. Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Plan Net Assets. At December 31, 2007 the Systems investments had the swap market value balances as shown in the table on pages 56 and 57.

J) Investment Payables

The investment accounts payable are comprised of investment advisor fees payable of \$13,346,000, administrative expenses payable of \$3,710,000, investment purchases payable of \$945,503,000 and various real estate payables of \$5,723,000.

K) Investment

Compliance Officer

The Systems and Plans have an investment compliance officer on staff who reports his/her findings directly to the Board. The investment compliance officer monitors all of the investments made by the investment managers to determine that the investments were made in accordance with the investment policies which were approved by the Board.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Note 4 —

Property and Equipment

Property and equipment consist of the amounts shown in the following table as of December 31, 2007 and 2006. There were no significant leases as of December 31, 2007 or 2006.

Property and Equipment
Property and Equipment

	(i n t h o u s a n d s)	
	2007	2006
Land	\$ 1,780	1,779
Buildings and building improvements	11,311	11,241
Furniture and equipment	3,488	3,196
Total property and equipment	16,579	16,216
Less accumulated depreciation:		
Buildings and building improvements	6,473	6,120
Furniture and equipment	3,046	2,834
Total accumulated depreciation	9,519	8,954
Less operating reserves	6,245	5,230
Net property and equipment	\$ 815	2,032

Note 5 —

Actuarial Values and Methods

A) Actuarial Asset Valuation

The 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 on page 60 were utilized in determining the actuarial value of assets as of January 1, 2007, and December 31, 2007, and the 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 68 and 69 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, 2007 is presented in Notes to Required Supplementary Information on page 71.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Calculation of Actuarial Value of Assets

January 1, 2007 <i>(dollars in thousands)</i>				December 31, 2007 <i>(dollars in thousands)</i>			
1. Fair value of assets			\$19,829,629	1. Fair value of assets			\$20,950,656
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:				2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income for:			
Year	Total (Excess)/Shortfall	Percent Deferred	Amount Deferred	Year	Total (Excess)/Shortfall	Percent Deferred	Amount Deferred
a. 2006	\$(1,116,942)	80%	\$(893,554)	a. 2007	\$286,303	80%	\$229,042
b. 2005	(199,197)	60%	(119,519)	b. 2006	(1,116,942)	60%	(670,165)
c. 2004	(804,065)	40%	(321,626)	c. 2005	(199,197)	40%	(79,678)
d. 2003	(2,007,188)	20%	(401,439)	d. 2004	(804,065)	20%	(160,812)
e. 2002	2,009,531	0%	0	e. 2003	(2,007,188)	0%	0
f. Total deferred gains			(1,736,138)	f. Total deferred gains			(681,613)
3. Actuarial value of assets available for benefits			\$18,093,491	3. Actuarial value of assets available for benefits			\$20,269,043

Actuarial value of assets can not exceed 120% of the fair value of assets or below 80% of the fair value of assets.

Actuarial Value of Assets by System

January 1, 2007 <i>(in thousands)</i>							
Calculation of Net Assets Available Based on Five Year Expected Investment Income	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Judges System	Governors and Legislative	Total All Systems
1. Net assets available for benefits at fair value	\$15,828,007	1,105,892	1,981,492	773,776	128,299	12,163	19,829,629
2. Deferral to smooth asset values based on (excess)/shortfall of expected investment income on fair value	(1,381,079)	(101,440)	(172,294)	(68,725)	(11,420)	(1,180)	(1,736,138)
3. Actuarial value of assets available for benefits (1-2)	\$14,446,928	1,004,452	1,809,198	705,051	116,879	10,983	18,093,491

Actuarial valuations of the ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment,

mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new esti-

mates are made about the future. The schedule of funding progress on page 65, presented as required supplementary information, shows the actuarial value of plan assets compared to the actuarial accrued liabilities for benefits.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Note 6 —

Actuarially Determined Contribution Requirements and Contributions Made

Employer 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 sup-

Contribution Rates

Contribution Rates

December 31, 2007

System	Contribution Rates as a Percent of Covered Payroll		
	Member	Employer	Other
Noncontributory	—	11.62 - 14.22%	—
Contributory	6.00%	7.61 - 9.73	—
Public Safety: Noncontributory	—	22.47 - 35.71	—
Contributory	10.50 - 13.74	11.22 - 22.99	—
Firefighters: Division A	12.76	0.00	11.50%
Division B	9.30	0.00	11.50
Judges: Noncontributory	—	12.38	15.45
Contributory	2.00	10.38	15.45
Governors and Legislators	—	—	—



plemental present value and the same actuarial assumptions that were used to calculate the actuarial accrued liability in the Schedules of Funding Progress on pages 68 and 69.

The schedule to the left summarizes contribution rates in effect at December 31, 2007.

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 contributions in the schedule shown at left for the Firefighters and

Required Contributions

Required Contributions

(dollars in thousands)

System	Contribution Requirements				Total Required Contributions	Total Actual Contributions	Contributions Made				Covered Payroll
	Normal Cost		Unfunded Cost (assets in excess)				Member	Employer			
	Amount	Percent of Covered Payroll	Amount	Percent of Covered Payroll				Amount	Percent of Covered Payroll	Amount	
Noncontributory	\$450,602	12.58%	\$55,446	1.55%	\$506,048	\$506,048	\$18,245	0.51%	\$487,803	13.62%	\$3,582,495
Contributory	15,571	11.72	5,337	4.02	20,908	20,908	9,700	7.30	11,208	8.43	132,899
Public Safety	69,338	20.44	16,171	4.77	85,509	85,509	4,343	1.28	81,166	23.93	339,187
Firefighters	11,654	12.17	(2,460)	(2.57)	9,194	9,194	9,194	9.60	—	0.00	95,767
Judges	1,216	9.13	157	1.18	1,373	1,373	13	0.10	1,360	10.21	13,322
Governors and Legislators	—	0.00	—	0.00	—	—	—	0.00	—	0.00	947
Total	\$548,381		\$74,651		\$623,032	\$623,032	\$41,495		\$581,537		\$4,164,617

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

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 in contribution rates which became effective July 1, 2007.

Information with regard to contributions to the Retirement Systems for the year ended December 31, 2007 is indicated in the schedule on page 70.

Member contributions in the 401(k), 457, Roth and Traditional IRA Plans, total \$262,413,000, which in combination with the member contributions made in the Retirement Systems total \$303,908,000.

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



Note 7 —
Transfers To or From Affiliated System

Asset transfers to or from affiliated systems are for the purpose of spreading employer contribution costs across same employer and same class of employee group 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 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, 2007, the Systems had committed to fund certain private equity partnerships and real estate projects for an amount of \$5,592,117,319. Funding of \$3,446,423,105 had been provided by December 31, 2007 leaving an unfunded commitment as of December 31, 2007 of \$2,145,694,214 which will be funded over the next five years.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Note 11 —

Pension Plan Participation

Defined Benefit Plans — Utah Retirement Systems contributes to the State and School Noncontributory Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by Utah Retirement Systems (Systems). Utah Retirement Systems provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

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 14.22% of its 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, 2007, 2006, and 2005 were \$1,295,851, \$1,119,681, and \$1,185,475 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans — Utah Retirement Systems also participates in four defined contribution plans, the 401(k), 457, Roth and Traditional IRA Plans.

401(k) Plan — The Utah Retirement Systems offers its employees a 401(k) plan 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 through payroll deduction 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, 2007, 2006, 2005 are \$326,645, \$298,411, and \$318,409, respectively; the employee contributions for the years ending December 31, 2007, 2006, 2005 are: \$457,066, \$439,105, and \$438,087, 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.

457 Plan — 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, 2007, 2006, 2005 are: \$277,222, \$273,499, and \$269,628 respectively.

Roth and Traditional IRAs — Utah Retirement Systems offers its employees two tax-advantaged savings plans authorized by section 408 of the Internal Revenue Code. Employees are eligible to participate from the date of employment and are vested immediately upon participating. For the years ended 2007, 2006 and 2005 the Roth IRA employee contributions were \$51,681, \$38,244 and \$32,433 respectively. For the years ended 2007, 2006 and 2005 the traditional IRA employee contributions were \$2,877, \$4,725 and \$5,983 respectively.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Note 12 —

Post Employment Healthcare Plan

Plan Description

The Utah Retirement Office contributes to a noncontributory defined benefit post employment healthcare plan to provide postemployment insurance benefits for retired employees of the Utah Retirement Office. This plan was established in 2005. The Utah Retirement Employees Post Employment Healthcare Plan, (UREPEHP), is an agent multiple employer post employment healthcare plan administered by The Utah Retirement Office.

Assets and liabilities of the plan are identified separately for each employer. Plan assets may be used only for the payment of benefits to the members of that system, in accordance with the terms of the plan. UREPEHP issues a publicly available financial report that includes financial statements and required supplementary information for UREPEHP. A copy of the report may be obtained by writing the Utah Retirement Office, 560 E. 200 S., Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy

The contribution requirements of Utah Retirement Employees Post Employment Healthcare Plan are determined by the Plan and approved by the Board. Utah Retirement Office is required to contribute the annual required contribution (ARC), an actuarially determined rate in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over an open twenty year period using the level percent of active member payroll method. The current contribution rate is 2.53 percent of annual covered salaries and wages.

Annual Costs

For the calendar year ending December 31, 2007 the annual cost (expense) of \$387,000 for UREPEHP was equal to the ARC. The net Other Post Employment Benefits (OPEB) obligation for 2007 was as follows:

Year Ended	Annual Required Contributions	Percentage Contributed	Net OPEB Obligation
12/31/05	\$220,000	100%	\$0
12/31/06	294,000	100	0
12/31/07	387,000	100	0



Funded Status and Funding Progress

The funded status of the plan as of January 1, 2007, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$5,495
Actuarial value of plan assets	4,085
<hr/>	
Unfunded actuarial accrued liability (UAAL)	\$1,410
<hr/>	
Funded ratio (actuarial value of plan assets/AAL)	74%
Covered salaries and wages (active) (plan members)	\$8,463
UAAL as a percentage of covered salaries and wages	17%

Actuarial valuations of the ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status and the annual required contributions are subject

Utah Retirement Systems

Notes to Basic Financial Statements *(Continued)*

December 31, 2007

to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress below, presented as required supplementary information, shows the actuarial value of plan assets compared to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as under-

stood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities consistent with the long term perspective of the calculations.

In the January 1, 2007 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included an 8.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost

trend rate of 10.0 percent, reduced by decrements to an ultimate rate of 4.5 percent after 10 years. Both rates include a 3.0 percent inflation assumption. The actuarial value of UREPEHP is the current market value of the fund's assets. The actuarial accrued liability was computed using likely health benefits to be paid to retirees and to be paid active employees after their service that were discounted using the investment return, health cost increase and various mortality assumptions.

Schedule of Funding Progress

Schedule of Funding Progress

(dollars in thousands)

Division	Date	Based on fair value of assets		Unfunded AAL (UAAL) (2) - (1)	(4) Funding Ratios (1) / (2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3) / (5)
		(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age				
URS Employees*	12/31/04	\$3,089	4,913	1,824	62.9%	\$8,124	22.5%
	12/31/05	3,506	5,289	1,783	66.3	8,709	20.5
	12/31/06	4,085	5,495	1,410	74.3	8,463	16.7
	12/31/07	4,559	5,990	1,431	76.1	9,131	15.7

*Additional years will be added as they become available.

Schedule of Required Contributions

Schedule of Required Contributions

(dollars in thousands)

Year Ended*	Annual Required Contributions	Percentage Contributed	Net OPEB Obligation
12/31/05	\$220	100%	\$ 0
12/31/06	294	100	0
12/31/07	387	100	0

*Additional years will be added as they become available.

Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Note 13 —

Compensated Absences, Post Employment Benefits and Insurance Reserve

The compensated absences liability for Utah Retirement Office employees at December 31, 2007, is \$3,247,000. This represents the amount of unused, leave to be paid to employees upon termination. At December 31, 2007 the insurance reserve was \$6,667,000. The insurance reserve coverage is explained in Note 15, Risk Management.

Note 14 —

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 68 through 71. 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 15 —

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 deductible, and otherwise uninsured losses, are retained by the Systems, Plans or Investment Fund through the insurance reserve. There have been no 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 statute.



Utah Retirement Systems

Notes to Basic Financial Statements (Continued)

December 31, 2007

Note 16 —

Real Estate Liabilities

The real estate liabilities consist of eight credit facility (lines of credit) loans, eight private placement notes and one mortgage loan. These loans and notes bear various interest rates and will be repaid over the next nine years. The Granite Park Mortgage is secured by real estate. The rest of the liabilities are unsecured. As mentioned in Note 3, page 58, the Systems and Plans entered into various interest rate swap agreements that effectively changed credit facility liabilities from

variable interest rates to fixed interest rates. As of December 31, 2007 there are \$1.39 billion in credit facility debt, \$77.9 million in private placement notes, and a \$17.1 million mortgage. Using interest rates as of December 31, 2007, principal and interest requirements of the debt and net swap payments for the terms of the debt and swaps are as follows.

Real Estate Liabilities

Real Estate Liabilities

(i n t h o u s a n d s)			
	Initial/Affected Balance	Maturity Date	Annual Payment
Bayerische Landesbank	\$ 350,000	7/7/2008	Interest Only
Bayerische Landesbank	50,000	12/15/2008	Interest Only
BNP Paribas Credit Facility	425,000	3/24/2012	Interest Only
BNP Paribas Credit Facility	100,000	3/31/2012	Interest Only
KBC Bank Credit Facility	100,000	12/15/2010	Interest Only
KBC Bank Credit Facility	50,000	12/15/2012	Interest Only
Landesbank Baden-Wuerttemberg	200,000	6/1/2011	Interest Only
The Northern Trust	115,000	3/24/2008	Interest Only
Private Placement Notes:			
Allstate Insurance Co.	5,000	7/1/2011	Interest Only
Allstate Insurance Co.	5,000	7/1/2011	Interest Only
Allstate Insurance Co.	5,000	7/1/2011	Interest Only
Allstate Insurance Co.	5,000	7/1/2011	Interest Only
State Farm Life Insurance Co.	30,098	7/1/2016	4,296
State Farm Life & Acc. Assur. Co.	773	7/1/2016	110
Northwestern Mutual Life Ins. Co.	20,000	7/1/2014	Interest Only
Modern Woodmen of America	7,000	7/1/2014	Interest Only
Granite Park Mortgage Payable	17,128	1/15/2013	1,473
Total	\$1,484,999		

(i n t h o u s a n d s)				
Year Ending December 31,	Total Principal Payments	Total Interest Payments*	Total Swap Payments**	Total Net Payments
2008	\$518,424	58,581	3,048	580,053
2009	3,600	46,334	3,284	53,218
2010	103,784	45,945	3,573	153,302
2011	203,979	35,287	3,336	242,602
2012	599,183	11,445	2,951	613,579
2013-2017	44,924	7,533	8,635	61,092
2018-2022	11,105	57	1,422	12,584

*Interest calculated using December 31, 2007 One Month LIBOR for variable interest loans

**Interest rate swaps are listed on pages 56 and 57; swap payments calculated using December 31, 2007 One Month LIBOR.

Utah Retirement Systems

Required Supplementary Information

Schedules of Funding Progress

(dollars in thousands)

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)
Noncontributory Retirement System	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
	1/01/04	11,657,525	12,351,310	693,785	94.4	2,959,347	23.4
	1/01/05	12,212,437	13,235,444	1,023,007	92.3	3,084,317	33.2
	1/01/06	13,069,362	14,018,540	949,178	93.2	3,165,504	30.0
	1/01/07	14,446,928	15,084,061	637,133	95.8	3,326,392	19.2
12/31/07	16,209,330	16,084,896	(124,434)	100.8	3,582,495	(3.5)	
Contributory Retirement System	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
	1/01/04	913,949	982,569	68,620	93.0	139,470	49.2
	1/01/05	933,974	1,013,836	79,862	92.1	139,362	57.3
	1/01/06	951,540	1,027,309	75,769	92.6	137,730	55.0
	1/01/07	1,004,452	1,062,967	58,515	94.5	133,812	43.7
12/31/07	1,091,854	1,095,547	3,693	99.7	132,899	2.8	
Public Safety Retirement System	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
	1/01/04	1,448,888	1,556,758	107,870	93.1	278,402	38.7
	1/01/05	1,524,904	1,726,785	201,881	88.3	293,797	68.7
	1/01/06	1,633,022	1,834,452	201,430	89.0	298,756	67.4
	1/01/07	1,809,198	1,968,982	159,784	91.9	316,662	50.5
12/31/07	2,038,613	2,105,380	66,767	96.8	339,187	19.7	

See accompanying notes to required supplementary information.

Utah Retirement Systems

Required Supplementary Information (Continued)

Schedules of Funding Progress (Continued)

(dollars in thousands)

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 Retirement System	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)
	1/01/04	589,502	549,378	(40,124)	107.3	75,619	(53.1)
	1/01/05	610,688	578,891	(31,797)	105.5	79,638	(39.9)
	1/01/06	644,496	614,359	(30,137)	104.9	84,061	(35.9)
	1/01/07	705,051	643,765	(61,286)	109.5	88,682	(69.1)
12/31/07	787,663	687,939	(99,724)	114.5	95,767	(104.1)	
Judges Retirement System	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)
	1/01/04	97,412	97,902	490	99.5	10,888	4.5
	1/01/05	100,814	104,210	3,396	96.7	11,646	29.2
	1/01/06	106,374	106,962	588	99.5	11,594	5.1
	1/01/07	116,879	117,127	248	99.8	12,195	2.0
12/31/07	129,847	123,992	(5,855)	104.7	13,322	(43.9)	
Utah Governors and Legislators Retirement Plan	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)
	1/01/04	10,905	8,812	(2,093)	123.8	556	(376.4)
	1/01/05	10,650	8,727	(1,923)	122.0	556	(345.9)
	1/01/06	10,587	8,974	(1,613)	118.0	887	(181.8)
	1/01/07	10,983	9,212	(1,771)	119.2	860	(205.9)
12/31/07	11,736	9,179	(2,557)	127.9	947	(270.0)	

See accompanying notes to required supplementary information.

Utah Retirement Systems

Required Supplementary Information *(Continued)*

Schedules of Employer Contributions

(dollars in thousands)

System	Employer Contributions		
	Year Ended	Annual Required Contributions	Percentage Contributed
Noncontributory Retirement System	1998	\$318,635	100%
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
	2003	314,511	100
	2004	369,109	100
	2005	406,795	100
	2006	440,421	100
2007	487,803	100	
Contributory Retirement System	1998	\$ 10,729	100%
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
	2003	7,297	100
	2004	9,564	100
	2005	10,357	100
	2006	10,737	100
2007	11,208	100	
Public Safety Retirement System	1998	\$ 40,099	100%
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100
	2003	46,655	100
	2004	56,319	100
	2005	61,326	100
	2006	70,466	100
2007	81,166	100	

System	Employer Contributions		
	Year Ended	Annual Required Contributions	Percentage Contributed
Firefighters Retirement System	1998	\$6,937	100%
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100
	2003	9,059	100
	2004	8,659	100
	2005	9,601	100
	2006	9,518	100
2007	13,797	100s	
Judges Retirement System	1998	\$3,704	100%
	1999	3,318	100
	2000	3,422	100
	2001	3,053	100
	2002	2,853	100
	2003	2,490	100
	2004	2,531	100
	2005	2,397	100
	2006	2,718	100
2007	3,210	100	
Governors and Legislators Retirement Plan	1998	\$ 0	100%
	1999	0	100
	2000	0	100
	2001	0	100
	2002	0	100
	2003	0	100
	2004	0	100
	2005	0	100
	2006	0	100
2007	0	100	

See accompanying notes to required supplementary information.

Utah Retirement Systems

Notes to Required Supplementary Information

December 31, 2007

**Note 1—
Schedules of Funding Progress**

The information contained in the schedule of funding progress is based on the actuarial study dated January 1, 2007 and calendar year 2007 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 59.

**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

Additional Actuarial Information

	Noncontributory	Contributory	Public Safety	Firefighters	Judges	Governors and Legislators
Valuation date	1/1/07	1/1/07	1/1/07	1/1/07	1/1/07	1/1/07
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 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period	Open Group 20 Year Open Period
Actuarial asset valuation method (All Systems under same method.)	Based on the total fair value income of investments with the excess or shortfall of actual investment income over or under the expected investment return smoothed over five years. One-fifth of the excess or shortfall is recognized each year for five years.					
Actuarial assumptions:						
Investment rate of return	8%	8%	8%	8%	8%	8%
Projected salary increases	4.75-15.00%	4.75-15.00%	4.75-10.75%	4.75-11.75%	4.75%	None
Inflation rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Post retirement 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.

Noncontributory Retirement System

Schedules of Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2007

With Comparative Totals for December 31, 2006

(i n t h o u s a n d s)

	Local Government	State and School	Total All Divisions	
			2007	2006
Assets:				
Cash	\$ 1	1,191	1,192	2,427
Receivables:				
Employer contributions	4,428	27,829	32,257	29,237
Investments	56,295	271,629	327,924	213,272
Total receivables	60,723	299,458	360,181	242,509
Investments at fair value:				
Short term securities, domestic	206,832	997,984	1,204,816	1,640,866
Short term securities, international	839	4,050	4,889	83,841
Debt securities, domestic	657,107	3,170,607	3,827,714	2,885,835
Debt securities, international	78,686	379,666	458,352	749,280
Equity investments, domestic	820,090	3,957,016	4,777,106	5,114,861
Equity investments, international	413,340	1,994,407	2,407,747	2,704,389
Absolute return	300,934	1,452,038	1,752,972	955,173
Private equity	157,810	761,447	919,257	640,101
Real estate	517,766	2,498,275	3,016,041	2,655,646
Mortgage loans	940	4,534	5,474	5,461
Total investments	3,154,344	15,220,024	18,374,368	17,435,453
Invested securities lending collateral	249,392	1,203,343	1,452,735	1,747,987
Property and equipment at cost, net of accumulated depreciation	112	540	652	1,622
Total assets	3,464,572	16,724,556	20,189,128	19,429,998
Liabilities:				
Securities lending collateral liability	249,392	1,203,343	1,452,735	1,747,987
Disbursements in excess of cash balance	2,415	11,651	14,066	17,974
Compensated absences, post employment benefits and insurance reserve	2,133	10,291	12,424	11,080
Investment accounts payable	132,096	638,596	770,692	818,992
Real estate liabilities	203,843	983,564	1,187,407	1,015,482
Total liabilities	589,879	2,847,445	3,437,324	3,611,515
Net assets held in trust for pension benefits	\$2,874,693	13,877,111	16,751,804	15,818,483

Noncontributory Retirement System

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

Year Ended December 31, 2007

With Comparative Totals for Year Ended December 31, 2006

(i n t h o u s a n d s)

	Local Government	State and School	Total All Divisions	
			2007	2006
Additions:				
Contributions:				
Member	\$ 3,694	14,551	18,245	22,646
Employer	94,482	393,321	487,803	440,421
Total contributions	98,176	407,872	506,048	463,067
Investment income:				
Net appreciation in fair value of investments	101,982	495,243	597,225	1,616,573
Interest, dividends and other investment income	83,296	404,503	487,799	428,783
Total income from investment activity	185,278	899,746	1,085,024	2,045,356
Less investment expenses	8,774	42,609	51,383	44,441
Net income from investment activity	176,504	857,137	1,033,641	2,000,915
Income from security lending activity	1,327	6,446	7,773	5,824
Net investment income	177,831	863,583	1,041,414	2,006,739
Transfers from affiliated systems	6,805	368	7,173	1,774
Total additions	282,812	1,271,823	1,554,635	2,471,580
Deductions:				
Retirement benefits	77,056	436,861	513,917	450,660
Cost of living benefits	12,797	82,812	95,609	82,589
Refunds	693	2,750	3,443	2,763
Administrative expenses	1,359	6,986	8,345	7,862
Transfers to affiliated systems	—	—	—	1,662
Total deductions	91,905	529,409	621,314	545,536
Increase from operations	190,907	742,414	933,321	1,926,044
Net assets held in trust for pension benefits beginning of year	2,683,786	13,134,697	15,818,483	13,892,439
Net assets held in trust for pension benefits end of year	\$2,874,693	13,877,111	16,751,804	15,818,483

Noncontributory Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	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)
Noncontributory Local Government	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
	1/01/04	1,916,701	1,985,092	68,391	96.6	648,410	10.5
	1/01/05	2,027,791	2,123,427	95,636	95.5	680,620	14.1
	1/01/06	2,193,880	2,295,475	101,595	95.6	718,228	14.1
	1/01/07	2,455,870	2,456,038	168	100.0	758,583	0.0
	12/31/07	2,783,587	2,656,720	(126,867)	104.8	815,502	(15.6)
Noncontributory State and School	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
	1/01/04	9,740,824	10,366,218	625,394	94.0	2,310,937	27.1
	1/01/05	10,184,646	11,112,017	927,371	91.7	2,403,697	38.6
	1/01/06	10,875,482	11,723,065	847,580	92.8	2,447,276	34.6
	1/01/07	11,991,058	12,628,023	636,965	95.0	2,567,809	24.8
	12/31/07	13,425,743	13,428,176	2,433	100.0	2,766,993	0.1
Total Noncontributory Retirement System	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
	1/01/04	11,657,525	12,351,310	693,785	94.4	2,959,347	23.4
	1/01/05	12,212,437	13,235,444	1,023,007	92.3	3,084,317	33.2
	1/01/06	13,069,362	14,018,540	949,178	93.2	3,165,504	30.0
	1/01/07	14,446,928	15,084,061	637,133	95.8	3,326,392	19.2
	12/31/07	16,209,330	16,084,896	(124,434)	100.8	3,582,495	(3.5)

Noncontributory Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Noncontributory Local Government	1998	\$ 50,947	100%
	1999	55,110	100
	2000	58,626	100
	2001	54,274	100
	2002	52,143	100
	2003	60,097	100
	2004	70,010	100
	2005	79,179	100
	2006	85,715	100
	2007	94,482	100
Noncontributory State and School	1998	\$267,688	100%
	1999	283,594	100
	2000	293,713	100
	2001	277,677	100
	2002	239,113	100
	2003	254,414	100
	2004	299,099	100
	2005	327,616	100
	2006	354,706	100
	2007	393,321	100
Total Noncontributory Retirement System	1998	\$318,635	100%
	1999	338,704	100
	2000	352,339	100
	2001	331,951	100
	2002	291,256	100
	2003	314,511	100
	2004	369,109	100
	2005	406,795	100
	2006	440,421	100
	2007	487,803	100

Contributory Retirement System

Schedules of Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2007

With Comparative Totals for December 31, 2006

	Local Government	State and School	Total All Divisions	
			2007	2006
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	182	239	421	422
Employer contributions	230	388	618	618
Investments	7,144	15,024	22,168	15,053
Total receivables	7,556	15,651	23,207	16,093
Investments at fair value:				
Short term securities, domestic	26,248	55,200	81,448	115,809
Short term securities, international	107	224	331	5,917
Debt securities, domestic	83,390	175,370	258,760	203,678
Debt securities, international	9,986	21,000	30,986	52,882
Equity investments, domestic	104,074	218,867	322,941	360,996
Equity investments, international	52,455	110,313	162,768	190,870
Absolute return	38,190	80,314	118,504	67,414
Private equity	20,027	42,117	62,144	45,177
Real estate	65,707	138,183	203,890	187,430
Mortgage loans	119	251	370	386
Total investments	400,303	841,839	1,242,142	1,230,559
Invested securities lending collateral	31,649	66,558	98,207	123,369
Property and equipment at cost, net of accumulated depreciation	14	30	44	114
Total assets	439,523	924,079	1,363,602	1,370,137
Liabilities:				
Securities lending collateral liability	31,649	66,558	98,207	123,369
Disbursements in excess of cash balance	306	644	950	1,268
Compensated absences, post employment benefits and insurance reserve	271	569	840	782
Investment accounts payable	16,764	35,254	52,018	57,632
Real estate liabilities	25,869	54,402	80,271	71,670
Total liabilities	74,859	157,427	232,286	254,721
Net assets held in trust for pension benefits	\$364,664	766,652	1,131,316	1,115,416

Contributory Retirement System

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

Year Ended December 31, 2007

With Comparative Totals for Year Ended December 31, 2006

(i n t h o u s a n d s)

	Local Government	State and School	Total All Divisions	
			2007	2006
Additions:				
Contributions:				
Member	\$ 4,372	5,328	9,700	9,534
Employer	4,889	6,319	11,208	10,737
Total contributions	9,261	11,647	20,908	20,271
Investment income:				
Net appreciation in fair value of investments	13,115	27,968	41,083	116,013
Interest, dividends and other investment income	10,712	22,844	33,556	30,771
Total income from investment activity	23,827	50,812	74,639	146,784
Less investment expenses	1,128	2,406	3,534	3,190
Net income from investment activity	22,699	48,406	71,105	143,594
Income from security lending activity	171	364	535	418
Net investment income	22,870	48,770	71,640	144,012
Total additions	32,131	60,417	92,548	164,283
Deductions:				
Retirement benefits	11,577	31,671	43,248	39,635
Cost of living benefits	3,563	14,131	17,694	18,002
Supplemental retirement benefits	90	646	736	909
Refunds	1,214	1,104	2,318	1,789
Administrative expenses	187	401	588	576
Transfers to affiliated systems	3,626	8,438	12,064	6,481
Total deductions	20,257	56,391	76,648	67,392
Increase from operations	11,874	4,026	15,900	96,891
Net assets held in trust for pension benefits beginning of year	352,790	762,626	1,115,416	1,018,525
Net assets held in trust for pension benefits end of year	\$364,664	766,652	1,131,316	1,115,416

Contributory Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	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 Local Government	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
	1/01/04	263,839	289,001	25,162	91.3	57,965	43.4
	1/01/05	280,286	307,221	26,935	91.2	58,482	46.1
	1/01/06	295,061	322,986	27,925	91.4	60,616	46.1
	1/01/07	319,072	338,625	19,553	94.2	61,441	31.8
12/31/07	352,603	355,542	2,939	99.2	62,793	4.7	
Contributory State and School	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
	1/01/04	650,110	693,568	43,458	93.7	81,505	53.3
	1/01/05	653,688	706,615	52,927	92.5	80,880	65.4
	1/01/06	656,479	704,323	47,844	93.2	77,114	62.0
	1/01/07	685,380	724,342	38,962	94.6	72,371	53.8
	12/31/07	739,251	740,005	754	99.9	70,106	1.1
Total Contributory Retirement System	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
	1/01/04	913,949	982,569	68,620	93.0	139,470	49.2
	1/01/05	933,974	1,013,836	79,862	92.1	139,362	57.3
	1/01/06	951,540	1,027,309	75,769	92.6	137,730	55.0
	1/01/07	1,004,452	1,062,967	58,515	94.5	133,812	43.7
12/31/07	1,091,854	1,095,547	3,693	99.7	132,899	2.8	

Contributory Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Contributory Local Government	1998	\$ 3,393	100%
	1999	3,530	100
	2000	3,524	100
	2001	2,926	100
	2002	2,441	100
	2003	2,881	100
	2004	3,822	100
	2005	4,238	100
	2006	4,217	100
	2007	4,889	100
Contributory State and School	1998	\$ 7,336	100%
	1999	7,310	100
	2000	6,960	100
	2001	5,554	100
	2002	4,294	100
	2003	4,416	100
	2004	5,742	100
	2005	6,119	100
	2006	5,317	100
	2007	6,319	100
Total Contributory Retirement System	1998	\$10,729	100%
	1999	10,840	100
	2000	10,484	100
	2001	8,480	100
	2002	6,735	100
	2003	7,297	100
	2004	9,564	100
	2005	10,357	100
2006	9,534	100	
	2007	11,208	100

Public Safety Retirement System

Schedules of Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2007

With Comparative Totals for December 31, 2006

(i n t h o u s a n d s)

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Assets:			
Cash	\$ 2	2	2
Receivables:			
Member contributions	3	257	—
Employer contributions	1,151	1,500	368
Investments	14,781	17,019	3,735
Total receivables	15,935	18,776	4,103
Investments at fair value:			
Short term securities, domestic	54,306	62,528	13,722
Short term securities, international	220	254	56
Debt securities, domestic	172,530	198,651	43,595
Debt securities, international	20,660	23,788	5,220
Equity investments, domestic	215,324	247,924	54,407
Equity investments, international	108,527	124,958	27,422
Absolute return	79,014	90,976	19,965
Private equity	41,435	47,708	10,470
Real estate	135,945	156,528	34,350
Mortgage loans	247	284	62
Total investments	828,208	953,599	209,269
Invested securities lending collateral	65,481	75,395	16,545
Property and equipment at cost, net of accumulated depreciation	29	34	7
Total assets	909,655	1,047,806	229,926
Liabilities:			
Securities lending collateral liability	65,481	75,395	16,545
Disbursements in excess of cash balance	634	730	160
Compensated absences, post employment benefits and insurance reserve	560	645	141
Investment accounts payable	34,683	39,934	8,764
Real estate liabilities	53,522	61,624	13,523
Total liabilities	154,880	178,328	39,133
Net assets held in trust for pension benefits	\$754,775	869,478	190,793

Utah Retirement Systems

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2007	2006
2	1	2	2	2	15	15
—	26	2	—	48	336	238
67	31	24	16	353	3,510	3,452
983	660	384	332	3,342	41,236	26,715
1,050	717	410	348	3,743	45,082	30,405
3,611	2,425	1,410	1,221	12,280	151,503	205,538
15	10	6	5	50	616	10,502
11,471	7,703	4,480	3,880	39,013	481,323	361,483
1,374	922	536	465	4,672	57,637	93,856
14,316	9,613	5,590	4,843	48,690	600,707	640,694
7,216	4,845	2,817	2,441	24,540	302,766	338,757
5,253	3,528	2,051	1,777	17,867	220,431	119,647
2,755	1,850	1,076	932	9,369	115,595	80,179
9,039	6,069	3,529	3,057	30,740	379,257	332,650
16	11	6	6	56	688	685
55,066	36,976	21,501	18,627	187,277	2,310,523	2,183,991
4,354	2,923	1,700	1,473	14,807	182,678	218,956
2	1	1	1	7	82	203
60,474	40,618	23,614	20,451	205,836	2,538,380	2,433,570
4,354	2,923	1,700	1,473	14,807	182,678	218,956
42	28	16	14	143	1,767	2,251
37	25	15	13	127	1,563	1,388
2,306	1,548	900	780	7,843	96,758	102,283
3,558	2,390	1,390	1,203	12,102	149,312	127,200
10,297	6,914	4,021	3,483	35,022	432,078	452,078
50,177	33,704	19,593	16,968	170,814	2,106,302	1,981,492

Public Safety Retirement System

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

Year Ended December 31, 2007

With Comparative Totals for Year Ended December 31, 2006

(i n t h o u s a n d s)

	State of Utah Public Safety	Other Division A (with Social Security)	Salt Lake City
Additions:			
Contributions:			
Member	\$ 223	2,482	13
Employer	27,713	32,961	9,293
Total contributions	27,936	35,443	9,306
Investment income:			
Net appreciation in fair value of investments	26,941	30,866	6,806
Interest, dividends and other investment income	22,004	25,211	5,559
Total income from investment activity	48,945	56,077	12,365
Less investment expenses	2,318	2,656	586
Net income from investment activity	46,627	53,421	11,779
Income from security lending activity	351	402	89
Net investment income	46,978	53,823	11,868
Transfers from affiliated systems	414	583	234
Total additions	75,328	89,849	21,408
Deductions:			
Retirement benefits	29,361	28,558	9,212
Cost of living benefits	5,350	4,571	2,324
Supplemental retirement benefits	285	142	61
Refunds	63	351	—
Administrative expenses	391	428	114
Total deductions	35,450	34,050	11,711
Increase from operations	39,878	55,799	9,697
Net assets held in trust for pension benefits beginning of year	714,897	813,679	181,096
Net assets held in trust for pension benefits end of year	\$754,775	869,478	190,793

Utah Retirement Systems

Ogden	Provo	Logan	Bountiful	Other Division B (without Social Security)	Total All Divisions	
					2007	2006
11	654	165	—	795	4,343	4,567
1,557	771	508	373	7,990	81,166	70,466
1,568	1,425	673	373	8,785	85,509	75,033
1,813	1,210	700	609	5,982	74,927	202,046
1,480	988	572	498	4,886	61,198	53,593
3,293	2,198	1,272	1,107	10,868	136,125	255,639
156	104	60	52	515	6,447	5,553
3,137	2,094	1,212	1,055	10,353	129,678	250,086
24	16	9	8	78	977	727
3,161	2,110	1,221	1,063	10,431	130,655	250,813
126	(245)	50	(23)	1,184	2,323	3,284
4,855	3,290	1,944	1,413	20,400	218,487	329,130
2,665	1,388	799	596	5,026	77,605	69,721
532	300	115	93	458	13,743	12,237
16	8	1	3	—	516	541
—	188	4	—	117	723	562
29	19	10	8	91	1,090	1,028
3,242	1,903	929	700	5,692	93,677	84,089
1,613	1,387	1,015	713	14,708	124,810	245,041
48,564	32,317	18,578	16,255	156,106	1,981,492	1,736,451
50,177	33,704	19,593	16,968	170,814	2,106,302	1,981,492

Public Safety Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	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	1/01/99	\$363,057	391,061	28,004	92.8%	\$ 74,094	37.8%
	1/01/00	419,682	415,815	(3,867)	100.9	77,352	(5.0)
	1/01/01	470,153	452,131	(18,022)	104.0	83,674	(21.5)
	1/01/02	501,970	508,897	6,927	98.6	88,523	7.8
	1/01/03	491,499	536,944	45,445	91.5	90,782	50.1
	1/01/04	526,545	565,809	39,264	93.1	91,540	42.9
	1/01/05	554,342	630,095	75,753	88.0	97,654	77.6
	1/01/06	592,472	656,157	63,685	90.3	94,611	67.3
	1/01/07	652,239	706,589	54,350	92.3	100,368	54.2
12/31/07	730,102	750,601	20,499	97.3	108,127	19.0	
Public Safety Other Division A (with Social Security)	1/01/99	\$402,408	380,864	(21,544)	105.7%	\$ 89,257	(24.1)%
	1/01/00	467,856	407,837	(60,019)	114.7	97,056	(61.8)
	1/01/01	526,386	450,645	(75,741)	116.8	109,941	(68.9)
	1/01/02	564,325	518,791	(45,534)	108.8	115,482	(39.4)
	1/01/03	553,911	558,141	4,230	99.2	118,507	3.6
	1/01/04	594,020	603,281	9,261	98.5	125,617	7.4
	1/01/05	625,506	669,261	43,755	93.5	132,238	33.1
	1/01/06	668,555	718,533	49,978	93.0	136,367	36.6
	1/01/07	743,225	772,956	29,731	96.2	145,274	20.5
12/31/07	841,852	833,506	(8,346)	101.0	155,991	(5.4)	
Public Safety Salt Lake City	1/01/99	\$101,349	136,236	34,887	74.4%	\$ 16,355	213.3%
	1/01/00	115,568	143,223	27,655	80.7	17,224	160.6
	1/01/01	127,803	148,910	21,107	85.8	17,883	118.0
	1/01/02	135,031	158,626	23,595	85.1	18,579	127.0
	1/01/03	129,690	168,084	38,394	77.2	19,305	198.9
	1/01/04	138,148	176,136	37,988	78.4	20,380	186.4
	1/01/05	142,134	187,740	45,606	75.7	20,672	220.6
	1/01/06	150,347	200,080	49,733	75.1	22,778	218.3
	1/01/07	165,100	206,821	41,721	79.8	24,330	171.5
12/31/07	184,578	217,280	32,702	84.9	26,114	125.2	
Public Safety Ogden	1/01/99	\$ 31,038	34,191	3,153	90.8%	\$ 4,126	76.4%
	1/01/00	35,220	36,839	1,619	95.6	4,442	36.4
	1/01/01	38,652	38,128	(524)	101.4	4,513	(11.6)
	1/01/02	40,505	40,331	(174)	100.4	4,763	(3.7)
	1/01/03	38,568	42,649	4,081	90.4	5,059	80.7
	1/01/04	40,214	44,245	4,031	90.9	5,120	78.7
	1/01/05	40,288	47,666	7,378	84.5	5,167	142.8
	1/01/06	41,541	49,440	7,899	84.0	4,842	163.1
	1/01/07	44,077	51,735	7,658	85.2	5,130	149.3
12/31/07	48,429	53,744	5,315	90.1	5,118	103.8	
Public Safety Provo	1/01/99	\$ 16,906	20,036	3,130	84.4%	\$ 3,740	83.7%
	1/01/00	19,601	21,478	1,877	91.3	4,069	46.1
	1/01/01	22,045	23,608	1,563	93.4	4,446	35.2
	1/01/02	23,568	25,176	1,608	93.6	4,365	36.8
	1/01/03	22,875	26,434	3,559	86.5	4,512	78.9
	1/01/04	24,546	28,009	3,463	87.6	4,482	77.3
	1/01/05	25,302	30,072	4,770	84.1	4,402	108.4
	1/01/06	26,857	32,359	5,502	83.0	4,626	118.9
	1/01/07	29,473	33,773	4,300	87.3	4,504	95.5
12/31/07	32,601	35,346	2,745	92.2	4,864	56.4	

Public Safety Retirement System

Schedules of Funding Progress by Division (Continued)

(dollars in thousands)

Division	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	1/01/99	\$ 9,542	9,066	(476)	105.3%	\$ 1,800	(26.4)%
	1/01/00	11,086	9,898	(1,188)	112.0	2,019	(58.8)
	1/01/01	12,462	11,221	(1,241)	111.1	2,131	(58.2)
	1/01/02	13,375	12,422	(953)	107.7	2,199	(43.3)
	1/01/03	13,099	13,685	586	95.7	2,312	25.3
	1/01/04	13,826	14,599	773	94.7	2,372	32.6
	1/01/05	14,510	16,234	1,724	89.4	2,467	69.9
	1/01/06	15,432	16,885	1,453	91.4	2,308	63.0
	1/01/07	16,938	18,012	1,074	94.0	2,434	44.1
	12/31/07	18,949	19,129	180	99.1	2,626	6.9
Public Safety Bountiful	1/01/99	\$ 8,157	8,959	802	91.0%	\$ 1,327	60.4%
	1/01/00	9,369	9,444	75	99.2	1,384	5.4
	1/01/01	10,439	10,101	(338)	103.3	1,442	(23.4)
	1/01/02	11,148	10,484	(664)	106.3	1,518	(43.7)
	1/01/03	10,958	11,170	212	98.1	1,601	13.2
	1/01/04	11,809	11,640	(169)	101.5	1,653	(10.2)
	1/01/05	12,384	12,337	(47)	100.4	1,621	(2.9)
	1/01/06	13,392	13,966	574	95.9	1,724	33.3
	1/01/07	14,838	14,750	(88)	100.6	1,649	(5.3)
	12/31/07	16,406	15,556	(850)	105.5	1,756	(48.4)
Public Safety Other Division B (without Social Security)	1/01/99	\$ 56,343	53,734	(2,609)	104.9%	\$ 21,715	(12.0)%
	1/01/00	67,949	60,632	(7,317)	112.1	22,511	(32.5)
	1/01/01	79,056	72,132	(6,924)	109.6	23,955	(28.9)
	1/01/02	86,544	91,407	4,863	94.7	25,354	19.2
	1/01/03	88,835	101,384	12,549	87.6	26,400	47.5
	1/01/04	99,780	113,039	13,259	88.3	27,238	48.7
	1/01/05	110,438	133,380	22,942	82.8	29,576	77.6
	1/01/06	124,426	147,032	22,606	84.6	31,500	71.8
	1/01/07	143,308	164,346	21,038	87.2	32,973	63.8
	12/31/07	165,696	180,218	14,522	91.9	34,591	42.0
Total Public Safety Retirement System	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
	1/01/04	1,448,888	1,556,758	107,870	93.1	278,402	38.7
	1/01/05	1,524,904	1,726,785	201,881	88.3	293,797	68.7
	1/01/06	1,633,022	1,834,452	201,430	89.0	298,756	67.4
	1/01/07	1,809,198	1,968,982	159,784	91.9	316,662	50.5
	12/31/07	2,038,613	2,105,380	66,767	96.8	339,187	19.7

Public Safety Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Public Safety State of Utah	1998	\$16,515	100%
	1999	17,888	100
	2000	19,250	100
	2001	17,990	100
	2002	16,476	100
	2003	17,406	100
	2004	20,923	100
	2005	21,340	100
	2006	24,269	100
2007	27,713	100	
Public Safety Other Division A (with Social Security)	1998	\$13,448	100%
	1999	15,611	100
	2000	17,700	100
	2001	16,326	100
	2002	14,639	100
	2003	16,980	100
	2004	21,426	100
	2005	24,049	100
	2006	28,146	100
2007	32,961	100	
Public Safety Salt Lake City	1998	\$ 5,482	100%
	1999	5,986	100
	2000	6,286	100
	2001	6,052	100
	2002	5,633	100
	2003	6,182	100
	2004	6,405	100
	2005	7,424	100
	2006	8,292	100
2007	9,293	100	
Public Safety Ogden	1998	\$ 1,003	100%
	1999	1,133	100
	2000	1,122	100
	2001	1,070	100
	2002	976	100
	2003	986	100
	2004	1,158	100
	2005	1,170	100
	2006	1,381	100
2007	1,557	100	
Public Safety Provo	1998	\$ 479	100%
	1999	537	100
	2000	562	100
	2001	485	100
	2002	433	100
	2003	455	100
	2004	543	100
	2005	565	100
	2006	634	100
2007	771	100	

Public Safety Retirement System

Schedules of Employer Contributions by Division *(Continued)**(dollars in thousands)*

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Public Safety Logan	1998	\$ 131	100%
	1999	162	100
	2000	162	100
	2001	109	100
	2002	78	100
	2003	132	100
	2004	221	100
	2005	271	100
	2006	366	100
2007	508	100	
Public Safety Bountiful	1998	\$ 277	100%
	1999	320	100
	2000	340	100
	2001	320	100
	2002	291	100
	2003	298	100
	2004	310	100
	2005	339	100
	2006	327	100
2007	373	100	
Public Safety Other Division B (without Social Security)	1998	\$ 2,764	100%
	1999	3,473	100
	2000	3,931	100
	2001	3,761	100
	2002	3,738	100
	2003	4,216	100
	2004	5,333	100
	2005	6,168	100
	2006	7,051	100
2007	7,990	100	
Total Public Safety Retirement System	1998	\$40,099	100%
	1999	45,110	100
	2000	49,353	100
	2001	46,113	100
	2002	42,264	100
	2003	46,655	100
	2004	56,319	100
	2005	61,326	100
	2006	70,466	100
2007	81,166	100	

Firefighters Retirement System

Schedules of Fiduciary Net Assets — Pension Trust Fund by Division

December 31, 2007

With Comparative Totals for December 31, 2006

(i n t h o u s a n d s)

	Division A	Division B	Total All Divisions	
	(with Social Security)	(without Social Security)	2007	2006
Assets:				
Cash	\$ 1	1	2	2
Receivables:				
Member contributions	111	296	407	361
Fire insurance tax	—	2,871	2,871	—
Investments	1,942	13,972	15,914	10,476
Total receivables	2,053	17,139	19,192	10,837
Investments at fair value:				
Short term securities, domestic	7,134	51,335	58,469	80,597
Short term securities, international	29	208	237	4,118
Debt securities, domestic	22,666	163,091	185,757	141,747
Debt securities, international	2,714	19,530	22,244	36,803
Equity investments, domestic	28,288	203,544	231,832	251,231
Equity investments, international	14,257	102,590	116,847	132,835
Absolute return	10,380	74,691	85,071	46,917
Private equity	5,443	39,168	44,611	31,440
Real estate	17,859	128,508	146,367	130,441
Mortgage loans	32	233	265	268
Total investments	108,802	782,898	891,700	856,397
Invested securities lending collateral	8,602	61,898	70,500	85,858
Property and equipment at cost, net of accumulated depreciation	4	28	32	79
Total assets	119,462	861,964	981,426	953,173
Liabilities:				
Securities lending collateral liability	8,602	61,898	70,500	85,858
Disbursements in excess of cash balance	83	599	682	883
Compensated absences, post employment benefits and insurance reserve	74	529	603	544
Investment accounts payable	4,556	32,786	37,342	42,233
Real estate liabilities	7,032	50,593	57,625	49,879
Total liabilities	20,347	146,405	166,752	179,397
Net assets held in trust for pension benefits	\$ 99,115	715,559	814,674	773,776

Firefighters Retirement System

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

Year Ended December 31, 2007

With Comparative Totals for Year Ended December 31, 2006

(i n t h o u s a n d s)

	Division A	Division B	Total All Divisions	
	(with Social Security)	(without Social Security)	2007	2006
Additions:				
Contributions:				
Member	\$ 2,606	6,588	9,194	7,761
Fire insurance tax	3,241	10,556	13,797	9,518
Total contributions	5,847	17,144	22,991	17,279
Investment income:				
Net appreciation in fair value of investments	3,450	25,647	29,097	79,402
Interest, dividends and other investment income	2,818	20,948	23,766	21,061
Total income from investment activity	6,268	46,595	52,863	100,463
Less investment expenses	297	2,207	2,504	2,183
Net income from investment activity	5,971	44,388	50,359	98,280
Income from security lending activity	45	334	379	286
Net investment income	6,016	44,722	50,738	98,566
Transfers from affiliated systems	(329)	2,038	1,709	1,825
Total additions	11,534	63,904	75,438	117,670
Deductions:				
Retirement benefits	2,343	24,609	26,952	23,122
Cost of living benefits	398	6,063	6,461	5,806
Supplemental retirement benefits	24	499	523	569
Refunds	71	177	248	114
Administrative expenses	45	311	356	345
Total deductions	2,881	31,659	34,540	29,956
Increase from operations	8,653	32,245	40,898	87,714
Net assets held in trust for pension benefits beginning of year	90,462	683,314	773,776	686,062
Net assets held in trust for pension benefits end of year	\$99,115	715,559	814,674	773,776

Firefighters Retirement System

Schedules of Funding Progress by Division

(dollars in thousands)

Division	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	1/01/99	\$ 48,851	40,479	(8,372)	120.7%	\$ 9,375	(89.3)%
Division A	1/01/00	56,976	42,464	(14,512)	134.2	10,944	(132.6)
(with Social Security)	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)
	1/01/04	60,889	56,399	(4,490)	108.0	14,524	(30.9)
	1/01/05	65,260	62,802	(2,458)	103.9	15,490	(15.9)
	1/01/06	72,396	73,109	713	99.0	18,344	3.9
	1/01/07	82,969	81,160	(1,809)	102.2	20,076	(9.0)
	12/31/07	96,207	90,484	(5,723)	106.3	22,589	(25.3)
Firefighters	1/01/99	\$374,554	367,224	(7,330)	102.0%	\$44,951	(16.3)%
Division B	1/01/00	426,398	376,693	(49,705)	113.2	46,617	(106.6)
(without Social Security)	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)
	1/01/04	528,613	492,979	(35,634)	107.2	61,095	(58.3)
	1/01/05	545,428	516,089	(29,339)	105.7	64,148	(45.7)
	1/01/06	572,100	541,250	(30,850)	105.7	65,717	(46.9)
	1/01/07	622,082	562,605	(59,477)	110.6	68,606	(86.7)
	12/31/07	691,456	597,455	(94,001)	115.7	73,178	(128.5)
Total	1/01/99	\$423,405	407,703	(15,702)	103.9%	\$54,326	(28.9)%
Firefighters	1/01/00	483,374	419,157	(64,217)	115.3	57,561	(111.6)
Retirement	1/01/01	536,503	455,456	(81,047)	117.8	63,274	(128.1)
System	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)
	1/01/04	589,502	549,378	(40,124)	107.3	75,619	(53.1)
	1/01/05	610,688	578,891	(31,797)	105.5	79,638	(39.9)
	1/01/06	644,496	614,359	(30,137)	104.9	84,061	(35.9)
	1/01/07	705,051	643,765	(61,286)	109.5	88,682	(69.1)
	12/31/07	787,663	687,939	(99,724)	114.5	95,767	(104.1)

Firefighters Retirement System

Schedules of Employer Contributions by Division

(dollars in thousands)

Division	Year Ended	Employer Contributions	
		Annual Required Contributions	Percentage Contributed
Firefighters Division A (with Social Security)	1998	\$ 758	100%
	1999	813	100
	2000	1,290	100
	2001	1,489	100
	2002	1,791	100
	2003	1,748	100
	2004	1,687	100
	2005	2,098	100
	2006	2,153	100
	2007	3,241	100
Firefighters Division B (without Social Security)	1998	\$6,179	100%
	1999	4,924	100
	2000	5,465	100
	2001	6,865	100
	2002	7,663	100
	2003	7,311	100
	2004	6,972	100
	2005	7,503	100
	2006	7,365	100
	2007	10,556	100
Total Firefighters Retirement System	1998	\$6,937	100%
	1999	5,737	100
	2000	6,755	100
	2001	8,354	100
	2002	9,454	100
	2003	9,059	100
	2004	8,659	100
	2005	9,601	100
	2006	9,518	100
2007	13,797	100	

Utah Retirement Systems

Schedules of Administrative and Investment Expenses

December 31, 2007

(i n t h o u s a n d s)

	Defined Benefit Pension Plans	Investment Trust Fund	Defined Contribution Plans	Total
Personal services:				
Salaries and wages	\$ 3,603	1,268	2,766	7,637
Employee benefits	1,560	509	1,441	3,510
Total personal services	5,163	1,777	4,207	11,147
Professional services:				
Audit	104	—	25	129
Actuarial services	198	—	—	198
General counsel	679	476	4	1,159
Banking services	57	—	—	57
Security handling expense	—	823	406	1,229
Investment advisor fees	—	60,125	3,020	63,145
Other consulting services	309	574	159	1,042
Total professional services	1,347	61,998	3,614	66,959
Communications:				
Telephone	200	78	132	410
Postage	404	—	593	997
Total communications	604	78	725	1,407
Rentals:				
Office space	1,102	94	93	1,289
Total rentals	1,102	94	93	1,289
Miscellaneous:				
Data processing	613	187	382	1,182
Professional development	237	117	15	369
Contractual services	254	2	113	369
Supplies and maintenance	157	—	—	157
Insurance and bonding premiums	388	66	60	514
Subscription expense	14	1	1	16
Office supplies	139	—	53	192
Other	140	—	—	140
Depreciation expense	291	—	—	291
Total miscellaneous	2,233	373	624	3,230
Total administrative and investment expenses	\$10,449	64,320	9,263	84,032
Allocation of administrative expenses:				
Noncontributory Retirement System	\$ 8,345	—	—	8,345
Contributory Retirement System	588	—	—	588
Public Safety Retirement System	1,090	—	—	1,090
Firefighters Retirement System	356	—	—	356
Judges Retirement System	65	—	—	65
Utah Governors and Legislators Retirement Plan	5	—	—	5
401(k) Plan	—	—	5,602	5,602
457 Plan	—	—	591	591
Roth IRA Plan	—	—	13	13
Traditional IRA Plan	—	—	36	36
Health Reimbursement Arrangement (HRA)	—	—	1	1
Total administrative expenses	10,449	—	6,243	16,692
Investment administrative expense	—	4,195	—	4,195
Investment advisor fees:				
Investment Fund	—	60,125	—	60,125
401(k) Plan	—	—	2,715	2,715
457 Plan	—	—	279	279
Roth IRA Plan	—	—	7	7
Traditional IRA Plan	—	—	19	19
Health Reimbursement Arrangement (HRA)	—	—	—	—
Total investment expenses	—	64,320	3,020	67,340
Total administrative and investment expense allocations	\$10,449	64,320	9,263	84,032

Utah Retirement Systems

2007 Comprehensive Annual Financial Report



Investment

Investment Section

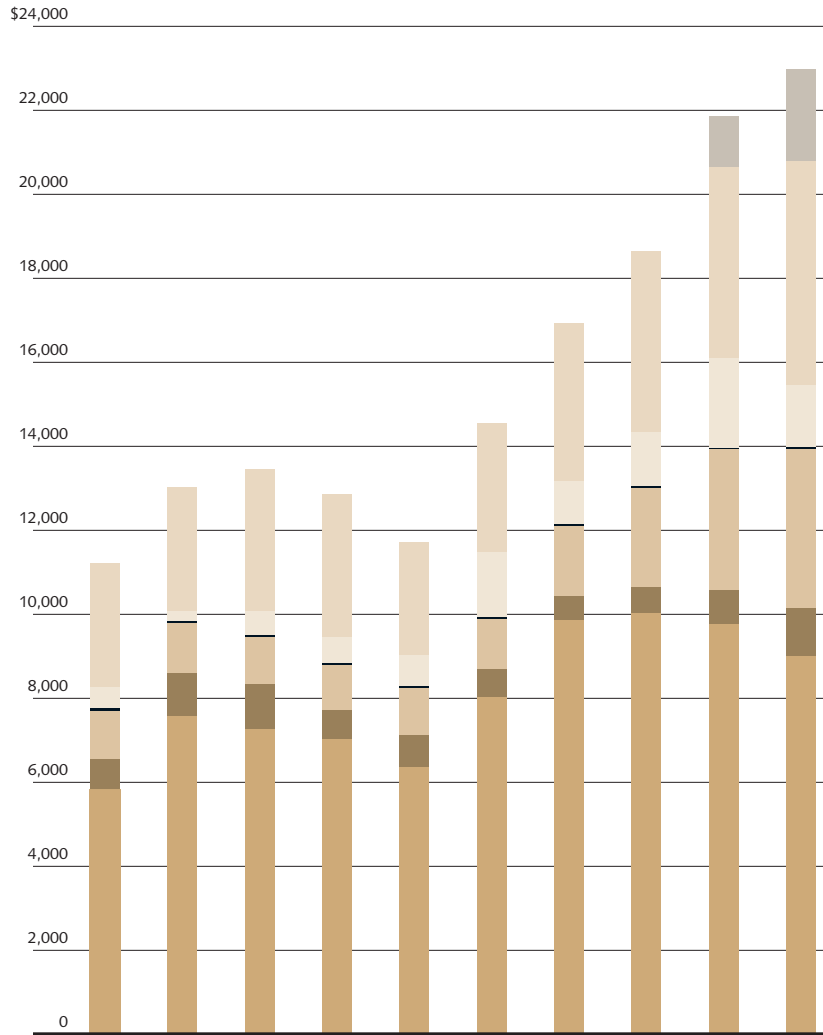
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All Retirement Systems

Ten Year Investment Comparison

Ten Year Investment Comparison

(in millions)



(in millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Absolute Return	—	—	—	—	—	—	—	—	1,198	2,196
Debt Securities	\$ 2,951	2,960	3,384	3,463	2,698	3,062	3,754	4,301	4,558	5,315
Short Term Securities	548	273	595	603	763	1,582	1,055	1,324	2,163	1,515
Mortgages	4	4	3	3	4	7	7	7	7	7
Real Estate	1,149	1,188	1,133	1,076	1,124	1,188	1,673	2,353	3,330	3,772
Private Equity	738	1,018	1,050	678	762	654	553	612	803	1,150
Equities	5,848	7,614	7,308	7,068	6,394	8,070	9,896	10,061	9,804	9,029
Totals	\$11,238	13,057	13,473	12,891	11,745	14,563	16,937	18,657	21,863	22,984

Defined Benefit Investments

Report on Investment Activity

The economy slowed during the fourth quarter of 2007 with economists forecasting a recession in 2008. U.S. Gross Domestic Product increased a meager 2.2% for the year. Most asset classes were again positive for this year as in the previous year. However, the fourth quarter presaged signs of weakness as the domestic and international markets turned negative. Real Estate Investment Trusts (REITs) gave back about one third of the gain garnered in 2006, with the National Association of Real Estate Investment Trusts (NAREIT) index returning minus 12.7%. Bonds were a good place to invest in the fourth quarter returning 3% and nearly 7% for the year as measured by the Lehman Brothers Aggregate.

The big story in 2007 was credit. The sub-prime mortgage market began to unravel, causing financial stocks to tumble and the housing market to plummet. Sales of existing homes fell 22% during the year. Sales prices of existing homes dropped 6% nationwide and housing starts dropped 14.3% in December, notching a 16-year low of only one million units. Unemployment edged up in December by 0.3% from 4.7% to 5.0%. Although this seems like an insignificant move, it was the first 0.3% increase since 2001. Consumer confidence began to wane in the 4th quarter. The Federal Reserve began to respond to the credit weakness by lowering interest rates one half percent in September followed by two more decreases of a quarter percent by year end. Certainly, fixed income securities benefited from the rate cuts with the returns noted above. The Federal Reserve postponed its inflation fight to try and calm the credit crisis that was just beginning to unfold. However, oil caused inflation to spike in November and December, producing a fourth quarter CPI (Consumer Price Index) increase of over 4% on an annualized basis. The Treasury yield curve began the year essentially flat with two-year notes yielding 4.8%, the same as thirty-year bonds. However, by the end of the year, the curve was dramatically steeper with two year notes yielding 3.1%, almost one and one half percent lower than thirty year bonds yielding 4.5%. As volatility remained low in 2005 and 2006, the market reversed itself given the negative news, and volatility increased dramatically with a high of over 31% in November. The dollar remained weak in 2007.

The U.S. equity market as measured by the S&P 500 was up 5.5% for 2007. The international equity market as measured by the Europe Australia Asia Far East (EAFE) index and the Morgan Stanley Capital International (MSCI) Emerging Markets Free-Unhedged index returned 11.2% and 39.8% respectively. Real Estate, as measured by the National Council of Real Estate Investment Fiduciaries (NCREIF), was up 15.8%.

The Utah Retirement Systems (Systems) posted an anemic 7.2% return for the year. The Systems' gain was hurt by size and style. The Systems has maintained a tilt toward value style in its investing and usually has carried an overweight to small cap versus the indexes. Both value style and small caps underperformed the core indexes in 2007. Value style and size bias have added to the Systems' returns over the years, but there are years when tilts will under perform, and 2007 was one of them. Thus, our active management strategies did not add value net of fees in 2007. The Systems' three-year return was 10.4%, down as compared to last year's 12.4% number. However, the five-year return continued to increase to 14.1% as compared to the five-year return a year ago at 10.5%. (One of those years includes a bear market.) Over the past ten years, the Systems' portfolio has returned 8.2%, exceeding its actuarial goal of 8%.

During 2007, we further diversified the portfolio into additional active strategies to lower overall market risk. We will continue to diversify the portfolio in 2008 and 2009. However, we expect to maintain our overall return assumption.

As I stated last year, we have been well served by a diversified portfolio. Because we are a long term investor, we've experienced good years and bad ones. At some time in the future, we will probably report a negative year as we did during the bear market at the beginning of this decade. However, the portfolio is statistically sound and will be able to weather any temporary setback. We will continue to provide our participants with the retirement security they need through professional investment.



Bruce H. Cundick
Chief Investment Officer

Defined Benefit Investments

Investment Highlights *(Continued)*

Outline of Investment Policies

The 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, Private Equity, and Absolute Return. 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 manages overall expected portfolio risk (volatility) and maximizes expected return without unduly constraining the

2007 Investment Summary

(dollars in thousands)

	2007 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2007 Ending Fair Value	Percent of Total Fair Value
Short term securities, domestic	\$ 2,057,390	30,484,326	31,004,413	(30,531)	1,506,772	6.56%
Short term securities, international	105,123	13,962,966	14,058,495	(3,478)	6,116	0.03
Debt securities, domestic	3,618,385	17,112,675	16,023,407	79,374	4,787,027	20.83
Debt securities, international	939,478	334,263	696,335	(4,179)	573,227	2.49
Equities, domestic	6,413,229	3,800,288	3,847,623	(391,532)	5,974,362	26.00
Equities, international	3,390,880	1,843,566	1,847,501	(375,761)	3,011,184	13.10
Absolute return	1,197,638	3,216,808	2,280,224	58,086	2,192,308	9.54
Private equity	802,584	470,242	200,309	77,128	1,149,645	5.00
Real estate	3,329,763	879,814	408,423	(29,224)	3,771,930	16.42
Mortgage loans	6,848	—	3	—	6,845	0.03
Totals	\$21,861,318	72,104,948	70,366,733	(620,117)	22,979,416	100.00%

Defined Benefit Investments

Investment Highlights *(Continued)*

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 manage segments of the portfolio.

All managers must acknowledge a co-fiduciary status to the Fund. All managers are expected to communicate with the staff at least quarterly.

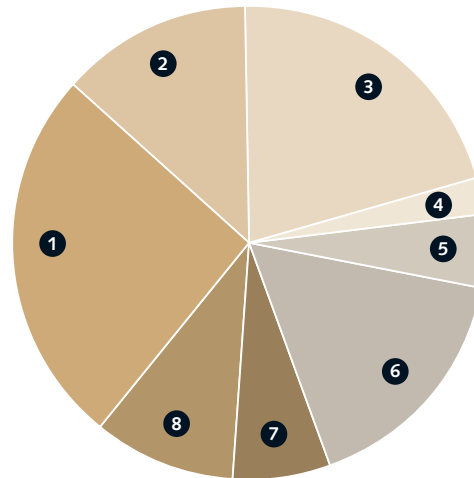
Managers' portfolios are evaluated both against appropriate market indices and similar manager style groups. The investment policy outlines appropriate benchmarks.

Investment return calculations are prepared using a time-weighted rate of return based on Performance Presentation Standards of the CFA Institute (CFAI), formerly known as AIMR.

Year-end Asset Allocation at Fair Value
Year-end Asset Allocation at Fair Value

December 31, 2007

- 1 Equities, Domestic (26.0%)
- 2 Equities, International (13.1%)
- 3 Debt Securities, Domestic (20.8%)
- 4 Debt Securities, International (2.5%)
- 5 Private Equity (5.0%)
- 6 Real Estate (16.4%)
- 7 Short Term Securities (6.6%)
- 8 Absolute Return (9.6%)



December 31,

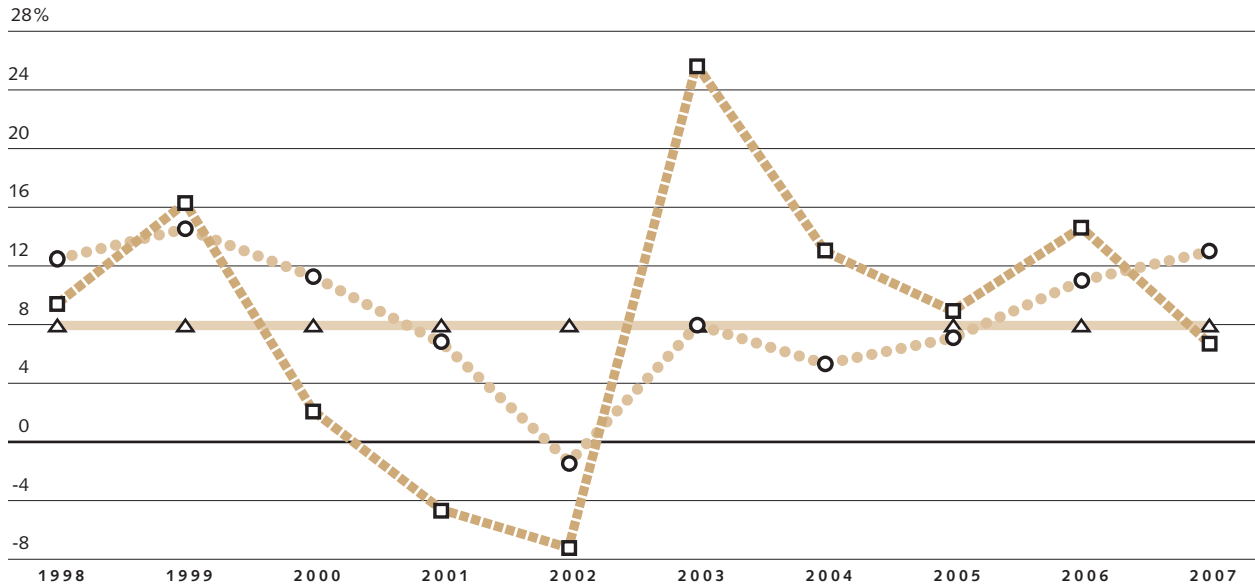
	2002	2003	2004	2005	2006	2007
Equities, domestic	37.5%	37.2	38.5	34.2	29.3	26.0
Equities, international	16.9	18.2	19.9	19.7	15.5	13.1
Debt securities, domestic	17.3	15.6	17.0	18.5	16.6	20.8
Debt securities, international	5.7	5.4	5.2	4.6	4.3	2.5
Private equity	6.5	4.5	3.3	3.3	3.7	5.0
Real estate	9.6	8.2	9.9	12.6	15.2	16.4
Short term securities	6.5	10.9	6.2	7.1	9.9	6.6
Absolute return	—	—	—	—	5.5	9.6
Total portfolio	100.0%	100.0	100.0	100.0	100.0	100.0

Defined Benefit Investments

Investment Highlights *(Continued)*

Ten-Year Total Pension Investment Rates of Return

(in percents)



Ten-Year Total Pension Investment Rates of Return
 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
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
2004	16,937	5.32	13.24	8.00
2005	18,657	7.36	8.96	8.00
2006	21,861	11.10	14.77	8.00
2007	22,979	13.04	7.15	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 2007, 6.87% 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.

Defined Benefit Investments

Investment Highlights *(Continued)*

Comparative Investment Results

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

Year Ended December 31, 2007

Investment Option Comparative Index	1 Year	3 Year	5 Year	10 Year
Domestic Equity	3.14%	8.22%	14.85%	7.18%
<i>Russell 3000 Index</i>	5.14	8.89	13.63	6.22
International Equity	10.46	18.06	22.75	9.65
<i>International Equity Benchmark</i>	13.48	18.91	23.68	9.18
<i>Benchmark consisting of:</i>				
<i>80% MSCI EAFE Index</i>				
<i>10% MSCI Emerging Markets Index</i>				
<i>10% Citigroup Extended Markets Index World ex-US</i>				
Domestic Debt Securities	6.09	4.04	4.45	5.37
<i>Lehman Brothers Aggregate Index</i>	6.97	4.56	4.42	5.97
International Debt Securities	9.63	4.93	8.51	6.97
<i>Lehman Brothers Global Aggregate Index</i>	9.48	3.70	6.51	6.08
Real Estate	12.35	20.39	17.53	12.78
<i>Real Estate Benchmark</i>	15.85	17.49	15.14	12.91
<i>Benchmark consisting of:</i>				
<i>90% NCREIF Real Estate Index</i>				
<i>10% NAREIT Index</i>				
Private Equity	31.24	25.90	21.31	12.93
<i>Private Equity Benchmark</i>	8.43	12.19	16.92	15.96
<i>Benchmark consisting of:</i>				
<i>85% Russell 3000 Index + 3.5%</i>				
<i>15% Russell 3000 Index + 2.0%</i>				
Absolute Return	(4.36)	NA*	NA*	NA*
<i>Treasury Bills + 5%</i>	10.00			
Short Term	5.62	4.48	3.16	4.68
<i>3 Month Treasury Bills</i>	5.00	4.30	3.07	3.77
Total Fund	7.15	10.41	14.05	8.22
<i>Fund Benchmark</i>	8.45	10.54	13.70	8.30
<i>Benchmark consisting of:</i>				
<i>35.0% Russell 3000 Index</i>				
<i>20.0% Lehman Brothers Aggregate Index</i>				
<i>14.4% MSCI EAFE Index</i>				
<i>9.0% NCREIF Total Index</i>				
<i>6.0% Russell 3000 Index + 3.5%</i>				
<i>5.0% Lehman Brothers Global Aggregate Index</i>				
<i>5.0% 3 Month Treasury Bills + 5%</i>				
<i>1.8% EMI World ex US Index</i>				
<i>1.8% MSCI Emer Markets Index</i>				
<i>1.0% Russell 3000 Index + 2%</i>				
<i>1.0% NAREIT Index</i>				
<i>CAI Public Fund — Large Database Medium</i>	9.39	11.03	13.63	8.26
Inflation	4.08	3.34	3.03	2.67

(1) Investment measurement services provided by Callan Associates Inc.

(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 CFA Institute (CAI), formerly known as AIMR.

*Not available.

Defined Benefit Investments

Investment Highlights *(Continued)*

List of Largest Assets Held

December 31, 2007

Largest Equity Holdings *(By Fair Value)*

Description	Shares	Fair Value
Exxon Mobil Corp.	1,377,750	\$129,081,398
General Electric Co.	2,594,350	96,172,555
Microsoft Corp.	2,069,800	73,684,880
AT&T Inc.	1,446,832	60,130,338
Google Inc.	83,400	57,669,432
Apple Inc.	277,050	54,878,064
Procter & Gamble Co.	707,250	51,926,295
JP Morgan Chase & Co.	1,108,524	48,387,073
Bank of America Corp.....	1,164,388	48,042,649
CISCO Systems Inc.	1,754,750	47,501,083

Largest Debt Securities Holdings *(By Fair Value)*

Description	Par Value	Fair Value
US Treasury Notes 4.25% Due 9/30/2012	\$51,205,000	53,001,169
US Treasury Bond 6.75% Due 8/15/2026.....	34,986,000	44,782,080
US Treasury SEC Stripped Int Due 2/15/2015.....	49,800,000	37,664,985
US Treasury Notes Inflation Indexed 4.25% Due 1/15/2010.....	20,074,000	26,598,192
US Treasury Notes Inflation Indexed 2.375% Due 1/15/2027.....	23,220,000	25,438,890
Farmer MAC GTD Notes 5.5% Due 7/15/2011 Rating AAA.....	21,725,000	23,008,296
Federal Home Loan Mortgage 5.5% Due 11/01/2037 Rating AAA.....	22,900,000	22,855,597
US Treasury Notes 4.75% Due 03/31/2011	19,725,000	20,692,748
US Treasury Bonds Stripped Principal Payment Due 11/15/2021	37,790,000	19,945,713
US Treasury Bonds 8.50% Due 2/15/2020	14,125,000	19,645,883

Defined Benefit Investments

Investment Highlights *(Continued)*

Schedules of Fees and Commissions

Broker Commission Fees

Year Ended December 31, 2007

Broker	Total Commission Fees
Merrill Lynch & Co.	\$ 923,512
Jefferies & Company	691,811
Lehman Brothers	634,305
Instinet Corporation	517,676
UBS Securities	431,864
Investment Technology Group (ITG)	408,480
JP Morgan Securities	382,855
Credit Suisse First Boston	335,883
Weeden & Company	335,797
Bear Stearns & Company	231,297
Citigroup Global Markets	222,676
Morgan Stanley & Company	213,735
Nomura International	170,399
Goldman Sachs & Company	166,446
Knight Securities	142,711
Deutsche Bank Securities	124,039
Societe Generale	90,166
Lynch, Jones & Ryan	89,290
Liquidnet	86,530
Piper Jaffray & Company	86,099
Sanford C Bernstein & Company	83,159
Credit Lyonnais Securities	73,150
D.A. Davidson & Co.	66,101
Robert W Baird & Company	65,286
Banc of America Securities	61,715
All others	1,725,434
Total	\$8,360,416

Schedule of Investment Fees and Commissions

Year Ended December 31, 2007

Investment advisor fees:	
Equity securities, domestic	\$13,313,425
Equity securities, international	24,208,725
Debt securities, domestic	3,584,260
Debt securities, international	2,164,381
Private equity	12,808,350
Real estate	1,149,358
Absolute return	2,897,158
Total investment advisor fees	60,125,657
Investment brokerage fees	8,360,416
Total fees and commissions	\$68,486,073

Utah Retirement Systems uses a commission recapture program as part of its trading strategies. During the year ending December 31, 2007, Utah Retirement

Systems recaptured approximately \$843,000 from the gross commission charges. This sum plus accumulated recapture credits from prior years was

used to fund almost \$1,514,000 in investment expenses that otherwise would have been paid for with investment funds.

Defined Benefit Investments

Investment Highlights *(Continued)*

Investment Professionals

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

Alliance Bernstein
1345 Avenue of the Americas
New York, NY 10105

Axa Rosenberg Investment
Management LLC
4 Orinda Way, Building E
Orinda, CA 94563

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

Black Rock Realty Advisors
One Boston Place, 32nd Floor
Boston, MA 02108

BNA Realty Advisors
3550 N Central Avenue
Suite 1025
Phoenix, AZ 85012

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

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

Capital International
333 South Hope Street
Los Angeles, CA 90071

CB Richard Ellis Investors
515 South Flower Street
31st Floor
Los Angeles, CA 90071

Cornerstone Real Estate
Advisors LLC
300 So. Wacker Drive
Suite 3550
Chicago, IL 60606

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

Credit Suisse
11 Madison Avenue
16th Floor
New York, NY 10010

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

European Investors, Inc.
717 Fifth Avenue
New York, NY 10022

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

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

Grantham, Mayo,
VanOtterloo & Co., LLC
40 Rowes Wharf
Boston, MA 02110

Gryphon International
Investment Corp.
20 Bay Street
Toronto, Ontario M5J 2N8
Canada

Hancock Timber
Resources Group
99 High Street
Boston, MA 02110

Hart Realty Advisors, Inc.
One Mill Pond Lane
Simsbury, CT 06070

Henderson Global Investors
One Financial Plaza
Hartford, CT 06103

ING Clarion
230 Park Avenue
New York, NY 10169

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

Jennison Associates, LLC
466 Lexington Avenue
New York, NY 10017

JP Morgan Fleming Asset
Management
10 So. Dearborn
43rd Floor
Chicago, IL 60603

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

Lord Abbett
90 Hudson Street
Jersey City, NJ 07302

Mazama Capital
One SW Columbia Street
Suite 1500
Portland, OR 97258

Mondrian Investment
Partners Limited
10 Gresham Street
Fifth Floor
London EC2V 7JD, UK

Morgan Stanley
Asset Management
522 5th Avenue
4th Floor
New York, NY 10036

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

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

Portfolio Advisors
9 Old Kings Highway
South Darien, CT 06820

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

Silchester International
Investors, Inc.
780 Third Avenue
42 Floor
New York, NY 10017

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

The Praedium Group LLC
825 Third Avenue, 36th Floor
New York, NY 10022

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

Waddell & Reed Asset
Management Group
6300 Lamar Avenue
Shawnee Mission, KS 66201

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

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

Utah Retirement
Systems Consultants

Albourne America LLC
One Ferry Building
Suite 280
San Francisco, CA 94111

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

Russell Implementation
Services, Inc.
909 A Street
Tacoma, WA 98402

The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675

Defined Contribution Investment

Investment Highlights

Introduction

Utah Retirement Systems' 401(k), 457, Roth and Traditional IRA Plans are tax-advantaged retirement savings programs authorized under sections 401(k), 457 and 408 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 core investment funds and a brokerage window in which their monies may be invested. Each participant may choose one or a combination of the core funds. In addition, there is a Group Annuity Fund that is closed to contributions, but where current balances still exist. The table at the bottom left shows the total investments in the various investment options. The asset graph below shows the asset distribution at December 31, 2007.

Defined Contribution Plans Investments

Defined Contribution Plans Investments

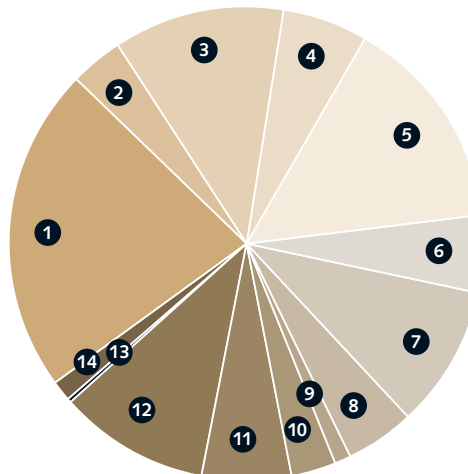
(in thousands)

Investment Options	Total
Income Fund	\$ 642,319
Bond Fund	95,781
Balanced Fund	333,693
Large Cap Stock Value Fund	170,143
Large Cap Stock Index Fund	422,868
Large Cap Stock Growth Fund	149,994
International Fund	273,366
Small Cap Stock Fund	142,163
Brokerage Window	31,172
Short Horizon Fund	84,121
Medium Horizon Fund	173,496
Long Horizon Fund	290,246
HRA Fund	602
Group Annuity Fund (closed to contributions)	41,399
Total	\$2,851,363

Defined Contribution Investments

December 31, 2007

- 1 Income Fund (22.5%)
- 2 Bond Fund (3.4%)
- 3 Balanced Fund (11.7%)
- 4 Large Cap Stock Value Fund (6.0%)
- 5 Large Cap Stock Index Fund (14.8%)
- 6 Large Cap Stock Growth Fund (5.3%)
- 7 International Fund (9.6%)



- 8 Small Cap Stock Fund (5.0%)
- 9 Brokerage Window (1.1%)
- 10 Short Horizon Fund (3.0%)
- 11 Medium Horizon Fund (6.1%)
- 12 Long Horizon Fund (10.2%)
- 13 HRA Fund (0.0%)*
- 14 Group Annuity Fund (1.5%)

*Rounded figure, actual percentage is 0.02%

Defined Contributions Investments

Investment Highlights *(Continued)*

*2007 Investment Summary
and Investment and Administrative Fees*

2007 Investment Summary and Investment and Administrative Fees

(dollars in thousands)

Fund	2007 Beginning Fair Value	Purchases	Sales and Redemptions	Increase (Decrease) in Fair Value	2007 Ending Fair Value	Percent of Total Fair Value	Invest- ment Fees	Admin- istrative Fees	Total Fees
Income Fund	\$ 592,330	80,565	54,318	23,742	642,319	22.53%	0.10%	0.23%	0.33%
Bond Fund	80,977	24,123	12,125	2,806	95,781	3.36	0.15	0.23	0.38
Balanced Fund	308,677	329,307	325,822	21,531	333,693	11.70	0.26	0.23	0.49
Large Cap Stock Value Fund	191,138	26,819	35,504	(12,310)	170,143	5.97	0.42	0.23	0.65
Large Cap Stock Index Fund	416,645	16,232	21,995	11,986	422,868	14.83	0.03	0.23	0.26
Large Cap Stock Growth Fund	97,536	46,514	9,586	15,530	149,994	5.26	0.27	0.23	0.50
International Fund	237,131	46,461	22,140	11,914	273,366	9.59	0.36	0.23	0.59
Small Cap Stock Fund	168,380	12,825	25,005	(14,037)	142,163	4.99	0.41	0.23	0.64
Brokerage Window	15,484	16,957	545	(742)	31,172	1.09	NA	0.23	0.23
Short Horizon Fund	69,338	23,351	11,010	2,442	84,121	2.95	0.19	0.23	0.42
Medium Horizon Fund	140,307	34,319	6,466	5,336	173,496	6.08	0.22	0.23	0.45
Long Horizon Fund	248,901	39,191	9,890	12,044	290,246	10.18	0.24	0.23	0.47
HRA Fund	109	621	128	—	602	0.02	0.37	0.23	0.60
Group Annuity Fund <i>(closed to contributions)</i>	43,918	—	2,734	215	41,399	1.45	1.13	0.23	1.36
Totals	\$2,610,871	697,285	537,268	80,475	2,851,363	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.

The administrative fee for the brokerage window account is a flat rate of \$25 per quarter. Investment fees and broker commissions are paid by the participant according to the trading and

securities selected within the brokerage window.

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), 457, Roth and Traditional IRA Plan balances of less than \$5,000. There may also be special service fees for loans and short term trading.

The investments described are not FDIC insured; not deposits or obligations of, or guaranteed by, any financial institution; and not guaranteed by the Utah Retirement Systems or any government agency.

The past performance of any of these funds does not guarantee future results.

Utah Retirement Systems' employees are not registered securities advisors. They cannot offer investment advice or make recommendations. Because the participants make the investment decisions about their accounts, the plans' sponsor, trustees, and others associated with the investments may be relieved of liability for investment performance.

Defined Contributions Investments

Investment Highlights *(Continued)*

Defined Contribution Plans Comparative Annualized Rates of Return

Defined Contribution Plans Comparative Annualized Rates of Return

Year Ended December 31, 2007

Investment Option Comparative Index	Annualized			
	1 Year	3 Year	5 Year	10 Year
Income Fund	5.00%	4.68%	4.27%	5.15%
<i>Treasury Bills Index</i>	5.00	4.30	3.07	3.77
<i>Ryan Lab 3 Yr GIC Index</i>	4.51	3.82	3.90	5.05
Bond Fund	4.87	3.92	4.19	5.77
<i>Lehman Aggregate Bond Index</i>	6.97	4.56	4.42	5.97
Balanced Fund	7.62	7.96	10.68	6.53
<i>Balanced Index (1)</i>	6.19	7.05	9.54	6.38
Large Cap Stock Value Fund	0.01	8.94	15.24	NA*
<i>Russell 1000 Value Index</i>	(0.17)	9.32	14.63	7.68
Large Cap Stock Index Fund	5.28	8.36	12.50	5.56
<i>S&P 500 Index</i>	5.49	8.62	12.83	5.91
Large Cap Stock Growth Fund	17.68	11.02	12.36	2.15
<i>Russell 1000 Growth Index</i>	11.81	8.68	12.11	3.83
International Fund	8.93	16.23	19.55	10.20
<i>MSCI EAFE Index</i>	11.17	16.83	21.59	8.66
Small Cap Stock Fund	(3.29)	5.99	16.22	8.85
<i>Russell 2000 Index</i>	(1.57)	6.80	16.25	7.08
Short Horizon Fund	5.27	5.25	5.92	6.33
<i>Short Horizon Index (2)</i>	6.51	5.94	6.11	6.11
Medium Horizon Fund	5.87	7.86	10.39	6.95
<i>Medium Horizon Index (3)</i>	6.74	7.99	10.60	6.76
Long Horizon Fund	5.82	9.62	13.37	7.30
<i>Long Horizon Index (4)</i>	6.54	9.72	13.74	6.98
HRA Fund	5.03	NA*	NA*	NA*
<i>Treasury Bills Index</i>	5.00	4.30	3.07	3.77
Group Annuity Fund (5)	4.81	4.77	4.82	5.50
<i>Treasury Bills Index</i>	5.00	4.30	3.07	3.77

Past performance does not guarantee future results.

All fund returns are reported net of 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 CFA Institute (CFAI), formerly known as 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: 15% Treasury Bills, 55% LB Aggregate Bond, 15% S&P 500, 10% MSCI EAFE, 5% Russell 2000
- (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 been available less than the number of years indicated.*

Investment Professionals

Defined Contribution Plans Investment Professionals

Ameriprise Trust Company
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)

Charles Schwab
101 Montgomery Street
San Francisco, CA 94104
(Brokerage Window)

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

Dodge & Cox
555 California Street, 40th Fl.
San Francisco, CA 94104
(Bond Fund, Large Cap Stock Value Fund, Balanced Fund)

Goldman Sachs Asset Management
32 Old Slip
New York, NY 10005
(International Fund)

INVESCO Institutional N.A.
1360 Peachtree Street
Atlanta, GA 30309
(International Fund)

Jennison Associates, LLC
466 Lexington Avenue
New York, NY 10017
(Balanced Fund, Large Cap Stock Growth Fund)

Northern Trust
50 S. LaSalle Street
Chicago, IL 60603
(Balanced Fund, HRA Fund, Large Cap Stock Growth Fund)

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

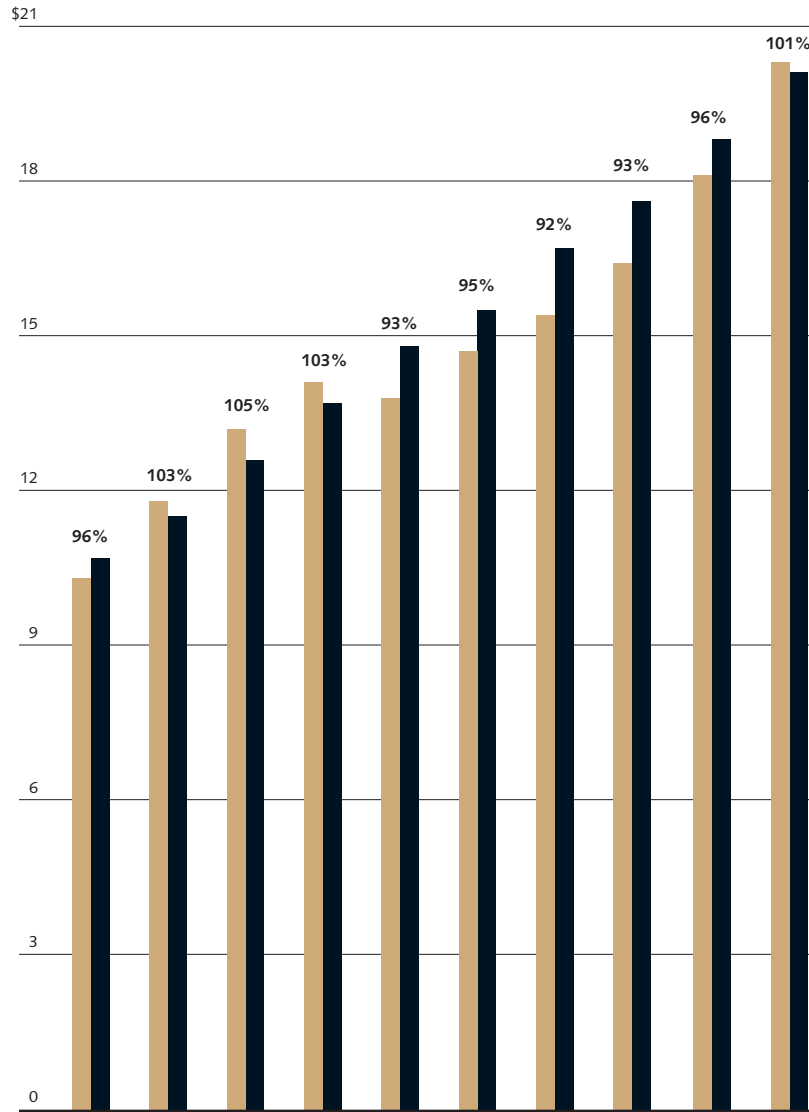
Waddell & Reed Investments
6300 Lamar Avenue
Shawnee Mission, KS 6601
(Balanced Fund, Large Cap Stock Growth Fund)

All Retirement Systems

Funding Progress with Funding Ratios

Funding Progress with Funding Ratios

(dollars in billions)



(dollars in billions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Actuarial Value of Assets	\$10.3	11.8	13.2	14.1	13.8	14.7	15.4	16.4	18.1	20.3
Accrued Actuarial Liability	10.7	11.5	12.6	13.7	14.8	15.5	16.7	17.6	18.8	20.1
Funding Ratios	96%	103%	105%	103%	93%	95%	92%	93%	96%	101%

Utah Retirement Systems

2007 Comprehensive Annual Financial Report



Actuarial

Actuarial Section

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Actuary's Certification Letter



Gabriel Roeder Smith & Company
Consultants & Actuaries

4600 S. Ulster Street 303.846.3031 phone
Suite 700 303.846.3028 fax
Denver, CO 80237-2882 www.gabrielroeder.com

August 9, 2007

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

Dear Members of the Board

Subject: Certification of 2007 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, although, as discussed below, under certain circumstances the Board may choose not to reduce the current rate if it is greater than the actuarially calculated rate. 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, 2007 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning July 1, 2008 and ending June 30, 2009. 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 4.0%.

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.

In 2004, the Utah Legislature added Section 49-11-301(5) to the Utah Code. This section allows the Board to set the employer contribution rate at the prior year's rate, if the rate otherwise would decrease and if the funded ratio is less than 110%. In such a case, the rate set by the Board would be higher than the actuarially determined contribution rate. The purpose of this legislation is to enhance the Board's ability to maintain more-level contribution rates while targeting a 100% - 110% funded level. The Board has followed this policy since 2004, so the recommended contribution rate may be greater than the actuarially determined rate.

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%.

For all systems combined, the funded ratio increased from 93.2% to 95.8%. Most of the individual funds have ratios over 90%, and only the 3% Substantial Substitute Fund, the Salt Lake City Noncontributory Public Safety Fund, and the Logan Noncontributory Public Safety Fund have funded ratios less than 80%. It should be pointed out that the funded ratio for all systems combined was 76.9% in 1990. Significant progress has been made over the last seventeen 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. If market value had been used in the calculation instead of actuarial value, the aggregate funded ratio for all funds combined would have been 105.0%, compared to 99.1% in the prior year, and 77.3% just four years ago.

Benefit provisions

The benefit provisions reflected in this valuation are those which were in effect on January 1, 2007, or which were adopted by the end of the 2007 legislative session and are effective on or before July 1, 2008.

No significant pieces of legislation impacting the benefit provisions of URS were enacted during the 2007 legislative session.

One item affecting comparability of this report with prior reports concerns the "Group Insurance" death benefit. This is a lump-sum death benefit provided to active members of the Contributory and Noncontributory Public Employees Retirement Systems. The benefit is equal to 75% of salary during the last year of employment. Some former employees, such as employees on disability, are also eligible for this benefit.

For the fiscal year ending June 30, 2007, employers paid 0.16% of pay to cover the cost of this benefit. In previous valuations, the cost for the benefit was included in the contribution rates shown in the URS actuarial valuation reports. The contribution for this benefit was contributed to URS as part of the retirement contribution, but it was immediately transferred to the Public Employees Health Program (PEHP), which is responsible for paying the benefit.

Beginning with this valuation, the cost for the Group Insurance benefit will be developed by PEHP's actuary, rather than as part of the valuation of URS. Therefore, the cost for the Group Insurance benefit will no longer be shown in the URS valuation reports. We have revised the contribution rates shown for the fiscal year ending June 20, 2008, which are based on the January 1, 2006 actuarial valuation, to exclude this change, so that the rates shown for the previous and current valuations will be comparable.

Assumptions and methods

The Board, in consultation with the actuary, sets the actuarial assumptions and methods used in the valuation. Current Board policy is to perform an experience study every three years. In connection with the appropriate valuation, 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 evaluation. These assumptions and methods were adopted effective January 1, 2005. The next experience analysis is scheduled for 2008.

The results of the actuarial valuation are dependent on the actuarial assumptions used. Actual results can and almost

certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods.

It is our opinion that the recommended assumptions are internally consistent and are reasonably based on past and anticipated future experience of the System. The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

Data

Member data for retired, active and inactive members was supplied as of December 31, 2006 by the URS 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, 2006.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of URS as of January 1, 2007. 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. Conradi is an Enrolled Actuary and Member of the American Academy of Actuaries, and meets the Qualification Standards of the American Academy of Actuaries. Both are experienced in performing valuations for large public retirement systems.

Sincerely,
Gabriel Roeder Smith & Company


Lewis Ward, Consultant


J. Christian Conradi, ASA, EA, MAAA
Senior Consultant

Gabriel Roeder Smith & Company

Summary of Actuarial Assumptions and Methods

As of January 1, 2007



a) The 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, 2007).

In calculating this minimum, amortization payments are designed to remain level as a percent of payroll, and payroll is assumed to increase 4% 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

b) The future investment earnings of the assets of the Systems are assumed to accrue at an annual rate of 8.0%, 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.

c) The total rates of assumed annual salary increase are shown on the actuarial schedule on page 112. 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 4.00%. Most of these assumptions were adopted January 1, 2001. (Rates for public safety members were adopted January 1, 2002, and rates for judges were adopted January 1, 2005.)

d) 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. For current retirees who have received cumulative COLAs less than the total of annual CPI increases since retirement, higher COLAs are assumed, subject to the annual maximum (2.5% for Public Safety and 4% for all other Systems), as long as the member has "banked" CPI increases left.

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2007

e) Except for educators, 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 to the right. Most of these rates were adopted January 1, 2002. Rates for educators and uniformed officers were adopted January 1, 2005. Mortality rates for active members and retired educators were developed from actual experience of that group.

Retired Member Mortality

Retired Member Mortality

Class of Member	
Educators	
Men	EDUM
Women	EDUF
Public Safety and Firefighters	
Men	UP94M (-1)
Women	UP94F (0)
Local Government, Public Employees and All Beneficiaries	
Men	UP94M (-2)
Women	UP94F (0)

EDUM = Constructed mortality table based on actual experience of male educators

EDUF = Constructed mortality table based on actual experience of female educators

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

UP94F (xx) = 1994 Uninsured Pensioners Mortality Table for Females adjusted xx years.

f) Mortality among disabled members is based on a special 1981 Disability Table developed by a previous 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, 2002.

g) 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.

Except for firefighters, 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. Rates for firefighters vary only by years of service and not by age. All rates have been shown for the firefighters. 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.

h) 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.

i) All of the actuarial assumptions were renewed or adopted by the Retirement Board in 2005, as recommended by the actuary.

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2007

Percent Retiring Within Next Year Among Active Members								
		Eligible for Retirement						Governors and Legislators Retirement Plan
		Male			Female			
		State and School Division		Local Government Division	State and School Division		Local Government Division	
Retirement Age		Educators	Public Employees		Educators	Public Employees		
Noncontributory and Contributory Retirement Systems <i>Adopted January 1, 2005</i>	55	25.00%	18.00%	22.00%	30.00%	20.00%	35.00%	0.00%
	56	25.00	18.00	22.00	30.00	20.00	35.00	0.00
	57	25.00	18.00	22.00	30.00	20.00	35.00	0.00
	58	25.00	18.00	22.00	30.00	20.00	35.00	0.00
	59	25.00	18.00	22.00	30.00	20.00	35.00	0.00
	60	35.00	23.00	25.00	50.00	40.00	40.00	0.00
	61	35.00	23.00	15.00	50.00	30.00	25.00	0.00
	62	65.00	40.00	50.00	70.00	60.00	45.00	100.00
	63	35.00	35.00	30.00	50.00	40.00	30.00	100.00
	64	35.00	30.00	30.00	50.00	30.00	30.00	100.00
	65	70.00	50.00	50.00	60.00	45.00	50.00	100.00
	66	30.00	35.00	30.00	35.00	25.00	30.00	100.00
	67	30.00	20.00	30.00	35.00	25.00	30.00	100.00
	68	30.00	20.00	30.00	35.00	25.00	30.00	100.00
	69	30.00	20.00	30.00	35.00	25.00	30.00	100.00
	70	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
	Retirement Age		Retirement Age		Retirement Age	
Public Safety Retirement System <i>Adopted January 1, 2005</i>	45	30.00%	52	33.00%	59	35.00%
	46	30.00	53	33.00	60	38.00
	47	30.00	54	33.00	61	38.00
	48	30.00	55	35.00	62	38.00
	49	30.00	56	35.00	63	38.00
	50	33.00	57	35.00	64	38.00
	51	33.00	58	35.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
	Retirement Age		Retirement Age		Retirement Age	
Firefighters Retirement System <i>Adopted January 1, 2005</i>	45	14.00%	52	16.00%	59	18.00%
	46	14.00	53	16.00	60	24.00
	47	14.00	54	16.00	61	24.00
	48	14.00	55	18.00	62	24.00
	49	14.00	56	18.00	63	24.00
	50	16.00	57	18.00	64	24.00
	51	16.00	58	18.00	65	100.00

Percent Retiring Within Next Year Among Active Members Eligible for Retirement						
	Retirement Age		Retirement Age		Retirement Age	
Judges Retirement System <i>Adopted January 1, 2005</i>	60	30.00%	64	30.00%	68	30.00%
	61	30.00	65	30.00	69	30.00
	62	30.00	66	30.00	70	100.00
	63	30.00	67	30.00		

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2007

Other Termination of Employment Percent of Active Members Separating Within Next Year								
	Age	Male			Female			Governors and Legislators Retirement Plan
		State and School Division		Local Government Division	State and School Division		Local Government Division	
		Educators	Public Employees		Educators	Public Employees		
During the First Year of Service								
Noncontributory and Contributory Retirement Systems <i>Adopted January 1, 2000</i>	25	14.98%	35.36%	18.84%	22.57%	30.44%	27.66%	10.00%
	30	12.68	29.03	15.88	15.87	27.40	25.72	10.00
	35	11.95	25.25	13.73	12.28	24.11	23.52	10.00
	40	11.30	22.79	12.35	11.87	20.88	21.25	10.00
	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 Subsequent Years of Service								
Noncontributory and Contributory Retirement Systems <i>Adopted January 1, 2000</i>	25	6.29%	11.85%	8.15%	13.04%	18.70%	13.16%	10.00%
	30	4.30	8.32	6.05	8.38	11.87	8.95	10.00
	35	2.90	5.78	4.63	5.21	7.56	6.18	10.00
	40	2.08	4.10	3.81	3.47	5.26	4.73	10.00
	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	
Public Safety Retirement System								
	Age	During the First Year		During the Sixth and Subsequent Years				
<i>Adopted January 1, 2000</i>	25	9.56%		6.16%				
	30	9.12		4.17				
	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					
Firefighters Retirement System								
	Years of Service	Years of Service		Years of Service				
<i>Adopted January 1, 2005</i>	0	7.0%		9	2.0%			
	1	6.0		10	1.5			
	2	5.0		11	1.5			
	3	4.0		12	1.5			
	4	3.0		13	1.5			
	5	2.0		14	1.5			
	6	2.0		15+	0.0			
	7	2.0						
	8	2.0						

Judges Retirement System None assumed.

Summary of Actuarial Assumptions and Methods *(Continued)*

As of January 1, 2007

	Years of Service	Total Annual Increase in Salary (Male and Female)				
		State and School Division		Local Government Division	Public Safety Retirement System	Firefighters Retirement System
		Educators	Public Employees			
All Retirement Systems	0	15.00%	10.75%	11.75%	10.75%	11.75%
<i>Adopted January 1, 2001</i>	1	10.75	9.25	9.25	7.75	10.50
<i>(Public Safety adopted January 1, 2002)</i>	2	9.25	8.25	8.25	7.50	9.75
	3	9.00	7.75	7.25	7.25	9.25
	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

	Age	Probability Mortality Within the Next Year for Active Members			
		Male		Female	
		Educators	Local Government and Public Employees	Educators	Local Government and Public Employees
Noncontributory and Contributory Retirement Systems	20	0.0150%	0.0585%	0.0420%	0.0325%
<i>Adopted January 1, 2000</i>	25	0.0150	0.0455	0.0180	0.0325
	30	0.0225	0.0520	0.0060	0.0325
	35	0.0225	0.0780	0.0180	0.0390
	40	0.0450	0.0975	0.0360	0.0520
	45	0.0750	0.1235	0.0720	0.0780
	50	0.1500	0.1820	0.1080	0.1235
	55	0.2700	0.3055	0.1500	0.1820
	60	0.4275	0.4940	0.2040	0.2600
	65	0.5400	0.7540	0.2820	0.3575
	70	0.6000	1.0790	0.3900	0.4745

	Years of Service	Percent Electing a Refund of Contributions Upon Termination While Vested					
		Male			Female		
		Educators	Public Employees	Local Government Division	Educators	Public Employees	Local Government Division
Noncontributory and Contributory Retirement Systems	0-3	100%	100%	100%	100%	100%	100%
<i>Adopted January 1, 1993</i>	4	75	86	75	65	80	77
	5	73	83	73	64	79	75
	10	54	73	61	53	64	61
	15	33	63	49	32	52	40
	19	9	29	23	8	22	13
	20	0	0	0	0	0	0

	Probability Mortality Within the Next Year for Active Members			
	Public Safety and Firefighters Employees			
	Age	Age	Age	Age
Public Safety Retirement System and Firefighters Retirement System	20	0.0520%	50	0.2080%
<i>Adopted January 1, 2000</i>	25	0.0520	55	0.3250
	30	0.0520	60	0.4420
	35	0.0520	65	0.5590
	40	0.0715	70	0.6695
	45	0.1235		

	Percent Electing a Refund of Contributions Upon Termination While Vested	
	Years of Service	Public Safety and Firefighters Retirement Employees
	Public Safety Retirement System and Firefighters Retirement System	0-3
<i>Adopted January 1, 1993</i>	4	76
	5	74
	10	57
	15	35
	19	15
	20	0

Analysis of Financial Experience

December 31, 2007

(i n t h o u s a n d s)

System	January 1, 2006 Unfunded Actuarial Accrued Liability	Amortization Payments	(Gain) Loss	Liability Asset (Gain)	Changes in Actuarial Assumptions	Change in Benefit Provisions	Asset Transfers	January 1, 2007 Unfunded Actuarial Accrued Liability
Noncontributory	\$949,178	(38,469)	138,302	(403,228)	—	—	(8,650)	637,133
Contributory	75,769	10,743	(7,168)	(29,479)	—	—	8,650	58,515
Public Safety	201,430	1,849	7,098	(50,594)	—	—	—	159,783
Firefighters	(30,137)	1,181	(12,331)	(19,999)	—	—	—	(61,286)
Judges	588	260	2,776	(3,376)	—	—	—	248
Utah Governors and Legislators	(1,613)	(7)	170	(321)	—	—	—	(1,771)

Member and Employer Contribution Rates

December 31, 2007

System	Year	Contributory			Noncontributory			
		Member	Employer	Employer	Employer	Employer		
Noncontributory and Contributory Retirement System			<i>State and School</i>	<i>Local Government</i>	<i>State and School</i>	<i>Local Government</i>		
	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		
	2004	6.00	8.89	7.08	13.38	11.09		
	2005	6.00	8.89	7.08	13.38	11.09		
	2006	6.00	9.73	7.58	14.22	11.59		
2007	6.00	9.73	7.61	14.22	11.62			
Firefighters Retirement System		Division A (with Social Security)		Division B (without Social Security)		All Divisions Fire Insurance Premium Tax		
		Member	Employer	Member	Employer			
	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		
	2004	8.61	—	7.83	—	12.16		
	2005	8.61	—	7.83	—	12.16		
2006	10.84	—	8.72	—	12.08			
2007	12.76	—	9.30	—	11.50			
Judges Retirement System		Member	Contributory		Noncontributory		Judges Court Fees	Governors and Legislative Appropriation
			Employer	Employer	Employer			
	1998	8.00%	11.00%	19.00%	22.86%	\$ —		
	1999	8.00	7.39	15.39	21.16	—		
	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	—		
	2004	2.00	5.14	7.14	19.69	—		
	2005	2.00	6.26	8.26	19.19	—		
2006	2.00	7.79	9.79	18.04	—			
2007	2.00	10.38	12.38	15.45	—			
Utah Governors and Legislators Retirement Plan								

Solvency Tests

(dollars in thousands)

System	Date	(1) Active Members Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)
Noncontributory Retirement System	1/01/99	\$ 981,227	2,888,469	4,466,035
	1/01/00	974,082	3,019,704	5,012,522
	1/01/01	962,724	3,404,486	5,566,304
	1/01/02	971,496	3,751,586	6,082,942
	1/01/03	955,624	4,171,062	6,637,667
	1/01/04	878,125	4,587,481	6,885,704
	1/01/05	850,926	5,051,930	7,332,588
	1/01/06	822,236	5,504,555	7,691,749
	1/01/07	756,008	6,285,751	8,042,302
	12/31/07	728,986	7,020,899	8,118,668
Contributory Retirement System	1/01/99	\$ 214,828	478,808	198,347
	1/01/00	231,996	451,865	210,623
	1/01/01	247,491	447,521	240,787
	1/01/02	267,963	425,956	254,993
	1/01/03	285,260	416,552	275,106
	1/01/04	283,694	409,430	289,445
	1/01/05	296,155	407,905	309,776
	1/01/06	307,907	408,420	310,982
	1/01/07	316,492	436,812	309,663
	12/31/07	324,856	468,966	298,117
Public Safety Retirement System	1/01/99	\$ 87,640	448,200	498,307
	1/01/00	87,169	485,980	532,017
	1/01/01	85,774	540,074	581,028
	1/01/02	85,106	610,272	670,756
	1/01/03	84,479	669,736	704,276
	1/01/04	81,121	742,358	733,279
	1/01/05	94,259	827,157	805,369
	1/01/06	91,737	921,115	821,600
	1/01/07	90,849	1,006,399	871,734
	12/31/07	90,962	1,076,732	914,764
Firefighters Retirement System	1/01/99	\$ 65,671	204,540	137,492
	1/01/00	70,055	212,537	136,565
	1/01/01	73,003	240,403	142,050
	1/01/02	76,510	257,301	157,463
	1/01/03	78,253	270,842	172,069
	1/01/04	79,177	289,194	181,007
	1/01/05	81,754	306,927	190,210
	1/01/06	82,292	329,322	202,745
	1/01/07	84,670	355,518	203,577
	12/31/07	86,624	389,586	211,729
Judges Retirement System	1/01/99	\$ 7,603	36,433	23,175
	1/01/00	7,990	35,621	24,523
	1/01/01	8,025	38,603	27,334
	1/01/02	8,355	40,022	37,610
	1/01/03	8,639	40,800	41,134
	1/01/04	7,873	47,713	42,316
	1/01/05	8,058	48,904	47,248
	1/01/06	7,893	51,524	47,545
	1/01/07	8,209	56,363	52,555
	12/31/07	7,342	62,724	53,926
Utah Governors and Legislators Retirement Plan	1/01/99	\$ 215	4,715	2,348
	1/01/00	204	5,573	2,476
	1/01/01	204	5,081	2,623
	1/01/02	203	5,079	2,900
	1/01/03	187	5,212	3,307
	1/01/04	178	5,044	3,590
	1/01/05	169	4,989	3,569
	1/01/06	147	5,268	3,559
	1/01/07	159	5,142	3,911
	12/31/07	146	5,123	3,910

Utah Retirement Systems

Actuarial Accrued Liabilities	(4) Total Actuarial Accrued Liabilities	Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Assets			
			(1)	(2)	(3)	(4)
	8,335,731	7,931,193	100%	100%	91%	95%
	9,006,308	9,237,447	100	100	100	103
	9,933,514	10,361,333	100	100	100	104
	10,806,024	11,104,334	100	100	100	103
	11,764,353	10,848,586	100	100	86	92
	12,351,310	11,657,525	100	100	90	94
	13,235,444	12,212,437	100	100	86	92
	14,018,540	13,069,362	100	100	88	93
	15,084,061	14,446,928	100	100	92	96
	15,868,553	16,003,560	100	100	101	101
	891,983	840,215	100%	100%	74%	94%
	894,484	878,190	100	100	92	98
	935,799	924,573	100	100	95	99
	948,912	927,523	100	100	92	98
	976,918	899,290	100	100	72	92
	982,569	913,949	100	100	76	93
	1,013,836	933,974	100	100	74	92
	1,027,309	951,540	100	100	76	93
	1,062,967	1,004,452	100	100	81	94
	1,091,939	1,088,097	100	100	99	100
	1,034,147	988,800	100%	100%	91%	96%
	1,105,166	1,146,331	100	100	100	104
	1,206,876	1,286,996	100	100	100	107
	1,366,134	1,376,466	100	100	100	101
	1,458,491	1,349,435	100	100	85	93
	1,556,758	1,448,888	100	100	85	93
	1,726,785	1,524,904	100	100	75	88
	1,834,452	1,633,022	100	100	75	89
	1,968,982	1,809,198	100	100	82	92
	2,082,458	2,010,654	100	100	92	97
	407,703	423,405	100%	100%	100%	104%
	419,157	483,374	100	100	100	115
	455,456	536,503	100	100	100	118
	491,274	569,151	100	100	100	116
	521,164	553,589	100	100	100	106
	549,378	589,502	100	100	100	107
	578,891	610,688	100	100	100	105
	614,359	644,496	100	100	100	105
	643,765	705,051	100	100	100	110
	687,939	786,650	100	100	100	114
	67,211	67,998	100%	100%	100%	101%
	68,134	78,130	100	100	100	115
	73,962	87,139	100	100	100	118
	85,987	92,649	100	100	100	108
	90,573	90,904	100	100	100	100
	97,902	97,412	100	100	99	99
	104,210	100,814	100	100	93	97
	106,962	106,374	100	100	99	99
	117,127	116,879	100	100	100	100
	123,992	129,847	100	100	100	105
	7,278	9,988	100%	100%	102%	137%
	8,253	10,946	100	100	100	133
	7,908	11,569	100	100	100	146
	8,182	11,710	100	100	100	143
	8,706	10,719	100	100	100	123
	8,812	10,905	100	100	100	124
	8,727	10,650	100	100	100	122
	8,974	10,587	100	100	100	118
	9,212	10,983	100	100	100	119
	9,179	11,736	100	100	100	128

Schedules of Active Member Valuation Data

December 31, 2007

System	Year	Number of Participating Employers	Active Members	Active Members			Inflation Increase (CPI)
				Annual Payroll	Average Pay	Percent Increase	
Noncontributory Retirement System	1998	349	77,512	\$2,365,650,000	31,063	3.50%	1.60%
	1999	356	81,132	2,499,087,000	31,577	1.65	2.70
	2000	367	81,894	2,659,200,000	32,744	3.70	3.40
	2001	374	81,383	2,832,060,000	34,581	5.61	1.60
	2002	376	82,486	2,926,449,000	35,481	2.60	2.40
	2003	380	83,156	2,959,347,000	35,806	0.92	1.90
	2004	391	85,046	3,084,317,000	36,643	2.34	3.30
	2005	401	85,637	3,165,504,000	37,633	2.70	3.40
	2006	409	87,219	3,326,392,000	37,786	0.41	2.50
	2007	411	89,605	3,582,495,000	39,584	4.76	4.10
Contributory Retirement System	1998	167	4,287	\$ 137,042,000	32,296	4.65%	1.60%
	1999	165	4,101	137,561,000	33,791	4.63	2.70
	2000	163	3,972	141,067,000	35,218	4.22	3.40
	2001	164	3,760	142,882,000	37,627	6.84	1.60
	2002	164	3,649	142,325,000	38,784	3.07	2.40
	2003	161	3,493	139,470,000	39,666	2.27	1.90
	2004	161	3,393	139,362,000	40,821	2.91	3.30
	2005	161	3,198	137,730,000	41,758	2.30	3.40
	2006	161	3,010	133,812,000	43,005	2.99	2.50
	2007	160	2,852	132,899,000	44,865	4.33	4.10
Public Safety Retirement System	1998	115	6,380	\$ 212,414,000	33,842	2.91%	1.60%
	1999	115	6,631	226,057,000	34,819	2.89	2.70
	2000	116	6,839	247,985,000	36,166	3.87	3.40
	2001	116	6,905	260,783,000	37,705	4.26	1.60
	2002	119	6,966	268,478,000	39,004	3.45	2.40
	2003	117	7,041	278,402,000	39,579	1.47	1.90
	2004	119	7,173	293,797,000	40,300	1.82	3.30
	2005	120	7,239	298,756,000	40,737	1.08	3.40
	2006	123	7,474	316,662,000	42,356	3.98	2.50
	2007	126	7,587	339,187,000	43,899	3.64	4.10
Firefighters Retirement System	1998	35	1,349	\$ 54,326,000	40,419	1.82%	1.60%
	1999	38	1,386	57,561,000	42,178	4.35	2.70
	2000	39	1,452	63,274,000	43,403	2.90	3.40
	2001	39	1,498	67,192,000	44,895	3.44	1.60
	2002	40	1,538	71,354,000	46,548	3.68	2.40
	2003	43	1,568	75,619,000	48,132	3.40	1.90
	2004	44	1,591	79,638,000	49,863	3.60	3.30
	2005	48	1,636	84,061,000	50,471	1.22	3.40
	2006	52	1,684	88,682,000	51,549	2.14	2.50
	2007	51	1,771	95,767,000	52,247	1.36	4.10
Judges Retirement System	1998	1	104	\$ 9,388,000	95,531	3.24%	1.60%
	1999	1	106	10,104,000	97,562	2.13	2.70
	2000	1	104	10,397,000	100,396	2.90	3.40
	2001	1	105	10,924,000	104,298	3.89	1.60
	2002	1	103	11,173,000	106,010	1.64	2.40
	2003	1	106	10,888,000	106,613	0.57	1.90
	2004	1	106	11,646,000	107,237	0.59	3.30
	2005	1	108	11,594,000	110,539	3.08	3.40
	2006	1	106	12,195,000	112,350	1.64	2.50
	2007	1	108	13,322,000	120,184	6.97	4.10
Utah Governors and Legislators Retirement Plan	1998	1	91	\$ 468,000	5,440	0.39%	1.60%
	1999	1	94	468,000	5,437	(0.06)	2.70
	2000	1	88	464,000	5,533	1.77	3.40
	2001	1	92	556,000	6,422	16.07	1.60
	2002	1	91	556,000	6,454	0.50	2.40
	2003	1	97	556,000	6,388	(1.02)	1.90
	2004	1	95	556,000	5,400	(15.47)	3.30
	2005	1	88	887,000	8,955	85.83	3.40
	2006	1	96	860,000	7,649	(14.58)	2.50
	2007	1	86	947,000	9,109	19.08	4.10

Schedules of Retirants and Beneficiaries

December 31, 2007

System	Year	Added to Rolls		Removed from Rolls		Rolls End of Year		% Increase in Annual Allowances	Average Annual Allowances
		Number	Allowances*	Number	Allowances*	Number	Allowances		
Noncontributory Retirement System	1998	1,482	\$ —	106	\$ —	14,599	\$213,752,000	14.76%	\$14,184
	1999	1,716	—	119	—	16,196	243,829,000	14.07	14,577
	2000	1,709	—	150	—	17,755	276,878,000	13.55	15,120
	2001	1,577	—	167	—	19,165	311,311,000	12.44	15,756
	2002	1,737	—	236	—	20,666	348,230,000	11.86	16,351
	2003	1,805	—	256	—	22,215	386,791,000	11.07	16,884
	2004	1,803	—	244	—	23,774	424,897,000	9.85	17,126
	2005	2,212	—	276	—	25,710	469,695,000	10.54	17,731
	2006	2,728	—	284	—	28,154	533,248,000	13.53	18,387
2007	2,131	84,779,000	320	8,501,000	29,965	609,526,000	14.30	19,138	
Contributory Retirement System	1998	70	\$ —	585	\$ —	9,238	\$ 62,249,000	(2.56)%	\$ 6,168
	1999	88	—	578	—	8,748	61,141,000	(1.78)	6,423
	2000	101	—	557	—	8,292	60,317,000	(1.35)	6,742
	2001	98	—	542	—	7,848	59,575,000	(1.23)	7,078
	2002	120	—	566	—	7,402	59,497,000	(0.13)	7,490
	2003	122	—	582	—	6,942	57,863,000	(2.75)	7,865
	2004	140	—	564	—	6,518	56,992,000	(1.51)	8,039
	2005	178	—	521	—	6,175	57,100,000	0.19	8,799
	2006	187	—	510	—	5,852	58,546,000	2.53	9,503
2007	197	7,748,000	497	4,616,000	5,552	61,678,000	5.35	10,287	
Public Safety Retirement System	1998	169	\$ —	15	\$ —	2,086	\$ 34,374,000	10.98%	\$15,360
	1999	160	—	22	—	2,224	38,549,000	12.15	16,248
	2000	151	—	4	—	2,371	42,769,000	10.95	16,974
	2001	271	—	53	—	2,589	48,607,000	13.65	17,743
	2002	162	—	30	—	2,721	53,962,000	11.02	18,801
	2003	183	—	26	—	2,878	59,941,000	11.08	19,796
	2004	204	—	35	—	3,047	66,329,000	10.66	20,816
	2005	252	—	31	—	3,268	74,041,000	11.63	21,724
	2006	212	—	31	—	3,449	82,499,000	11.42	22,977
2007	190	10,541,000	25	1,176,000	3,614	91,864,000	11.35	23,575	
Firefighters Retirement System	1998	32	\$ —	6	\$ —	736	\$ 15,741,000	9.92%	\$18,180
	1999	42	—	5	—	773	16,955,000	7.71	18,853
	2000	53	—	1	—	825	18,738,000	10.52	19,717
	2001	52	—	10	—	867	20,778,000	10.89	20,928
	2002	32	—	14	—	885	22,288,000	7.27	22,131
	2003	40	—	4	—	921	23,520,000	5.53	22,573
	2004	30	—	18	—	933	25,263,000	7.41	24,257
	2005	53	—	12	—	974	27,269,000	7.94	25,319
	2006	44	—	5	—	1,013	29,497,000	8.17	26,430
2007	53	5,023,000	3	584,000	1,063	33,936,000	15.05	27,513	
Judges Retirement System	1998	3	\$ —	3	\$ —	73	\$ 3,002,000	11.60%	\$39,912
	1999	1	—	1	—	73	3,160,000	5.26	42,032
	2000	2	—	—	—	75	3,322,000	5.13	43,018
	2001	4	—	1	—	78	3,659,000	10.14	45,547
	2002	1	—	2	—	77	3,804,000	3.96	48,014
	2003	8	—	2	—	83	4,361,000	14.64	51,023
	2004	2	—	1	—	84	4,518,000	3.62	52,243
	2005	5	—	1	—	88	4,755,000	5.25	52,465
	2006	3	—	2	—	89	5,251,000	10.43	57,325
2007	7	1,254,000	—	170,000	96	6,335,000	20.64	60,717	
Utah Governors and Legislators Retirement Plan	1998	7	\$ —	4	\$ —	213	\$ 538,000	3.66%	\$ 2,460
	1999	13	—	5	—	221	583,000	8.36	2,556
	2000	5	—	7	—	219	662,000	13.55	2,649
	2001	10	—	—	—	229	691,000	4.38	2,606
	2002	7	—	5	—	231	708,000	2.46	2,648
	2003	3	—	11	—	223	726,000	2.54	2,817
	2004	6	—	8	—	221	712,000	(1.93)	2,804
	2005	12	—	3	—	230	755,000	6.04	2,851
	2006	3	—	11	—	222	758,000	0.40	2,983
2007	6	57,000	8	57,000	220	758,000	—	2,966	

*Additional information will be added when it becomes available.

Noncontributory Retirement System
Summary of Plan Provisions

Noncontributory

Description	Requirement																		
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	<table border="1"> <thead> <tr> <th data-bbox="443 753 475 772">Age</th> <th data-bbox="679 753 791 772">Years of Service</th> <th data-bbox="963 753 1121 772">Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td data-bbox="443 779 507 798">Any age</td> <td data-bbox="715 779 746 798">30</td> <td data-bbox="1027 779 1106 798">None</td> </tr> <tr> <td data-bbox="443 804 507 823">Any age</td> <td data-bbox="715 804 746 823">25</td> <td data-bbox="963 804 1106 823">Full actuarial before age 60</td> </tr> <tr> <td data-bbox="443 829 507 848">60-61</td> <td data-bbox="715 829 746 848">20</td> <td data-bbox="963 829 1106 848">3% each year before age 65</td> </tr> <tr> <td data-bbox="443 854 507 873">62-64</td> <td data-bbox="715 854 746 873">10</td> <td data-bbox="963 854 1106 873">3% each year before age 65</td> </tr> <tr> <td data-bbox="443 879 475 898">65</td> <td data-bbox="715 879 746 898">4</td> <td data-bbox="1027 879 1106 898">None</td> </tr> </tbody> </table> <p data-bbox="443 926 1137 993">†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.</p>	Age	Years of Service	Allowance Reduction†	Any age	30	None	Any age	25	Full actuarial before age 60	60-61	20	3% each year before age 65	62-64	10	3% each year before age 65	65	4	None
Age	Years of Service	Allowance Reduction†																	
Any age	30	None																	
Any age	25	Full actuarial before age 60																	
60-61	20	3% each year before age 65																	
62-64	10	3% each year before age 65																	
65	4	None																	
Service Benefit Formula	<p data-bbox="443 1029 839 1056">Number of years of service x 2.0% x FAS*.</p> <p data-bbox="443 1062 1147 1104">*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.</p>																		
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.																		
Death Benefits	<p data-bbox="443 1222 1366 1356">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.</p> <p data-bbox="443 1362 1366 1472">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.</p> <p data-bbox="443 1478 1366 1528">A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.</p>																		
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 12-31-07)	Employer rate for State & School (Level A) is 14.22% of covered salary and 11.62% for Local Government (Level B).																		
Interest	Up to 8% on member accounts transferred from the Contributory Retirement System.																		

Contributory Retirement System

Summary of Plan Provisions



Description	Requirement															
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	<table border="1"> <thead> <tr> <th data-bbox="512 743 544 764">Age</th> <th data-bbox="746 743 858 764">Years of Service</th> <th data-bbox="1034 743 1193 764">Allowance Reduction†</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 772 560 793">Any age</td> <td data-bbox="794 772 810 793">30</td> <td data-bbox="1129 772 1177 793">None</td> </tr> <tr> <td data-bbox="512 802 560 823">60-61</td> <td data-bbox="794 802 810 823">20</td> <td data-bbox="1018 802 1177 823">3% each year before age 65</td> </tr> <tr> <td data-bbox="512 831 560 852">62-64</td> <td data-bbox="794 831 810 852">10</td> <td data-bbox="1018 831 1177 852">3% each year before age 65</td> </tr> <tr> <td data-bbox="512 861 528 882">65</td> <td data-bbox="794 861 810 882">4</td> <td data-bbox="1129 861 1177 882">None</td> </tr> </tbody> </table> <p data-bbox="512 890 1238 936">†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.</p>	Age	Years of Service	Allowance Reduction†	Any age	30	None	60-61	20	3% each year before age 65	62-64	10	3% each year before age 65	65	4	None
Age	Years of Service	Allowance Reduction†														
Any age	30	None														
60-61	20	3% each year before age 65														
62-64	10	3% each year before age 65														
65	4	None														
Service Benefit Formula	<ol style="list-style-type: none"> 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. <p data-bbox="512 1058 1190 1104">*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.</p>															
Cost of Living Allowance	Up to 4% annually on the original retirement benefit. Eligible after one year.															
Death Benefits	<p data-bbox="512 1218 1414 1329">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 years of service.</p> <p data-bbox="512 1331 1414 1442">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.</p> <p data-bbox="512 1444 1414 1497">A retired member's death benefit depends on the retirement option selected at retirement. No death benefit is available without a reduced retirement benefit.</p>															
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 12-31-07)	<p data-bbox="512 1736 1414 1789">Member contribution rate is 6.00%* of covered salary. Employer rate for State and School (Level A) is 9.73% of covered salary and 7.61% for Local Government (Level B).</p> <p data-bbox="512 1793 1281 1822">*Employers have the option of paying all or part of member contributions on behalf of their employees.</p>															
Interest	Up to 8% on member accounts.															

Public Safety Retirement System

Summary of Plan Provisions



Description	Requirement												
Membership Eligibility	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	<table border="1"> <thead> <tr> <th data-bbox="459 743 488 762">Age</th> <th data-bbox="684 743 794 762">Years of Service</th> <th data-bbox="979 743 1126 762">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 772 539 791">Any age</td> <td data-bbox="730 772 759 791">20</td> <td data-bbox="1059 772 1126 791">None</td> </tr> <tr> <td data-bbox="459 800 488 819">60</td> <td data-bbox="730 800 759 819">10</td> <td data-bbox="1059 800 1126 819">None</td> </tr> <tr> <td data-bbox="459 827 488 846">65</td> <td data-bbox="730 827 759 846">4</td> <td data-bbox="1059 827 1126 846">None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	20	None	60	10	None	65	4	None
Age	Years of Service	Allowance Reduction											
Any age	20	None											
60	10	None											
65	4	None											
Service Benefit Formula	<p>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.**</p> <p><i>*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.</i></p> <p><i>**Benefits paid cannot exceed 70% of FAS.</i></p>												
Cost of Living Allowance	Up to 2.5% annually on original retirement benefit. Eligible after one year.												

Public Safety Retirement System

Summary Plan Provisions *(Continued)*



Description	Requirement
Death Benefits	<p>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 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.</p> <p>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.</p>
Refunds	<p>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.</p>
Redeposits	<p>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.</p>
Contribution Rates (as of 12-31-07)	<p>Noncontributory Option Employer rates for Division A are: State units 26.75%; Bountiful 22.47%; and other units 22.61% of covered salary. Employer rates for Division B are: Salt Lake City 35.71%; Ogden 31.47%, Logan 25.48% and all other units 25.49% of covered salary.</p> <p>Contributory Option 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.*</p> <p>Employer rates for Division A are: State units 15.46%; and other law enforcement units 11.22% of covered salary. Employer rates for Division B are: Salt Lake City 22.99%; Logan 14.61%; Provo 16.30%; and other units 15.69% of covered salary.</p> <p><i>*Employers have the option of paying all or part of member contributions on behalf of their employees.</i></p>
Interest	<p>Up to 8% on member accounts.</p>

Firefighters Retirement System

Summary of Plan Provisions



Description	Requirement												
Membership Eligibility	<p>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.</p>												
Vesting	<p>Retirement benefit becomes vested upon the member's completion of 4 years of service credit. Eligible member contributions vest immediately.</p>												
Service Retirement	<table border="0"> <thead> <tr> <th data-bbox="459 833 488 852">Age</th> <th data-bbox="684 833 796 852">Years of Service</th> <th data-bbox="979 833 1126 852">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 856 539 884">Any age</td> <td data-bbox="730 856 751 884">20</td> <td data-bbox="1070 856 1126 884">None</td> </tr> <tr> <td data-bbox="459 888 488 915">60</td> <td data-bbox="730 888 751 915">10</td> <td data-bbox="1070 888 1126 915">None</td> </tr> <tr> <td data-bbox="459 919 488 947">65</td> <td data-bbox="730 919 751 947">4</td> <td data-bbox="1070 919 1126 947">None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	20	None	60	10	None	65	4	None
Age	Years of Service	Allowance Reduction											
Any age	20	None											
60	10	None											
65	4	None											
Service Benefit Formula	<p>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.**</p> <p><i>*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.</i></p> <p><i>**Benefits paid cannot exceed 70% of FAS, but cannot be less than \$500.</i></p>												
Cost of Living Allowance	<p>Up to 4.0% annually on original retirement benefit. Eligible after one year.</p>												
Disability Benefits	<p>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.</p>												

Firefighters Retirement System

Summary Plan Provisions *(Continued)*



Description	Requirement
Death Benefits	<p>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 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Refunds	<p>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.</p>
Redeposits	<p>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.</p>
Contribution Rates (as of 12-31-07)	<p>Member rate in Division A is 12.76% of covered salary. Member rate in Division B is 9.30% 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 11.50% 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 Firefighters Retirement System to help fund retirement benefits.</p> <p><i>*Employers have the option of paying all or part of member contributions on behalf of their employees.</i></p>
Interest	<p>Member contributions receive no interest.</p>

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	<table border="0"> <thead> <tr> <th data-bbox="459 604 491 625">Age</th> <th data-bbox="683 604 794 625">Years of Service</th> <th data-bbox="978 604 1129 625">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td data-bbox="459 632 603 653">Any age</td> <td data-bbox="730 632 762 653">25</td> <td data-bbox="1058 632 1129 653">None</td> </tr> <tr> <td data-bbox="459 659 603 680">55</td> <td data-bbox="730 659 762 680">20</td> <td data-bbox="906 659 1129 680">Full actuarial reduction</td> </tr> <tr> <td data-bbox="459 686 603 707">62</td> <td data-bbox="730 686 762 707">10</td> <td data-bbox="1058 686 1129 707">None</td> </tr> <tr> <td data-bbox="459 714 603 735">70</td> <td data-bbox="730 714 762 735">6</td> <td data-bbox="1058 714 1129 735">None</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	Any age	25	None	55	20	Full actuarial reduction	62	10	None	70	6	None
Age	Years of Service	Allowance Reduction														
Any age	25	None														
55	20	Full actuarial reduction														
62	10	None														
70	6	None														
Service Benefit Formula	<p>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 20 yrs. 3) 1.00% x FAS*x years of service over 20 years. 4) Monthly benefit = total of 1, 2, and 3.**</p> <p><i>*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.</i> <i>**Benefits paid cannot exceed 75% of FAS.</i></p>															
Cost of Living Allowance	Up to 4% compounded annually, beginning one year after retirement.															
Death Benefits	<p>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.</p> <p>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.</p>															
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 12-31-07)	<p>Noncontributory Option Employer rate includes 12.38% of covered salary and 15.45% from court fees.</p> <p>Contributory Option Member rate is 2.00% of covered salary. Employer rate includes 10.38% of covered salary and 15.45% from court fees.</p>															
Interest	Up to 8% on member accounts.															

Utah Governors and Legislators Retirement Plan

Summary of Plan Provisions



Description	Requirement									
Membership Eligibility	The Utah Governors and Legislators Retirement 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	<table border="0"> <thead> <tr> <th data-bbox="518 575 550 596">Age</th> <th data-bbox="746 575 858 596">Years of Service</th> <th data-bbox="1043 575 1190 596">Allowance Reduction</th> </tr> </thead> <tbody> <tr> <td data-bbox="518 600 550 621">65</td> <td data-bbox="794 600 810 621">4</td> <td data-bbox="1134 600 1190 621">None</td> </tr> <tr> <td data-bbox="518 625 550 646">62</td> <td data-bbox="794 625 842 646">10</td> <td data-bbox="1011 625 1190 646">3% each year before age 65</td> </tr> </tbody> </table>	Age	Years of Service	Allowance Reduction	65	4	None	62	10	3% each year before age 65
Age	Years of Service	Allowance Reduction								
65	4	None								
62	10	3% each year before age 65								
Service Benefit Formula	<p>Governors \$500 per month per term increased semi-annually up to 2% based on the CPI. The amount as of 12-31-07 is \$1,180 per term.</p> <p>Legislators \$10 per month per each year of service as a legislator increased semi-annually up to 2% based on the CPI. The amount as of 12-31-07 is \$26.00.</p>									
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 member 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 (as of 12-31-07)	There are currently no required contributions to the Utah Governors and Legislative Retirement Plan.									

Utah Retirement System

Summary Plan Provisions *(Continued)*



Changes in Plan Provisions

The following retirement-related bills were passed by the 2007 Utah Legislature:

Contributory and Noncontributory Retirement Systems

SB 247 Retirement System Exemptions

Allows an employee to exempt from coverage under the Public Employees Contributory and Noncontributory Retirement systems if he or she

- (1) is an employee of an interlocal cooperative agency,
- (2) is engaged in a specialized trade, and
- (3) has retirement benefits under an existing retirement plan.

Public Safety Retirement Systems

HB 21 Public Safety Conversion Window

Opens a window for public safety employers and employees participating in the Public Safety Contributory Retirement System to convert to the Public Safety Noncontributory Retirement System.

General

HB 8 Retirement Office Amendments

Among various technical corrections to the retirement code, this bill clarifies:

- The definition of “political subdivision”
- That an Option One retirement benefit payout arrangement is payable only during the member’s lifetime
- The rules governing health savings accounts

HB 260 [Sub2] Postretirement Employment

Defines “agency” such that it shall not be construed to mean a subdivision of an agency.

Defined Contribution Savings Plans

Summary of Plan Provisions

Introduction

The 401(k), 457, Roth and Traditional IRA Plans administered by the Board are Defined Contribution Savings Plans. These Plans are available as supplemental plans to the basic retirement benefits of the Retirement Systems. These Plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code and 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 in one or more 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-advantaged 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 contributions, the 401(k) and 457 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) and 457 Plans 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 part-time, 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 2007 to an annual maximum of \$15,000. Employer contributions and employee deferrals combined could not exceed the lesser of \$45,000 or 100% of compensation.

457—Limited to an annual maximum of \$15,500 or 100% of includable compensation.

Roth and Traditional IRA—Limited to an annual maximum of \$4,000 into all IRAs owned by the participant.

Defined Contribution Plans

Summary of Plan Provisions *(Continued)*

Coordination of Deferrals

401(k)—Deferrals to the 401(k) and 403(b) plans must be coordinated.

457—Contributions to the 457 must be coordinated with all 457 plans offered by the employer.

Roth and Traditional IRA—All IRA contributions must be coordinated.

Catch-up Provisions

401(k)—An additional \$5,000 for participants 50 or older during the year.

457—An additional \$5,000 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 preceding the year they qualify for retirement. However, the special catch-up is limited to unused deferrals allowed in previous years.

Roth and Traditional IRA—An additional \$1,000 for participants 50 or older.

Withdrawals

401(k)—Allowable upon termination of employment, age 59 1/2, retirement, disability, death, or hardship caused by immediate and heavy financial needs.

457—Allowable upon termination of employment, age 70 1/2, retirement, death, or severe unforeseeable financial emergencies.

Roth and Traditional IRA—Allowable at any time, but with possible tax penalties if withdrawn prior to age 59 1/2.

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.

Roth and Traditional IRA—Allowable from other eligible retirement plans or to other eligible plans (depending on acceptance of receiving plan).

Vesting

401(k)—Fully vested.

457—Fully vested.

Roth and Traditional IRA—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.

Roth and Traditional IRA—Not available.

Short Term Trading Fees

Each time money managers purchase or redeem stocks and bonds there are trading costs involved. Because of the costs generated by frequent or short term trading, it became necessary to impose a short term trading fee. Individuals who transfer any or all of their current account between core investment options more often than once every 30 days, are charged 2% of the amount transferred for each additional trade. Each transfer starts a new 30 day period.

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.

2007 Core 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.

Balanced Fund

The *Balanced Fund* invests in a portfolio consisting of approximately 60% stocks, and 40% bonds. 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.

Defined Contribution Plans

Summary of Plan Provisions *(Continued)*

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.

Small Cap Stock Fund

The *Small Cap Stock Fund* invests in a broad cross-section of U.S. small companies whose size (market capitalization) falls within the smallest 8% of the market universe. The market universe is comprised of companies listed on the NYSE, AMEX, and NASDAQ.

Brokerage Window

The brokerage window is a self-directed brokerage account available through Charles Schwab. The brokerage account offers a wide variety of investment options with varying degrees of risk. The brokerage window allows the participant to choose from mutual funds, stocks, bonds, and exchange traded funds (ETFs).

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

Horizon Funds Asset Allocation Horizon Funds Asset Allocation

	Short Horizon Fund	Medium Horizon Fund	Long Horizon Fund
Income Fund	15%	—	—
Bond Fund	55	45	20
Large Cap Stock Value Fund	5	10	10
Large Cap Stock Index Fund	5	15	25
Large Cap Stock Growth Fund	5	10	10
International Fund	10	15	25
Small Cap Stock Fund	5	5	10
Total	100%	100	100

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 over the long term.

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.

Health Reimbursement Arrangement

The Health Reimbursement Arrangement (HRA) is a tax-advantaged health

savings plan funded by employer contributions to pay for qualified health care expenses incurred after retirement.

Eligibility — Benefits are eligible for the retiree, spouse, and dependents as defined by the Internal Revenue Service.

Contributions — HRA rules require that all contributions be made by the employer and are determined by the employer's personnel policies. Contributions are generally from unused sick leave or other leave.

Refunds, Administration and Fees — Money is available until all the funds are used. Any money remaining in the account rolls over from year to year. For a comprehensive list of eligible expenses, see IRS Publication 502, *Medical and Dental Expenses*.

Contributions are placed in an interest bearing account managed by Northern Trust. Investment management and administrative fee totaling 0.6% are deducted from earnings. There is also a \$2.50 monthly fee for the benefit card and claims processing.

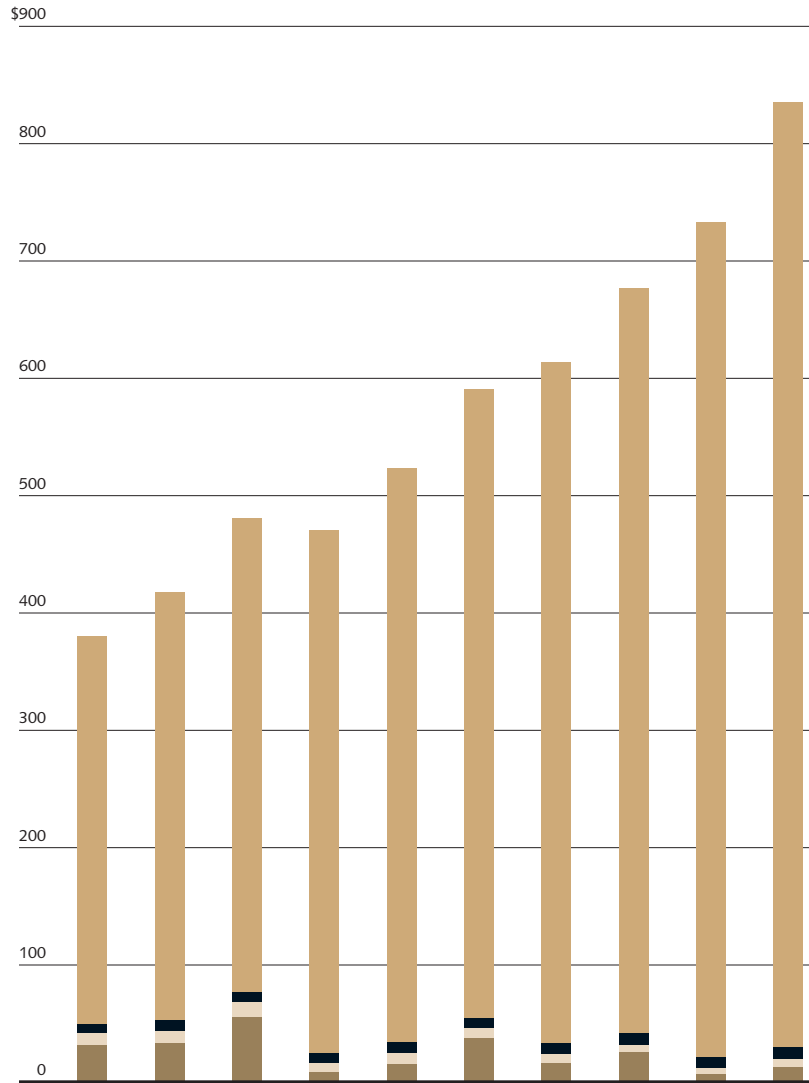
The historical rates of returns for each investment fund are found on page 105.

All Retirement Systems

Deductions by Type

Deductions by Type

(in millions)



(in millions)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Benefits	\$330	364	403	445	489	533	579	634	710	804
Administrative Expense	8	9	9	9	9	10	10	10	10	10
Refunds	10	10	12	7	9	8	7	6	5	7
Transfers to Systems	31	33	55	8	15	37	16	25	6	12
Totals	\$379	416	479	469	522	588	611	674	731	833

Utah Retirement Systems

2007 Comprehensive Annual Financial Report



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Schedules of Changes in Fund Balance — Defined Benefit Systems

Year Ended December 31, 2007 (dollars in thousands)

System	Year	Beginning Net Assets	Member Contributions	Total Employer Contributions		Contributions as a Percent of Covered Payroll	Net Investment Income
				Employer Contributions	Court Fees/ Fire Insurance Tax		
Noncontributory Retirement System	1998	\$ 7,712,364	7,698	318,635	—	13.47%	\$ 734,399
	1999	8,572,101	10,829	338,704	—	13.55	1,421,401
	2000	10,111,101	11,518	352,339	—	13.25	186,787
	2001	10,423,745	10,969	331,951	—	11.72	(544,848)
	2002	9,905,802	12,496	291,256	—	9.95	(788,906)
	2003	9,073,766	11,517	314,511	—	10.63	2,315,577
	2004	11,280,140	14,377	369,109	—	11.97	1,547,605
	2005	12,786,130	19,817	406,795	—	12.85	1,185,095
2006	13,892,439	22,646	440,421	—	13.24	2,006,738	
2007	15,818,483	18,245	487,803	—	14.20	1,041,414	
Contributory Retirement System	1998	\$ 943,494	8,399	10,729	—	7.83%	\$ 84,692
	1999	954,147	8,525	10,840	—	7.43	17,543
	2000	1,030,515	8,464	10,484	—	7.43	17,543
	2001	946,420	8,604	8,480	—	5.93	(47,761)
	2002	843,982	8,923	6,735	—	4.73	(64,251)
	2003	716,132	8,673	7,297	—	5.23	186,339
	2004	889,808	9,023	9,564	—	6.86	117,340
	2005	949,393	10,300	10,357	—	7.52	88,388
2006	1,018,525	9,534	10,737	—	8.02	144,012	
2007	1,115,416	9,700	11,208	—	8.56	71,640	
Public Safety Retirement System	1998	\$ 970,857	4,463	40,099	—	18.88%	\$ 92,284
	1999	1,073,781	3,900	45,110	—	19.96	177,027
	2000	1,261,920	4,132	49,113	—	19.90	23,226
	2001	1,296,078	3,976	46,113	—	17.68	(67,688)
	2002	1,229,903	4,258	42,264	—	15.74	(97,816)
	2003	1,124,549	4,448	46,655	—	16.76	288,126
	2004	1,404,167	5,038	56,319	—	19.17	192,784
	2005	1,594,043	4,806	61,326	—	20.53	148,071
2006	1,736,451	4,567	70,466	—	22.25	250,813	
2007	1,981,492	4,343	81,166	—	24.46	130,655	
Firefighters Retirement System	1998	\$ 421,184	8,771	2,546	4,391	12.77%	\$ 39,699
	1999	460,190	9,352	1,221	4,516	9.97	75,242
	2000	532,783	9,617	140	6,615	10.68	9,733
	2001	540,822	7,549	—	8,354	12.43	(28,038)
	2002	508,565	5,800	—	9,454	13.25	(40,198)
	2003	461,323	6,055	—	9,059	11.98	117,392
	2004	570,160	6,292	—	8,659	10.87	77,602
	2005	637,979	6,726	—	9,601	11.42	58,827
2006	686,062	7,761	—	9,518	10.73	98,566	
2007	773,776	9,194	—	13,797	14.41	50,738	
Judges Retirement System	1998	\$ 66,299	15	1,792	1,912	39.45%	\$ 6,260
	1999	73,650	8	1,637	1,681	32.84	12,048
	2000	85,921	8	1,476	1,946	32.91	1,571
	2001	87,731	7	1,007	2,046	27.94	(4,559)
	2002	82,760	5	472	2,381	25.53	(6,564)
	2003	75,753	103	551	1,939	22.87	19,417
	2004	94,467	8	723	1,808	21.73	12,852
	2005	105,483	8	792	1,605	20.67	9,762
2006	113,353	10	995	1,723	22.29	16,287	
2007	128,299	13	1,360	1,850	24.10	8,401	
Utah Governors and Legislators Retirement Plan	1998	\$ 10,531	—	—	—	—%	\$ 973
	1999	10,976	—	—	—	—	1,757
	2000	12,159	—	—	—	—	218
	2001	11,724	—	—	—	—	(595)
	2002	10,448	—	—	—	—	(806)
	2003	8,932	—	—	—	—	2,202
	2004	10,390	—	—	—	—	1,381
	2005	11,066	—	—	—	—	997
2006	11,319	—	—	—	—	1,589	
2007	12,163	—	—	—	—	780	

Utah Retirement Systems

Transfers from Systems	Total Additions	Benefit Payments	Refunds	Administrative & Actuarial Expense	Transfers to Systems	Total Deductions	Changes in Net Assets	Ending Net Assets
27,219	1,087,951	213,752	4,500	6,460	3,502	228,214	859,737	8,572,101
28,034	1,798,968	243,829	4,343	7,093	4,703	259,968	1,539,000	10,111,101
51,020	601,664	276,878	5,292	6,850	—	289,020	312,644	10,423,745
5,255	(196,673)	311,311	3,264	6,695	—	321,270	(517,943)	9,905,802
12,166	(472,988)	348,230	3,715	7,103	—	359,048	(832,036)	9,073,766
—	2,641,605	386,791	3,310	8,124	37,006	435,231	2,206,374	11,280,140
10,583	1,941,674	424,897	3,029	7,758	—	435,684	1,505,990	12,786,130
—	1,611,707	469,695	3,189	7,557	24,957	505,398	1,106,309	13,892,439
112	2,469,917	533,248	2,763	7,862	—	543,873	1,926,044	15,818,483
7,173	1,554,635	609,526	3,443	8,345	—	621,314	933,321	16,751,804
1,735	105,555	62,249	4,168	743	27,742	94,902	10,653	954,147
1,770	169,929	61,141	4,232	789	27,399	93,561	76,368	1,030,515
—	36,491	60,317	5,040	680	54,549	120,586	(84,095)	946,420
—	(30,677)	59,575	3,087	654	8,445	71,761	(102,438)	843,982
—	(48,593)	59,497	3,716	624	15,420	79,257	(127,850)	716,132
33,263	235,572	57,863	3,358	675	—	61,896	173,676	889,808
—	135,927	56,992	2,945	618	15,787	76,342	59,585	949,393
19,565	128,610	57,100	1,800	578	—	59,478	69,132	1,018,525
—	164,283	58,546	1,789	576	6,481	67,392	96,891	1,115,416
—	92,548	61,678	2,318	588	12,064	76,648	15,900	1,131,316
1,938	138,784	34,374	639	803	44	35,860	102,924	1,073,781
2,305	228,342	38,549	731	916	7	40,203	188,139	1,261,920
2,027	78,738	42,769	971	840	—	44,580	34,158	1,296,078
1,416	(16,183)	48,607	542	843	—	49,992	(66,175)	1,229,903
1,956	(49,338)	53,962	1,155	899	—	56,016	(105,354)	1,124,549
2,002	341,231	59,941	666	1,006	—	61,613	279,618	1,404,167
4,002	258,143	66,329	960	978	—	68,267	189,876	1,594,043
4,257	218,460	74,041	1,026	985	—	76,052	142,408	1,736,451
3,284	329,130	82,499	562	1,028	—	84,089	245,041	1,981,492
2,323	218,487	91,864	723	1,090	—	93,677	124,810	2,106,302
432	55,839	15,741	274	325	493	16,833	39,006	460,190
466	90,797	16,955	292	361	596	18,204	72,593	532,783
1,303	27,408	18,738	312	319	—	19,369	8,039	540,822
1,517	(10,618)	20,778	543	318	—	21,639	(32,257)	508,565
735	(24,209)	22,288	422	323	—	23,033	(47,242)	461,323
625	133,131	23,520	414	360	—	24,294	108,837	570,160
980	93,533	25,263	106	345	—	25,714	67,819	637,979
601	75,755	27,269	72	331	—	27,672	48,083	686,062
1,825	117,670	29,497	114	345	—	29,956	87,714	773,776
1,709	75,438	33,936	248	356	—	34,540	40,898	814,674
427	10,406	3,002	—	53	—	3,055	7,351	73,650
116	15,490	3,160	—	59	—	3,219	12,271	85,921
183	5,184	3,322	—	52	—	3,374	1,810	87,731
239	(1,260)	3,659	—	52	—	3,711	(4,971)	82,760
560	(3,146)	3,804	—	57	—	3,861	(7,007)	75,753
1,128	23,138	4,361	—	63	—	4,424	18,714	94,467
204	15,595	4,518	—	61	—	4,579	11,016	105,483
518	12,685	4,755	—	60	—	4,815	7,870	113,353
1,242	20,257	5,251	—	60	—	5,311	14,946	128,299
841	12,465	6,335	—	65	—	6,400	6,065	134,364
16	989	538	—	6	—	544	445	10,976
17	1,774	583	2	6	—	591	1,183	12,159
16	234	662	1	6	—	669	(435)	11,724
18	(577)	691	2	6	—	699	(1,276)	10,448
3	(803)	708	—	5	—	713	(1,516)	8,932
—	2,202	726	—	6	12	744	1,458	10,390
18	1,399	712	5	6	—	723	676	11,066
16	1,013	755	—	5	—	760	253	11,319
18	1,607	758	—	5	—	763	844	12,163
18	798	758	2	5	—	765	33	12,196

Schedules of Changes in Fund Balance — Defined Contribution Plans

Year Ended December 31, 2007

(i n t h o u s a n d s)

System	Year	Beginning Net Assets	Contributions	Net Investment Income / (Loss)	Total Additions
401(k) Plan	1998	\$ 802,991	113,422	131,470	244,892
	1999	1,011,435	124,948	170,375	295,323
	2000	1,259,441	137,563	(55,001)	82,562
	2001	1,276,732	145,557	(34,051)	111,506
	2002	1,330,045	160,267	(109,790)	50,477
	2003	1,312,764	161,212	249,313	410,525
	2004	1,653,375	170,958	152,410	323,368
	2005	1,890,555	182,744	142,760	325,504
	2006	2,104,462	193,515	226,668	420,183
	2007	2,388,556	225,975	137,399	363,374
457 Plan	1998	\$ 194,542	5,824	28,186	34,010
	1999	211,287	6,856	31,340	38,196
	2000	234,988	5,983	(9,061)	(3,078)
	2001	215,605	5,935	(5,395)	540
	2002	199,518	10,353	(13,325)	(2,972)
	2003	171,561	13,812	29,193	43,005
	2004	196,219	17,368	17,118	34,486
	2005	213,271	22,033	14,891	36,924
	2006	230,031	23,282	24,210	47,492
	2007	258,815	26,303	14,025	40,328
Roth IRA Plan*	2005	\$ —	1,007	53	1,060
	2006	1,027	2,351	282	2,633
	2007	3,588	2,745	208	2,953
Traditional IRA Plan*	2005	\$ —	6,527	353	6,880
	2006	6,556	6,069	1,061	7,130
	2007	12,428	7,390	650	8,040
HRA Plan*	2006	\$ —	161	2	163
	2007	129	664	19	683
All Defined Contribution Plans	1998	\$ 997,533	119,246	159,656	278,902
	1999	1,222,722	131,804	201,715	333,519
	2000	1,494,429	143,546	(64,062)	79,484
	2001	1,492,337	151,492	(39,446)	112,046
	2002	1,529,563	170,620	(123,115)	47,505
	2003	1,484,325	175,024	278,506	453,530
	2004	1,849,584	188,326	169,528	357,854
	2005	2,103,826	212,311	158,057	370,368
	2006	2,342,076	225,378	252,223	477,601
	2007	2,663,516	263,077	152,301	415,378

*This plan has existed for less than 10 years.

Refunds	Administrative Expenses	Net Transfers Between Affiliated Funds	Total Deductions	Changes in Net Assets	Ending Net Assets
34,383	2,079	(14)	36,448	208,444	1,011,435
44,682	2,632	3	47,317	248,006	1,259,441
61,898	3,373	—	65,271	17,291	1,276,732
54,819	3,374	—	58,193	53,313	1,330,045
63,908	3,850	—	67,758	(17,281)	1,312,764
65,785	4,129	—	69,914	340,611	1,653,375
81,611	4,577	—	86,188	237,180	1,890,555
106,678	4,919	—	111,597	213,907	2,104,462
130,718	5,371	—	136,089	284,094	2,388,556
142,180	5,602	—	147,782	215,592	2,604,148
16,819	446	—	17,265	16,745	211,287
13,989	506	—	14,495	23,701	234,988
15,747	558	—	16,305	(19,383)	215,605
16,129	498	—	16,627	(16,087)	199,518
24,498	487	—	24,985	(27,957)	171,561
17,877	470	—	18,347	24,658	196,219
16,937	497	—	17,434	17,052	213,271
19,633	531	—	20,164	16,760	230,031
18,138	570	—	18,708	28,784	258,815
21,489	591	—	22,080	18,248	277,063
33	—	—	33	1,027	1,027
67	6	—	73	2,560	3,587
192	13	—	205	2,748	6,336
315	9	—	324	6,556	6,556
1,232	26	—	1,258	5,872	12,428
2,592	36	—	2,628	5,412	17,840
34	—	—	34	129	129
126	1	—	127	556	685
51,202	2,525	(14)	53,713	225,189	1,222,722
58,671	3,138	3	61,812	271,707	1,494,429
77,645	3,931	—	81,576	(2,092)	1,492,337
70,948	3,872	—	74,820	37,226	1,529,563
88,406	4,337	—	92,743	(45,238)	1,484,325
83,662	4,599	—	88,261	365,269	1,849,594
98,548	5,074	—	103,622	254,232	2,103,826
126,659	5,459	—	132,118	238,250	2,342,076
150,189	5,973	—	156,162	321,439	2,663,515
166,579	6,243	—	172,822	242,556	2,906,072

Schedules of Benefit Deductions by Type

Year Ended December 31, 2007

(i n t h o u s a n d s)

System	Year	Service and Disability Benefits	Cost of Living Benefits	Supplemental Benefits	Total Benefits
Noncontributory Retirement System	1998	\$182,013	31,739	—	213,752
	1999	207,798	36,031	—	243,829
	2000	236,377	40,501	—	276,878
	2001	265,102	46,209	—	311,311
	2002	294,735	53,495	—	348,230
	2003	327,972	58,819	—	386,791
	2004	360,819	64,078	—	424,897
	2005	397,759	71,936	—	469,695
	2006	450,659	82,589	—	533,248
2007	513,917	95,609	—	609,526	
Contributory Retirement System	1998	\$ 38,276	20,419	3,554	62,249
	1999	37,371	20,647	3,123	61,141
	2000	36,662	20,929	2,726	60,317
	2001	36,714	20,528	2,333	59,575
	2002	37,256	20,292	1,949	59,497
	2003	36,520	19,719	1,624	57,863
	2004	36,620	19,041	1,331	56,992
	2005	37,508	18,479	1,113	57,100
	2006	39,635	18,002	909	58,546
2007	43,248	17,694	736	61,678	
Public Safety Retirement System	1998	\$ 28,600	4,923	851	34,374
	1999	32,245	5,494	810	38,549
	2000	35,900	6,105	764	42,769
	2001	41,084	6,801	722	48,607
	2002	45,588	7,689	685	53,962
	2003	50,653	8,638	650	59,941
	2004	56,047	9,670	612	66,329
	2005	62,608	10,859	574	74,041
	2006	69,721	12,237	541	82,499
2007	77,605	13,743	516	91,864	
Firefighters Retirement	1998	\$ 11,987	2,821	933	15,741
	1999	12,950	3,116	889	16,955
	2000	14,496	3,403	839	18,738
	2001	16,207	3,775	796	20,778
	2002	17,314	4,223	751	22,288
	2003	18,270	4,552	698	23,520
	2004	19,757	4,851	655	25,263
	2005	21,405	5,252	612	27,269
	2006	23,122	5,806	569	29,497
2007	26,952	6,461	523	33,936	
Judges Retirement System	1998	\$ 2,464	538	—	3,002
	1999	2,590	570	—	3,160
	2000	2,704	618	—	3,322
	2001	2,965	694	—	3,659
	2002	3,009	795	—	3,804
	2003	3,508	853	—	4,361
	2004	3,624	894	—	4,518
	2005	3,784	971	—	4,755
	2006	4,167	1,084	—	5,251
2007	5,105	1,230	—	6,335	
Utah Governors and Legislators Retirement Plan	1998	\$ 411	127	—	538
	1999	450	133	—	583
	2000	520	142	—	662
	2001	547	144	—	691
	2002	556	152	—	708
	2003	572	154	—	726
	2004	559	153	—	712
	2005	595	160	—	755
	2006	594	164	—	758
2007	596	162	—	758	

Schedules of Retired Members by Type of Benefit Option

Year Ended December 31, 2007

System	Amount of Monthly Benefit	Number of Retirees by Benefit Option								
		1	2	3	4	5	6	7	8	9
Noncontributory Retirement System	\$1-1,000	5,914	758	1,529	229	2,051	703	—	—	—
	1,001-2,000	2,812	538	1,293	209	1,595	715	—	—	—
	2,001-3,000	2,228	460	1,688	269	2,046	736	—	—	—
	3,001-4,000	928	192	864	177	688	266	—	—	—
	4,001-5,000	193	48	264	64	154	76	—	—	—
	over-5,000	72	15	103	21	41	26	—	—	—
Contributory Retirement System	\$1-1,000	1,918	868	334	66	347	147	—	—	—
	1,001-2,000	604	231	222	68	199	82	—	—	—
	2,001-3,000	127	49	73	16	68	24	—	—	—
	3,001-4,000	32	18	10	1	13	9	—	—	—
	4,001-5,000	4	5	9	—	2	1	—	—	—
	over-5,000	—	2	1	—	1	1	—	—	—
Public Safety Retirement System	\$1-1,000	—	—	—	—	—	—	—	481	—
	1,001-2,000	—	—	—	—	—	—	—	1,130	—
	2,001-3,000	—	—	—	—	—	—	—	1,302	—
	3,001-4,000	—	—	—	—	—	—	—	511	—
	4,001-5,000	—	—	—	—	—	—	—	155	—
	over-5,000	—	—	—	—	—	—	—	35	—
Firefighters Retirement System	\$1-1,000	—	—	—	—	—	—	—	50	—
	1,001-2,000	—	—	—	—	—	—	—	187	—
	2,001-3,000	—	—	—	—	—	—	—	432	—
	3,001-4,000	—	—	—	—	—	—	—	309	—
	4,001-5,000	—	—	—	—	—	—	—	72	—
	over-5,000	—	—	—	—	—	—	—	13	—
Judges Retirement System	\$1-1,000	—	—	—	—	—	—	1	—	—
	1,001-2,000	—	—	—	—	—	—	1	—	—
	2,001-3,000	—	—	—	—	—	—	3	—	1
	3,001-4,000	—	—	—	—	—	—	3	—	—
	4,001-5,000	—	—	—	—	—	—	—	—	—
	over-5,000	—	—	—	—	—	—	46	—	41
Utah Governors and Legislators Retirement Plan*	\$1-1,000	—	—	—	216	—	—	—	—	—
	1,001-2,000	—	—	—	3	—	—	—	—	—
	2,001-3,000	—	—	—	1	—	—	—	—	—
	3,001-4,000	—	—	—	—	—	—	—	—	—
	4,001-5,000	—	—	—	—	—	—	—	—	—
	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.

*Utah Governors and Legislators Retirement 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

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Noncontributory Retirement System	2003	Average Monthly Benefit	\$ 303	597	953	1,262	2,332	2,815
		Monthly Final Average Salary	2,009	2,496	2,971	3,103	4,176	4,523
		Number of Active Retired	262	220	258	209	500	356
	2004	Average Monthly Benefit	\$ 301	634	937	1,339	2,363	2,934
		Monthly Final Average Salary	2,169	2,524	2,838	3,218	4,206	4,660
		Number of Active Retired	260	250	266	199	482	346
	2005	Average Monthly Benefit	\$ 324	707	1,145	1,495	2,508	3,182
		Monthly Final Average Salary	2,095	2,640	3,158	3,422	4,200	4,605
		Number of Active Retired	316	276	328	226	615	451
	2006	Average Monthly Benefit	\$ 366	717	1,054	1,388	2,455	3,071
		Monthly Final Average Salary	2,362	2,844	3,169	3,420	4,342	4,806
		Number of Active Retired	346	298	407	299	834	544
	2007	Average Monthly Benefit	\$ 350	674	1,100	1,433	2,461	3,136
		Monthly Final Average Salary	2,334	2,754	3,289	3,601	4,532	5,100
		Number of Active Retired	408	248	362	226	582	305
Contributory Retirement System	2003	Average Monthly Benefit	\$ 220	542	785	1,063	1,861	1,998
		Monthly Final Average Salary	1,724	2,120	2,361	2,675	3,559	3,637
		Number of Active Retired	9	11	25	35	31	11
	2004	Average Monthly Benefit	\$ 338	672	795	1,067	1,875	2,415
		Monthly Final Average Salary	1,661	2,819	2,403	2,581	3,479	4,201
		Number of Active Retired	5	12	35	32	47	9
	2005	Average Monthly Benefit	\$ 295	587	985	1,235	2,042	2,109
		Monthly Final Average Salary	1,906	2,341	2,674	2,697	3,541	3,468
		Number of Active Retired	7	6	35	33	76	22
	2006	Average Monthly Benefit	\$ —	428	862	1,068	2,114	2,408
		Monthly Final Average Salary	—	1,687	2,519	2,560	3,682	4,134
		Number of Active Retired	—	13	18	49	85	22
	2007	Average Monthly Benefit	\$ 270	523	723	1,138	2,257	2,769
		Monthly Final Average Salary	2,096	2,184	2,281	3,007	3,974	4,455
		Number of Active Retired	5	14	18	56	78	26
Public Safety Retirement System	2003	Average Monthly Benefit	\$ 1,372	1,073	1,834	2,468	3,241	3,586
		Monthly Final Average Salary	2,832	3,113	3,701	4,432	4,848	5,106
		Number of Active Retired	7	10	59	55	39	13
	2004	Average Monthly Benefit	\$ 723	1,207	1,970	2,282	3,386	3,233
		Monthly Final Average Salary	3,532	3,613	3,969	4,081	4,879	4,697
		Number of Active Retired	7	12	77	62	31	15
	2005	Average Monthly Benefit	\$ 445	1,229	2,175	2,986	3,720	3,256
		Monthly Final Average Salary	2,642	3,249	4,094	4,546	4,779	4,346
		Number of Active Retired	6	7	96	76	49	19
	2006	Average Monthly Benefit	\$ 615	1,259	1,968	2,703	3,318	3,311
		Monthly Final Average Salary	2,623	3,363	4,011	4,419	4,981	4,745
		Number of Active Retired	4	14	77	75	25	17
	2007	Average Monthly Benefit	\$ 807	1,116	2,124	2,541	3,351	3,657
		Monthly Final Average Salary	3,252	3,371	4,167	4,839	5,259	5,401
		Number of Active Retired	13	16	69	51	26	15

Schedules of Average Benefit Payments (Continued)

December 31, 2007

System			Years of Credited Service					
			4-10	10-15	15-20	20-25	25-30	30+
Firefighters Retirement System	2003	Average Monthly Benefit	\$ 800	—	2,036	2,522	3,610	3,263
		Monthly Final Average Salary	3,436	—	4,326	4,594	4,863	4,636
		Number of Active Retired	3	—	5	10	19	3
	2004	Average Monthly Benefit	\$ 890	1,219	2,308	2,666	3,679	3,247
		Monthly Final Average Salary	4,241	3,579	4,040	4,979	5,293	4,532
		Number of Active Retired	4	1	9	5	8	3
	2005	Average Monthly Benefit	\$1,578	2,014	2,784	3,281	3,662	3,539
		Monthly Final Average Salary	3,614	4,028	5,029	5,721	5,359	5,056
		Number of Active Retired	5	2	11	11	18	6
	2006	Average Monthly Benefit	\$1,856	1,032	2,367	2,772	4,141	3,832
		Monthly Final Average Salary	3,712	3,305	4,765	5,099	4,947	5,533
		Number of Active Retired	4	2	7	10	10	11
	2007	Average Monthly Benefit	\$ 1,523	—	2,417	2,857	3,643	3,533
		Monthly Final Average Salary	3,047	—	5,111	5,380	5,759	5,492
		Number of Active Retired	3	—	6	15	15	14
Judges Retirement System	2003	Average Monthly Benefit	\$ —	4,882	6,148	7,076	—	7,052
		Monthly Final Average Salary	—	8,604	8,836	9,065	—	8,608
		Number of Active Retired	—	1	4	2	—	1
	2004	Average Monthly Benefit	\$ —	5,079	—	6,631	—	—
		Monthly Final Average Salary	—	8,672	—	8,645	—	—
		Number of Active Retired	—	1	—	1	—	—
	2005	Average Monthly Benefit	\$ —	5,349	6,467	6,377	—	—
		Monthly Final Average Salary	—	8,556	9,002	8,701	—	—
		Number of Active Retired	—	1	2	2	—	—
	2006	Average Monthly Benefit	\$ —	—	6,365	—	—	8,395
		Monthly Final Average Salary	—	—	8,860	—	—	8,995
		Number of Active Retired	—	—	1	—	—	2
	2007	Average Monthly Benefit	\$ —	—	5,927	7,142	6,979	8,731
		Monthly Final Average Salary	—	—	9,518	9,202	9,202	9,257
		Number of Active Retired	—	—	1	2	3	1
Utah Governors and Legislators Retirement Plan	2003	Average Monthly Benefit	\$ 169	—	—	—	—	—
		Monthly Final Average Salary	372	—	—	—	—	—
		Number of Active Retired	3	—	—	—	—	—
	2004	Average Monthly Benefit	\$ 171	—	—	—	—	—
		Monthly Final Average Salary	267	—	—	—	—	—
		Number of Active Retired	6	—	—	—	—	—
	2005	Average Monthly Benefit	\$ 202	302	520	624	—	—
		Monthly Final Average Salary	746	746	746	746	—	—
		Number of Active Retired	9	1	1	1	—	—
	2006	Average Monthly Benefit	\$ 171	284	—	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	2	1	—	—	—	—
	2007	Average Monthly Benefit	\$ 138	282	520	—	—	—
		Monthly Final Average Salary	—	—	—	—	—	—
		Number of Active Retired	4	1	1	—	—	—

Schedules of Active Members by Age and Gender

Year Ended December 31, 2007

System	Ages	Male	Female	Total
Noncontributory Retirement System	Under 20	160	2,587	2,747
	20 to 29	4,061	8,513	12,574
	30 to 39	7,347	10,469	17,816
	40 to 49	7,795	14,183	21,978
	50 to 54	4,397	9,120	13,517
	55 to 59	3,908	8,225	12,133
	60 to 69	3,016	5,310	8,326
70 and Older	268	246	514	
Total		30,952	58,653	89,605

Contributory Retirement System	Under 20	3	16	19
	20 to 29	53	64	117
	30 to 39	104	76	180
	40 to 49	362	358	720
	50 to 54	338	379	717
	55 to 59	293	345	638
	60 to 69	189	248	437
70 and Older	10	14	24	
Total		1,352	1,500	2,852

Public Safety Retirement System	Under 20	—	4	4
	20 to 29	1,334	159	1,493
	30 to 39	2,721	350	3,071
	40 to 49	1,622	272	1,894
	50 to 54	473	91	564
	55 to 59	318	49	367
	60 to 69	154	30	184
70 and Older	9	1	10	
Total		6,631	956	7,587

System	Ages	Male	Female	Total
Firefighters Retirement System	Under 20	—	2	2
	20 to 29	292	15	307
	30 to 39	709	25	734
	40 to 49	418	13	431
	50 to 54	162	4	166
	55 to 59	106	1	107
	60 to 69	23	—	23
70 and Older	1	—	1	
Total		1,711	60	1,771

Judges Retirement System	Under 20	—	—	—
	20 to 29	—	—	—
	30 to 39	—	2	2
	40 to 49	11	7	18
	50 to 54	20	3	23
	55 to 59	25	7	32
	60 to 69	26	6	32
70 and Older	1	—	1	
Total		83	25	108

Governors and Legislators Retirement Plan	Under 20	—	—	—
	20 to 29	—	—	—
	30 to 39	10	3	13
	40 to 49	19	2	21
	50 to 54	14	—	14
	55 to 59	19	6	25
	60 to 69	18	3	21
70 and Older	2	1	3	
Total		82	15	97

Schedules of Retirees by Age and Gender

Year Ended December 31, 2007

System	Ages	Male	Female	Total
Noncontributory Retirement System	Under 55	345	477	822
	55 to 59	953	964	1,917
	60 to 64	2,011	2,691	4,702
	65 to 69	2,996	4,476	7,472
	70 to 74	2,774	3,905	6,679
	75 to 79	2,071	2,838	4,909
	80 to 84	1,168	1,620	2,788
	85 to 89	253	367	620
	90 to 94	18	34	52
	95 to 100	1	2	3
Over 100	—	—	—	
Total		12,590	17,374	29,965

Contributory Retirement System	Under 55	40	52	92
	55 to 59	61	63	124
	60 to 64	122	210	332
	65 to 69	170	329	499
	70 to 74	127	277	404
	75 to 79	172	365	537
	80 to 84	344	722	1,066
	85 to 89	478	1,063	1,541
	90 to 94	209	557	766
	95 to 100	36	149	185
Over 100	—	6	6	
Total		1,759	3,793	5,552

Public Safety Retirement System	Under 55	650	203	853
	55 to 59	513	110	623
	60 to 64	605	109	714
	65 to 69	396	109	505
	70 to 74	312	90	402
	75 to 79	172	90	262
	80 to 84	70	63	133
	85 to 89	45	43	88
	90 to 94	11	18	29
	95 to 100	1	4	5
Over 100	—	—	—	
Total		2,775	839	3,614

System	Ages	Male	Female	Total
Firefighters Retirement System	Under 55	153	41	194
	55 to 59	165	22	187
	60 to 64	179	25	204
	65 to 69	137	23	160
	70 to 74	78	20	98
	75 to 79	59	30	89
	80 to 84	49	24	73
	85 to 89	12	25	37
	90 to 94	5	10	15
	95 to 100	2	3	5
Over 100	—	—	—	
Total		839	223	1,063

Judges Retirement System	Under 55	—	—	—
	55 to 59	4	1	5
	60 to 64	10	2	12
	65 to 69	11	1	12
	70 to 74	9	4	13
	75 to 79	11	10	21
	80 to 84	16	3	19
	85 to 89	2	10	12
	90 to 94	1	1	2
	95 to 100	—	—	—
Over 100	—	—	—	
Total		64	32	96

Governors and Legislators Retirement Plan	Under 55	—	3	3
	55 to 59	—	2	2
	60 to 64	2	4	6
	65 to 69	17	4	21
	70 to 74	43	12	55
	75 to 79	34	19	53
	80 to 84	27	14	41
	85 to 89	17	11	28
	90 to 94	4	4	8
	95 to 100	1	3	4
Over 100	—	—	—	
Total		145	76	220

Schedules of Principal Participating Employers

Year Ended December 31

Employer	2007			2006			
	Active Members	Rank	Percent of Total Active Members	Active Members	Rank	Percent of Total Active Members	
Noncontributory Retirement System	State of Utah	16,948	1	18.91%	16,664	1	19.11%
	Granite School District	5,922	2	6.61	5,363	3	6.15
	Jordan School District	5,705	3	6.37	5,448	2	6.25
	Davis School District	5,391	4	6.02	5,187	4	5.95
	Alpine School District	4,910	5	5.48	4,697	5	5.39
	University of Utah	4,453	6	4.97	4,480	6	5.14
	Salt Lake County	2,981	7	3.33	2,909	7	3.34
	Salt Lake School District	2,805	8	3.13	2,689	8	3.08
	Weber School District	2,793	9	3.12	2,670	9	3.06
	Nebo School District	2,330	10	2.60	2,917	10	3.34
	Other	35,367		39.47	34,195		39.21
	Total	89,605		100.00%	87,219		100.00%
Contributory Retirement System	State of Utah	473	1	16.58%	508	1	16.88%
	South Jordan City	207	2	7.26	216	2	7.18
	University of Utah	207	3	7.26	214	3	7.11
	Uintah County	188	4	6.59	185	4	6.15
	Granite School District	150	5	5.26	162	5	5.38
	Salt Lake City Corp.	144	6	5.05	156	6	5.18
	Salt Lake County	97	7	3.40	107	7	3.55
	Duchesne County	85	8	2.98	79	10	2.62
	Jordan School District	82	9	2.88	86	8	2.86
	Salt Lake School District	78	10	2.73	83	9	2.76
	Other	1,141		40.01	1,214		40.33
	Total	2,852		100.00%	3,010		100.00%
Public Safety Retirement System	State of Utah	2,444	1	32.21%	2,468	1	33.02%
	Salt Lake County	783	2	10.32	763	2	10.21
	Salt Lake City Corp.	472	3	6.22	448	3	5.99
	Weber County Corp.	275	4	3.62	291	4	3.89
	Utah County	233	5	3.07	223	5	2.98
	Davis County	206	6	2.72	199	6	2.66
	West Valley City	169	7	2.23	159	7	2.13
	Ogden City Corp.	122	8	1.61	114	8	1.53
	Washington County	113	9	1.49	107	10	1.43
	Sandy City	108	10	1.42	109	9	1.46
	Other	2,662		35.09	2,593		34.69
	Total	7,587		100.00%	7,474		100.00%
Firefighters Retirement System	Unified Fire Authority	344	1	19.42%	229	2	13.60%
	Salt Lake City Corp.	322	2	18.18	330	1	19.60
	Ogden City Corp.	110	3	6.21	106	3	6.29
	West Valley City	92	4	5.19	88	4	5.23
	Park City Fire Service	81	5	4.57	75	6	4.45
	Provo City Corp.	74	6	4.18	77	5	4.57
	Sandy City	73	7	4.12	72	8	4.28
	City of West Jordan	70	8	3.95	73	7	4.33
	Orem City	58	9	3.27	54	9	3.21
	South Davis Metro Fire Agency	52	10	2.94	—	—	—
	Murray City	—	—	—	51	10	3.03
	Other	495		27.95	758		45.01
	Total	1,771		100.00%	1,684		100.00%
Judges Retirement System	State of Utah	108	1	100.00%	106	1	100.00%
Governors and Legislators Retirement Plan	State of Utah	97	1	100.00%	105	1	100.00%

Additional information will be added when it becomes available.

Schedule of Utah Retirement Office Employees

Year Ended
December 31, 2007

Year	Number of Employees
1998	129
1999	134
2000	135
2001	142
2002	148
2003	156
2004	160
2005	156
2006	154
2007	156

Schedule of Participating Employers

- N = Public Employees Retirement System — Noncontributory
- C = Public Employees Retirement System — Contributory
- PS = Public Safety Retirement System
- F = Firefighters Retirement System
- D = 457 Plan
- K = 401(k) Plan

Employer	N	C	PS	F	D	K
School Districts and Education Employers						
Academy for Math, Engineering and Science Charter School	N					K
Active Re-Entry Incorporated.....	N					K
Alpine School District	N	C			D	K
American Leadership Academy	N					K
Beaver School District	N					K
Box Elder School District.....	N	C			D	K
Bridgerland Applied Technology Center	N					K
Cache School District	N	C			D	K
Carbon School District.....	N	C			D	K
College of Eastern Utah.....	N	C			D	K
Daggett School District	N	C			D	K
Davis Applied Technology Center	N					K
Davis School District	N	C			D	K
Dixie Applied Technology College	N					K
Dixie State College.....	N	C	PS			K
Duchesne School District.....	N	C			D	K
East Hollywood High School.....	N					K
Educators Mutual Insurance.....	N	C			D	K
Emery School District	N	C			D	K
Fast Forward Charter High School	N					K
Garfield School District.....	N	C				K
Grand School District.....	N	C				K
Granite School District.....	N	C			D	K
High School Activity Association	N	C				K
Intech Collegiate Charter High School.....	N					K
Iron School District	N	C			D	K
Jordan School District	N	C			D	K
Juab School District.....	N	C			D	K
Kane School District.....	N	C			D	K
Liberty Academy Charter School.....	N					K
Logan School District	N	C			D	K
Master Academy Inc	N					K
Millard School District.....	N	C				K
Monticello Academy	N					K
Morgan School District.....	N				D	K
Mountainland Applied Technology Center ...	N					K
Murray School District.....	N	C			D	K

Employer	N	C	PS	F	D	K
Nebo School District	N	C			D	K
Noah Webster Academy, Inc	N					K
North Sanpete School District.....	N	C			D	K
North Summit School District	N	C			D	K
Northern Utah Academy of Math, Engineering and Science Charter School..	N					K
Ogden School District	N	C			D	K
Ogden-Weber Applied Technical Center	N	C				K
Park City School District.....	N	C			D	K
Piute School District.....	N	C				K
Provo School District.....	N	C			D	K
Recreation and Habilitation Services	N					K
Rich School District.....	N	C				K
Salt Lake Arts Academy	N					
Salt Lake Community College	N	C			D	K
Salt Lake School District	N	C			D	K
Salt Lake/Tooele Applied Technical Center ...	N					K
San Juan School District.....	N	C			D	K
Sevier School District	N	C			D	K
Snow College	N	C			D	K
Soldier Hollow Charter School.....	N					K
South Sanpete School District	N	C			D	K
South Summit School District.....	N					K
Southern Utah University	N	C	PS			K
Southwest Applied Technology Center	N					K
Southwest Educational Development Center	N					K
Space Dynamics Lab/USU	N					K
Success Academy	N					K
Summit Academy Charter School.....	N					K
Tintic School District	N	C				K
Tooele School District	N	C			D	K
Tuacahan High School	N					K
Uintah Basin Applied Technology Center	N	C			D	K
Uintah School District.....	N	C			D	K
University of Utah.....	N	C	PS			K
Utah College of Applied Technology	N					K
Utah County Academy of Sciences	N					K
Utah Education Association.....	N	C			D	K
Utah School Boards Association.....	N					K
Utah School Boards Risk Man Mut Ins Assn	N					K
Utah School Employee Association.....	N				D	K
Utah State University.....	N	C	PS		D	K
Utah Uniserv	N	C			D	K
Utah Valley State College.....	N	C			D	K
Wasatch School District	N	C			D	K
Washington School District.....	N	C			D	K
Wayne School District	N				D	K
Weber County School District.....	N	C			D	K
Weber State University	N	C				K

State and Other Employers

Heber Valley Historic Railroad Authority.....	N					K
State of Utah (also participates in the Judges Retirement System and the Governors and Legislative Retirement Plan)	N	C	PS	F	D	K
Utah Communications Agency Network	N					K
Utah Dairy Council	N					
Utah Housing Finance Agency	N	C				K
Utah Industries for the Blind.....	N					K
Utah Retirement Systems	N				D	K
Utah Safety Council.....	N					K
Utah State Fair Corporation	N					K
Workers Compensation Fund.....	N	C			D	K

Schedule of Participating Employers (Continued)

Employer	N	C	PS	F	D	K	Employer	N	C	PS	F	D	K	Employer	N	C	PS	F	D	K	
Counties and County Organizations																					
Beaver County.....	N		PS		D	K	Ephraim City.....	N		PS			K	North Logan City.....	N	C	PS	F		K	
Box Elder County.....	N	C	PS		D	K	Escalante Town.....	N		PS				North Ogden City.....	N	C	PS	F			
Cache County.....	N	C	PS	F	D	K	Eureka City.....	N						North Salt Lake City.....	N		PS		D	K	
Carbon County.....	N	C	PS		D	K	Fairview City.....	N		PS			K	Oakley City.....		C				K	
Daggett County.....	N		PS			K	Farmington City.....	N		PS	F			Ogden City.....	N	C	PS	F	D	K	
Davis County.....	N		PS		D	K	Farr West City.....	N				D	K	Orangeville City.....	N					K	
Duchesne County.....		C	PS		D	K	Ferron City.....	N					K	Orderville Town.....	N						
Emery County.....	N	C	PS		D	K	Fillmore City.....	N				D	K	Orem City.....	N	C	PS	F	D	K	
Garfield County.....	N	C	PS		D	K	Fountain Green City.....	N		PS				Panguitch City.....	N					K	
Grand County.....	N	C	PS			K	Francis Town.....	N					K	Paragonah Town.....		C					
Iron County.....	N	C	PS		D	K	Fruit Heights City.....	N					K	Park City.....	N	C	PS				
Juab County.....	N	C	PS				Garden City.....	N					K	Parowan City.....	N	C	PS			K	
Kane County.....	N		PS				Garland City.....		C	PS			K	Payson City.....	N		PS	F		K	
Millard County.....	N	C	PS		D	K	Goshen Town.....	N						Perry City.....	N		PS			K	
Morgan County.....	N		PS			K	Grantsville City.....	N		PS		D	K	Plain City.....	N					K	
Piute County.....	N		PS			K	Green River City.....	N					K	Pleasant Grove City.....	N		PS	F			
Rich County.....		C	PS				Gunnison City.....	N		PS		D	K	Pleasant View City.....	N	C	PS		D	K	
Salt Lake County.....	N	C	PS	F	D	K	Harrisville City.....	N	C	PS			K	Price City.....	N	C	PS	F		K	
San Juan County.....	N	C	PS		D	K	Heber City.....	N		PS		D	K	Providence City.....	N					K	
Sanpete County.....	N	C	PS			K	Helper City.....	N		PS			K	Provo City.....	N	C	PS	F	D	K	
Sevier County.....	N	C	PS		D		Herriman City.....	N					K	Randolph Town.....	N						
Summit County.....	N	C	PS				Highland City.....	N				D	K	Redmond Town.....	N						
Tooele County.....	N	C	PS	F	D	K	Hinckley Town.....	N					K	Richfield City.....	N	C	PS		D		
Uintah County.....		C	PS		D	K	Holden Town.....	N						Richmond City.....	N					K	
Utah County.....	N	C	PS		D		Holladay City.....	N					K	Riverdale City.....	N	C	PS	F		K	
Wasatch County.....	N		PS			K	Hooper City.....	N					K	Riverton City.....	N	C		F	D	K	
Wasatch Co. Fire Dist.	N			F		K	Huntington City.....	N				D	K	Roosevelt City.....	N		PS	F	D	K	
Washington County.....	N		PS		D	K	Hurricane City.....	N		PS	F		K	Roy City.....	N	C	PS	F	D	K	
Wayne County.....	N		PS				Hyde Park City.....	N					K	Salem City.....	N		PS		D	K	
Weber County.....	N	C	PS		D	K	Hyrum City.....	N					K	Salina City.....	N		PS				
Weber Fire District.....		C		F	D	K	Ivins City.....	N		PS	F		K	Salt Lake City.....	N	C	PS	F	D	K	
							Kamas City.....	N		PS		D	K	Sandy City.....	N	C	PS	F	D		
							Kanab City.....	N		PS		D	K	Santa Clara City.....	N		PS			K	
							Kanosh Town.....	N						Santaquin City.....	N		PS			K	
							Kaysville City.....	N	C	PS				Saratoga Springs Town	N		PS	F		K	
							La Verkin City.....		C	PS			K	Smithfield City.....	N		PS	F		K	
							Layton City.....	N	C	PS	F	D		South Jordan City.....		C	PS	F		K	
							Leeds Town.....	N					K	South Ogden City.....	N		PS	F		K	
							Lehi City.....	N	C	PS	F			South Salt Lake City.....	N		PS	F	D	K	
							Levan Town.....	N						South Weber City.....	N					K	
							Lewiston City.....	N						Spanish Fork City.....	N		PS				
							Lindon City.....	N						Spring City.....		C	PS				
							Logan City.....	N	C	PS	F	D	K	Springdale Town.....	N		PS			K	
							Lone Peak Safety Dist.	N		PS	F		K	Springville City.....	N	C	PS	F			
							Manila Town.....		C				K	St. George City.....	N	C	PS		D	K	
							Manti City.....	N					K	Stockton Town.....	N						
							Mantua City.....	N		PS			K	Sunnyside City.....	N				D	K	
							Mapleton City.....	N		PS			K	Sunset City.....	N	C	PS		D	K	
							Marriott/ Slaterville City.....	N					K	Syracuse City.....	N		PS	F	D	K	
							Meadow Town.....	N					K	Taylorville City.....	N		PS			K	
							Mendon City.....	N						Tooele City.....	N	C	PS		D		
							Midvale City.....	N	C	PS	F	D		Tremonton City.....	N	C	PS		D	K	
							Midway City.....	N	C				K	Vernal City.....	N	C	PS			K	
							Milford City.....	N		PS			K	Washington City.....	N			F		K	
							Millville City.....	N				D	K	Washington Terrace City.....	N		PS		D	K	
							Minersville Town.....	N					K	Wellington City.....	N		PS			K	
							Moab City.....	N	C	PS		D	K	Wellsville City.....	N					K	
							Monroe City.....	N					K	Wendover City.....	N		PS		D	K	
							Monticello City.....	N		PS				West Bountiful City.....		C	PS			K	
							Morgan City.....	N					K	West Haven City.....	N					K	
							Moroni City.....	N		PS				West Jordan City.....	N	C	PS	F	D		
							Mt Pleasant City.....	N	C	PS			K	West Point City.....	N					K	
							Murray City.....	N	C	PS	F	D	K	West Valley City.....	N	C	PS	F			
							Myton City.....	N						Willard City.....	N		PS				
							Naples City.....		C	PS			K	Woods Cross City.....	N	C	PS		D	K	
							Nephi City.....	N		PS		D	K								
							Nibley City.....	N					K								

Schedule of Participating Employers (Continued)

Employer	N	C	PS	F	D	K	Employer	N	C	PS	F	D	K	
Other Government Entities														
Ash Creek Special Service District.....	N				D	K	Metro Water District—SLC/Sandy.....	N				D	K	
Ashley Valley Sewer Management Board.....	N						Midvalley Improvement District.....	N					K	
Ashley Valley Water & Sewer.....	N						Midway Sanitation District.....	N					K	
Bear Lake Special Service District.....	N					K	Moab Valley Fire District.....	N		F			K	
Bear River Association of Governments.....	N				D	K	Mountain Regional Water Special Service District.....	N					K	
Bear River Health District.....	N	C			D	K	Mountainland Association of Governments.....	N	C			D	K	
Bear River Mental Health.....	N				D	K	Nebo Credit Union.....	N					K	
Bear River Water Conservancy.....	N					K	North Davis County Sewer District.....	N	C					
Beaver County Special Service District.....	N					K	North Davis Fire District.....	N			F			
Beaver Housing Authority.....	N					K	North East Counseling Center.....	N					K	
Beaver Valley Hospital.....	N					K	North Emery Water Users Special Service District.....	N						
Benchland Water Company.....	N					K	North Fork Special Service District.....	N						
Bona Vista Water Improvement.....	N				D	K	North Pointe Solid Waste Special Service District.....	N					K	
Bountiful Water District.....	N				D	K	North View Fire Agency.....	N			F			
Box Elder County Mosquito District.....	N					K	Oquirrh Recreation and Parks District.....	N					K	
Cache Metro Planning Organization.....	N						Park City Fire Service District.....	N			F		K	
Castle Valley Special Service District.....	N	C				K	Price River Water Improvement.....	N				D	K	
Cedar City Housing Authority.....	N						Provo Housing Authority.....	N						
Cedar City Library.....	N	C					Provo Reservoir Water Users.....	N						
Central Davis Sewer District.....	N				D	K	Provo River Water Users.....	N				D	K	
Central Utah Public Health.....	N					K	Roosevelt City Housing Authority.....	N						
Central Utah Water District.....	N				D	K	Roy Water Conservancy District.....	N					K	
Central Weber Sewer District.....	N	C			D	K	Salt Lake City Employees Credit Union.....	N					K	
Children's Aid Society—Utah.....	N					K	Salt Lake City Library.....	N					K	
Cottonwood Heights P&R Services.....	N				D	K	Salt Lake City Mosquito Abatement.....	N					K	
Cottonwood Improvement District.....	N				D	K	Salt Lake City School Dist. Credit Union.....	N					K	
Council on Aging — Golden Age Center Special Service Dist..	N					K	Salt Lake City Sub. Sanitation #1.....	N					K	
Davis & Weber County Canal.....	N	C				K	Salt Lake County Service Area #3.....	N				D	K	
Davis Behavioral Health.....	N				D	K	San Juan Mental Health/ Substance Abuse District.....	N					K	
Davis County Housing.....	N	C				K	Sandy Suburban Improvement District.....	N					K	
Davis County Mosquito Abatement.....	N					K	Six-County Association of Governments.....	N	C			D	K	
Davis County Solid Waste Management.....	N				D	K	Snyderville Basin.....	N	C			D	K	
DDI Advantage.....	N	C				K	Solitude Improvement District.....	N					K	
Duchesne County Mosquito District.....	N	C					South Davis County Sewer Improvement District.....	N	C			D	K	
Duchesne County Water Conservancy District.....	N						South Davis County Water Improvement District.....	N					K	
East Duchesne Culinary Water Imp District.....	N					K	South Davis Metro Fire Agency.....	N			F		K	
Emery County Care and Rehabilitation Center.....	N	C			D	K	South Davis Recreation Center.....	N						
Emery County Recreation Special Service District.....	N					K	South Ogden Conservancy District.....	N				D	K	
Emery Water Conservancy District.....	N					K	South Utah Valley Animal Services Special Service District.....	N						
Five-County Association of Governments.....	N	C			D	K	South Utah Valley Electric Service District....	N					K	
Four Corners Mental Health.....	N	C			D	K	South Utah Valley Solid Waste.....	N					K	
Grand County Solid Waste Management.....	N					K	South Valley Sewer District.....	N	C			D	K	
Grand County Water Sewer /Service.....	N						South Valley Water Reclamation Facility.....	N					K	
Granger-Hunter Improvement District.....	N				D	K	Southeastern Utah Assoc. of Governments... N	C				D	K	
Gunnison Valley Hospital.....	N	C				K	Southeastern Utah Health.....	N	C				K	
Heber Light & Power.....	N				D	K	Southern Salt Lake Valley Mosquito Abatement.....	N					K	
Heber Valley Special District.....	N						Southern Utah Valley Power System.....	N					K	
Hooper Water Improvement District.....	N						Southwest Center.....	N					K	
Housing Authority of Carbon County.....	N					K	Southwest Utah Public Health Department.. N	C				D	K	
Housing Authority of Ogden City.....	N						St. George Housing Authority.....	N					K	
Housing Authority of Salt Lake City.....	N	C				K	Summit Park Water Special Service District.....	N					K	
Housing Authority of Salt Lake County.....	N						Taylorville—Bennion Improvement.....	N				D	K	
Impact Mitigation Special Service District....	N					K	Timber Lakes Special Service District.....	N					K	
Jordan Valley Water Conservancy District.....	N	C			D	K	Timpanogos Special Service District.....	N	C					
Jordanelle Special Service District.....	N					K	Tooele County Housing.....	N					K	
Kane Water Conservancy District.....	N						Trans-Jordan Cities.....	N				D	K	
Kearns Improvement District.....	N	C				K								
Leeds Area Special Service District.....	N				F									
Maesar Water District.....	N					K								
Magna Mosquito Abatement.....	N					K								

Schedule of Participating Employers *(Continued)*

Employer	N	C	PS	F	D	K
Tri-City Golf Course.....	N					K
Tridell-Lapoint Water District	N					K
Uintah Animal Control and Shelter Special Service District	N					K
Uintah Basin Assistance Council.....	N					
Uintah Basin Association of Government.....	N					
Uintah County Care Center.....	N					K
Uintah County Mosquito Abatement	N					K
Uintah Fire Suppression Special Service Dist .				F		K
Uintah Recreation District.....	N					K
Uintah Transportation Special Service Dist....	N					K
Uintah Water Conservancy District	N					
Upper Country Water District.....	N					
Utah Association of Counties.....	N					K
Utah Counties Insurance Pool.....	N					K
Utah County Housing Authority.....	N	C			D	
Utah Lake Commission	N					K
Utah Lake Distributing Company.....	N					
Utah League of Cities & Towns.....		C				
Utah Municipal Power Agency	N					K
Utah Public Employees Association.....	N	C				K
Utah State Fair Corporation	N					K
Utah Telecommunication Open Infrastructure Agency	N					K
Utah Zoological Society.....	N	C				K
Valley Emergency Communication Center ...	N				D	K
Valley Mental Health	N	C				D
Wasatch Front Regional Council.....		C				D
Wasatch Integrated Waste Management.....	N					D
Wasatch Mental Health Special Services District.....	N	C			D	K
Washington County Association for Retarded Citizens	N					K
Washington County Solid Waste #1	N					K
Washington County Water District.....		C				K
Weber Basin Water Conservancy.....	N				D	K
Weber County Mosquito Abatement	N				D	K
Weber Human Services	N				D	K
Weber River Water Users.....		C				K
Western Kane County Special Service District #1	N					K
White City Water Improvement District.....	N					K
<hr/>						
Total Participating Employers	439					
Noncontributory	411					
Contributory	160					
Public Safety.....	126					
Firefighters.....	51					
Judges.....	1					
Governor and Legislative	1					
457 Plan.....	153					
401(k) Plan.....	357					

Employer	
Inactive Units with Retirees	
American Fork Hospital	Salt Lake County Fair
Bay Area Refuse Disposal	Salt Lake School District
Bear River Town	Credit Union
Bingham City	San Juan County Hospital
Box Elder County	Six-County Economic
Nursing Home	Development
Carbon County Hospital	Snow College South
Carbon Nursing Home	South Davis Fire Department
Cedar City Library	Southeastern Utah Economic
Central Utah Ed Ser	Development
Circleville	Statewide Assn of Prosec
Coalville Health Center	Sugarhouse Park Authority
Copperton Improvement District	Summit Employment
Cottage Program	Summit Park Water Special
Davis County Department of Human Services	Service District
Department of Employment Security	Thomas Edison Charter School
Dixie Center at St. George	Timpanogos Academy
Dixie Hospital	Tooele Council of Aging
East Layton	Tooele Valley Hospital
Emery Medical Center	Trail Incorporated
Four Corners Regional Hospital	Twin Creeks Special Service District
Genola	U of U Research Institute
Golden Hours Homemaker	U S H Patients Funds
Grand County Road Special Service District	Uintah Basin Counseling
Hiawatha Town	Uintah Basin Dist Health
Honeyville Town	Uintah Basin Medical Center
I W Allen Hospital	Uintah County Council on Aging
Juab County Hospital	Uintah County Hospital
Kanosh Town Corporation	USU Comm Credit Union
Marysvale Town	USU Community Credit Union
Metro Water District — Orem	Ut Assn of Sec Sch Princ
Metro Water District — Provo	Utah County Council of Govt
Midvale Wastewater Treatment	Utah Industries for the Blind
Milford Valley Hospital	Utah Local Governments Trust
Morgan County Historical Society	Utah Partnership for Education Economics
Morgan County Library	Utah Technology Corporation
Mountain America Credit Union	Wasatch County Hospital
Nebo Credit Union	Wasatch County Special Service District #1
New Harmony Town	Weber County Hospital
Northern Utah Crime	Weber Economic Development Corp
Payson City Hospital	Weber River Water Quality
Pioneer Care Center	West Millard Hospital
Reg 2 Law Enforcement Plan Agency	West Millard Recreation
	Woodland Hills City

Utah Retirement Systems A Highlight History

{ 1907 } The Legislature authorizes the organization of local teacher retirement associations.

{ 1908 } Salt Lake City institutes the first teacher retirement commission. Ogden follows in 1933 and Provo in 1934.

{ 1919 } First statewide pension plan for all full-time paid and volunteer firemen. Actuarially unsound, the system would be transferred to the Retirement Office in 1965.

{ 1921 } First police pension plans in Salt Lake, Ogden, Provo and Logan. Actuarially unsound, these plans would be transferred to the Public Safety Retirement System in 1969.

{ 1927 } The Prison and Industrial School Guards Retirement System is enacted. Industrial school guards join the teachers retirement system in 1937. Prison guards transfer to the Public Safety Retirement System in 1970.

{ 1934 } The Utah Education Association prepares a teacher retirement plan to present to the Legislature. This plan will form much of the basis for a new retirement system.

{ 1937 } First statewide teachers retirement system. Seven member board hires Ray L. Lillywhite as the first executive secretary.

{ 1943 } Utah Supreme Court rules that a retiree's statutory retirement benefit cannot be reduced, affirming the principle of vested rights. The Court would later affirm that a vested retirement benefit may not be reduced without providing a "substantial substitute".

{ 1947 } The State Officers' and Employees' Retirement System is created with a 3% contribution rate each by employee and employer.

Teachers in local systems are required to join the State Teachers Retirement System.

{ 1948 } The Utah Supreme Court permits service credit for prior service in parochial schools.

{ 1949 } The State Officers and Employees Retirement System is renamed The Public Employees Retirement System; it will cover all public employees and judges. Retirement benefit ceiling is \$100 a month.



{ 1952 }

Ray Lillywhite resigns; Leonard W. McDonald is hired as 2nd executive secretary of the Teachers Retirement System.

{ 1953 } The short-lived Teachers Retirement System is liquidated in favor of Social Security.

{ 1954 } The Teachers Retirement System is replaced by the Utah School Employees Retirement System and integrated with Social Security to preserve its solvency. Local teacher retirement associations are terminated.

{ 1957 } Minimum monthly retirement benefit is \$85.

{ 1959 } The Utah State Public Employees Association is formed with the intent to produce a comprehensive plan for a statewide public employee retirement system.

{ 1961 } The Public Employees Retirement System is created with a seven member board.

The public employees and teachers retirement systems retain separate boards but unite under a single administrator and office.

{ 1963 } Creation of a single board for all retirement systems is the crowning achievement in Utah public retirement history and the birth of today's Utah Retirement Systems.

{ 1967 } The heretofore separate school and public retirement systems are consolidated into a single Utah State Retirement System.

{ 1969 } The Utah Public Safety Retirement Act covers all public safety employees engaged full time in hazardous duty. Benefits would be uniform in each jurisdiction, but contribution rates would vary.

{ 1971 } Members gain a salary deferral program.

{ 1975 } Current service formula rises from 1.25% to 2%. The cost-of-living ceiling rises to 4%.

{ 1976 } Leonard W. McDonald retires. Bert D. Hunsaker becomes executive director.

{ 1977 } Governor Scott Matheson dedicates the new Leonard W. McDonald Building for the Utah Retirement Systems.

Utah Retirement Systems — A Highlight History *(Continued)*

{ 1979 } Board gains custody of the retirement fund and greater investment authority.

{ 1982 } The court affirms that the Board is independent of the executive department and has authority to hire its own legal counsel.

{ 1983 } The Retirement Board sees its first actuarial surplus as new investments prove their worth; hires a full time investment manager.

{ 1986 } Public Employees Noncontributory Retirement System debuts: employers pay all contributions; 3-year final average salary; State and education employers pay 1.5% of salary into URS' 401(k) plan. Employees forfeit access to contributions, but the new system portends a superior career retirement.

{ 1987 } A "25-and-out" retirement incentive plan permits public employees to retire after 25 years with no actuarial reduction; and increases to 2% the value of each year of service. Over 3000 employees take advantage of its 6-month window.

{ 1989 } The U.S. Supreme Court rules that if federal retirement benefits are taxable, then state-provided retirement benefits cannot be exempt. Legislature grants a 3% substantial substitute benefit for affected members.

Bert Hunsaker steps down. Dee Williams becomes executive director.

The Public Safety Noncontributory Retirement System is created.

The Systems' assets nearly quadruple from \$1 billion to \$3.85 billion during the 1980s.

{ 1990 } Public Employees Noncontributory Retirement members receive 2% for all years of service.

{ 1994 } URS begins dividing pension, death, and DC benefits after court rules that a former spouse may be awarded death and retirement benefits, whether or not the spouse remarries.

{ 1995 } Members with 25 years of service in the Public Employees Noncontributory System may buy future service credit to permit immediate retirement.

{ 1996 } URS recovers 100% of member assets originally invested in Guaranteed Investment Contracts which failed when Confederation Life Insurance Company of Canada was declared insolvent in August, 1994.

{ 1997 } Judges Noncontributory Retirement System is created.

The URS DC video receives a Telly Award — the commercial equivalent of an "Oscar" for motion pictures; URS' publication for retirees, *Cycles*, places 2nd worldwide among corporate and institutional newsletters.

Legislature affirms the Board's authority to define provisions and terms of the retirement code.

{ 1998 } The 401(k) plan launches a bold marketing program to help members better map a retirement investment strategy. Investment options are enhanced and expanded.

State employees at retirement may defer 25% of accumulated sick leave to the 401(k) plan, convert it to paid-up health or Medicare supplement insurance or take it as cash.

{ 1999 } Members may buy up to 5 years of future service credit, even if it exceeds the years required to retire.

Leonard W. McDonald, director of the Utah Retirement Systems 1952-1976 and to whom much of the structure of the Systems can be attributed, dies.

Dee Williams retires. Robert V. Newman becomes executive director.

Systems' assets rise from \$3.85 billion to over \$13 billion during the 1990s.

{ 2000 } 401(k) plan participants may now apply for a fixed rate loan for any purpose of up to 50% of his or her 401(k) account balance.

{ 2001 } A value stock fund joins the menu of DC investment options.

URS website calculators invite members to estimate pension benefits and compute potential 401(k)/457 earnings.

{ 2002 } The Olympic Winter Games are staged in Salt Lake City. URS adopts telecommuting.

457 plan permits deferrals up to 100% of includable compensation; offers a new catch-up feature; drops irrevocable withdrawal decisions; allows roll-overs to any acceptant 457, 403(b), 401(k), or IRA; allows use for URS pension redeposits or to buy URS service credit.

Internet-based personal retirement account manager, *myURS*, lets members view and transfer account balances, alter deferrals, estimate payouts, integrate Social Security, and more.

{ 2003 } To protect 401(k) and 457 investors from the costs of others' adverse trading activities, URS restricts frequent trading privileges. Systems assets are \$14.2 billion.

{ 2004 } Ray L. Lillywhite, executive secretary of the Teachers Retirement System from 1937 to 1952, dies.

{ 2005 } Legislature repeals 1998 benefit allowing 25% of a state employee's accumulated sick leave to be converted to other retirement benefits.

{ 2006 } Members gain a partial lump-sum payment option (PLSO) at retirement.

{ 2007 } Retirement Systems' assets reached \$23.9 billion.

Members of the Public Safety Contributory Retirement System gain a window to move to the Public Safety Noncontributory System.

Systems and Plans Statistical Highlights

Year to Date, December 31, 2007

2007 Statistical Highlights

Utah Retirement Systems

	Noncontributory	Contributory	Public Safety	Firefighters	Judges	Governors and Legislators	Averages and Totals All Systems
Membership Information							
Total Membership	148,566	9,808	12,777	2,946	211	393	174,701
Active	89,605	2,852	7,587	1,771	108	86	102,009
Terminated vested	28,996	1,404	1,576	112	7	87	32,182
Retired	29,965	5,552	3,614	1,063	96	220	40,510
2007 Active Members	89,605	2,852	7,587	1,771	108	86	102,009
Average age	45.0	51.5	38.8	39.1	56.1	52.6	44.6
Average years of service	10.1	20.0	9.0	10.0	11.4	5.8	10.3
Average annual salary	\$ 39,584	44,865	43,899	52,247	120,184	9,109	40,329
2007 Retirees							
Number	2,131	197	190	53	7	6	2,584
Average age	62.1	60.7	53.7	55.1	62.9	65.2	61.3
Average years of service	21.5	25.6	21.6	28.0	27.2	9.3	21.9
Final average annual salary	\$ 43,910	40,543	53,435	67,143	111,061	NA	44,910
Average annual benefit	\$ 18,722	19,164	27,616	40,388	83,226	2,679	19,992
Average annual benefit —all retirees	\$ 19,138	10,287	23,575	27,513	60,717	2,966	18,552

Financial Information

Changes in Net Assets

(in thousands)

Contributions	\$ 506,048	20,908	85,509	22,991	3,223	—	638,679
Investment income	1,041,414	71,640	130,655	50,738	8,401	780	1,303,628
Pension benefits	612,969	63,996	92,587	34,184	6,335	760	810,831
Net assets at market value	\$16,751,804	1,131,316	2,106,302	814,674	134,364	12,196	20,950,656

Actuarial Information

Funding Progress

(dollars in thousands)

Actuarial value of assets	\$16,209,330	1,091,854	2,038,613	787,663	129,847	11,736	20,269,043
Actuarial accrued liability	\$16,084,896	1,095,547	2,105,380	687,939	123,992	9,179	20,106,933
Unfunded actuarial accrued liability	\$ (124,434)	3,693	66,767	(99,724)	(5,855)	(2,557)	(162,110)
Funded ratios	100.8%	99.7%	96.8%	114.5%	104.7%	127.9%	100.8%

Defined Contribution Plans

	401(k)	457	Roth IRA	Traditional IRA	Health Reimbursement Arrangement (HRA)	Total
Membership Information						
Number of active employees eligible to participate	99,443	85,696	102,009	102,009	490	
Employee contributions (excluding employer contributions):						
Number of employees contributing	49,590	8,765	821	40	NA	
Percent of eligible employees contributing	49.9%	10.2%	0.8%	0.0%	NA	
Average percent of salary deferred by employees	6.2%	7.6%	4.2%	3.3%	NA	
Total participants	138,369	16,080	1,175	356	490	
Average participant account balance	\$ 18,820	17,230	5,392	50,112	1,399	
Financial Information						
Changes in Net Assets (in thousands)						
Contributions	\$ 225,975	26,303	2,745	7,390	664	263,077
Net investment income	137,399	14,025	208	650	19	152,301
Refunds	142,180	21,489	192	2,592	126	166,579
Net assets at market value	\$2,604,148	277,063	6,336	17,840	685	2,906,072



Utah Retirement Systems

560 East 200 South

Salt Lake City

Utah 84102-2021

www.urs.org